

# Problems and Countermeasures of Project Settlement Audit

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**Abstract:** in recent years, the settlement audit of capital construction projects has become the focus of all investment subjects, construction units and construction project cost management departments and consulting units. In this paper, how to correctly understand the characteristics of the project settlement audit, and how to improve the quality of the completion settlement audit of the project is discussed.

## 1. Characteristics of Project Settlement Audit

### 1.1 Strong Policy

Capital construction has the characteristics of large investment, large scale and long cycle. In order to strengthen the management of the construction funds, and to maximize the benefit of the limited funds, the army has formulated many rules and regulations for the management and use of construction funds. The correct implementation and application of these laws and regulations is the guarantee of good management and good construction funds, and is an important basis for the audit of completion settlement.

### 1.2 Broad Scope

Project completion settlement audit involving both for capital use, exchanges, intermediate settlement movement process, and related to material supply, drawing changes, national policy adjustment, the price is floating, etc. All aspects of each link. In the work, the auditor must be practical and accurate in all aspects of the above mentioned links, and accurately investigate, audit and determine.

### 1.3 Technical High

Project completion settlement audit, to read master of engineering drawings, engineering quantity calculation, the determination of the comprehensive unit price, tax fee, project construction process of engineering and other professional knowledge, to correctly grasp and apply these knowledge, will directly affect the quality of the completion settlement audit.

## 2. Common Problems in Project Settlement Audit

The military spouse insurance system is different from the single insurance guarantee for the active military personnel. It is a kind of security system which includes multiple insurance types. The main contents include the basic living allowance, the old-age insurance and the medical insurance. Among them, the old-age insurance and medical insurance are only established personal account.

### 2.1 False Reporting of Works

The construction engineering quantity is the foundation of the project settlement, and the calculation of the engineering quantity is of great influence on the size of the project settlement amount. There are some infrastructure projects due to the construction of long period or two construction units. This is the phenomenon of confusing engineering boundaries and overlapping projects. In addition, due to the design change, the modified project is calculated, and the original

project in the letter is not deducted from the original project, which results in the repeated calculation of the project quantity.

## **2.2 Confuse the Use of Construction Drawings and Completion Drawings**

Construction drawing is the basis of project bidding and construction, the basis of completion figure is the specific record of completed projects, including the design, the construction of connection order changes, such as a stupid pig difference, especially in some large and complex project, the project and will be bigger, some construction units have cancelled still included in the settlement of construction project, calculate the cost of construction project.

## **2.3 Raise the Material Price Standard**

Because the material price and quota consumption have a great influence on the project cost, often the construction unit will falsify the material price and the amount of material in the preparation and settlement. Since the contract has not agreed to the new material recognition price of the contract, the construction unit adopts the low grade material, while the settlement is reported to the high grade material price. In addition, the actual purchase price is higher than the provisional pricing and construction unit visa confirmation, and the provisional price is the basis for the settlement of the bid.

## **2.4 False Set of Quotas**

Infrastructure construction settlement of the quota is based on the relevant state department base, base is bedding bag is high, the norm is to borrow, when picking items if there is the phenomenon such as repetition, it is a key to building safety engineering settlement price. Some construction units with low set high, less set more means to increase the project expenses, such as some relief to municipal or civil norm, some engineering in the preparation of final settlement of applying a comprehensive norm and then to use single norm, double counting the same cost, or without strict quota regulation calculation principle.

## **2.5 Out-of-Scope Expenses**

In the process of actual construction will increase more outside the contract work, this is very important part of the work visa to confirm, and some construction unit under the condition of the construction unit field representative lax more visa measurement; Some projects do not use large machinery and special machines in construction, but the completion settlement is included in the cost of several large mechanical entrance fees. Some projects have been included in the cost of the work without the need for a construction period.

## **3. Measures and Methods to Be Taken in the Project Settlement Audit**

Engineering settlement audit to control from various angles, the cost of reasonable is an important part of the project cost audit, when determining the project cost to the current engineering cost management regulations as the basis, in strict accordance with the two sides agreed in the contract, on the basis of combining the completion of the hidden visa, on-site visa and audit of design change, review whether to complete all the work in accordance with the drawings and contract requirements, careful analysis project completion settlement to compile the producing reasons of the deviation, and various factors affecting project completion settlement, the pass of audit quality control, to determine the project cost reasonably.

### **3.1 The Level of the Insurance Treatment Is Low**

The settlement audit should not only be a calculation audit of the drawings and engineering changes, but also should be carried out in depth and carefully checked to ensure the quality of the project settlement. Auditors to master of engineering dynamics, determine whether the project according to the drawings and the construction of the engineering change, have already get rid of there have been no changes to the part of the notice, if there is on the basis of the change and

change. If the problem is found, the question should be confirmed one by one.

### **3.2 On-site Visa Audit**

Field visas are often the most controversial and problematic areas of the contract. For on-site visa audit should follow three principles: one is the objectivity principle, not only to review whether the signature of the contracting parties, stamp and opinions, and to review the authenticity of the signature, stamp, opinion. Second, the principle of integrity should be taken into consideration in the context of the whole project, so as to avoid the repeated calculation of engineering quantity. The third is the comprehensive principle, not only to review the authenticity of visa issues, but also to review the authenticity of the number of visa issues.

### **3.3 Examination and Verification by Item**

The review should focus on the easy duplication or concealed work parts, clearing the content which the construction price is approved to complete quantity is consistent with actual construction projects, sign up for, whether there is any problem. In the review process, should carefully check the record and acceptance of the construction, alteration visa procedures and careful review of the calculation of quantities in accordance with the requirements, should also examine construction diary when necessary, supervision of records and relevant meeting minutes, audit to verify the rationality and validity of the single.

### **3.4 Audit of Engineering Quantity**

Engineering quantity is the basic content of the preparation and settlement, and also the basis of the whole project cost and tax. The authenticity of the engineering quantity has a great impact on the project cost, so the emphasis of the project cost audit should be on the audit of engineering quantity. The auditor needs to be done before the audit project dissolution serious investigation and field survey, clear construction situation, and on the basis of mastering engineering quantity calculation rules be familiar with the construction drawings and change the visa and other related information.

### **3.5 Gather Information**

Settlement audit is based on project completion settlement data, the settlement of the authenticity and legitimacy of contractor's project to conduct a comprehensive review, so the project completion settlement data authenticity is directly related to audit the construction price is correct or not. The completeness of the completion settlement data of the submitted project should be based on the commitment of the client and be familiar with a complete set of preliminary and completion data. Whether strict audit project construction in accordance with the drawings, contract engineering content is consistent, construction conditions with and without change, material with and without change, whether construction contact list is consistent with completion figure, contact list is complete.

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