



**FIREWALL**

Technical and financial supervision

## Client protection against fraud risks and conflict of interests

According to a study by the Russian branch of the Association of Certified Fraud Examiners (ACFE), the share of funds loss due to theft, inefficient and inappropriate spending during the implementation of construction projects can reach up to 45% of the project budget.

To protect our clients, we offer assistance in the analysis and control of all invoices for payment. Our combination of technical expertise, technology solutions, and targeted tools allows our company to deploy highly skilled teams all over the world. With a deep understanding of planning and project phases, we assist in supply management, risk assessment, budgeting and scheduling, as well as the inspection of work performed and the timeframe for project completion.

### Frequently asked questions:

- What is the market value of performed works?
- Is construction on budget?
- Do the works performed match the project design?
- What is the quality of works performed?
- Does the volume of work billed match actual work?
- Are additional works justified and appropriate?

## Up to 45% of budget is lost during construction projects

### According to ACFE study

#### Design stage services

- Check each invoice and payment for design works;
- Evaluate design organization during project survey;
- Verify contract terms during the general design & survey activities, the development of construction documents and construction works;
- Review construction documents in to confirm the cost of materials, mechanisms and activities;
- Assess the possibility to claim against design organizations for breach of contract in survey activities or the development of construction documents;
- Analyze project documentation for regulatory and technical document compliance;
- Analyze design schedule

#### Construction stage services

- Check each invoice and payment for construction works;
- Provide quality assurance;
- Compare invoiced prices for materials and works against market value
- Analyze the reasons for cost and schedule changes
- Identify work and materials that are not covered by the design-budget documentation but recorded in production;
- Check for compliance of delivered materials against real project requirements and design;
- Analyze the construction schedule;
- Asses additional works cost

## Our experience

<b>One of the world's largest producers of space and aviation alloys</b>	Our team created the process design, equipment layouts and piping for a chloral filter station, chloral compressor station and mineral stock dewatering system, as well as handling mechanical design for unique ovens and gas-cleaning systems.
<b>One of Russia's largest retailers</b>	We served as the Technical Client and Technical Supervision team on several shopping center construction sites; we were responsible for construction management. All shopping centers were successfully handed over to operations.
<b>One of Russia's largest auto dealers</b>	We participated in the construction of several auto dealer centers in Moscow as the Technical Client and Technical Supervision team. The dealer centers were successfully handed over to operations.
<b>One of the world's largest food producers</b>	We served as the Technical Supervision team on a large, complex industrial reconstruction project. We managed quality control, design compliance, budget control and as-built documentation control.
<b>Russia: construction company</b>	We performed an expense analysis on inert materials (sand, asphalt, crush stone, etc.) as well as petroleum and lubricants purchasing for a Russia-based construction company. Furthermore, we analyzed expenses related to equipment for five construction projects. The team revealed purchasing at significantly inflated prices, as well as fictitious expenses relating to equipment. Furthermore, we revealed cases where petroleum and lubricant write-offs exceeded standard volumes. We identified a number of internal control weaknesses in materials purchasing.
<b>Russia: major development holding</b>	We performed an investigation on the cost of construction works of six objects. In the course of our investigation we were able to identify fictitious services at the design stage. Furthermore, we analyzed the cost of subcontract works and determined significant deviations in the cost of materials used in construction from average market prices. Moreover, we identified fictitious services provision at the construction stage and revealed "black cash" transactions. As a result of our work, the stakeholders were able to strengthen internal controls in high-risk areas.
<b>Russia: major general contractor</b>	Our team detected potential loss arising from inefficient asset transactions, purchasing of construction materials and services at inflated prices, and sale of construction materials at under-stated prices. Furthermore, the team managed to detect work performed by the targeted company which was not paid for. This allowed the targeted company to reimburse substantial sums which were subsequently used to settle existing debts.

# Contacts



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