



CAPITAL PROGRAM MANAGEMENT

Auditing a \$2.1B Capital Project for the Board of Directors

THE NEED

A significant capital project had been re-baselined, following a Monte Carlo risk assessment, which resulted in a significant increase in the project budget and timelines. As a result, the Board of Directors requested via the Head of Global Operations, that Primecore carry out quarterly audits of the company's \$2.1B capital project in an effort to report the findings and key recommendations as the project unfolded.

THE APPROACH

Primecore has developed a standard process for the execution of project audits of large capital projects. The audits focus on progress over the period (against the planned schedule and commit schedule), measures the quality of the progress, considers management of risk, and provides cost forecasting and reporting.

- The audit process took four weeks from initiation to the issuing of final report:
 - > Week One: Request was issued for predefined project documentation allowing one week for receipt of documentation.
 - > Week Two: A review was carried out of all documentation received and a series of queries for clarification purposes were issued.
 - > Week Three: The project leadership team was interviewed.
 - > Week Four: A draft report was issued outlining the key findings and recommendations, followed by the final report.
- Primecore's report went to the Board of Directors four weeks after issuance.

THE SOLUTION

In this case, the project value was of such significance that the Board of Directors was the governing body. It is important that the body charged with governing a capital project have access to high quality, objective, and independent feedback during the project lifecycle. In this case, Primecore's standard audit process was key in providing the information required for governing such a project.



THE RESULTS

- *Primecore's standard audit process was key in providing the information required for governing such a project*
- *With the proper information, the BOD was able to govern the program on time and under budget*
- *A key to the success was Primecore's ability to maintain a positive relationship with project leadership while keeping an appropriate level of independence and objectivity in reporting*

