

## STRATEGIC PLANNING & PLACE BUILDING CONTRACT DIRECTIVE

DATE: January 2016

### STATEMENTS OF FINAL COSTS ON CAPITAL SCHEMES

#### REFERENCE

#### INTRODUCTION

The requirements of this Directive relate only to Schemes financed from the Council's capital programme

1. **Reports**

The County Council requires that on completion of all projects in the Capital Programme a final cost report is prepared that compares the final cost with the contract sum.

The completed report should be kept with the financial records for the project for future reference.

2. **Content**

A statement of final cost is required on each scheme which sets out the approvals to expenditure from the various financial provisions and the actual expenditure on the contract and on direct orders against those approvals.

3. **Format**

The statement is presented on Form D241

[Form D241](#)

4. **Closure of Files**

Files are not to be closed and sent for storage until the statement of final cost has been prepared. The Consultant will be required to provide the initial information necessary for the preparation of the report.

5. **Time of Presentation**

The provision of this information should take place at the same time as the final account is sent to the Project Manager for audit whilst the details are still fresh in the mind.

6. **Reasons for Expenditure**

Justification needs to be provided for any over-spending on the contract, and if there is a substantial saving, the reasons for this will also be required.

7. **Importance attached to the reports**

It should be borne in mind that this report reflects the competence of the whole professional team in the financial administration of the contract. It is imperative,

- 1 -

NOTE:

*THIS DIRECTIVE IS APPLICABLE TO THE MAJORITY OF SCHEMES BUT IT WILL NOT NECESSARILY BE APPROPRIATE TO ALL WORKS AND THEREFORE ON EACH SCHEME IT WILL BE NECESSARY TO CHECK THE SPECIFIC REQUIREMENTS.*

therefore, to avoid overspending wherever possible, and if it does occur, that it can be properly explained. The main purpose of the report is to record the final cost of the project and to demonstrate efficiency in the control of finance. The principals in all of the professional offices involved should ensure that the information provided is supportable. **Experience shows that consultants do not always appreciate the importance of the final report and the answers given as a reflection of the practice's competence in managing projects.**

**CONCLUSION**