

MANAGE CONSTRUCTION PROJECT FINANCE

UNIT CODE: ENG/OS/QS/CR/07/6/A

UNIT DESCRIPTION

This unit describes the competencies required to manage construction project finance. It involves managing pre-construction project finance, preparing financial statements, preparing variation accounts, preparing financial claims, monitoring project costs, preparing final accounts and preparing final certificate.

ELEMENTS AND PERFORMANCE CRITERIA

ELEMENT	PERFORMANCE CRITERIA <i>(Bold and italicized terms are elaborated in the Range)</i>
1 Manage pre-construction project finance	1.1 Project preliminary costs are estimated based on the project scope 1.2 Financial cost plan is prepared as per set budget 1.3 Cash flow statement is prepared based on the financial cost plan/work program
2 Prepare financial statements	2.1 Cash inflows are determined based on value of certificates and other incomes 2.2 Cash outflows are determined based on work done, overheads and other expenses 2.3 Profit and loss accounts are prepared based on cash flows 2.4 Balance sheet is prepared as per SOPs.
3 Prepare variation accounts	3.1 Sources of variations are determined based on contract documents 3.2 Value of variations are determined based on the variation order, bill of quantities or market value
4 Prepare financial claims	4.1 Nature of claim is identified based on the contract documents 4.2 Financial claim is prepared based on the nature of the claim
5 Monitor project costs	5.1 Project costs are analysed based on actual and projected costs 5.2 Project costs are controlled based on project cost analysis results
6 Prepare final accounts	6.1 Value of all certificates are determined as per SOPs 6.2 Value of all claims are determined as per SOPs
7 Prepare final certificate	7.1 Defects made good value is determined based on the cost 7.2 Final certificate is prepared as per the SOPs

RANGE

Variable	Range <i>May include but is not limited to:</i>
1. Cash inflows	1.1 Income earned from <ul style="list-style-type: none"> • Payments for work done

	<ul style="list-style-type: none"> • Interest earned • Profits earned • Tax refunds • Invested cash
2. Cash outflows	2.1 Payments made to <ul style="list-style-type: none"> • Suppliers • Subcontractors • Statutory authorities • Salaries and wages • Utilities • Loan interest • Loan repayment
3. Sources of variations	3.1 Engineer/architect instructions 3.2 Client requirements 3.3 Statutory authority requirements 3.4 Finding of the antiquities 3.5 Contractor
4. Nature of claim	4.1 Insurance 4.2 Tax 4.3 Contract delays 4.4 Disputes 4.5 Extended project periods 4.6 Insufficient information

REQUIRED KNOWLEDGE

- estimation and costing
- accounting
- building economics
- mathematics
- MS Project
- MS Excel
- Market research
- MS Word
- Work study

SKILLS

- Analytical
- Computer literacy
- Research

EVIDENCE GUIDE

This provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge and range.

1. Critical Aspects of Competency	Assessment requires evidence that the candidate <ul style="list-style-type: none">• Estimated preliminary project cost• Prepared project cost plan• Prepared financial statements• Prepared variation accounts• Prepared financial claims• Monitored project costs• Prepared final certificate• Prepared final accounts
2. Resource Implications	The following resources should be provided: <ul style="list-style-type: none">• Computers• Scientific calculators• Stationery• Computer software
3. Methods of Assessment	Competency may be assessed through: <ul style="list-style-type: none">3.1 Written text3.2 Interview3.3 Observation
4. Context of Assessment	Competency may be assessed on the job, off the job or a combination of these. Off the job assessment must be undertaken in a closely simulated workplace environment.
5. Guidance information for assessment	Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.