



Internal Control Institute of Zimbabwe
"Recognising Competency World Wide"



CIPMZ
CHARTERED INSTITUTE OF
PROJECT MANAGERS ZIMBABWE

11-12 August @ Rainbow Towers Hotel, Harare

EFFECTIVE AUDITING OF CONSTRUCTION ACTIVITY

This two-day course covers proven construction audit strategies and techniques to enhance your organization's ability to effectively audit and control construction costs. Attendees will learn "how-to" effectively establish and implement audit coverage to achieve "risk-based" cost avoidance and/or cost recovery results.

WHO CAN BENEFIT FROM THIS LEARNING EXPERIENCE

Owner organization representatives who are involved with auditing or administering construction activity including:

- Construction internal audit and external consultants
- Construction management executives
- project managers
- Projector Director,
- Finance Managers
- Contract Administrators,
- Construction Contract Accountants,
- Procurement officers/ Managers
- Legal representatives

TYPES OF CONTRACTS COVERED

The course will emphasize effective construction audit strategies and construction cost control techniques for projects involving the use of the following types of construction contracts:

- Cost plus FEE – Construction Manager at Risk- Guaranteed Maximum Price (GMP) contracts
- Cost plus FEE – Design-Build GMP contracts
- Cost plus FEE contracts with General Contractors (with or without a GMP)
- Cost Plus FEE contracts with major subcontractors/trade subcontracts (with or without a GMP)
- Lump sum and/or Unit price trade subcontracts or prime construction contracts

COURSE FEES

ZWL350,000 Non Members

Members ZWL300,000

Covering training materials, Certificate of Participation, Refreshments and Lunch.

BANKING DETAILS

Name of Bank: First Capital Bank - Highlands Branch
Name of Acc: Internal Control Institute Zimbabwe
Account No.: RTGS. 2143-1104229

IN-HOUSE TRAINING

Our in-house training is conducted either in-person at your location or virtually at a time convenient for you.

FOR ALL YOUR BOOKINGS CONTACT:

Tell: +263 242 443124 / Cell: +263 772 675 810 /0771 897 378
info@internalcontrolinstitute.co.zw



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EFFECTIVE AUDITING OF CONSTRUCTION ACTIVITY

Course Overview

Effective auditing of construction activity is one of the more significant challenges facing most organizations. This two-day seminar provides auditors with the ability to look beyond their traditional auditor role by providing them with insight on how to partner with their management team conduct effective audits of their organization's construction activity.

This two-day seminar provides auditors with specific "how-to" construction audit techniques and other industry specific detailed information which will help them identify and develop potential cost avoidance and/or cost recovery opportunities.

Familiarized training: all of our construction related in-house training includes preliminary familiarization with customer example project documents. When we familiarize a course, we take time to review examples of your project documents including construction contracts, change orders, contractor invoices, etc. This review helps us to better address the specific training needs of your organization and your project.

Learning Objectives

1. Owner's representatives (procurement, legal, project management, auditors and others) will learn specific "how to" techniques for conducting effective audits of their organization's construction activity, such as:
2. Issues to consider to help your organization avoid making costly mistakes when entering into construction contract agreements
3. Key steps to ensuring the best value is received when the CM/GC contracts with subcontractors
4. Critical process to ensure subcontractor change orders are fairly priced
5. Process to control costs related to materials purchased by the Contractor
6. How to structure your contract to ensure you do not overpay for contractor owned equipment
7. Possible overcharges for third party equipment to watch out for
8. How to avoid making excessive payments for subguard and/or contractor controlled insurance programs
9. Methods to effectively minimize the loopholes in contracts that create opportunity for contractors to realize excessive hidden profits
10. Management/construction audit partnering strategies to ensure construction cost controls are working as anticipated to benefit the project
11. Owner's Project Managers will learn specific key control points that will increase their ability to manage the costs of their construction projects

Learn The Pros and Cons of

1. Lump sum pre-construction services versus cost reimbursable pre-construction services
2. Pre-established labor billing rates versus reimbursement of actual wages and verifiable labor burden
3. Lump sum general conditions versus cost reimbursable general conditions
4. Lump sum self-performed contractor work versus cost plus fee with GMP for self-performed contractor work
5. Converting GMP contracts to lump sum contracts
6. Supported payment applications versus percentage of completion payment applications
7. Pre-agreed labor burden percentages versus reimbursement for actual defined labor burden costs
8. Bonding both the prime contractor and the subcontractors
9. Subcontractor default insurance (subguard) versus conventional performance and payment bonds
10. Savings Sharing clauses versus no savings sharing clauses
11. Worker's Compensation and General Liability Insurance – Conventional insurance versus Contractor
12. Controlled Insurance Programs (CCIP)
13. Worker's Compensation and General Liability Insurance – Conventional insurance versus Owner Controlled Insurance Programs (OCIP)

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COURSE OUTLINE

Introduction to Effective Auditing of Construction Activity

- Audit objectives related to controlling construction costs
- Project team roles and responsibilities
- Delivery systems – fast track, design build, conventional
- Contract procurement methods, types, and phases

Cost Plus and Time and Material Contracts – Typical Overcharges

- Design contract billings for time and reimbursables
- Billings for personal computer and/or mainframe computer time
- Construction contractor and/or construction manager billings for labor and labor burden
- Billings for contractor-owned equipment, third-party equipment rental, expendable tools, equipment and consumables, and material used during construction
- Transactions dealing with subcontractors

Auditing Construction Change Orders

- Typical overcharges in lump sum change orders
- Electrical change order – discussion exercise
- Change order labor and labor burden pricing

Auditing Lump Sum or Unit Price Contracts

- Quality and scope of work overcharges
- Substitution of materials or methods
- Not performing required services
- Not installing proper quantities
- Special types of lump sum contract overcharge situations
- Adjusting allowances
- Required bonds and insurance
- Improper charges for sales tax
- Special unit price overcharge situations
- Excessive quantities billed
- Improper measurement method used
- Inaccurate measurements
- Billings for excessive quantities actually performed

CPE

All participants are eligible to receive up to 16 Continuing Education Credits (CPE's) to fulfill professional accreditation requirements. Participants will receive 1 CPE credit for every 50 minutes in attendance. Field of Study: Auditing. Course Level: Basic. Group-live, lecture-style seminar; no prerequisites or advanced preparation required



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Registration Form

Name of Course:

REGISTRATION DETAILS	
Company Name	
Postal Address	
Postal Code	
Telephone Number	
Fax number	
Email Address	
City and Country	
Nature of Business	
Training Officer	

Name	Designation	Email Address

Nominees:

Authorisation

This Contract is not valid without a signature.

Name:..... Position:.....

Signature:..... Date:.....

Method of Payment (Please Tick)

Direct Deposit.

Electronic Transfer

Cash Payment

BANKING DETAILS

Internal Control Institute Zimbabwe
 Barclays Bank
 Highlands Branch
 Account No. 2143-1104229

1. Payment Terms: On the return of a registration form, full payment is required within 7 working days. Payment must be received prior to the conference date. Internal Control Institute of Zimbabwe reserves the right to refuse entry into the conference or workshop should full payment not have been received prior to this date. Cancellation will be charged under the terms set as below.
2. Cancellations; No Shows & Substitutions: Cancellations received in writing more than 21 days prior to the event conference or workshop to be held carry a 50% of the event fee as cancellation fee. Should cancellation be received between 21 days and the date of the event, the full conference fee is payable and non-refundable . Non-payment or non attendance does not constitute cancellation . No shows will be charged the full Registration fees. Cash alternatives will not be offered, however, substitutions at no extra charge are welcome.
3. Alterations to advertised package: Internal Control Institute of Zimbabwe reserves the right to alter this programme without notice or penalty and in such situations no refunds or part-refunds or alternative offers will be made. Should Internal Control Institute of Zimbabwe permanently cancel an event, for any reason whatsoever, the Client shall be well provided with a credit of the equivalent amount paid towards the cancelled event.
4. In the case of a postponed event no refunds will be made as arrangements for attending on the next event will be considered.
5. For a canceled event Internal Control Institute of Zimbabwe will not be responsible for covering airfare, accommodation, or other travel costs incurred by clients
6. Copyright: All intellectual property rights in the materials distributed by Internal Control Institute of Zimbabwe in connection with this event are expressly the property of Internal Control Institute of Zimbabwe