

# Construction Audit And Cost Control Institute

www.CAACCI.org



## Effective Auditing of Construction Activity

This two-day in-person 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.

“ **Very relevant** – making me think about how to change my audit approach to become more **effective.** ”

Recent EACA Attendee

### WHO CAN BENEFIT FROM THIS LEARNING EXPERIENCE

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

- Owner's construction audit representatives (internal audit and/or external consultants)
- Owner's construction management executives, project managers, contract administrators, construction contract accountants, procurement representatives and/or legal representatives

### INSTRUCTOR

Rich Townsend is Co-Owner of the consulting firm R. L. Townsend & Associates, LLC, which provides construction audit and cost control consulting services to Owner organizations.

Rich has conducted public offering seminars and in-house seminars for a wide variety of organizations and industries throughout the United States and Canada.

**Construction Audit &  
Cost Control Institute, Inc.**

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CONSTRUCTION AUDIT & FRAUD TRAINING  
PUBLIC OFFERINGS  
ANNUAL WORKSHOPS  
ON-SITE TRAININGS

# Seminar Overview

On many construction projects, hidden overcharges by prime contractors or subcontractors can easily total 1% or 2% of the project costs. In poorly controlled construction environments, fraud, waste and abuse contribute to even greater losses. By exploring overcharges – how they occur and how they may be identified and recovered, attendees learn the knowledge and skills needed to address this challenge. This practical, experience-based seminar provides attendees with the ability to look beyond their traditional role by providing them with insight on how to help their organizations bring construction projects in on-time, within budget, at the desired quality, and at a fair price.

**Prerequisite:** None

**Learning Level:** Basic

**Delivery Method:** Group Live

**Advance Preparation:** None

## 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 OBJECTIVES

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



# Registration Information

## Dates:

April 11-12, 2023 – Dallas, TX

**Tuition:** \$1,295

Early Registration Discounts Available

## To Register Online:

[www.CAACCI.org](http://www.CAACCI.org)

## To Register by Telephone:

(254) 736-0309

## Recommended CPE Credits:

Participants are eligible to receive 16 CPE credits.

**Class Hours:** The 2-day seminar will start at 8:30 am and end at 4:30 pm each day



**Construction Audit & Cost Control Institute (CAACCI)** is registered with the National Association of State Boards of Accountancy (NASBA), as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: [www.nasbaregistry.org](http://www.nasbaregistry.org)

## TOPICS TO BE DISCUSSED INCLUDE:

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)

## REVIEWS from SEMINAR PARTICIPANTS

“Opened my mind to **new thoughts in construction auditing.**”

“Overall the information was on target. **Very beneficial.**”

“**Great information,** especially regarding lump sum contract/COS.”

## FOR MORE INFORMATION

Including Course Outline, Venue, Instructor Biography, visit [www.CAACCI.org](http://www.CAACCI.org)

*For more information regarding refund, complaint and program cancellation policies, please contact our offices at [info@caacci.org](mailto:info@caacci.org)*

## The Construction Audit & Cost Control Institute, Inc.

5056 Tennyson Parkway, Suite 100 Plano, Texas 75024

Have Questions or Need Assistance? Call Marie Jones at (254) 736-0309 or Rich Townsend at (972) 679-6762

[www.CAACCI.org](http://www.CAACCI.org) [info@caacci.org](mailto:info@caacci.org)