



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 UNDERTAKEN BY NT BUILD AND ITS CONTRACTED EXTERNAL AUDITORS ON LEVIABLE CONSTRUCTION PROJECTS. IT ALSO OUTLINES THE AUDITOR'S POWERS AND THE LEVY PAYER'S OBLIGATIONS IN RESPECT OF COMPLIANCE AUDITS.

What is NT Build's approach to compliance?

NT Build aims to administer the *Construction Industry Long Service Leave and Benefits Act* (the Act) in an equitable, efficient and client focused manner, which primarily involves education and awareness activities to foster compliance with levy payment obligations.

Pursuant to the Registrar's inspection and provision of information powers (sections 80 and 81 of the Act), coupled with the Registrar's ability to delegate such powers (section 78), NT Build operates an annual strategic audit and levy compliance program carried out by contracted external auditors.

This program is aimed at increasing knowledge and awareness of the Act's requirements, strengthening levy compliance and supporting the effective and efficient administration of the Scheme.

The program involves routine audits of randomly selected construction projects each year, to ensure that levy payers are declaring and remitting the correct amount of levy that is required.

How are audits selected?

A number of factors are considered in the selection of construction projects to be included in the annual compliance audit. NT Build is vested with the authority to ensure full levy compliance of every project eligible under the Act. However, in the practical administration of the Scheme, NT Build does not examine every project. Generally, a small random sample of projects is selected each year, with NT Build ensuring the sample group comprises appropriate representation from the different types of leviable projects (eg: public and private; small and large; various industries and geographical areas).

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 nominate an 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, and inform you of your rights and responsibilities. The audit will be conducted in a manner designed to minimise the impact on business operations.

What information might be required of me?

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

- 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 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.

What power does an auditor have?

The auditor, as a delegate of the NT Build Registrar, has the inspection and information gathering powers provided under sections 80 and 81 of the Act.

What are my rights and obligations?

Levy payers 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.
- 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.
- Discuss any aspect of the case or ask any questions of the auditor.

Levy payers are obliged to:

- Provide reasonable assistance to the auditor.
- Provide complete and honest answers.
- 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 by the auditor through the audit process. Any such comments may 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 its consideration and decision of any associated 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.

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, at the Board's discretion.

Further information

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