



Australian Government

DEFFIN029 Provide validation and assurance of costs

Release: 1

DEFFIN029 Provide validation and assurance of costs

Modification History

Release 1. This is the first release of this unit of competency in the DEF Defence Training Package.

Application

This unit describes the skills required to provide assurance of cost estimates for Defence projects and programs.

This unit applies to those working in the public sector Finance Domain who would be required to undertake cost assurance activities related as part of their duties.

The skills and knowledge described in this unit must be applied within the legislative, regulatory and policy environment in which they are carried out. Organisational policies and procedures must be consulted and adhered to, particularly those related to cost estimation activities.

Those undertaking this unit would be working under minimal supervision and/or supervising small teams while undertaking financial management tasks. They would perform complex tasks in familiar context.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Pre-requisite Unit

Not applicable.

Competency Field

Financial Management

Unit Sector

Not applicable.

Elements and Performance Criteria

ELEMENTS

Elements describe the essential outcomes.

PERFORMANCE CRITERIA

Performance criteria describe the performance needed to demonstrate achievement of the element.

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|---|---|
| 1 Determine that the estimate is well documented | 1.1 Check that cost estimation documentation identifies data sources and justifies any assumptions |
| | 1.2 Review the documented method used to develop cost estimate and determine whether estimate can be replicated or updated |
| | 1.3 Check that schedule milestones and deliverables are documented and consistent with the cost estimation |
| 2 Determine that the estimate is comprehensive | 2.1 Confirm that the cost estimate is complete and accounts for all possible costs, including indirect costs |
| | 2.2 Review estimate to determine that no cost elements have been omitted or repeated |
| 3 Determine that the estimate is accurate | 3.1 Confirm that estimates are based on the most likely costs |
| | 3.2 Review estimates for errors |
| | 3.3 Check that appropriate escalations factors have been used |
| | 3.4 Review and validate the estimating technique used for each cost element |
| 4 Determine that the estimate is credible | 4.1 Test key cost estimations for sensitivity |
| | 4.2 Perform a risk and uncertainty analysis to determine the level of risk associated with the estimate |
| | 4.3 Cross check the estimate against an independent estimate to determine whether other estimation methods produce similar results |

Foundation Skills

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Range of Conditions

Range is restricted to essential operating conditions and any other variables essential to the work

environment.

Non-essential conditions may be found in the Companion Volume Implementation Guide.

Unit Mapping Information

No equivalent unit.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6bdbab1e-11ed-4bc9-9cba-9e1a55d4e4a9>

Assessment Requirements for DEFFIN029 Provide validation and assurance of costs

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Performance Evidence

Evidence required to demonstrate competence in this unit must be relevant to and satisfy all of the requirements of the elements and performance criteria on at least one occasion and include:

- applying data analysis tools and techniques
- identifying cause and consequence of potential costing errors
- identifying errors in calculations
- identifying risks and risk appropriate control measures
- reviewing documentation for completeness and accuracy
- undertaking research and critical analysis
- using deductive reasoning and evaluation techniques related to information analysis and corroboration.

Knowledge Evidence

Evidence required to demonstrate competence in this unit must be relevant to and satisfy all of the requirements of the elements and performance criteria and include knowledge of:

- costing techniques and procedures
- estimate test procedures and practices
- key accounting principles relevant to costing
- organisation evaluation procedures.
- relevant legislation and organisational policy and procedures.

Assessment Conditions

As a minimum, assessors must satisfy applicable regulatory requirements, which include requirements in the Standards for Registered Training Organisations, current at the time of assessment.

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Assessment must occur in workplace operational situations where it is appropriate to do so; where this is not appropriate, assessment must occur in simulated workplace operational

situations that replicate workplace conditions.

Assessment processes and techniques must be appropriate to the language, literacy and numeracy requirements of the work being performed and the needs of the candidate.

Resources for assessment must include access to:

- a range of relevant exercises, case studies and/or other simulations
- relevant and appropriate materials, tools, equipment and personal protective equipment (PPE) currently used in industry
- applicable documentation, including workplace procedures, regulations, codes of practice and operation manuals
- acceptable means of simulated assessment.

Links

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