



NEC4 PROJECT START UP

A Structured Approach to Inspecting Accounts and Records

Date: 25th November 2025

Trebes Consulting Limited

1

NEC4 Project Start Up

"Day One Implementation"

"Provide Greater Certainty of Outcome
for both Parties"

www.trebes.co.uk



2

Primary Objectives

“to clearly demonstrate that Corporate Governance procedures for the payment of *Contractors* and suppliers are in place”

and

“to act as a Stimulus to Good Management of the project”

KEY RISKS

The lack of disciplined inspection of accounts and records can encourage and result in the following:

- poor management behaviours
- cost plus behaviours from the *Contractor*
- If you fail to carry out inspection of accounts and records there is a danger that by conduct you are accepting poor management behaviours which may be deemed to have become an agreed practice between the Parties which may undermine the contractual provisions.

Objectives

Objectives and how they link to our knowledge and experience

Early identification of inspection of accounts and records	Assumptions
Contract Documentation	Project Manager and the Team
Implement an Inspection of Accounts and Record Plan from “Day One of the Project”	Sampling
Clarity	Learning and Feedback
Ensure auditors understand	Review of Accounts and Records Plan

Six Stage Process

Stage 1: Consultation

Stage 2: Pre-Tender

Stage 3: During the contract

Stage 4: Final Assessment

Stage 5: Learning & Feedback

Stage 6: Review Inspection Plan

www.trebes.co.uk



5

Stage 1: Consultation

Activity No	Description	Knowledge and Experience
100	Establish Payment Inspection Plan Requirements	<ul style="list-style-type: none"> Early consideration and consultation. Early input helps to inform the development of contract documentation
200	Develop Project Inspection Plan	<ul style="list-style-type: none"> The TCL NEC4 Inspection Plan is a baseline for all projects
300	Inspection of Accounts and Records Plan Sign Off	<ul style="list-style-type: none"> Ensure that all stakeholders sign off the Inspection Plan

**Stage 1
Consultation**

www.trebes.co.uk



6

Stage 2: Pre-Tender

Activity No	Description	Knowledge and Experience
200	Contract documentation <ul style="list-style-type: none"> • Invitation to tender • Scope – requirements of the <i>Contractor</i> and its subcontractors 	<ul style="list-style-type: none"> • Provides control for the <i>Client</i> • Early engagement emphasises the importance of the Inspection Plan to the <i>Client</i>
210	Project Manager appointment	Set out their roles and responsibilities as part of the Inspection Plan
220	Development of key documentation associated with the Inspection Plan	The development of these documents helps to identify sources of data, data capture and analysis

Stage 2
Pre-Tender

www.trebes.co.uk



7

Stage 2: Pre-Tender

Activity No	Description	Knowledge and Experience
230	Tender interviews <ul style="list-style-type: none"> • With <i>Contractors</i> and suppliers 	An early opportunity to emphasise the importance of the Inspection Plan
240	Tender assessment <ul style="list-style-type: none"> • Proposals in relation to forecasting 	Proposals to meet the <i>Client's</i> requirements
250	Prepare for DAY ONE IMPLEMENTATION	Ensure everyone understands their roles

Stage 2
Pre-Tender

www.trebes.co.uk



8

Clarity on what is and is not Defined Cost

Cost Component 1: People

People who are employed by the Contractor and whose normal place of working is within the Working Areas		Fee (clause 52.1)	Defined Cost
1	Payments to people for long term absence due to sickness (>4 weeks)	✓	
2	Payments to people for maternity/paternity/jury service (>4 weeks)	✓	
3	Payments to people for redundancy/severance	✓	
4	Cost to the Contractor of providing Site/Working Areas based training courses for people	✓	
5	Cost to the Contractor of providing non Site/Working Areas based training courses for people e.g. at head office	✓	
6	People costs allocated to attending non Site/Working Areas based training courses (except expenses)	✓	
7	Out of pocket expenses of people attending non Site/Working Areas based training courses	✓	

Stage 3 During the Contract

Activity No	Description	Knowledge and Experience
300	DAY ONE IMPLEMENTATION	Enables Corporate Governance from Day One
310	Monthly inspections	Enables the early identification and resolution of emerging issues
320	Periodic audits	Enables the Parties to use the Inspection Plan programme
330	Independent audit	Independent verification of agreed Inspection Plan
340	Three months prior to Completion of the whole of the works	Enables the action plan to enable a robust assessment of <i>Contractor's</i> share
350	Completion	Early and on-going assessments are vital to successful outcomes

Stage 3
Post Tender

Stage 4 Final Assessment and Stage 5 Learning & Feedback

Activity No	Description	Knowledge and Experience
400	Final review of costs Final review of <i>Contractor's</i> costs and accounts and final assessment of the <i>Contractor's</i> share	Acceptance of all project costs

**Stage 4
Final Assessment**

Activity No	Description	Knowledge and Experience
500	Learning and Feedback Review <ul style="list-style-type: none"> Assess from existing and other projects Agree learning and feedback format and content Provide learning and feedback recommendations 	<ul style="list-style-type: none"> continuous improvement. A combination of techniques s. Enables potentially politically sensitive feedback and learning to be captured. Specific feedback.

**Stage 5
Learning & Feedback**

www.trebes.co.uk



11

Stage 6 Review Inspection Plan

Activity No	Description	Knowledge and Experience
600	Review Inspection Plan Review existing Inspection Plan	<ul style="list-style-type: none"> Informs future auditing planning Provides an opportunity for improvement

**Stage 6
Review Inspection Plan**

www.trebes.co.uk



12

Common Issues

Lack of appreciation

Discounts

Accruals

Delay in costs hitting the books

Project close down

The Audit of Cost

Contractor's disputes

Capture of *Client's* information/data to recover *Client* costs, records and Information

Cost forecasting

Tendered prices built up differently

Insurances

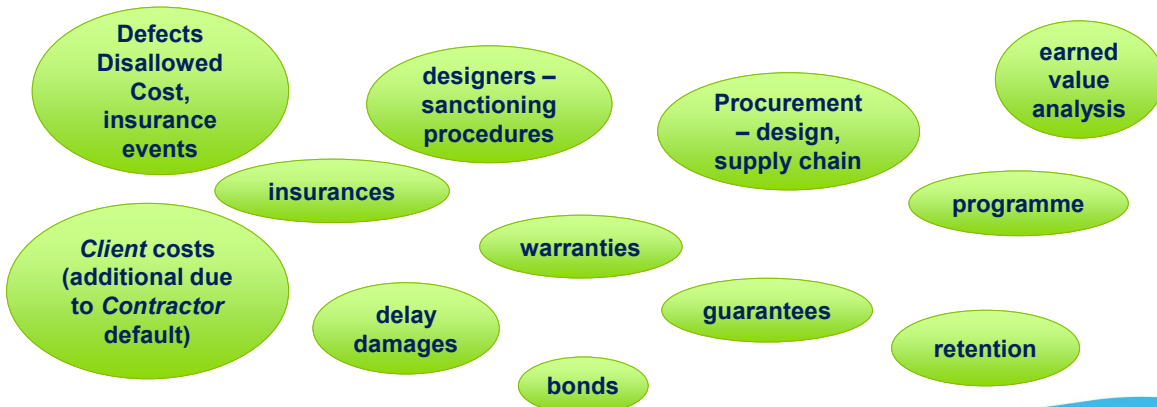
www.trebes.co.uk



13

Connectivity

The Inspection Plan is one component of the overall cost assurance process.



www.trebes.co.uk



14

Managing Reality

Example Contents Page for Inspecting Accounts and Records Plan

GENERIC ECC PROCEDURES

Inspecting Accounts and Records Plan

CONTENTS

Section A	-	The Inspection Plan - generally
Section B	-	People
Section C	-	Equipment
Section D	-	Plant & Materials
Section E	-	Subcontractors
Section F	-	Charges
Section G	-	Manufacture & Fabrication
Section H	-	Design
Section I	-	Insurance

Source: Managing Reality NEC4 Book 2 Procuring an ECC Contract Third Edition Mitchell and Trebes 2018 published by the ICE



www.trebes.co.uk



15

Trebes Consulting
2C Vantage Park
Washingley Road
Huntingdon
Cambridgeshire
PE29 6SR
Email: info@trebes.co.uk

Telephone: 020 3488 5738

www.trebes.co.uk



Trebes Consulting Limited

16