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

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Abstract: Follow-up auditing, as an effective means of controlling construction project costs and improving the utilization of construction project funds, breaks through the traditional post-audit model of construction projects and enables dynamic cost supervision throughout the construction process. Based on the characteristics of building construction projects, this paper elaborates on the main application significance of follow-up auditing at different stages and proposes targeted methods. The starting point of this research is to address issues such as budget overruns and non-standard contract changes that occur during project construction, aiming to achieve precise project management, ensure that construction projects attain the specified economic effects, and realize the transformation of project budget management from passive accounting to active control.

1. Introduction

With the continuous expansion of the construction scale and the continuous improvement of technological levels in building projects, the difficulty of managing project costs during implementation is increasing. Traditional review models, due to their post-construction monitoring, are unable to promptly detect cost discrepancies that arise during the construction phase of construction projects, leading to phenomena such as undercounting, overcounting, or overestimation of surpluses, which do not meet the requirements of modern construction projects for accurate quantification and high efficiency. Construction project follow-up auditing is a relatively novel auditing approach that runs auditing activities throughout all stages of a project, including early planning, process 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 shortcomings will restrict the effectiveness of construction project follow-up auditing. Therefore, based on the actual situation of building projects, this paper conducts a specific analysis of engineering construction project follow-up auditing and proposes corresponding countermeasures to achieve the goals of improving project budget management and enhancing the auditing effectiveness of project construction, ensuring that the quality and progress of construction projects are achieved while controlling costs and seeking profits.

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

2.1 Improving Investment Effectiveness

In building projects, dynamic follow-up auditing of engineering costs actually transforms pre-construction and post-construction control into in-process dynamic control, characterized by timeliness, initiative, and real-time nature. During the construction process of a building project, tracking and managing the engineering costs throughout the entire construction process allows for the adoption of certain management measures before deviations in construction funds occur, preventing situations of excessive or insufficient investment [1]. Traditional post-construction audits are usually conducted on completed projects, but significant design changes and important

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concealed works often occur during actual construction, which can easily lead to disputes during the final settlement process and cause irreparable economic losses [2]. Therefore, auditors are required to conduct on-site full-process tracking. On the one hand, it can prevent the addition of materials and reduce disputes among various parties; on the other hand, before design changes occur, the impact of such changes can be assessed and estimated to achieve efficient cost control. Therefore, conducting follow-up auditing during the construction site construction phase has become an inevitable phenomenon [3].

2.2 Ensuring Financial Payment Compliance

Follow-up auditing of projects during the investment period can improve the rationality and effectiveness of project expenditures, ensuring that expenditures are reasonable, sufficient, and transparent. It also ensures proper utilization of advance payments, deduction of deposits, and installment payments in proportion during the early stages, followed by post-event review and supervision. This can reduce the probability of overspending and underspending, benefiting both construction units and project investors by minimizing unnecessary investment losses [4]. Therefore, it is essential to start by establishing a comprehensive follow-up auditing system, striving to control every aspect of the project and the overall project funds, eliminating unreasonable behaviors in the project, and ensuring that project operations are not affected.

2.3 Ensuring Auditing Impartiality

To fully exert the supervisory and management role of auditing in construction projects, it is necessary to conduct comprehensive tracking of the project construction progress and monitor risks during the construction process. If cost reviews are conducted after the completion of building projects, potential project issues and fund wastage can cause significant problems [5]. Therefore, to better leverage the role of auditing, it is essential to promptly identify issues during the construction process, avoid unnecessary design changes, and reduce unnecessary waste and losses, thereby achieving the goal of improving construction efficiency in building projects. The application of cost follow-up auditing at construction sites not only motivates regulatory personnel but also brings about savings in the use of construction materials, ensuring the proper use of funds and preventing unnecessary resource waste [6]. Immediate measures should be taken against potential malpractices to obtain reasonable profits.

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 design work of the entire building project, covering the entire process from overall planning to construction layout. To ensure the smooth operation of the construction site, it is essential to fully optimize the design phase. However, in actual construction, due to various factors, design errors and discrepancies may inevitably occur during the drafting process, leading to unstable design and construction phases in the later stages and generating unnecessary design costs, increasing expenses for construction enterprises and making it more difficult for project builders to convert investment costs into investment returns [7]. Therefore, it is necessary to research and propose effective solutions that can not only complete the design but also achieve the expected benefits of saving construction costs. For example, during the initial design phase, greater emphasis should be placed on avoiding construction modification requests due to design errors and preventing on-site signatures that increase construction costs during design modifications. Therefore, for dynamic follow-up auditing of engineering costs, supervision of design changes should be strengthened, and research on quantities and prices should be conducted.

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. The auditee must also recognize the necessity and value of engineering cost audit tracking, understand auditing procedures, and actively cooperate with the auditing unit during the auditing period to complete the auditing work.

3.5 Follow-up Auditing Process

During the construction phase, a specific project follow-up auditing plan should be formulated to assist auditors in conducting on-site project tracking. Each month, follow-up auditors should check engineering quantity calculations and payments to lay a solid foundation for building high-quality engineering construction. Auditors and audit supervisors must jointly handle engineering financial payment settlements, clearly stipulate the signature forms and content for future auditing and approval, and strictly follow the prescribed procedures. For example, the signature content should be clearly described, and sufficient materials (such as audio and video recordings) should be prepared. Through process tracking and inspection, project management becomes more comprehensive, detailed, and in-depth, and every step of the audit and signature is conducted in accordance with the law, thereby scientifically and compliantly controlling 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 improve the content of engineering cost follow-up auditing to ensure the precision of engineering cost follow-up reviews and avoid excessive risk factors in engineering cost follow-up reviews. First, regulations regarding the documentation of accepted construction projects should be established. The relevant engineering documents corresponding to accepted construction projects must be submitted by the accepting unit, and they cannot be rejected in any form. If there are no objections to the submitted documents, they shall be deemed true. If there are discrepancies in the submitted documents, both parties shall mutually verify them. Second, regulations on data verification during the implementation process of building engineering projects should be established. Auditors must conduct on-site investigations and measurements during engineering surveys and verify them based on construction drawings or the actual construction completion status. If certain data are unclear or ambiguous, further engineering on-site investigation reports should be provided, and all parties involved should sign and confirm them in the engineering on-site investigation verification form to ensure the objectivity, truthfulness, and 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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