
Capital Project Accounting Course: Cost Capture, Capitalisation and Asset Close-Out

25 – 29 January 2027
Cape town





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Ref: 179_16576 **Date:** 25 – 29 January 2027 **Location:** Cape town **Fees:** 4800 GBP

Programme Summary

Capital project accounting for owner organisations is a one-week training course for project finance and capital programme leaders at advanced level, culminating in a capital project accounting control plan for a live or planned investment. Cost data captured loosely early in a long capital programme becomes unreliable balances, disputed capitalisation and late asset handover. The approach follows the money from cost structure and commitments through assets under construction, capitalisation decisions and board reporting to close-out. Mars Training Centre UK delivers this programme in capital project accounting and asset capitalisation.

The Business Case

When project costs are coded inconsistently and assets under construction are left unsettled, the asset base is misstated, depreciation starts late and auditors raise findings. Owner-side teams that design the cost structure before spending begins report reliably and transfer finished assets without lengthy reconciliation.

- Asset Under Construction Ageing: Falls as completed elements are settled to the fixed-asset register when ready for use.
- Audit Findings on Capital Spend: Reduce as capitalisation judgements are documented against agreed criteria.
- Forecast Accuracy at Completion: Improves as commitments and accruals are captured alongside actual cost.

Principles and Evidence Base

- IAS 16 Property, Plant and Equipment: Its tests for directly attributable cost and componentisation structure Session 3.
- IAS 23 Borrowing Costs: Its rules on qualifying assets and capitalisation periods are applied in Session 3.
- IAS 36 Impairment of Assets: Its impairment indicators are used in Session 4 to review stalled work in progress.
- Work Breakdown Structure Costing: Linking cost codes to the work breakdown structure underpins the cost architecture built in Session 1.



Intended Participants

- Leaders who own the financial control of capital programmes on behalf of the asset owner.
- Controllers who reconcile project ledgers and accruals each period.
- Finance business partners who advise project directors on spend, forecasts and capitalisation.
- Managers responsible for fixed-asset registers and the handover of completed facilities.

The programme serves utilities, infrastructure developers, government investment entities and energy companies.

Learning Outcomes

1. Participants will be able to construct a project cost architecture that links the chart of accounts to the work breakdown structure.
2. Participants will be able to evaluate commitment, accrual and cut-off practices for accurate period reporting.
3. Participants will be able to justify capitalisation and expense decisions, including borrowing costs, against international standards.
4. Participants will be able to diagnose ageing, stalled or impaired balances within assets under construction.
5. Participants will be able to design board-level capital project reports on spend and forecast outturn.
6. Participants will be able to prioritise close-out steps that transfer completed assets to the fixed-asset register.

Programme Structure

Day 1: Capital Project Accounting Architecture

How should a capital project be structured so every cost lands correctly?

- Owner-Side Roles in Capital Project Accounting
- Work Breakdown Structure and Cost Code Mapping
- Chart of Accounts Design for Capital Programmes
- Capital Versus Operating Budget Approval Gates
- ERP Project Ledger and Cost Collector Set-Up

Day 2: Cost Capture, Commitments and Accruals

How is the true cost position known at any period end?

- Purchase Orders, Contracts and Commitment Recording
- Progress-Based Accruals and Period Cut-Off
- Contractor Valuations, Retentions and Advance Payments
- Internal Labour and Overhead Allocation Rules
- Budget, Commitment, Actual and Forecast Reconciliation



Day 3: Capitalisation Decisions and Borrowing Costs

Which project costs belong on the balance sheet, and from when to when?

- IAS 16 Directly Attributable Cost Tests
- Componentisation and Useful Life Assignment
- Feasibility, Pre-Construction and Abortive Cost Treatment
- IAS 23 Qualifying Assets and Capitalisation Rate
- Commencement, Suspension and Cessation of Capitalisation

Day 4: Assets Under Construction Control and Board Reporting

Are work-in-progress balances sound, and what does the board need to see?

- Assets Under Construction Ageing and Review
- IAS 36 Impairment Indicators for Stalled Projects
- Variance Analysis: Budget, Forecast and Outturn
- Board and Investment Committee Capital Reports
- Audit Trail and Supporting Documentation Standards

Day 5: Close-Out and Applying Capital Project Accounting

Is the project ready to hand over clean balances to the asset register?

- Settlement of Assets Under Construction to Final Assets
- Fixed-Asset Register Handover and Tagging
- Applying Day 3 Capitalisation Criteria to Final Cost Reports
- Using Day 2 Accrual Data to Close Contracts and Release Retentions
- Capital Project Accounting Control Plan Completion

Methodology

The programme relies on structured exercises built around case projects from utilities, real estate and industrial plants. Each session pairs a short briefing with work on cost ledgers, contract valuations and draft board reports, testing each accounting judgement on realistic numbers.

- Suggested activity: Mapping a work breakdown structure to cost codes and general ledger accounts.
- Suggested activity: Deciding which costs on a sample project ledger may be capitalised.
- Suggested activity: Preparing a settlement schedule for a completed facility.



Capstone Output

Each participant completes a capital project accounting control plan for a project they finance or a case project. It sets out the cost architecture, accrual routine, capitalisation policy notes, assets under construction review cycle, board report template and close-out checklist.

Frequently Asked Questions

Is capital project accounting training suitable for finance managers new to projects?

Yes, if you already work in finance. It is set at advanced level and assumes knowledge of financial statements, but not prior project experience.

Which standards does the capital project accounting course rest on?

It rests on IAS 16 Property, Plant and Equipment, IAS 23 Borrowing Costs and IAS 36 Impairment of Assets, together with work breakdown structure costing.

How is the capital project accounting control plan used at work?

You can use it to agree cost coding with project teams, document capitalisation judgements for auditors and close projects onto the asset register on time.

How does capital project accounting differ from contractor job costing?

It takes the asset owner's view, treating spend as an asset being built, whereas contractor job costing concerns contract revenue and margin.