# Cost Verification Reviews and Safeguard Design for Finance Leaders Course

7 – 11 March 2027
Manama

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## Programme Summary

Cost verification reviews and safeguard design are the subject of this one-week training course for finance, cost accounting and operations leaders, ending in a cost verification and safeguard file for one cost area. Cost records drive pricing, budgets and supplier payments, yet they are often accepted without independent testing and protected by controls that nobody has tested. The programme teaches how to trace cost records to evidence, test variances, design safeguards around cost data and report findings to executives. Mars Training Centre UK delivers this programme on cost verification reviews and safeguard design to mixed-organisation cohorts.

## The Business Case

Cost data feeds pricing, budget decisions and payments, so errors and manipulation flow into margins and cash. Leaders who verify cost records against evidence and place tested safeguards around cost processes find leakage earlier and spend less time on disputes.

- Cost Variance Unexplained: Falls as variances are traced to causes and evidence rather than accepted as reported.
- Payment Errors and Leakage: Fall as safeguards at approval and recording points are designed and tested.
- Rework in Cost Reporting: Falls as record owners and review points are assigned before the period closes.

## Principles and Evidence Base

- COSO Internal Control - Integrated Framework: Its five components, control environment, risk assessment, control activities, information and communication, and monitoring, structure the safeguard design in Sessions 3 and 4.
- Risk-Based Sampling: Session 2 selects cost records for testing according to value and risk, not convenience.
- Segregation of Duties: Session 3 applies the separation of authorising, recording and custody to cost processes.
- Variance Analysis: Session 2 separates price, volume and mix effects to locate the source of a cost difference.

## Intended Participants

- Finance leaders who rely on cost reports for pricing and budget decisions.
- Cost accounting managers who maintain standard costs and cost records.
- Operations and procurement leaders who generate the transactions behind cost data.
- Internal assurance managers who plan reviews of cost areas.
- Governance managers who report on the reliability of cost information.

Typical sectors include manufacturing, construction, utilities and public administration.

## Learning Outcomes

1. Participants will be able to construct a risk-ranked scope for the review of one cost area.
2. Participants will be able to evaluate cost records against purchase, production and payment evidence.
3. Participants will be able to diagnose the causes of price, volume and mix variances.
4. Participants will be able to design safeguards for approval, recording and custody points in cost processes.
5. Participants will be able to justify the tests that show whether a safeguard operates as designed.
6. Participants will be able to construct an executive report that ranks findings and assigns owners.

## Programme Structure

## Day 1: Cost Areas, Risks and Review Scope

Which cost areas carry the highest risk of error, and what should a review cover?

- Cost Flow Map
- Cost Risk Register
- Review Scope Statement
- Evidence Source Inventory
- Risk-Ranked Cost Area Grid

## Day 2: Verifying Cost Records and Variances

How are cost records traced to evidence and variances traced to causes?

- Risk-Based Sample Selection Sheet
- Purchase to Payment Tracing Table
- Production Cost Reconciliation
- Price Volume and Mix Variance Breakdown
- Exception Log

## Day 3: Designing Safeguards

Where do cost processes need safeguards, and who should own them?

- Approval Point Matrix
- Segregation of Duties Grid
- COSO Component Mapping Sheet
- Safeguard Description Template
- Record Ownership Register

## Day 4: Testing Safeguards and Reporting

How is it shown that safeguards work, and how are weaknesses reported?

- Design and Operation Test Plan
- Test Evidence Worksheet
- Weakness Severity Scale
- Executive Findings Report Layout
- Corrective Action Tracker

## Day 5: Applying the Tools to One Cost Area

Do the scope, verification, safeguard and reporting tools hold together for one cost area?

- Applying the Session 1 Risk-Ranked Cost Area Grid
- Testing the Session 2 Exception Log
- Tuning the Session 3 Approval Point Matrix
- Checking the Session 4 Corrective Action Tracker
- Completing the Cost Verification and Safeguard File

## Methodology

The programme uses a field-style audit method built on anonymised purchase orders, invoices, production records and cost ledgers. Participants work in mixed finance and operations teams on one shared cost area, challenge each other's samples and safeguards, and receive written facilitator feedback on every exercise.

- Suggested activity: Tracing a sample of cost entries back to orders, receipts and payments.
- Suggested activity: Breaking a cost variance into price, volume and mix effects.
- Suggested activity: Redesigning an approval step so that one person cannot authorise and record.

## Capstone Output

Each participant completes a cost verification and safeguard file for one cost area. It holds a risk-ranked scope, a record of tested entries and exceptions, a variance breakdown, a safeguard design with owners, a test plan and a findings report. The file is used at work to brief executives and to start the first review cycle.

## Frequently Asked Questions

### Are cost verification reviews and safeguard design suitable for leaders who are not auditors?

Yes. Cost verification reviews and safeguard design are taught through cases and templates, so you need finance, cost or operations experience but no audit qualification.

### Which framework do cost verification reviews and safeguard design draw on?

Cost verification reviews and safeguard design draw on the COSO Internal Control - Integrated Framework, alongside risk-based sampling, segregation of duties and variance analysis.

### How is the file from cost verification reviews and safeguard design used at work?

You use the cost verification and safeguard file to brief executives, assign owners to safeguards and start the first review cycle for a cost area.

### How do cost verification reviews and safeguard design differ from cost accounting training?

Cost verification reviews and safeguard design centre on testing recorded costs and the controls around them, while cost accounting training centres on building costing methods and reports.