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Levy audit program for 2014-2015 launched

The Victorian Building Authority (VBA) has commenced its 2014-2015 audit program for building permit levy, with new building surveyors and lodging organisations among those who may be audited.

Compliance and Performance Director Murray Smith said the VBA has an annual audit program to ensure that building permit levies are forwarded to the VBA each month and that building surveyors provide an accurate report of the building permits they have issued.

“Under the Building Act 1993, anyone applying for a building permit for works costing more than $10,000 must pay a levy before the permit is issued. This levy is collected by the building surveyor, who then forwards it to the VBA each month,” Mr Smith said.

“A risk-based approach is used to select which reporting entities will be audited.”

The 2014-2015 levy audit program will focus on building surveyors and lodging organisations that:
- have recently begun issuing building permits
- issue high-value building permits
- have not been audited since 2008
- have recently been audited, but problems were found with their reporting and levy returns
- have a history of non-compliance.

“New building surveyors may have issues with systems and processes, or they may just be unsure about their reporting requirements. So it’s important we work with the building surveyors and their administration staff to help them understand their obligations and to identify weaknesses in their business controls and systems,” Mr Smith said.

Building surveyors who issue high-value building permits are also on the VBA’s radar for this year’s levy audit program. These building permits are associated with larger commercial and residential building projects.

“The average value of stage permits issued during 2012-2013 was $1.2 million for each permit, so this is an area of high-risk which we will be looking at during our audit program,” Mr Smith said.

“Building surveyors who are doing the right thing have nothing to be worried about. The purpose of the audit program is to confirm the good practices of building surveyors and identify those that need to improve their processes and compliance.”

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