

CONSTRUCTION FINANCIAL PERFORMANCE ASSESSMENT

ABC CONSTRUCTION, INC.
(Sample Company)

**Sample Executive Summary
& Action Plan**
(Sample Deliverable)

Assessment Date: 06/10/2026

Prepared By:



EXECUTIVE SUMMARY:

OVERALL ASSESSMENT RATING: ● Opportunities for Improvement

ABC Construction maintains a solid financial and operational foundation supported by an established ERP platform, effective core accounting controls, and generally reliable financial reporting processes. The assessment identified several opportunities to improve financial visibility, forecasting accuracy, and project performance management, including enhancements to the month-end close process, WIP forecasting procedures, and cash flow planning. The most significant finding relates to change order management, where delays between project execution, customer approval, and accounting system updates may impact profitability reporting and revenue recovery. Overall, the company is operating from a position of strength; however, implementing the recommendations outlined in this report would improve decision-making, increase project profitability visibility, strengthen cash flow management, and support future growth through a more proactive and data-driven financial management approach.

ASSESSMENT SCORECARD:

Area Reviewed:	Includes:	Rating:
Financial Reporting & Month-End Close	Review of financial statements, reporting package, close process, timeliness, and supporting documentation.	●
Job Costing & Project Visibility	Evaluation of job cost setup, cost allocation, change orders, and project profitability visibility.	●
WIP Reporting & Revenue Recognition	Assessment of WIP methodology, compliance with standards, and accuracy of revenue recognition.	●
Cash Flow Visibility & Forecasting	Review of cash flow reporting, forecasting, process, working capital management, and liquidity visibility.	●
ERP & Accounting Workflows	Evaluation of ERP system, workflows, integrations, automations, and reporting capabilities.	●
Internal Controls & Process Efficiency	Review of key internal controls, approvals, segregation of duties, and opportunities to improve efficiency and reduce risk.	●
Assessment Ratings: ● - Strengths ● - Opportunities for Improvement ● - Priority Risks		

KEY FINDINGS & RECOMMENDATIONS:

FINANCIAL REPORTING & MONTH-END CLOSE - ● Opportunity for Improvement

Financial statements are generally accurate but are issued approximately 25 days after month-end, reducing the usefulness of reporting for operational decision-making.

Recommendation: Implement a structured close calendar that is communicated monthly with key departments, establish a month-end close checklist and a standardized review process to reduce close time to 10 business days.

JOB COSTING & PROJECT VISIBILITY - ● Priority Risk

A documented change order process exists but there are significant delays between field authorization, project execution, customer approval, and accounting system updates.

Recommendation: Implement a formal change order management process including a centralized change order log and tracker for all active projects, establish a weekly project manager meeting to review all outstanding and pending change orders and document all potential scope changes before work begins whenever contractually possible.

WIP REPORTING & REVENUE RECOGNITION - ● Opportunity for Improvement

Monthly Work-in-Progress (WIP) schedules are being prepared and do utilize a cost-to-complete methodology for revenue recognition, however cost-to-complete estimates are largely maintained by project managers without a formal review process.

Recommendation: Implement a more formalized WIP review and forecasting process by developing a consistent forecasting template for all projects, require all project managers to update their cost-to-complete estimates before month-end close utilizing the standard forecasting template, document significant forecast changes and supporting assumptions and establish a standardized monthly WIP review meeting.

CASH FLOW VISIBILITY & FORECASTING - ● Opportunity for Improvement

Cash management is largely reactive and not consistently tied to project schedules, billings, collections, and upcoming commitments.

Recommendation:

Develop a rolling 13-week cash flow forecasting process that incorporates project schedules, billing milestones, anticipated collections, subcontractor payments, payroll, and capital expenditures. This will provide management with improved visibility into future cash needs, support working capital planning, and enable more proactive decision-making.

ERP & ACCOUNTING WORKFLOWS - ● Strength

The current ERP system provides strong reporting capabilities and supports future dashboard and KPI development.

Recommendation: Expand the use of ERP reporting tools to provide project managers and leadership with real-time visibility into job profitability, WIP performance, backlog, cash flow, and operational KPIs. This will maximize the value of the existing system investment and support more proactive project and financial management.

INTERNAL CONTROLS & PROCESS EFFICIENCY - ● Strength

Core approval and accounting procedures are in place, with opportunities to further automate workflows and reduce manual effort.

Recommendation: Build upon the existing control environment by evaluating opportunities to automate accounting and operational workflows, including invoice approvals, recurring reporting, and project administration processes. Continued process optimization will improve efficiency, strengthen consistency, and support future growth while maintaining effective internal controls.

TOP PRIORITIZED RECOMMENDATIONS:

IMMEDIATE (0–30 Days)

1. Implement a formal change order management process.
2. Establish a structured month-end close calendar and checklist.
3. Formalize monthly WIP forecasting and review procedures.

SHORT-TERM (30–90 Days)

4. Implement a rolling 13-week cash flow forecast and review procedures.
5. Develop executive KPI dashboards and enhanced ERP reporting.

POTENTIAL BUSINESS IMPACT:

- ✓ Increased confidence in financial and operational decision-making
- ✓ Improved project profitability and margin protection
- ✓ Reduced risk of unrecovered change order revenue

- ✓ Stronger cash flow visibility and liquidity planning
 - ✓ Earlier identification of project and operational risks
 - ✓ Enhanced scalability to support future growth
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CLOSING STATEMENT:

The findings identified during this assessment represent opportunities to strengthen financial visibility, improve project profitability management, and enhance decision-making across the organization. By addressing the prioritized recommendations outlined in this report, management can build upon existing strengths while positioning the company for continued operational and financial success.

RECOMMENDED NEXT STEPS:

OPTION A: Implement Recommendations Internally

Management may choose to implement the recommendations identified in this assessment using internal resources. The prioritized action plan can serve as a roadmap for improving financial visibility, forecasting, and project performance management.

OPTION B: Engage Ogilvie Accounting & Finance

Ogilvie Accounting & Finance can partner with your team to implement the recommendations identified in this assessment. Whether you need assistance with a specific initiative or ongoing financial leadership, support can be customized to help improve financial visibility, strengthen operational processes, and achieve your business objectives.

Please note that this is a sample deliverable.

The full Construction Financial Performance Assessment includes the following:

- ✓ Executive Summary
- ✓ Detailed Written Assessment Report
- ✓ Prioritized Action Plan
- ✓ Review Meeting