



Deloitte Construction Compliance
Management and Fraud
Investigation Services
Flyer



Construction Compliance Management

With the rapid growth of the economy, construction has been playing a critical role to the development of the society and the enterprises. The construction projects could often cost millions or even billions of dollars, involve numerous and complicated procedures, strong professionalism, various stakeholders, plenty suppliers and internal personnel; fraud, corruption grows accordingly. Reference is made to recent research by the American Association of Certified Fraud Examiners, fraudulent activities in construction projects may lead to financial losses as much as 45% of the project budget. Fraud in construction projects may not only cause economic losses to enterprises, but also trigger risks such as construction progress delays, quality defects etc. Consequently, further attention has been brought to the supervision of construction projects.

Deloitte has extensive experiences in construction compliance management and fraud investigations. Our clients are all over China, including large multi-national companies, private enterprises, listed companies, investment portfolio management institutions, etc. in various industries.

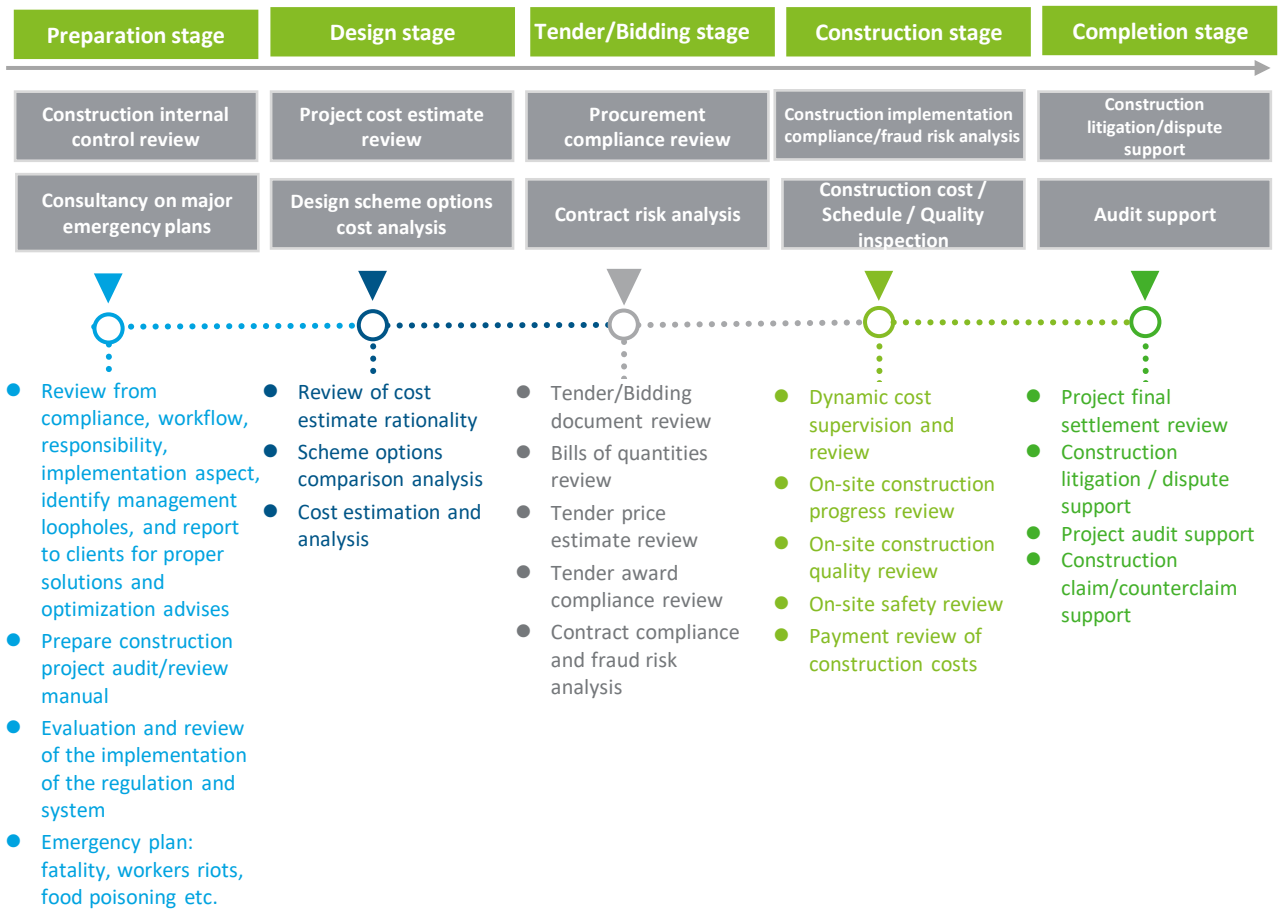
We assist our clients with compliance management and project management, as well as offering one-stop services throughout the life cycle of construction projects. From our experiences, simultaneous control at both enterprise and project level is an effective strategy of construction compliance management, at the same time it also helps to reduce the construction cost.

Full life cycle Construction services		1	2	3	4	5	6	7
		Project decision-making	Survey & Design	Tender & Procurement	Construction	Completion acceptance	Operations & maintenance	Asset withdrawal
Major responsibilities		Project proposal Feasibility study	Construction survey Construction drawing	Tender negotiation Contract binding	Construction execution Interim settlement	Project completion acceptance Final settlement	Operations & maintenance Post-project evaluation	Asset Recovery Liquidation withdrawal
Enterprise level	Financial advisory	Financial modeling Analysis of project financing strategy	Regional industrial planning & TOD overall consultancy		Forecast / review of cash flow	Final settlement & Financial review		M&A, restructuring, transfer Financial specific inspection
	Construction investigation & Compliance management	Whole-process construction compliance management and fraud investigation						
	Risk management	Whole-process risk control consultancy						

		PMO services						
Project level	Project management							
	Decision-making advisory	Investment decision-making advisory Feasibility study	High-level cost appraisal Cost estimates /optimization for schematic design					
	Tender & Procurement			Tender preparation / evaluation Negotiation Contract binding				
	Cost engineering / quantity survey	Investment cost estimation Economic evaluation report	Cost estimates Construction drawing cost plan	Bill of quantities Construction contract	Progress payments Change orders Construction claims Final settlement	Final accounts Analysis of construction economic data / benchmarks		
	Construction review	Full process tracking review		Tender specific verification/ review	Specific review of contract documents Verification of the rationality of major change orders	Review of final settlement Assist and support in audit works		
	Digitalization services (BIM)	Site selection advisory	Design scheme options comparison Building performance simulation analysis		Collaborative work platform for management of construction / cost etc.	As-built integrated data model upon completion	Intelligent operation management system Intelligent asset management system	
	Post-project evaluation	Evaluation of the project construction workflow / benefit evaluation / comprehensive sustainability assessment / special evaluations						
	Energy efficiency / Green building	Building energy efficiency and green building schemes for new construction / renovation and expansion projects						

Project level

Through the review of internal control regulations, design cost estimation, tender and procurement, construction management and final settlement disputes/audit support, we assist clients in the whole process and all-aspect risk control of the project, to ensure the compliance and cost rationality for implementation of the project overall. We also assist clients to strengthen control at all stages of the project, to ensure the quality of the project, reduce the risk of construction fraud, and to maintain reasonable control of the project expenditure.



Construction fraud investigation

We have extensive experience in construction fraud investigations. Our construction fraud investigation team comprises of professionals with forensic investigation, internal control compliance management, construction and cost management background. We provide our clients with professional services of construction fraud investigation and compliance management.

We are well-versed in high-risk area of fraud in construction projects, and able to assist clients to get to the root of the origin, identify the key reasons behind project cost overruns which could provide room for negotiation, identify and quantify the contractor's liability for breach of contract and the misconduct of relevant person-in-charge internally, and advise to optimize the workflow process.

Construction fraud investigation analysis includes:

Construction cost review

Review the project documentation, monitor contract variation / change records, project completion acceptance and price verification records, payment records and supporting documents, etc.; Compare market prices to verify price reasonableness; Utilize Deloitte's big data analytics platform to analyze project cost rationality; Comprehensively verify the authenticity and reasonableness of project costs.

Background check

Our experienced and multi-industry team utilize open data search, field investigation and relevant industry information to identify the project participants' history, organization structure, industry experiences, reputation and potential conflict of interests with key stakeholders.

Electronic data analysis

We have professional electronic forensic software and series of working platforms which provides industry benchmarks, and to process electronic data information. We can retrieve electronic data from the target company computers and mobile devices, and by using intelligent analysis tools, we can review large amounts of information within a short period of time and at the lowest cost promptly and accurately. We are able to identify fraud in the project and provide a reliable basis for subsequent potential negotiations or litigation accordingly.

Construction damage/loss assessment

With referencing to the results of our comprehensive investigation, we assess the potential losses of the project and analyze the weaknesses of the internal control system to assist clients in loss recovery action plan.

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