



Australian Government

Department of Education, Employment and Workplace Relations

BSBPMG403A Apply cost management techniques

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to work with others to produce a project budget, to monitor project expenditure and to contribute to cost finalisation processes.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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Application of the Unit

Application of the unit	<p>This unit applies to a project team member working under the direction of a project manager with other project team members. The individual may be operating within an organisation or as a consultant. The skills should be applied in the context of multiple complex projects, with the individual operating as part of a specialist project management team.</p> <p>In the context of this unit a complex project is defined as a project which involves:</p> <ul style="list-style-type: none"> • the need for a comprehensive and multi faceted project plan • the need for a formal internal or external communications strategy • a dedicated and diverse project budget • multiple administrative components • multiple operational components • a wide range of stakeholders • a project operations team. <p>The functions performed by a worker managing a straightforward project or a section of a larger project where project management is not the main focus of the job role are covered by BSBPMG510A Manage projects.</p>
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units	

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Assist with the development of the project budget	<ul style="list-style-type: none">1.1. Determine <i>estimated costs</i> for tasks and activities and communicate these costs to <i>others</i> for inclusion in project budget1.2. Map costs against duration/effort and resources allocated, and communicate to project manager for inclusion in the project plan, budget and expenditure flow1.3. Contribute to the development of <i>cost management strategies and processes</i>, and financial authorisation within <i>delegated authority</i>
2. Monitor project costs	<ul style="list-style-type: none">2.1. Monitor income and expenditure against the agreed project plan and budgets to facilitate cost management throughout the project life cycle2.2. Use established cost management methods, techniques and tools to identify and report variations in the budget to higher project authority for action2.3. Implement and monitor agreed actions and report progress to others to ensure cost objectives are achieved throughout the project life cycle
3. Contribute to cost finalisation process	<ul style="list-style-type: none">3.1. Provide assistance in the finalisation and transfer of financial assets, liabilities and records to the client or relevant operational support agency3.2. Provide assistance in the review of project outcomes by use of <i>project records</i>, to determine the effectiveness of initial and subsequent cost management strategies and processes3.3. Report cost management issues and responses to project/program manager for application in future projects

Required Skills and Knowledge

Required skills
<ul style="list-style-type: none">• numeracy skills to check and interpret project budgets• financial management skills to develop project budgets, monitor costs and report on cost management• technology skills to use financial management software to develop and monitor project budgets.
Required knowledge
<ul style="list-style-type: none">• budgeting processes and their relationship to the project life cycle• cost management tools and techniques.

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- application of cost management techniques in relation to budgets for multiple complex projects
- knowledge of cost management tools and techniques.

Context of and specific resources for assessment

Assessment must ensure:

- access to examples of project management budgets and related financial documentation
- access to evidence or project records of team member involvement in financial management processes.

Method of assessment

A range of assessment methods should be used to assess practical skill and knowledge. The following assessment methods are appropriate for this unit:

- direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- analysis of responses addressing different project cost management scenarios
- oral or written questioning to assess knowledge of strategies for managing project costs
- analysis of budgets and costing prepared by the candidate
- review of communication to others of estimated costs for tasks and activities for inclusion in project budget
- evaluation of reporting on cost management issues and responses to project/program manager.

Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- other units from the Certificate IV in Project Management.

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<i>Estimated costs</i> may refer to:	<ul style="list-style-type: none"> • application and registration fees for intellectual property (IP) and patents etc. • contingency (as outcome of risk assessment) • facilities • labour • material • project management overheads • travel and subsistence
<i>Others</i> may include:	<ul style="list-style-type: none"> • higher project authority • project manager • project specialists or other personnel • team members
<i>Cost management strategies and processes</i> may include:	<ul style="list-style-type: none"> • communication with stakeholders, dispute resolution and modification procedures • implementation of financial control mechanisms • measurement of actual progress against planned milestones • recording and reporting of variations
<i>Delegated authority</i> means:	<ul style="list-style-type: none"> • conducted under limited guidance and supervision • subject to frequent change in a multi-disciplinary environment • within agreed authorisation and limits • within established organisational framework, procedures and routines
<i>Project records</i> may include:	<ul style="list-style-type: none"> • cost management lessons learned • cost verification and validation documentation • input to cost management plans • invoice and payment records • lists of potential costs • project and/or organisation files and records • reports to relevant stakeholders

Unit Sector(s)

Unit sector	
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Competency field

Competency field	Management and Leadership - Project Management
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Co-requisite units

Co-requisite units		