
Overview

This standard is about monitoring project income and expenditure. You will need to monitor and control project income and expenditure using systems that meet the needs of the schedule. You will need to calculate actual and predicted variances according to agreed procedures. You will also need to provide stakeholders with explanations of any variances and clear recommendations in a timely manner.

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'.

Performance criteria

- You must be able to:*
- P1 verify that the **system for monitoring and controlling project income and expenditure** meets the needs of the implementation schedule, and complies with legal and organisational requirements
 - P2 ensure that project income and expenditure are allocated to the relevant account codes, in accordance with procedures
 - P3 ensure the systems are in place to provide personnel who verify receipts and approve payments with all the necessary information
 - P4 review and monitor project income and expenditure in accordance with agreed procedures
 - P5 ensure that the actual and predicted variances are calculated accurately, in accordance with agreed financial control procedures
 - P6 implement appropriate corrective action to meet or adjust financial forecasts
 - P7 explain causes of variances, the implications, and recommendations for corrective action, to **stakeholders** in a timely manner

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Knowledge and understanding

You need to know and understand:

- K1 the context of the project
- K2 relevant legislative, regulatory and organisational requirements
- K3 budgetary control techniques
- K4 financial control systems and procedures, and their application
- K5 the importance of monitoring financial income and expenditure
- K6 statutory accounting requirements relevant to schedules
- K7 means of assessing and presenting cost control monitoring information
- K8 sources of specialist advice
- K9 auditing and accounting procedures

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

System for monitoring and controlling project income and expenditure:

- 1 Handling and verifying payments and receipts
- 2 Authorities for approval
- 3 Financial reporting
- 4 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.

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