

Application Strategies of Engineering Cost Follow-up Auditing in Construction Site of Building Projects

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Abstract: Follow-up auditing as a cost control tool for construction projects with unique advantages continues to maintain and reinforce the existing procurement costs over time, where input runs through all stages of the construction process and helps to better follow the funds used. Combined with the attributes of building construction items, this paper describes the primary application significance of follow-up auditing in several stages, and gives targeted methods. This research starts with the solution to problems such as project superbudget and nonstandard alteration during this procedure of construction, in order to achieve precise business management that construction projects can obtain the economic effect as planned, and successfully transmute that project budget management step through passive accounting way to active control station.

1. Introduction

In recent years, the scale of construction is expanding day by day, the technology level of building construction has been continuously improved. Traditional review models are hindered by post-construction monitoring, which cannot monitor cost discrepancies that occur during the construction phase of construction projects in a timely manner, resulting in overcounting or incomplete count information including the far-fetched result surplus and decisive rates of overestimation that fail to meet modern construction processes for accurate quantification and high efficiency. Construction audit is a much newer form of auditing with aspects of the auditing process throughout many stages of a project from early planning to processing operations and final acceptance. It can detect risks and enable reasonable expenditures at an early stage, which is of great significance for ensuring the financial benefits of construction projects themselves. Currently, some building projects still have shortcomings in the implementation of construction project follow-up auditing, such as unclear objectives, disconnection from the construction project progress, and low utilization of information technology. These deficiencies will limit the effectiveness of auditing follow-up projects. Thus, according to the current conditions of engineering construction projects, this paper analyses in detail the follow-up audit work of engineering construction projects and puts forward corresponding countermeasures with a view to realize the project budget management objectives and improve the auditing effect of project construction in such way that from actual perspective it can ensure that passing on good quality while ensuring normal progress is not impact by enlarging situation of cost control or profits seeking.

2. Significance of Engineering Cost Follow-up Auditing in Building Projects

2.1 Improving Investment Effectiveness

In building projects, the dynamic follow-up auditing of engineering costs is really a kind of pre- and post-construction control transformed into building dynamic control during the process, highlighting three elements: timeliness, initiative, and real-time. The engineering cost during the construction process of a building project is tracked and managed from the overall perspective of the entire construction process, so that management measures can be taken before excessive or insufficient investment occurs in construction funds, thus avoiding such conditions ^[1]. This study aims to quantify the difference between post-construction audits for completed projects versus

actual costs during construction (which is where significant unrecorded design alterations and significant hidden works are often undertaken) as these discrepancies can quickly lead to disputes in the final settlement process resulting in irrecoverable economic losses ^[2]. As a result, the auditor should perform full-process tracking on site. It can both avoid supplementation of materials, reduce disputes between various parties and evaluate the impact brought about by design changes before actual changes takes place to estimate all possible scenarios with efficient cost control. As such, post-site auditing in the construction field has become a mandatory reality ^[3].

2.2 Ensuring Financial Payment Compliance

Especially those expenditures involved in some of the projects should carry out good follow-up auditing during the investment period, which is conducive to improve project expenditures rationality and effectiveness, prepare bills being reasonable, bill full transparency. It also ensures that advance payments, deposits and proportionate installments are used correctly in the first stage of construction, followed by post-event supervision. It can minimize the risk of overspending and underspending which is worthwhile for construction unit and project investors because it brings them investment losses unnecessary ^[4]. So you need to set up a complete follow-up audit system, through the control of every node of the project as well as the overall project fund, eliminate any unreasonable behavior in the project, so that the running of the overall project will not be affected.

2.3 Ensuring Auditing Impartiality

The implementation of auditing on construction projects should be performed throughout the process of tracking all steps in project construction and monitoring risks occurred during project execution to maximize its supervisory and management role. Postbuilding project cost reviews are more likely to overlook the issues causing waste of funds, it can be very costly ^[5]. Therefore, in order to better play the role of auditing during construction, it is necessary to find problems as soon as possible during the construction process, avoid unnecessary design changes and eliminate unnecessary waste losses to achieve the purpose of improving construction efficiency for building projects. Costs tracking auditing at construction site also encourage regulatory personnel while constructing works, in particular, about savings of using construction materials that leads to the appropriate use of funds and no waste Resources ^[6]. There should be an immediate action against the loopholes that can help earn profits reasonably.

3. Application Strategies of Engineering Cost Follow-up Auditing in Construction Site of Building Projects

3.1 Follow-up Auditing of Design Units

Architectural design units are responsible for the comprehensive and integrated design work of a building project from overall planning to detailed construction layout. Optimize design phase to guarantee smooth operation of the construction site. However, in the actual construction, due to many reasons, it is inevitable that design errors and deviations will occur when drafting the drawings, which leads to unstable design and construction phases in subsequent stages and generates unnecessary costs of designing work ^[7]. Hence, researching and presenting effective solutions is required that not only fulfill the purpose of completing the design but also achieve their aims of savings in construction costs. For instance, as an example where design should focus on either of these cases will reduce the chances of a construction modification request or previously signed change orders on site which increase the construction cost for that activity in addition to what was validated during the Design. Accordingly, in following up a dynamic auditory vision of engineering costing, supervision on changes performed in design should be fortified and inquiry with respect to quantities and costs should be materialized.

3.2 Follow-up Auditing of Construction Units

Construction units should select appropriate personnel to participate in construction work. When conducting project audit tracking and supervision, their work should be strengthened. The audit

team needs to understand information such as contractor qualification requirements and entry requirements on-site and promptly identify issues in construction projects ^[8]. Once issues are identified during construction, relevant departments should be promptly contacted through communication to seek appropriate solutions and avoid illegal subcontracting. During the work process, in addition to understanding project content and requirements, in-depth exploration should be conducted to assess project plan content and engineering quality requirements based on actual situations, and corresponding considerations should be given to potential issues to ensure their continuous accuracy ^[9].

3.3 Follow-up Auditing of Supervision Units

As service organizations, both the supervision party and the follow-up auditing party are third parties in project engineering. Both are commissioned by the owner and have signed authorized commissioning contracts to facilitate subsequent review and auditing work. During the project construction process, the supervision party needs to be proficient in and understand the follow-up auditing plan for relevant projects to improve its effective supervisory effect and achieve on-site supervision of follow-up auditing. In routine work content, monthly construction settlements and effects are monitored to ensure the smooth progress of construction and quality assurance. The follow-up auditing and supervision organizations should work together to manage finances well. The proof methods and content of follow-up auditing should meet requirements and comply with corresponding regulations, such as being comprehensive and detailed in content and accurate in auditing. The review should be clear and concise, and relevant information data such as corresponding data charts should be attached. By conducting follow-up supervision of the project, the scope of project management is extended, ensuring that various approval procedures are fair and reasonable, thereby fully exerting the supervisory role and achieving the goal of project cost control.

3.4 Follow-up Auditing of On-site Construction

On-site construction follow-up auditing projects in building construction are of great importance and require increased attention and pre-event planning. First, project auditing managers should grasp the current status, analyze hidden crises, and make practical work arrangements. Second, during the audit tracking process, a holistic understanding of the construction site should be obtained, problems in audit tracking should be identified, practical management methods should be selected, and key aspects of quality management and fund management should be strictly controlled to lay a solid foundation for later settlement auditing work. Third, publicity work on auditing should be strengthened. Auditors should actively take auditing courses, create auditing work roadmaps based on on-site conditions, enhance communication at all levels, improve regulatory efforts, and ensure the integrity of the system. Auditee realise the necessity and significance of engineering cost audit tracking, understand auditing procedures and actively cooperate with the auditing unit within approval/authorization time frame to finish all the work of auditing.

3.5 Follow-up Auditing Process

At the construction stage, a particular project monitoring review program need to be tailored to help auditors carry out on-site project tracking. Audit the quantity of engineering and check the payment every month is the basis for constructing high quality engineering construction. Engineering Financial Payment Settlement: For auditing and auditing supervision, the accountant must work together to determine the financial payment settlement of engineering. Further clearly set forth in the future signature forms, content requirements submitted for approval audit. Strictly implement according to prescribed procedures. Specifically, the content of signature activities should be clearly described, and sufficient materials (audio and video recordings) should be prepared. In this way, project management has become a comprehensive, detailed and in-depth coverage of the entire life cycle of engineering technical and economic analysis by tracking and inspection, In accordance with the law to carry out every step of audit and signature process is scientific and compliant control engineering costs.

4. Guarantee Measures for Engineering Cost Follow-up Auditing

4.1 Improving the Auditing System

In terms of the accuracy of construction projects, the legality and rationality of auditing information need to be given high priority. Construction units should add contents of engineering cost follow-up auditing to make sure the accuracy of engineering cost follow-up review and avoid excessive risk factors in engineering cost follow-up reviews. This must address the need for rules around documentation of accepted construction projects first. The accepting unit shall submit the relevant engineering documents corresponding to the accepted construction projects, and they shall not be rejected in any form. The documents submitted are deemed to be correct, unless the contrary is proved. If there are discrepancies in the documents submitted, both parties will mutually verify their respective documents. Second, there should be regulations for checking the data at the time of implementation when it comes to building engineering projects. During engineering surveys, on-site investigations and measurements should be carried out by auditors, which should be verified by construction drawings or the actual construction completion status. For those data that vague, uncertain or doubtful, mining engineering on-site investigation report is supplemented and signed by the parties involved in verify as that engineering on-site investigation verification form printing paper shall be null and voidness so as to test the objective, truthful legality of all data.

4.2 Improving the Professional Competence of Auditors

Since auditors, as direct participants in engineering cost, determine the final completion of engineering cost follow-up auditing, a series of measures should be taken to enhance the comprehensive quality and professional competence of auditors. First, the unit should formulate a cooperative training system and adopt a set of professional training methods, including design, construction processes, and supervision systems, to enable auditors to have a comprehensive understanding of the entire project process, which plays an important guarantee role for auditors in implementing engineering cost follow-up auditing in the future. Second, greater emphasis should be placed on talent cultivation. On the one hand, more high-level auditors can be recruited to improve the overall quality and review level of auditors; on the other hand, an internal "mentoring-support-nurturing" talent development system should be formed to cultivate the professional competence and speed of auditors through the guidance of high-level auditors. Finally, cooperation with external professional training institutions can be considered. Since external companies generally have stronger overall strength and more up-to-date materials, entrusting professional training to external companies can have more obvious advantages and stimulate the growth of auditors' abilities.

5. Conclusion

In conclusion, conducting engineering cost follow-up auditing work at the construction site of building projects can ensure project quality and reduce auditing risks. To successfully carry out this follow-up auditing work, it is necessary to pay attention to each step from start to finish, guide relevant functional departments to actively participate, ensure the smooth progress of all work, and strictly carry out work in accordance with procedures and requirements, identify problems, and promptly correct and improve them to enhance the quality of construction projects. This paper analyzes the application of engineering construction cost follow-up auditing in the construction process, which has practical significance in improving project quality and work efficiency and reducing costs.

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