



NEC4 PROJECT START UP

A Structured Approach to Inspecting Accounts and Records

Date: 25th November 2025

Trebes Consulting Limited

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NEC4 Project Start Up

“Day One Implementation”

**“Provide Greater Certainty of Outcome
for both Parties”**

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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.

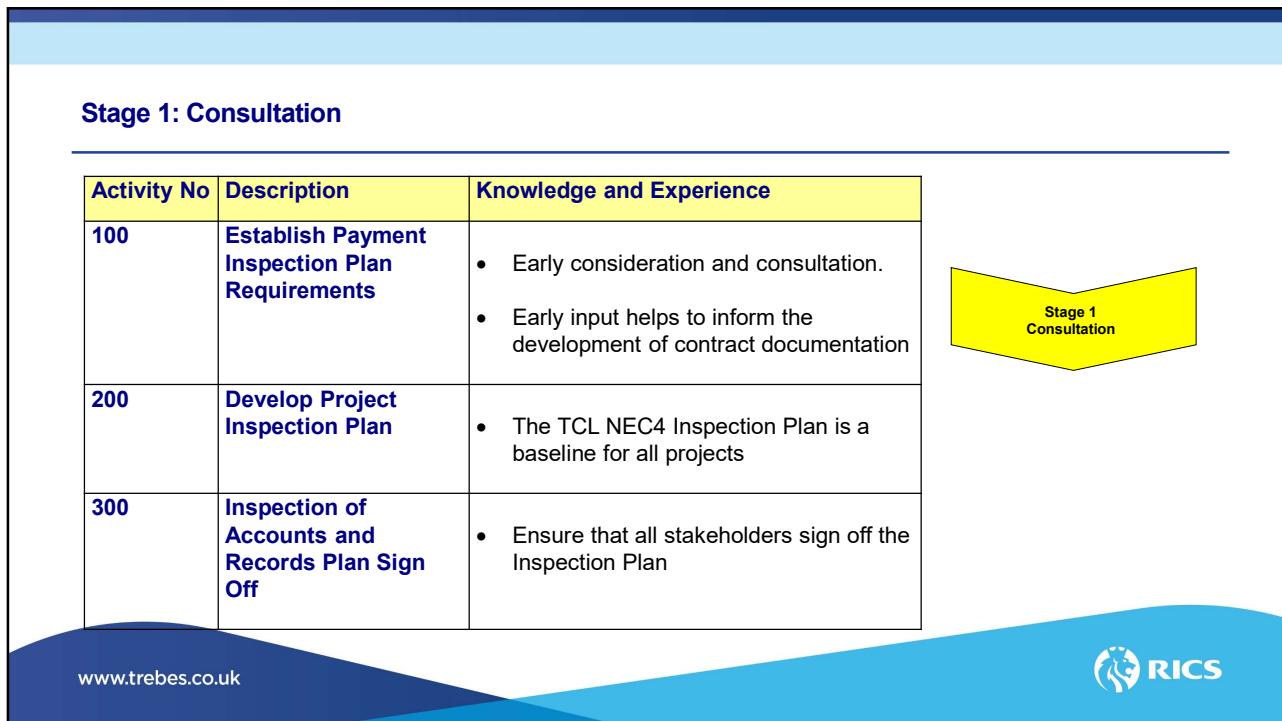
Objectives

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 |



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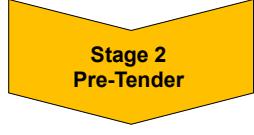
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Stage 2: Pre-Tender

| 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 |

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 RICS



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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 |

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 RICS



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Clarity on what is and is not Defined Cost

| Cost Component 1: People | | Fee (clause 52.1) | Defined Cost |
|--|--|--------------------------|---------------------|
| People who are employed by the Contractor and whose normal place of working is within the Working Areas | | | |
| 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 Contractor's 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

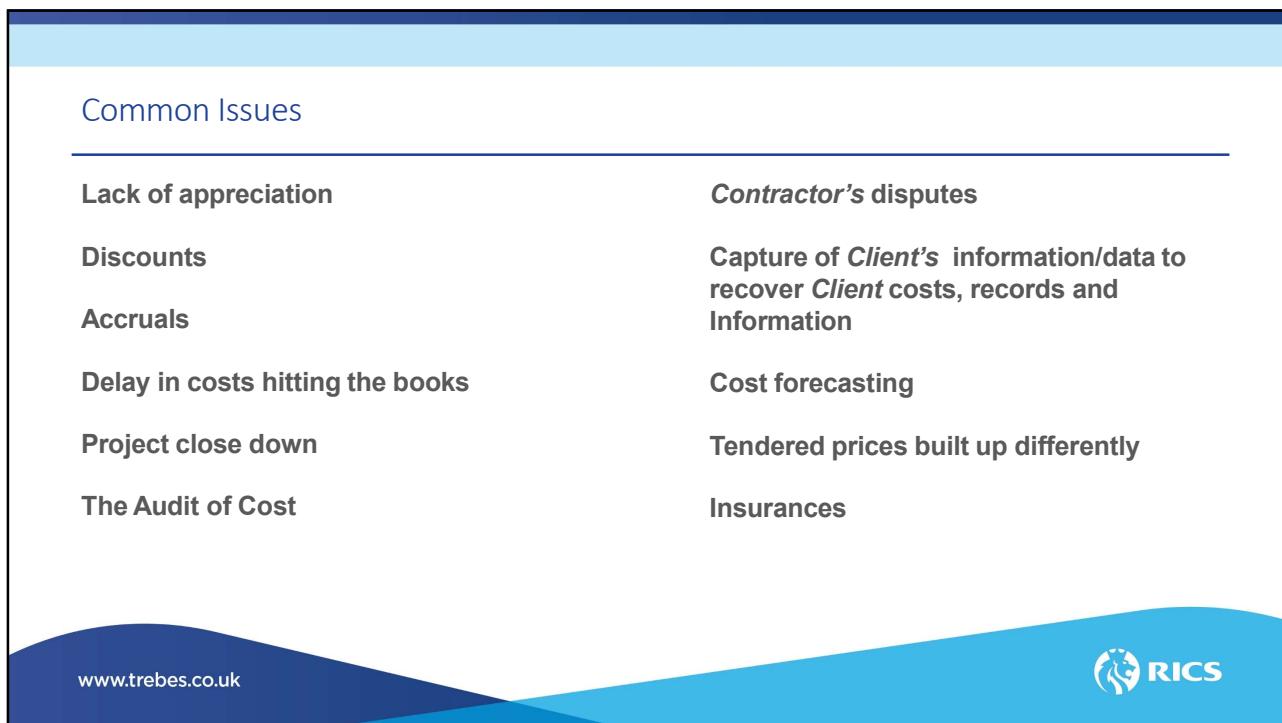
| Activity No | Description | Knowledge and Experience |
|-------------|---|--|
| 500 | Learning and Feedback Review <ul style="list-style-type: none"> Assess from existing and other projects Agree learning and feedback format and content Provide learning and feedback recommendations | <ul style="list-style-type: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

Stage 5
Learning & Feedback

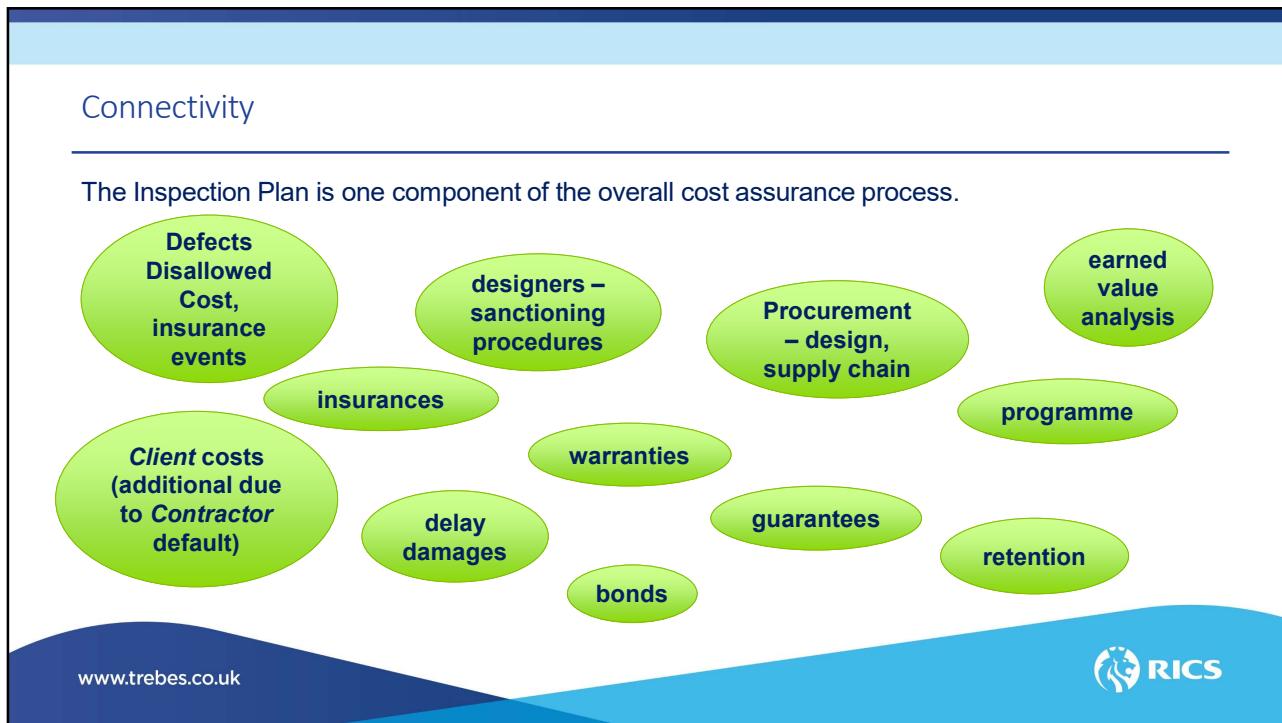
Stage 6 Review Inspection Plan

| 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



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Managing Reality

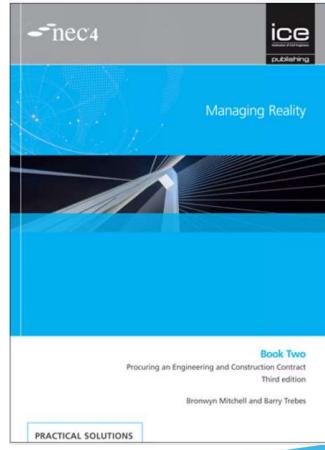
Example Contents Page for Inspecting Accounts and Records Plan

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



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