
Overview

This standard is about reviewing and monitoring the financial control of the project.

You will need to verify that the control system is appropriate for the project and use the system to monitor financial control. You will also need to provide stakeholders with explanations of any variances, causes, implications and clear recommendations for action.

Project Management National Occupational Standards (PMNOS) are based on the following project management lifecycle:

- A Establish and lead the project team, and work with stakeholders
- B Define and initiate the project
- C Develop the project management plan
- D Deliver the project
- E Close and review the project

This standard is part of area D 'Deliver the project'.

ECIPMD5

Review and monitor the financial control of the project

Performance criteria

- You must be able to:*
- P1 verify that the **income and expenditure control system** is appropriate for project schedules and complies with the legal and organisational requirements
 - P2 verify receipts and payment approval is in accordance with authorised procedure(s)
 - P3 ensure income and expenditure has been allocated to relevant account codes
 - P4 monitor project cash flow accurately
 - P5 check that the actual and predicted variances are accurate, and are in accordance with agreed financial control procedures
 - P6 provide **stakeholders** with explanations of variances, causes, implications and clear recommendations for action

ECIPMD5

Review and monitor the financial control of the project

Knowledge and understanding

You need to know and understand:

- K1 the context of the project
- K2 relevant legislative, regulatory and organisational requirements
- K3 principles of budgeting and financial control techniques
- K4 relevant aspects of accountancy practice
- K5 financial control systems and their applications, including variance reporting procedures
- K6 statutory accounting requirements relevant to schedules
- K7 means of assessing and presenting cost control monitoring information
- K8 sources of specialist advice

Additional Information

Scope/Range

Stakeholders:

- 1 Sponsors
- 2 Clients or customers
- 3 Relevant groups/individuals interested in the project
- 4 Relevant groups/individuals affected by the project
- 5 Relevant groups/individuals who might affect the project

Income and expenditure control systems:

- 1 Authorities for approval
- 2 Financial reporting
- 3 Variance reporting

Glossary

Budget

The agreed cost of the project or a quantification of resources needed to achieve an activity by a set time, within which the activity owners are required to work.

Control

Control comprises tracking performance against agreed plans and taking the corrective action required to meet defined objectives.

Context of the project

This phrase appears in the knowledge and understanding of the National Occupational Standards (NOS) and relates to the wider context of the project that the individual will need to know about, such as the project environment, the relationship to a wider programme of work and how the project fits with organisational strategies.

The sector in which the project manager works (e.g. software development, construction, manufacturing or process industries) will have its own specific context and this phrase is intended to convey this meaning.

Life cycle

A life cycle defines the inter-related phases of a project and provides a structure for governing the progression of work.

Project

A unique, transient endeavour undertaken to achieve planned objectives.

Project schedule

The project schedule shows how project activities and milestones are planned over a period of time. It is often shown as a milestone chart, Gantt or other bar chart, or as a tabular listing of dates.

Stakeholders

Project stakeholders may be internal or external to the organisation and include sponsors, clients, customers and all relevant groups/individuals with a relation to the project.

ECIPMD5

Review and monitor the financial control of the project

Developed by	Engineering Construction Industry Training Board
Version number	01
Date approved	July 2012
Indicative review date	July 2016
Validity	Current
Status	Original
Originating organisation	Engineering Construction Industry Training Board
Original URN	ECIPMD5
Relevant occupations	Project Manager; Senior Project Manager; Team Project Manager; Project/Implementation Manager
Suite	Project Management
Key words	Project management; project manager; project budgets; project accounting; project finance; financial control; project control; income control systems; expenditure control systems