

**From:** compliance@libdems.org.uk

**Date:** Wed 22 Feb 2023

**Subject:** Understanding the Escalation Policy



Welcome to the final week of the February training schedule.

Today's email addresses monthly donation reports that are late or missing. They are governed by the **Escalation Policy** - a copy of which can be found [here](#).

## What is the Escalation Policy?

This was passed at **Spring Conference 2021** and is our commitment to the **Electoral Commission** that the Liberal Democrats have sufficient measures in place for compliance in financial reporting.

Underpinning it is an agreement with the Commission for the parties and organisations that comprise the Lib Dems to submit their **monthly PPERA returns** to the Compliance Team at HQ.

Where donation reports are overdue or absent, the Policy sets out the process for the Party's local accounting units and the Regional/State/Federal Parties to work with us.



In line with the Escalation Policy, the submission date changed from the 15th to the **10th**. It was agreed that accounting units are to declare donations or a nil return to the Compliance Team within **10 calendar days** of the following month.

### Some Stats for 2022

On average, only **50%** of financial reports were completed by the monthly deadline last year. Whilst this shows that there's still considerable work to be done, it also demonstrates that the Escalation Policy and its enforcement has led to a significant improvement on the previous year (2021 saw the average at almost a third and as low as nearly a quarter at one point).

Returning to last year's submissions - a quarter were still missing by the end of the following month. Again this is an improvement on the year before, where it was a third.

Using the Escalation Policy last year, we were able to resolve over **1000 missing monthly returns** from over 140 local parties and organisations, for the period 2014 to 2022.

Combined with the escalation work carried out in 2021, more than 300 local groups have been brought into compliance and over 2,200 PPERA submissions reconciled.

This is all thanks to local parties, organisations and their respective Regional/State/Federal Parties working together with the Compliance Team.



## Monthly Returns



It is mandatory for donation reports to be submitted monthly, even if a **nil return**. By law, any donations or gifts valued at **£500 or above** must be reported and checked that they are from permissible donors.

For internal reasons, we recommend recording items valued **over £100**. (A nil return may be declared in the absence of donations of £500 or over.)

Where a Treasurer is unavailable, the duty falls upon the **Chairperson**, as both are legally responsible for Compliance. Some Local Parties also appoint an Assistant (Deputy) Treasurer to help but responsibility always rests with the Treasurer and Chair (Convenor in Scotland).

Please note that Chairs and Treasurers remain responsible for any returns due during their time in office. This is especially important when handing over roles so outgoing Executives should work together with their incoming colleagues.



We need your help to ensure that the Liberal Democrats keep on the right side of the law. If you're struggling, please let us know. The Compliance Team is here to help you meet your legal obligations and aim to help resolve issues informally where possible.

Please do not hesitate to contact us if you have any queries, by emailing: [compliance@libdems.org.uk](mailto:compliance@libdems.org.uk)

Best wishes,



**Nazmin Khan (she/her)**

Compliance and Data Protection Administrator

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