

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

The Ask:

The Board of Directors, through the head of Global Operations, requested that Primecore carry out quarterly audits of the company's \$2.1B capital project and report the findings and key recommendations to the Board on a quarterly basis. The project had recently been re-baselined, following a Monte Carlo risk assessment resulting in a significant increase in the project budget and timelines.

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), quality of the progress, management of risk, cost forecasting and cost reporting.

- Primecore's audit process took four weeks from initiation to the issuing of final report:
 - Week One: Primecore issues a request for predefined project documentation allowing one week for receipt of documentation.
 - Week Two – Primecore carries out a review of all documentation received and issues a series of queries for clarification purposes.
 - Week Three – Primecore interviewed the project leadership team.
 - Week Four – Primecore issues a draft report outlining the key findings and recommendation and then a final report.
- Primecore's report went to the BOD 4 weeks after issuance

Outcomes:

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. Through Primecore, the Board was able to receive this information and 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.

