

FINANCE

Cost Verification Policy Statement

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Cost Verification Policy Statement

Delivery of Crossrail (CRL) in a manner that provides best value is a critical objective of the Programme. A key driver in achieving value is successful cost control from within the supply chain and CRL recognises that collaborative working with Contractors must be balanced by rigour in verifying Defined Cost.

The key objectives of Cost Verification will be to:

1. Support the Project Managers in their responsibility to make a fair and valid assessment of Defined Cost under CRL's contracts.
2. Proactively drive improved cost controls and processes in order to prevent submission of non-Defined or Disallowed Costs and to create an environment of deterrence against non-compliant Defined Cost submissions, fraud and corruption.
3. Measure and communicate to management and stakeholders the outputs of the Cost Verification team and Project teams in enhancing cost controls and preventing overpayments, thereby contributing to stakeholder confidence in the commercial management of the Programme.
4. Obtain and publish intelligence from cost and operational data to aid evidence-based decision making throughout the Programme.
5. Support the Project Manager and the Employer in establishing a consistent interpretation of Defined Cost elements of the NEC contract across the Programme.

The approach to cost verification will be:

- Collaborative: the emphasis will be on working with contractors to improve controls and encourage contractual compliance in applications for payment.
- Risk-based: focusing resources on areas of material risk
- Smart: utilising technology and specialist skill sets to drive efficient and effective cost verification
- Open: ensuring that audit evidence and data is made available to support audits carried out by the Employer and public bodies on behalf of sponsors or stakeholders and assist such audits as required.

Cost verification will be carried out in the spirit of core clause 10 to the NEC Engineering and Construction contract:

“The Employer, the Contractor, the Project Manager and the Supervisor shall act as stated in this contract and in a spirit of mutual trust and co-operation.”