



Australian Government

Department of Education, Employment and Workplace Relations

BSBPMG504A Manage project costs

Release: 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 identify, analyse and refine project costs to produce a budget, and to use this budget as the principal mechanism to control project cost.</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 an individual who is clearly and solely responsible for the management and leadership of a complex project, either as an employee of an organisation or an external consultant.</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 program manager to manage costs within multiple projects are addressed in BSBPMG604A Direct cost management of a project program.</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. Determine project costs	<p>1.1.Determine resource requirements for individual tasks, with input from stakeholders and guidance of <i>others</i></p> <p>1.2.Estimate <i>project costs</i> to enable budgets to be developed and implement agreed cost management processes</p> <p>1.3.Develop and implement a cost management plan, within <i>delegated authority</i>, to ensure clarity of understanding and ongoing management of project finances</p>
2. Monitor and control project costs	<p>2.1.Implement agreed <i>financial management processes and procedures</i> to monitor actual expenditure and to control costs</p> <p>2.2.Select and use cost analysis methods and tools to identify cost variations, evaluate options and recommend actions to a higher project authority</p> <p>2.3.Implement, monitor and modify agreed actions to maintain financial and overall project objectives throughout the project lifecycle</p>
3. Conduct financial completion activities	<p>3.1.Conduct appropriate activities to signify financial completion</p> <p>3.2.<i>Review</i> project outcomes using available <i>records</i> and information to determine the effectiveness of cost management processes and procedures</p> <p>3.3.Review cost management issues and identify improvements</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- numeracy and budgeting skills to monitor expenditure and manage costs
- technology skills to use software for recording expenditure and reporting on finances
- analytical skills to evaluate processes and recommend improvements.

Required knowledge

- budgeting processes, tools and techniques
- methods and tools for costing and cost analysis.

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:

- demonstrated evidence of monitoring project costs across the project life cycle for multiple complex projects
- knowledge of budgeting processes, tools and techniques.

Context of and specific resources for assessment

Assessment must ensure:

- access to workplace documentation including budgets, financial documents
- consideration of feedback from project stakeholders on how costs were managed.

Method of assessment

A range of assessment methods should be used to assess practical skill and knowledge. The following examples 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
- oral or written questioning to assess knowledge of strategies for managing project costs and their application to different situations.
- analysis of responses addressing case studies and scenarios which present project cost management issues and problems
- review of developed and implemented cost management plan
- review of documentation about project outcomes, cost management issues and identified improvements.

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 Diploma of 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>Others</i> may include:	<ul style="list-style-type: none"> • relevant project authority • program manager • project specialists or other personnel • team members
<i>Project costs</i> are estimated to a level of accuracy available considering:	<ul style="list-style-type: none"> • availability of information at the time • contingencies to allow for identified risks and uncertainty • organisational requirements, for example overhead and profit margin • stage of the project life cycle
<i>Delegated authority</i> means that activities will:	<ul style="list-style-type: none"> • be conducted routinely or as changing circumstances dictate • be done independently within broad guidance or by taking the lead of a team • involve consultation with other project members, teams and internal stakeholders • involve the selection, use and supervision of appropriate time management methods, tools and techniques • take into account internal organisational change and external environmental change
<i>Financial management processes and procedures</i> may include:	<ul style="list-style-type: none"> • approval processes • communication and reporting processes • financial authorisations/delegations • invoice procedures
<i>Reviewing</i> may include evaluations of:	<ul style="list-style-type: none"> • agreed major milestones, for example phases and sub-contracts • change of key personnel • delivery of major deliverables • finalisation of project and other agreed milestones
<i>Records</i> may include:	<ul style="list-style-type: none"> • budgets, commitment and expenditure • cost management lessons learned

RANGE STATEMENT

	<ul style="list-style-type: none"> • cost management plans • invoice and payment summaries • lists of potential costs • project and/or organisation files and records • recommended and approved courses of action • reports to relevant stakeholders
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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		