



Australian Government

Department of Education, Employment and Workplace Relations

BSBPMG604A Direct cost management of a project program

Release: 1

BSBPMG604A Direct cost management of a project program

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to analyse, coordinate, and refine the budgets of multiple projects that contribute to an overall program budget. It covers directing project budget development, managing program costs and directing the financial completion of projects.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
------------------------	---

Application of the Unit

Application of the unit	<p>A program is defined as a set of interrelated projects, each of which has a project manager. Multiple projects (sometimes called a portfolio of projects) refers to a number of projects related in some way and managed by the same person as a program to achieve a common organisational objective/s.</p> <p>For the purposes of this unit someone who manages a suite of projects (a program) will be referred to as a program manager.</p> <p>The functions performed by a project manager to manage costs within individual projects are addressed in BSBPMG504A Manage project costs.</p>
--------------------------------	---

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
-----------------------------	--

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.
---	--

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Direct project budget development	<p>1.1. Direct project managers to determine resource requirements for individual tasks, in consultation with appropriate stakeholders, to develop a project budget which contributes to the program budget</p> <p>1.2. Direct project <i>cost estimation</i> to enable budgets and cost management processes to be developed for the project life cycles</p> <p>1.3. Direct and authorise cost strategies and <i>cost management plans</i> to ensure clarity of understanding and ongoing <i>management of project finances</i> and the program budget overall</p>
2. Manage program costs	<p>2.1. Develop and maintain <i>cost management systems</i> to direct monitoring of actual expenditure and to control costs throughout multiple project life cycles and for the program overall</p> <p>2.2. Conduct analysis, evaluate options and implement responses to project cost variations to maintain control over changing financial and overall program objectives</p> <p>2.3. Monitor internal and external influences on program costs and, where necessary, seek approval from business management for changes to the approved program budget</p>
3. Direct financial completion	<p>3.1. Provide direction for project <i>finalisation activities</i> to achieve integrated financial and physical project completion within program and therefore client and organisational expectations</p> <p>3.2. Review project outcomes from available <i>records</i> at the finalisation of each project, and analyse information to determine the effectiveness of cost management systems</p> <p>3.3. File program lessons learned as a resource for future reference and, where necessary, refer to higher project authority for application in planning strategic direction changes and business outcomes for future projects</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- technology skills to oversee project financial performance
- numeracy skills to develop and interpret project budgets and to provide financial information
- literacy skills to communicate decisions and to write quality reports
- leadership skills to inspire trust and confidence in teams, managers and stakeholders
- communication and interpersonal skills to convey expectations, resolve conflict and motivate performance
- planning skills to review project resource requirements and to cost estimates
- problem-solving skills to resolve costing issues.

Required knowledge

- regulatory and legislative financial reporting requirements
- methods for costing and estimating project resources
- methods for monitoring and controlling project expenditure.

Evidence Guide

EVIDENCE GUIDE	
<p>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.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the following is essential:</p> <ul style="list-style-type: none"> demonstrated experience in directing cost management approaches across a range of concurrent projects knowledge of regulatory and legislative financial reporting requirements.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> access to financial documentation and files consideration of feedback from project team and other stakeholders as to how program costs were managed.
Method of assessment	<p>A range of assessment methods should be used to assess practical skill and knowledge. The following examples are appropriate for this unit:</p> <ul style="list-style-type: none"> direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance of scope management techniques by the candidate analysis of responses addressing different project cost management case studies and scenarios oral or written questioning to assess knowledge of strategies for managing project costs and their application to different situations review of written reports on financial outcomes of projects review of how cost management systems were developed and maintained.
Guidance information for assessment	<p>Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:</p> <ul style="list-style-type: none"> other units in the Advanced 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.

<p><i>Cost estimation</i> may take account of:</p>	<ul style="list-style-type: none"> • availability of information at the time • contingencies to allow for identified risks and uncertainty • government regulations, industry codes of practice and organisational influences • overhead and profit margin • stage in each project's life cycle
<p><i>Cost management plans</i> and activities throughout program management may:</p>	<ul style="list-style-type: none"> • be conducted non-routinely to meet complex and changing circumstances • be done independently or by taking the lead in a team environment • involve consultation with, and selective involvement of, appropriate project stakeholders • involve the selection, modification and supervision of the use of appropriate cost management methods, processes, procedures, tools and techniques • take into account the impact of organisational and environmental change on the project/program and vice versa
<p><i>Management of project finances</i> may include:</p>	<ul style="list-style-type: none"> • approval processes • audit and review • communication, reports and briefs • financial authorisations/delegations • invoice procedures
<p>Development of <i>cost management systems</i> may involve:</p>	<ul style="list-style-type: none"> • application of personal judgement • authorising and revising financial delegations • cost modelling and estimating • financial analysis, for example benefit-cost analysis, cash flow analysis, earned value analysis • modification of program methodologies and procedures

RANGE STATEMENT	
	<ul style="list-style-type: none"> • program obligation, expenditure forecasting and long-term planning • progress and financial change management
<i>Finalisation activities</i> may include:	<ul style="list-style-type: none"> • comparison of one project's cost management outcomes with success rates of other projects and with overall (organisation) budgetary expectations • direction of project team managers in their: <ul style="list-style-type: none"> • final audit/reconciliation • close-out of account codes and other financial documentation • settling of financial liabilities • transfer of assets to the client or originating owner • transition of responsibility/ownership of project deliverables/products • warranty requirements resolution
<i>Records</i> may take the form of:	<ul style="list-style-type: none"> • budgets, commitment and expenditure • cost management lessons learned • cost management plans • financial charts and graphs • financial summaries • program and/or organisation files and records • records of potential and actual costs • reports to higher authority

Unit Sector(s)

Unit sector	
--------------------	--

Competency field

Competency field	Management and Leadership - Project Management
-------------------------	--

Co-requisite units

Co-requisite units		