



Levy Information

A GUIDE TO NT BUILD COMPLIANCE AUDITS – LONG SERVICE LEVY

Fact Sheet 5

THIS GUIDE PROVIDES A BRIEF EXPLANATION OF THE COMPLIANCE ACTIVITY TO BE UNDERTAKEN BY NT BUILD AND THEIR CONTRACTED EXTERNAL AUDITORS ON A LEVIABLE CONSTRUCTION PROJECT. IT ALSO OUTLINES THE AUDITOR'S POWERS AND THE LEVY PAYER'S RESPONSIBILITY TO COMPLY.

What is NT Build's approach to compliance?

Our aim is to administer the Construction Industry Long Service Leave and Benefits Act (the Act) in an equitable, efficient and client focussed manner. Our processes and systems rely on the honesty of levy payers to voluntarily comply with their obligations.

Audits are conducted to ensure that levy payers are declaring and remitting the correct amount of levy that is required. We also encourage levy payers to be aware of their current and future obligations; to assist in ensuring that future processes are improved.

Audits are undertaken by contracted external auditors who use their own discretionary powers.

How are audits selected?

A number of factors are considered in the selection of a construction project for audit. NT Build is vested with the authority to ensure full levy compliance of every project eligible under the Act. However, NT Build does not intend to rigorously examine every project. Generally, a random sample is selected from each of the different industry sectors. Sometimes the audits are conducted as a result of our research and data matching of projects.

What happens if your project is selected for an audit?

NT Build will contact you advising that your construction project has been selected for an audit. We will request that you give us the appropriate contact person to assist throughout the audit process. The authorised auditor will then contact the nominated person and arrange an entry meeting.

This meeting will explain the process and scope of the audit, specifying the records and information

required to be availed and to inform you of your rights and responsibilities. The audit will be conducted in a manner so as to keep to the minimum the time spent at your premise and any interruptions to your business processes.

What information might be required of me?

Information that the auditor might require includes, but is not limited to the following:

- Contracts between the levy payer and building contractors
- Details of project managers, architects and engineers
- Building consent documents
- Job costing records
- Progress payment certificates
- Invoices
- Balance Sheet and Income statements

Please note that the auditor may require additional information depending on the outturn of the specific assignment they are engaged to complete.

How to prepare?

- Ensure all information and records requested by the auditor are ready for examination when needed.
- Provide accurate and complete information to reduce the length of the auditing process.
- Inform the auditor of any discrepancies that you may have found.
- Seek advice from your legal representative if issues become complex.

What power does an auditor have?

The auditor, as a delegate of the NT Build Registrar, has their powers derived out of the Act.

Specifically, the auditor has the right to:

- Access the project site in relation to the specific audit assignment they are engaged to perform.
- Collect audit evidence through; gathering information, observing and interviewing the levy payer.

What are my rights?

As the levy payer, you have the right to:

- request a reasonable amount of time to produce records;
- negotiate with the auditor a time and place for the initial interview as well as follow up meetings
- be treated in a professional and courteous manner;
- view the auditor's identification;
- expect your affairs to be treated with strict confidentiality;
- be given the opportunity to explain the reason for any irregularities and discrepancies;
- receive an explanation for any findings; and
- discuss any aspect of the case or ask any questions to the auditor.

As the levy payer, you are also obliged to:

- provide reasonable assistance to the auditor;
- provide complete and honest answers; and
- facilitate access to all relevant records.

Notification of audit outcome

Levy payers will be given an opportunity to review and comment on any general audit issues identified through the audit process by the auditor. Your comments will therefore form part of the auditor's final report to NT Build.

The final report by the auditor is provided to the NT Build Board for consideration and determining of any further action.

You will be notified in writing of any decision made by the Board.

Additional Levy Payment or Refund

Where, as a result of the audit findings, the reconciled cost of the construction project results in a finding that the actual cost was less than the original estimate, NT Build will refund the overpaid portion of the levy payment.

This includes a full refund where the reconciled total cost of the construction project is determined to be less than:

- \$1 million for projects that started on or after 7/4/2014; or
- \$200,000 for projects that started before 7/4/2014, regardless of completion date.

However, if the total cost of construction is determined to be more than the amount originally notified to the Board, the payer will be required to pay an additional amount of levy.

A penalty interest charge may be applied to any amount of unpaid levy payment.

Any additional amount of levy payment, including penalty interest, is payable and will be recovered by the Board.

Objection and appeals

Where you are not satisfied with a decision of the NT Build Board, you are entitled to apply to the Board for reconsideration of that decision under Part 5, Division 4 of the Construction Industry Long Service Leave and Benefits Act. Applications for reconsideration or review must be made to the Board within 28 days of the date of receiving notice of the Board's decision.

Where, following the Board's reconsideration of its decision, you remain unsatisfied with that decision or any subsequent decision made by the Board, you are entitled to apply to the Local Court for a review of the Board's decision. In accordance with the provisions of Section 85 of the Construction Industry Long Service Leave and Benefits Act, applications for a review must be made to the Local Court within 28 days of receiving notice of the Board's reconsideration decision.

Please note, unless ordered otherwise by the Courts, an application for the review of a Board's decision does not affect the operation of that decision.

Further information

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