



REVIEW OF FINANCIAL DISCLOSURES AND COMPLIANCE OF THE CANDIDATES OF THE 2020 NORTHERN TERRITORY ELECTION

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CONTENTS

EXECUTIVE SUMMARY	4
1. BACKGROUND	6
2. COMPLIANCE REVIEW SCOPE AND OBJECTIVES	6
3. METHODOLOGY	7
4. DELIVERABLES.....	9
5. OVERALL CONCLUSION.....	9
REGISTERED POLITICAL PARTIES	
6. AUSTRALIAN LABOUR PARTY - NT	10
7. COUNTRY LIBERAL PARTY - NT	12
8. TERRITORY ALLIANCE	14
9. BAN FRACKING, FIX CRIME, PROTECT WATER	15
10. ANIMAL JUSTICE PARTY - NT.....	16
11. FEDERATION PARTY - NT	18
12. NT GREENS	20
13. OTHER MATTERS RELATING TO REGISTERED POLITICAL PARTIES.....	21
ASSOCIATED ENTITIES	
14. HAROLD NELSON HOLDINGS.....	23
15. CLP GIFTS & LEGACIES.....	24
INDEPENDENT POLITICAL CANDIDATES	
16. KEZIA PURICK	25
17. YINGIYA MARK GUYULA	26
18. IAN MONGUNU GUMBULA.....	28
19. BEVERLEY RATAHI	30
20. OTHER MATTERS RELATED TO INDEPENDENT POLITICAL CANDIDATES.....	31

DONORS AND THIRD PARTY CAMPAIGNERS

21. COMMUNITY AND PUBLIC SECTOR UNION	32
22. CONSTRUCTION FORESTRY, MARITIME, MINING AND ENERGY UNION	33
23. ENVIRONMENT CENTRE NT	34
24. GETUP LTD	35
25. FRIENDS OF FANNIE BAY	36
26. UNITED WORKERS UNION	37
27. MATTERS RELATING TO THIRD PARTY CAMPAIGNERS	38
28. APPENDIX A CONSULTATION	40
29. APPENDIX B TESTS AND APPROACH	42

EXECUTIVE SUMMARY

BDO (NT) has undertaken a compliance review for the Northern Territory Electoral Commission (“NTEC”) in relation to the 2020 Northern Territory Elections that was held on the 22nd August 2020. The *Northern Territory Electoral Act 2004* (“Electoral Act”) embodies the legislation which gives the NTEC its authority and powers.

The compliance review aims to establish and evaluate the level of compliance with Part 10 of the Electoral Act from the entities that are selected by the Electoral Commissioner (“Commissioner”) for review. These entities include registered political parties, endorsed candidates, associated entities, independent political candidates and the third-party campaigners.

To address these aims, BDO (NT) performed system understanding and walkthroughs, conducted interviews with stakeholders and examined supporting documentation to corroborate the information lodged in the returns with the NTEC. The examination was also conducted to address the completeness, accuracy and deficiencies which were discovered in the entities reporting process to the NTEC.

In order to illustrate the findings that are mentioned within this compliance review report, references are made to compliance with the *Electoral Act*.

The transitional arrangements that were in place for the 2020 election arose from the changes to the Electoral Act. All changes to the Electoral Act commenced on 1st January 2020. The most prominent of such changes was the inclusion of the applicable caps on electoral expenditure under Section 203B which states that the registered party that endorses candidates for elections will be capped to \$40,000 for each division, with a maximum pooled cap of \$1 million for parties with 25 candidates. The cap at \$40,000 is also applied to independent candidates as well. In addition, there was a requirement to operate a Territory campaign account

The compliance review conducted by BDO (NT) identified issues and recommendations in relation to the following key aspects:

- a. There was a high level of compliance amongst the registered political parties as they managed to set up a separate bank account designated for the 2020 Northern Territory elections. Only one party did not have requisite account in place during the election period.
- b. With the exception of one political party, all other political parties did not have a volunteer register to help keep track of volunteer activity during the election period.
- c. Some political parties do not have processes in place of refunding self-funded candidates at the conclusion of an election event.
- d. There was one political party which was not able to provide the sampled documentation and information requested for testing electoral expenditure. In addition, the same party was not able to facilitate access to the selected candidates as requested as part of the compliance review process.
- e. There was one associated entity which was not able to provide the requested documentation to enable the execution and completion of the compliance review process.
- f. There was one independent candidate who did not provide adequate documentation for a loan advanced during the election period. The details of the loan were not provided as the agent of the candidate preferred to maintain the anonymity of the lender.
- g. There is no spending cap on third-party campaigners during an election period while there is a set limit on how much each candidate can spend and have to report to the stakeholders.

The key recommendations for the overall findings above include:

- a. The NTEC should continue to engage the political parties and associated entities with a view to working with them to address the matters arising from this compliance review. Some of the key matters for engagement include: standardisation of protocols for operating the Territory campaign accounts, clarity in the definition of eligible expenditure for electoral expenditure purposes, use or non-use of electorate office resources.
- b. The NTEC should pursue the political parties and candidates in relation to the perceived deliberate non-compliance instances noted.
- c. There is a need to revisit the absence of a spending cap in the third-party campaigners' category so that electoral activity transparency is achieved in the political party and candidates.

MAIN REPORT

INTRODUCTION

1. BACKGROUND

The Northern Territory Electoral Commission (NTEC) is an independent government agency responsible for the impartial conduct of Northern Territory Legislative Assembly and local government (Council) elections. NTEC provides public with information which can assist them in participating in the electoral process. Under the Electoral Act, NTEC is also responsible for electoral participants' financial information to be made publicly available. Such information allows voters to make judgements knowing who donates to political participants and to what extent.

The primary piece of legislation which guides the operations of the NTEC is the *Northern Territory Electoral Act 2004*. The *Northern Territory Electoral Act 2004* (the Electoral Act) contains provision requiring disclosure of certain financial information by participants in the electoral process.

The purpose of the financial disclosure scheme is to:

- Establish a transparent electoral expenditure and disclosure regime.
- Increase the transparency of election campaigns.
- Reduce undue influence in the electoral process; to promote the accountability of, and compliance by, Registered Parties, Members of the Northern Territory Legislative Assembly (MLAs), Candidates, Associated Entities, Third Party Campaigners and Donors.

The Northern Territory (NT) financial disclosure scheme requires the following participants to lodge financial disclosure returns with NTEC within a specified timeframe and for those returns to be made publicly available:

- Candidates
- Registered Political Parties
- Associated Entities
- Donors to Political Parties
- Donors to Candidates
- Third Party Campaigners

The *Electoral Act* Part 10 in summary sets out who should disclose, what should be disclosed, by when and the value accorded to the transactions. It defines the terms used in the legislation and details offences under the legislation and the kind of records that should be maintained in order to comply with requirements. Unlike the *Commonwealth Electoral Act*, there are no provisions for public funding in the Northern Territory.

2. COMPLIANCE REVIEW SCOPE AND OBJECTIVES

The compliance review selected a sample in conjunction with the NTEC Operations Officer from the available registered candidates, registered political parties, associated entities, donors to political parties, donors to candidates and third-party campaigners. The composition of the sample was as follows:

Candidates from registered political parties

- Australian Labor Party - Northern Territory Branch;
- Country Liberals of the Northern Territory;
- Territory Alliance;

Registered political parties

- Australian Labor Party - Northern Territory Branch;
- Country Liberals of the Northern Territory;
- Territory Alliance;
- Ban Fracking, Fix Crime, Protect Water;
- Animal Justice Party - Northern Territory Branch;
- Federation Party - Northern Territory Branch;
- The Greens Northern Territory

Associated entities

- Harold Nelson holdings
- CLP Gifts & Legacies

Independent candidates

- Kezia Purick
- Yingiya Mark Guyula
- Ian Mongunu Gumbula
- Beverley Ratahi

Third party campaigners

- Community and Public Sector Union
- Construction Forestry, Maritime, Mining and Energy Union
- Environment Centre NT
- Getup Ltd
- Friends of Fannie Bay
- United Workers Union

The specific objectives of the compliance review were to:

- Establish whether Electoral Disclosures Returns are compliant with Part 10 of the *Electoral Act*;
- Establish the completeness of the compliance schedule so as to facilitate the sample selection process;
- A sample of financial disclosure returns for review will be selected by the NTEC;
- Performing a compliance review of selected financial disclosure returns;
- Ensuring candidates and political parties have the required Territory Campaign Account for NT Election purposes with an authorised deposit-taking institution (ADI);
- Ensuring all donations(gifts) and electoral expenditure in relation to the 2020 NT Legislative Assembly Election must be processed through the Territory Campaign Account;
- Ensuring candidates have not exceeded the cap on electoral expenditure;
- Ensuring political parties, endorsed candidates and their associated entities have not exceeded the cap on electoral expenditure;
- Ensuring Third Party Campaigners have declared political expenditure during the capped period for the 2020 Territory Election; and
- Provide recommendations to be included in the draft report for discussion with the NTEC.

3. METHODOLOGY

In conducting the review, the following key tasks were performed:

1. Completing the independence declarations for the staff to be included in the compliance process so as to ensure that there are no conflicts of interest due to political affiliations.
2. Making written representations to the NT Electoral Commissioner in relation to our internal independence declarations.
3. Introductory meeting with the NTEC team to introduce the team and establish the working arrangements in relation to the compliance audit.
4. Preparation of the review file incorporating selected candidates, registered political parties, associated entities, third party campaigners, donors and the *Electoral Act* for the review of both the returns and the electoral expenditure.
5. Inspecting relevant documents to match the amounts of declared electoral gifts, loans and expenditure to the amounts recorded in the entities' accounting systems
6. From the selected list of entities, we generated a sample size on a risk-based approach to test the electoral gifts and expenditure from the relevant accounting systems for each parties or candidate to ensure compliance with Part 10 of the *Electoral Act*.

7. Conducting interviews with candidates with narrow victory margins during the 2020 Northern Territory elections to assess the accuracy and completeness of expenditure that was incurred.
8. Conducting interviews with entities' stakeholders and representatives to evaluate the accounting systems and the accounting records.
9. Obtaining and verification of financial records and documentation covering the period for the August 2020 Northern Territory elections. The tests were designed to be aligned with the compliance requirements under the *Electoral Act*. Refer to Appendix B for the tests which were performed.
10. Weekly update meetings with the NTEC to provide the status of the compliance review and the preliminary findings on the work performed.
11. Update meetings with entities to provide status of the compliance review and the preliminary findings on the work performed.

4. DELIVERABLES

1. Ensuring that the compliance review is completed in a timely manner.
2. Drafting of the compliance review report to the NTEC.
3. Providing recommendations on internal controls, financial risk management and corporate governance as and when requested.
4. A final report presenting instances of areas of non-compliance by the entities and areas of improvements in the entities' reporting processes to the NTEC, where applicable.
5. Provision of a conclusion for the political disclosure returns, feedback on the review carried out and suggestions to improve future compliance with the *Electoral Act*.

Our deliverables are prepared solely for the use to the NTEC in relation to the compliance review. No responsibility to any other party shall be accepted, as our reports are not prepared, and is not intended for any other purpose.

Our work is not binding on the relevant regulator, or the courts and is not a representation, warranty, or guarantee that relevant regulators or the courts will agree with our work.

5. OVERALL CONCLUSION

There was a satisfactory level of compliance with the provisions of the Act in relation to returns and electoral expenditure for selected political party candidates, registered political parties, associated entities and third-party campaigners with respect to the August 2020 Northern Territory elections.

REGISTERED POLITICAL PARTIES

AUSTRALIAN LABOUR PARTY - NT

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$851,963	Total election returns	\$851,963	-
Total expenditure	\$740,834	Total expenditure	\$740,834	-

Australian Labour Party - NT - Findings

Findings - Returns	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political party.	Yes	None noted.
Reviewed the subsequent receipts after the date of the elections with no exceptions noted.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political party.	Yes	None noted.

Findings - Expenses (Continued)	Complied?	Recommendations
<p>As part of the compliance review process, we selected 4 political party candidates for whom we were to verify their election expenditure, including testing for completeness of the expenditure incurred during the election period. The authorised contact people were notified of this request and to arrange for the availability of the selected candidates in January 2021.</p> <p>The authorised contact person was able to arrange for the meetings with the selected candidates. The required compliance review procedures were completed satisfactorily and in a timely manner.</p> <p>From the meetings held, one of the key issues raised related to the timeliness of reimbursement of funds in the instances where candidates funded their campaign.</p>	<p>Yes</p>	<p>The political party needs to develop a process for refunding self-funded candidates promptly at the conclusion of an election event so as to minimise the period of financial exposure on these candidates</p>

COUNTRY LIBERAL PARTY - NORTHERN TERRITORY BRANCH

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$724,422	Total election returns	\$636,076	\$88,346
Total expenditure	\$670,782	Total expenditure	\$670,608	\$174

Country Liberal Party - NT - Findings

Findings - Returns	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political party.	Yes	None noted.
<p>There was a variance of \$88,346 between the electoral returns on the NTEC website and the receipts in the accounting systems. The receipts reported in the electoral return was significantly understated.</p> <p>In collating the financial information for the electoral returns, the Accountant excluded receipts with a transactional value under \$1,500. The <i>Electoral Act</i> requires that the total of all receipts for a specified period be reported in the relevant electoral return.</p> <p>Up to the time of finalising this report, the Accountant was unable to produce a comprehensive report which could substantiate the party's position regarding the reported figures which would comply with the <i>Electoral Act</i>.</p>	No	An amended electoral return is required to be submitted to correct the inaccurate figures which were previously reported to the NTEC.
Reviewed the subsequent receipts after the date of the elections with no exceptions noted.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
<p>The political party has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.</p>	<p>Yes</p>	<p>None noted.</p>
<p>A separate bank account designated for NT elections was set up and operated by the political party.</p>	<p>Yes</p>	<p>None noted.</p>
<p>There was a minor variance of \$174 between the electoral expenditure in the accounting systems and the expenditure disclosed on the NTEC website.</p>	<p>No</p>	<p>The variance is deemed to be minor for actioning.</p>
<p>Reviewed the subsequent payments made after the date of the elections with no exceptions noted.</p>	<p>Yes</p>	<p>None noted.</p>
<p>As part of the compliance review process, we selected 4 political party candidates for whom we were to verify their election expenditure, including testing for completeness of the expenditure incurred during the election period. The authorised contact people were notified of this request and to arrange for the availability of the selected candidates in January 2021. Follow ups were made with the authorised contacts and arrangements were made for the selected candidates to complete questionnaires relating to the August 2020 electoral activities.</p> <p>At the time of finalising this report, there was one political party candidate who had not returned the completed questionnaire which formed part of this compliance review.</p> <p>In respect of the relevant political candidate, we are unable to determine that they have complied with all their obligations under the <i>Electoral Act</i>.</p>	<p>Partially</p>	<p>The NTEC may wish to pursue the political party in relation to the non-compliant instances noted.</p>

TERRITORY ALLIANCE

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$736,733	Total election returns	\$736,733	-
Total expenditure	\$614,133	Total expenditure	\$614,133	-

Territory Alliance - Findings

Findings - Returns	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political party.	Yes	None noted.
Reviewed the subsequent receipts after the date of the elections with no exceptions noted.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political party.	Yes	None noted.
Reviewed the subsequent payments made after the date of the elections with no exceptions noted.	Yes	None noted.

BAN FRACKING, FIX CRIME, PROTECT WATER

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$24,798	Total election returns	\$24,798	-
Total expenditure	\$1,666	Total expenditure	\$1,666	-

Ban Fracking, Fix Crime, Protect Water - Findings

Findings - Returns	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political party.	Yes	None noted.
An inquiry was posed on the record keeping of volunteer activity and whether if the nature of volunteer activity would be considered as deemed donations to the party. However, we noted that there was no volunteer register available for inspection which would be used to track the nature of volunteer activity.	No	A volunteer register should be maintained so as to be able to demonstrate the availability of the volunteer (i.e. whether they are on leave) and the time which the volunteer has performed such duties.
Reviewed the subsequent receipts after the date of the elections with no exceptions noted.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political party.	Yes	None noted.
Reviewed the subsequent payments made after the date of the elections with no exceptions noted.	Yes	None noted.

ANIMAL JUSTICE PARTY - NORTHERN TERRITORY

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	-	Total election returns	\$1,082	\$1,082
Total expenditure	\$1,265	Total expenditure	\$1,495	\$230

Animal Justice Party - Northern Territory - Findings

Findings - Returns	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political party.	Yes	None noted.
There was a minor variance of \$1,082 between the electoral returns on the NTEC website and the figures extracted from the accounting systems.	Yes	Although the amount of \$1,082 is not significant, we recommend that an amended return be prepared and lodged with the NTEC so that the correct amounts are reported to the public.
Reviewed the subsequent receipts after the date of the elections with no exceptions noted.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
<p>The political party has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Elections.</p>	<p>Yes</p>	<p>None noted.</p>
<p>A separate bank account designated for NT Elections was set up and operated by the political party.</p>	<p>Yes</p>	<p>None noted.</p>
<p>There was a minor variance of \$230 between the electoral expenditure in the accounting systems and the expenditure disclosed on the NTEC website.</p> <p>The variance is deemed to be minor.</p>	<p>Yes</p>	<p>None noted.</p>
<p>Reviewed the subsequent payments made after the date of the elections with no exceptions noted.</p>	<p>Yes</p>	<p>None noted.</p>

FEDERATION PARTY - NORTHERN TERRITORY

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$26,304	Total election returns	\$26,304	-
Total expenditure	\$20,480	Total expenditure	\$17,552	\$2,928

Federation Party - Northern Territory - Findings

Findings - Returns	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted
A separate bank account designated for NT Elections was set up and operated by the political party.	Yes	None noted
Reviewed the subsequent receipts after the date of the elections with no exceptions noted.	Yes	None noted

Findings - Expenses	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.	Yes	None noted
A separate bank account designated for NT Elections was set up and operated by the political party.	Yes	None noted

Findings - Expenses (Continued)	Complied?	Recommendations
<p>During the review of the expenses incurred during the period, we noted that there was a variance of \$2,928 between the electoral expenditure in the entity accounting system and the expenditure disclosed on the NTEC website.</p> <p>The variance was a result of omissions of some election expenditure on the political party's return.</p>	Yes	Although the amount of \$2,928 is not significant, we would recommend that a revised expenditure return be lodged with the NTEC.
Reviewed the subsequent payments made after the date of the elections with no exceptions noted.	Yes	None noted

NT GREENS INC

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$3,100	Total election returns	\$2,500	\$600
Total expenditure	\$30,966	Total expenditure	\$28,795	\$2,171

NT Greens Inc - Findings

Findings - Returns	Complied?	Recommendations
The political party has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political party. However, the Territory campaign bank account was opened on 13 July 2020 and other candidates deposited non-election income and expenditure into the account which was then sorted by the Accountant	No	It is recommended that only election related transactions should flow through the Territory campaign bank account at all times.
There was a minor variance of \$600 between the election returns in the accounting systems and the figures reported on the NTEC website. The variance of \$600 is deemed to be minor.	Yes	None noted
Reviewed the subsequent receipts after the date of the elections with no exceptions noted.	Yes	None noted

Other Matters relating to Registered Political Parties

Findings	Recommendations
<p>Besides the Australian Labour Party - NT, the rest of the registered political parties did not maintain a volunteer register to keep track of volunteer activity.</p> <p>The register is essential where consideration has to be made if the volunteer activity is considered as deemed donations to the party and would require reporting.</p>	<p>We recommend that a volunteer register be maintained by all registered political parties to be able to demonstrate the availability of the volunteer (i.e. whether the volunteer is on leave or whether the volunteer is still being remunerated by another organisation for the time spent) and the period which the volunteer has performed such duties (i.e. during working hours or after working hours).</p>
<p>Following from our discussion with the different party candidates, we observed that the expenses which were incurred were reimbursed subsequently through the party's Territory campaign bank account.</p> <p>Due to logistical requirements and unexpected expenses that would have occurred while campaigning, expenses would have to be reimbursed subsequently. This is particularly true for campaigning activities that are held in the remote areas. In such circumstances, we are concerned that the possibility that not all expenses are reimbursed and therefore it is not possible to ascertain if the reporting of expenses is complete.</p>	<p>Due to the requirements under Section 213A of the Northern Territory Electoral Act 2004, a separate bank account would be necessary for all transactions.</p> <p>We recommend that a formal paying method linked to the Territory campaign account (e.g debit card) be established for use for all expenses that will have been incurred for electoral purposes.</p>
<p>With the interviews held with the different party candidates, we observed that the purpose of the expenses was not clearly defined.</p> <p>We highlight two instances of which the purpose of the expense is not clearly defined and whether these should be the costs of electoral advertisements.</p> <p>The first instance which we came across include food expenses. Food expenses are not deemed to be an expense to be reported under <i>Section 176A of the Electoral Act</i>, and usually are excluded from reporting. During our interviews with the candidates, we noted that groceries expenses were incurred during the campaigning period. Refreshments were added to events to boost community participation.</p> <p>The second instance included the use of rental vehicles and petrol consumption. As these are travel expenses, they would be excluded under <i>Section 176A of the Electoral Act</i> as well. However, we also noted that, in</p>	<p>We recommend that policies be made to define the purpose of the expenses and perhaps example could be given to help illustrate policies.</p> <p>Further, the purposes of these expenses can be limited and verified to ensure that the use is not meant for electoral purposes.</p>

<p>some instances, the vehicles were used to provide transportation to ferry voters to mobile stations. This resulted in an unclear distinction about the use of the rental vehicle and the petrol costs as electoral expenditure.</p>	
<p>As observed during the interviews held with the different party candidates, the positions taken by sitting members in relation to the utilisation of the electorate office resources to conduct campaigning was very different.</p> <p>An instance was encountered in which the sitting member mentioned that there were insufficient guidelines to follow in relation to the utilisation of electorate office resources during the deemed election period.</p> <p>In another instance, the sitting member had a very good grasp of the parameters involved in the instances where electorate office resources could be used. They were able to provide documented guidelines from the Department of Legislative Assembly.</p>	<p>We recommend that the sitting Members of the Legislative Assembly be educated on the guidelines relating to the use or prohibition of electorate office resources during the election period so as to ensure uniformity of practice.</p> <p>Sitting members should ensure that an office separate to their electorate office be used during the election period so as to be able to meet the requirements under clause 11.3 of the <i>Report and Determination No.2 of 2020 Entitlements of Assembly Members</i>.</p> <p>During the election, if judgement is required, a consistent application of the <i>Legislative Assembly (Members' code of conduct and ethical standards Act) 2008</i> is recommended.</p> <p>If the sitting member is in doubt as to whether the electorate office staff's extend of participation towards electioneering purposes, recreational leave for them is strongly encouraged.</p>

ASSOCIATED ENTITIES

HAROLD NELSON HOLDINGS

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	-	Total election returns	-	-
Total expenditure	-	Total expenditure	-	-

Harold Nelson Holdings - Findings

Findings - Returns	Complied?	Recommendations
The associated entity has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted

Findings - Expenses	Complied?	Recommendations
The associated entity has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.	Yes	None noted

CLP GIFTS & LEGACIES PTY LTD

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	-	Total election returns	-	-
Total expenditure	-	Total expenditure	-	-

CLP Gifts & Legacies - Findings

Findings - Returns	Complied?	Recommendations
The associated entity has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted

Findings - Expenses	Complied?	Recommendations
The associated entity has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.	Yes	None noted

INDEPENDENT POLITICAL CANDIDATES

KEZIA PURICK

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	-	Total election returns	-	-
Total expenditure	\$2,637	Total expenditure	\$2,637	-

Kezia Purick - Findings

Findings - Returns	Complied?	Recommendations
The political candidate has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political candidate.	Yes	None noted.
Reviewed the subsequent receipts after the date of the elections with no exceptions noted.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
The political candidate has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.	Yes	None noted.
A separate bank account designated for NT elections was set up and operated by the political candidate.	Yes	None noted.
Reviewed the subsequent payments made after the date of the elections with no exceptions noted.	Yes	None noted.

YINGIYA MARK GUYULA

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$24,501	Total election returns	\$25,600	\$1,099
Total expenditure	\$6,161	Total expenditure	\$6,161	-

Yingiya Mark Guyula- Findings

Findings - Returns	Complied?	Recommendations
<p>The political candidate has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.</p> <p>Apart for the slight variance of \$1,099, we also observed that the number of donors is different from what was submitted on the election returns. Due to the nature of the fund-raising activities, the number of donors per the candidate's records were different to the records retained by the NTEC.</p> <p>In addition, we observed during the review that the agent of the political candidate had already submitted an amended electoral return to take into account the variance of \$1,099.</p>	Yes	<p>None noted.</p> <p>As the revision of the number of donors and gifts had be made to reflect the correct number of donors and amount of gifts respectively to ensure compliance under <i>Section 192D of the Northern Territory Elections Act 2004</i>, no further action was required.</p>
<p>A separate bank account designated for NT elections was set up and operated by the political candidate.</p>	Yes	None noted.
<p>Reviewed the subsequent receipts after the date of the elections with no exceptions noted.</p>	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
<p>The independent political candidate has an accounting system in place which clearly identified the election expenditure for the 2020 Northern Territory General Election.</p> <p>While undertaking the compliance review, we noted that the agent of the candidate had submitted an amended election expenditure return to amend the categorisation of the expenses. It should be emphasised that the overall amount of expenditure per the initial returns was not revised.</p>	Yes	None noted.
<p>A separate bank account designated for NT elections was set up and operated by the political candidate.</p>	Yes	None noted.
<p>Reviewed the subsequent payments made after the date of the elections with no exceptions noted.</p>	Yes	None noted.

IAN MONGUNU GUMBULA

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$7,172	Total election returns	\$4,094	\$3,078
Total expenditure	\$6,365	Total expenditure	\$3,621	\$2,744

Ian Mongunu Gumbula - Findings

Findings - Returns	Complied?	Recommendations
<p>The independent political candidate has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.</p> <p>Besides the variance of \$3,078, we have also observed that the number of donors is different from what was submitted on the election returns. Due to the nature of the fund-raising activities, the number of donors per the candidate was different to the records retained by the NTEC.</p>	Yes	None noted.
<p>A separate bank account designated for NT elections was set up and operated by the political candidate.</p>	Yes	None noted.
<p>Reviewed the subsequent receipts after the date of the elections with no exceptions noted.</p>	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
<p>The independent political candidate has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Elections.</p> <p>From the review, it was observed that the agent of the independent candidate has submitted an amended electoral expenditure return to take into account the variance of \$2,744.</p>	Yes	None noted as amended return has been lodged.
<p>A separate bank account designated for NT Elections was set up and operated by the political candidate.</p>	Yes	None noted.
<p>Reviewed the subsequent payments made after the date of the elections with no exceptions noted.</p>	Yes	None noted.

BEVERLEY RATAHI

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$500	Total election returns	\$500	-
Total expenditure	\$15,573	Total expenditure	\$15,573	-

Beverley Ratahi - Findings

Findings - Returns	Complied?	Recommendations
The independent political candidate has maintained adequate records which clearly identified the electoral returns for the 2020 Northern Territory General Election.	Yes	None noted.
<p>Although the independent political candidate had a separate bank account designated for NT Election set up, the majority of her purchases were paid from her personal visa card.</p> <p>This is contrary to the requirements under <i>Section 213A of the Electoral Act</i>, as the election related expenditure was not processed through the separate bank account designated for NT elections.</p>	No	The NTEC may wish to engage with the independent political candidate to educate them on the provisions of the <i>Electoral Act</i> , in the case that the candidate would intend to continue participating in future electoral activities.
Reviewed the subsequent receipts after the date of the elections with no exceptions noted.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
The independent political candidate has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.	Yes	None noted.
Reviewed the subsequent payments made after the date of the elections with no exceptions noted.	Yes	None noted.

OTHER MATTERS - INDEPENDENT POLITICAL CANDIDATES

Findings	Recommendations
<p>The independent political candidates do not have a volunteer register to keep track of volunteer activity.</p> <p>This is necessary to determine if the volunteer activity is considered as deemed donations to the independent political candidate.</p>	<p>We recommend that a volunteer register be kept to be able to demonstrate the availability of the volunteer (i.e. whether the volunteer is on leave or whether the volunteer is still being remunerated by another organisation for the time spent) and the period which the volunteer has performed such duties (i.e. during working hours or after working hours).</p>

DONORS AND THIRD PARTY CAMPAIGNERS

COMMUNITY AND PUBLIC SECTOR UNION (CPSU)

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	-	Total election returns	-	-
Total expenditure	\$4,141	Total expenditure	\$4,141	-

Community and Public Sector Union - Findings

Findings - Returns	Complied?	Recommendations
<p>The third-party campaigner has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Election.</p> <p>Although the third-party campaigner is a national union with only one set of accounts, the activities were clearly delineated with job codes that demonstrated the association with the Northern Territory General Election.</p>	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
<p>The third-party campaigner has an accounting system in place which clearly identified the electoral expenditure for the 2020 Northern Territory General Election.</p> <p>Although the third-party campaigner is a national union with only one set of accounts, the activities were clearly delineated with job codes that demonstrated the association with the Northern Territory elections.</p> <p>Besides the job codes, management costing was performed internally to keep track of the cost of activities associated with the Northern Territory General Election with an additional centralised spreadsheet to keep track of disclosure requirements nationally.</p>	Yes	None noted.

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION (CFMEU)

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	-	Total election returns	\$13,200	\$13,200
Total expenditure	-	Total expenditure	-	-

Construction, Forestry, Maritime, Mining and Energy Union - Findings

While we managed to establish contact with this third-party campaigner, we were unable to obtain any information or documentary evidence to facilitate the review process. At the time of finalising this report, no information or documentation had been received.

As a result, we are unable to determine the accuracy and completeness of the figures disclosed in the disclosure return lodged with the NTEC and whether the Construction, Forestry, Maritime, Mining and Energy Union has complied with all its obligations under the *Electoral Act*.

ENVIRONMENT CENTRE NT

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	-	Total election returns	-	-
Total expenditure	\$205	Total expenditure	\$205	-

Environment Centre NT - Findings

Findings - Returns	Complied?	Recommendations
The third-party campaigner has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Elections.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
The third-party campaigner has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Elections.	Yes	None noted.

GETUP LTD

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	-	Total election returns	-	-
Total expenditure	\$55,354	Total expenditure	\$55,354	-

GetUp Ltd - Findings

Findings - Returns	Complied?	Recommendations
The third-party campaigner has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Elections.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
The third-party campaigner has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Elections.	Yes	None noted.

FRIENDS OF FANNIE BAY

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	\$52,448	Total election returns	\$52,448	-
Total expenditure	\$40,213	Total expenditure	\$40,213	-

Friends of Fannie Bay - Findings

Findings - Returns	Complied?	Recommendations
The third-party campaigner has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Elections.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
The third-party campaigner has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Elections.	Yes	None noted.

UNITED WORKERS UNION

Information provided to NTEC		Information as per NTEC website		Differences
Details	Amount	Details	Amount	Amount
Total election returns	-	Total election returns	-	-
Total expenditure	\$17,514	Total expenditure	\$17,514	-

United Workers Union - Findings

Findings - Returns	Complied?	Recommendations
The third-party campaigner has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Elections.	Yes	None noted.

Findings - Expenses	Complied?	Recommendations
The third-party campaigner has an accounting system in place which clearly identified the electoral returns for the 2020 Northern Territory General Elections.	Yes	None noted.
While supporting documents were provided, there were no bank statements provided to facilitate the verification of the amount of expenses.	No.	None noted.

OTHER MATTERS - THIRD-PARTY CAMPAIGNERS

Findings	Recommendations
<p>As there is no requirement for the third party campaigner to keep a separate bank account as these entities are not subjected to the requirements under <i>Section 213A of the Electoral Act</i>, the expenses could not be clearly identified if they were meant for the electoral purposes.</p> <p>This resulted in a higher level of reliance on these entities' internal controls to determine and classify the relevant expenses meant for electoral purposes.</p> <p>While certain entities assigned job or geographical codes to the transactions to highlight that the transaction took place as a result of the August 2020 elections that were held in the Northern Territory, there were some entities which had weak and informal internal controls that did not classify these expenses. As a result, we were not able to determine the completeness of the expenditure that was incurred by third-party campaigners in some instances.</p>	<p>Third-party campaigners are encouraged to maintain a separate set of accounts which define the purposes of the expenditures that is incurred. This will allow for ease of verification where review processes are envisaged in the future.</p> <p>As an alternative, accounting or project codes have to be assigned to relevant transactions when expenditure is incurred so as to enable the extraction of necessary reports to facilitate accurate reporting.</p>
<p>In the course of conducting the compliance review, we noted that some third-party campaigners maintained only one set of accounts that represented their Australia wide financials, which comprised of activities that occurred in other states and territories.</p> <p>There was an instance in which an entity provided their records and bank account statements that intentionally blocked out all other non-electoral expenditure. As a result, we were unable to ascertain if there were any other expense that might be applicable for electoral purposes which would have been omitted from the return lodged with the NTEC.</p>	<p>Full access to the information by third-party campaigners will be necessary to verify the completeness of expenditure.</p>
<p>There was an instance in which the third-party campaigner asserted that there were no donations received for the disclosures of returns to NTEC.</p> <p>The third-party campaigner then volunteered their own financial statements and we noted that the audit opinion given to the third-party campaigner financial statements was modified. The modified audit opinion that</p>	<p>As part of risk management framework, entities that do not have strong internal control systems should be subjected to regular compliance reviews so as to minimise the risk of inaccurate reporting.</p>

<p>highlighted the impracticality of designing internal controls over income, other than grant income received. As a result, we were unable to verify the completeness of the donations or gifts received for the August 2020 elections of the Northern Territory.</p>	
<p>There is no limit on what the third-party campaigners can spend in respect of electoral activities during the election period while there is a spending cap of \$40,000 on candidates.</p> <p>This situation may end up undermining the relevance of the spending cap imposed on candidates as electoral activity spending may be redirected through the third-party campaigners</p>	<p>The NTEC should push for the review of the absence of spending cap in the third-party campaigners' category so that electoral activity transparency is achieved for political parties and candidates.</p>

APPENDIX A

CONSULTATION

<u>Entities</u>	<u>Names</u>	<u>Designations</u>
Australia Labour Party	Karlee Dalton Anthony Brereton Gail Angus	Office Manager Secretary Accountant
Country Liberal Party	Tony Schelling Peter Still Chris Moyle	Vice President CLP Treasurer Accountant
Territory Alliance	Steven Klose Danial Kelly	Party Member Secretary
Ban Fracking, Fix Crime, Protect Water	Mark Garner Sue Adams	Secretary President
Animal Justice Party	Morgan Michie Wendy Davey	Treasurer Secretary
Federation Party	Eli Melky	Party leader
The Greens Northern Territory	David Pollock Beryl Brugman	Party leader Treasurer
Harold Nelson Holdings	Karlee Dalton Anthony Brereton	Office Manager Secretary
CLP Gifts & Legacies	Suzanne Cavanagh Chris Moyle	Representative Accountant
Kezia Purick	Kezia Purick	Self-Representation
Yingiya Mark Guyula	Beth Harris	Appointed agent

Ian Mongunu Gumbula	Beth Harris	Appointed agent
Beverley Ratahi	Beverley Ratahi	Self-Representation
Community and Public Sector Union	Stephen Thompson	Director
Construction Forestry, Maritime, Mining and Energy Union	Jacqui Collie	Governance, political and executive officer
	Hemel	Accountant
Environment Centre NT	Shar Molloy	Co-Director
GetUp Ltd	Katherine Tung	Accountant
Friends of Fannie Bay	Thomas Stockwell	Representative
United Workers Union	Jackie Lowe	Director

APPENDIX B

TESTS AND APPROACH

1. Preparation of the review file incorporating the selection independent candidates, political parties, associated entities and the third-party campaigners
2. Verifying if there is an accounting system which records are kept. Accounting systems can be manual or computerised systems.
3. Obtained listings of returns and expenditure where relevant to match back to the disclosures.
4. Selected samples based on the risk-based approach methodology based on the audit populations
5. Inspected supporting documentation based on the samples that were identified for testing. Supporting documentation would include but are not limited to supplier invoices, bank statements, correspondences, accounting memorandums and meeting minutes.
6. Matching amounts of samples for electoral donations, loans and expenditure to the amounts recorded in the relevant accounting systems and relevant documents.
7. Cap test is performed to ensure that the candidates' expenditures at each party division do not exceed \$40,000
8. Cap test is performed to ensure that the independent candidates' expenditures do not exceed \$40,000
9. Cap test is performed to ensure that the maximum party expenses do not exceed \$1 million across 25 candidates
10. Subsequent documentations were examined to ensure that the gifts, donations, and expenses were recorded in the correct period. Subsequent supporting documentations include but are not limited to supplier invoices, bank statements and correspondences and accounting memorandums