Senate F&PA Committee
Tabled Document
Inquiry: Supplementary Budget Estimates 2012-13
Date / Time: 16/10/1
Witness Name: Ed Killesteyn
Organisation: AEC

AEC's disclosure compliance function under Part XX of the *Commonwealth Electoral Act 1918*: Review and performance audit

Terms of Reference:

One of the Australian Electoral Commission's (AEC) seven core business functions under the *Commonwealth Electoral Act 1918* (Electoral Act) is to administer election funding, financial disclosure and party registration requirements.

The AEC has engaged Mr Ron McLeod AM to:

- Ascertain the nature and type of work required to fulfil the AEC's statutory responsibilities in relation to monitoring and enforcing compliance by political parties, associated entities, donors and other third parties with the disclosure provisions in Part XX of the Electoral Act;

- Taking into account the nature of the statutory responsibilities and the nature of the work required to fulfil these, provide advice to assist in determining the most effective and efficient way in which the AEC can monitor and enforce disclosure compliance under the Electoral Act, including:

    - A consideration of the extent to which the AEC needs to further develop educative and informative measures to encourage voluntary compliance as opposed to *ex-post-facto* enforcement; and

    - A consideration of whether the AEC's current organisational structure most appropriately accommodates the functions of administering election funding, financial disclosure and party registration.

PriceWaterhouseCoopers will provide a range of assistance in relation to Mr McLeod's review, including the conduct of a performance audit of the AEC's compliance review function, which will:

- In light of the scope and nature of the statutory responsibility and the type of work deemed necessary to fulfil it, involve an assessment of the efficiency and effectiveness of the AEC's conduct of compliance reviews, including:

    - A review and evaluation of internal policies and guidance material on Part XX of the Electoral Act regarding the compliance review function, such as:

        - Processes and procedures, including risk assessment frameworks which are used to guide decisions regarding work programs;
        - Audit methodologies, including the depth of testing performed; and
        - Past internal audit reports and recommendations.

    - An examination of the appropriateness of the scope and focus of compliance reviews; and

    - An examination of whether the current workforce model in relation to disclosure compliance is appropriate to achieve efficient and effective compliance review coverage, and how it can be improved.

The performance audit will be used to inform the broader review being conducted by Mr McLeod.