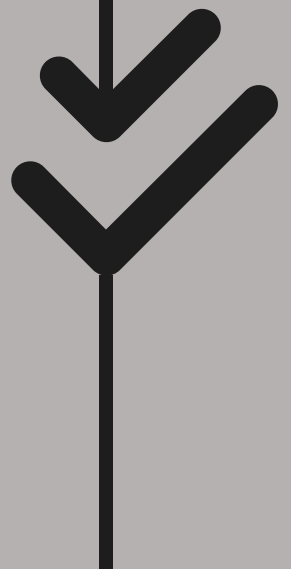


Job costing audit checklist

Central to running a profitable trade, job costing requires synergy between all business operations. For this reason, contractors need to objectively review job costing systems to ensure accuracy, efficiency, and effectiveness. Use the following checklist to assess and improve your current job costing system for better scalability and profitability.

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Reviewing company-wide processes and procedures

- Are overall business processes and procedures up-to-date and in line with industry standards?**
 - Are office processes (timecards, estimates/quotes, invoices) done via digital tools and platforms?
 - Do you have a CRM system in place, and do you actively track and manage your sales pipeline?
 - Are you able to share project information and important documents with clients through digital means (not phone, fax, or email)?
 - Are you able to send and receive electronic payments?
 - Are you able to securely store and manage contracts through digital means?

- Are job management and reporting systems up-to-date and in line with industry standards?**
 - Are you using construction management software to track and organize detailed job costing information?
 - Is job costing information stored, organized, and easily accessible?
 - Are you able to create accurate profitability reports on past jobs?
 - Are employees able to track time in an accurate and efficient manner?
 - Are you able to view job costing data in real time throughout the course of a project?
 - Are you able to quickly look up which invoices are outstanding/overdue?



Reviewing accuracy

- Ensure all major cost categories are being tracked accurately on every job**
 - Labor
 - Materials
 - Equipment
 - Subcontractors fees

- Are you including the “full-cost” of every job?**
 - Are you accounting for labor burden when tracking labor costs?
 - Are job costs being reconciled with vendor invoices to ensure accuracy?
 - Are job costs being appropriately allocated and tracked to the appropriate job (i.e., are cost figures matching up to the right job)?
 - Are you calculating the cost of equipment rental or usage on a per-hour basis for jobs?

- If using cost codes, are your jobs coded correctly?**
 - Do they align with the most recent CSI codes?



Reviewing per-job profitability

- Have you analyzed the job cost reports from every job over the past week to identify any potential areas for cost savings?**
 - Are any jobs underperforming or overperforming?
 - Are labor costs consistently exceeding estimates?
 - If so, have you analyzed all jobs with cost overruns to determine why?
 - Are material costs consistently exceeding estimates?
 - If so, have you analyzed all jobs with cost overruns to determine why?

- Are you monitoring the job progress consistently during the course of a project and adjusting costs accordingly?**
 - Are margins being monitored on a per-job basis?
 - Are profitability goals being met and tracked?



Reviewing estimates

- Are estimates consistently falling within budget?**
 - If estimates and total project costs are considerably off, have you reviewed the job to determine and identify what caused the cost discrepancy?
 - Are the estimated costs in line with the actual costs?

- Have you analyzed job cost/profitability reports for any potential areas to improve the accuracy of your estimates?**
 - Are you identifying costs you may have missed when creating your original estimate?
 - Are you accounting for labor burden when estimating labor costs?
 - After identifying where you over or underspend, are you using this information to adjust future bids for similar jobs?

Compliance and accessibility

- Ensure that your financial recording practices comply with all applicable laws and regulations**

- Ensure that job cost records are properly archived and stored in a secure location**

Build your business with confidence

With this checklist, we hope you have the insight to understand what you're doing well and gauge where you can improve. Going forward, look to fill in the gaps until you can confidently check every box. To help get you there, construction management software such as Knowify gives the tools needed for better budgeting, bidding, job costing, invoicing, and more, all in one place.

To see for yourself, [schedule a quick demo](#) with our team to learn more.

[Schedule demo](#)

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