

Construction Contracting Operations Level 3

CCOL3 (SQA Unit Code-F07N 04)

The Unit:

CCOL3/O17 Control expenditure and income

The Standards that are part of this Unit

CCOL3/O17.1 Control expenditure and activities against budgets

CCOL3/O17.2 Identify and record income due

The Unit Commentary

This Optional Unit is about monitoring and controlling expenditure and income in line with project budgets and taking corrective action where variations are identified.

O17.1 Control expenditure and activities against budgets

You will need to ensure that the monitoring activities are reliable, in line with organisational requirements and carried out at appropriate intervals. You will also need to identify variations and implement corrective action, keeping records of your activities.

O17.2 Identify and record income due

You will need to confirm how you will be paid, implement costing methods and collate and store information. You will also need to produce accounts for payment in accordance with project requirements, keeping records and identifying action to recover outstanding debts.

O17 Control expenditure and income

O17.1 Control expenditure and activities against budgets

Performance Criteria - this involves...

- (a) giving opportunities to team members to take individual responsibility for **monitoring** and controlling **expenditure** and activities against **budgets**
- (b) ensuring your methods of **monitoring expenditure** and activities against, **budgets** are reliable and comply with your organisation's requirements
- (c) **monitoring expenditure** and activities against agreed **budgets** at appropriate intervals
- (d) controlling **expenditure** in line with **budgets** and the requirements of your organisation
- (e) taking prompt **corrective action** in response to actual or potential significant, variations from **budgets** in line with your organisations requirements
- (f) referring requests for **expenditure** outside your responsibility promptly to the appropriate people
- (g) ensuring your records of activities against **budgets** are complete, accurate and available to authorised people only

The Range...

- [1] **Budgets:**
 - for programmes of work in your area of responsibility;
 - for the sharing of overhead charges with others
- [2] **Monitoring:**
 - considering oral information from others;
 - examining written information from others;
 - examining financial information
- [3] **Expenditure:**
 - supplies of goods;
 - supplies of services;
 - people;
 - overhead expenses;
 - capital equipment;
 - premises
- [4] **Corrective action:**
 - altering activities;
 - rescheduling expenditure;
 - altering budget allocations within limits of responsibility;
 - renegotiating budgets

O17 Control expenditure and income

O17.1 Control expenditure and activities against budgets

The Evidence - performance and process

You must prove that you control expenditure and activities against budgets to the National Standard of competence.

To do this, you must provide evidence to convince your assessor that you consistently meet all the performance criteria.

Your evidence must be the result of real work activities undertaken by yourself. Evidence from simulated activities is not acceptable for this Element.

Product Evidence:

- (1) You must show evidence that you control both types of budgets (a,b,c,d,e,g) [1]
- (2) You must show evidence that you use two of the types of monitoring. (a,b,c) [2]
- (3) You must show evidence that you control expenditure on two types of items (a,b,c,d,f) [3]
- (4) You must also show evidence that you use two types of corrective action (e) [4]
- (5) You must, however, convince your assessor that you have the necessary knowledge, understanding and skills to be able to perform competently in respect of all types of budgets, monitoring, expenditure and corrective action

Process Evidence:

None applicable

Evidence: knowledge and understanding

Established from questioning the candidate or from industry recognised education and training course assessment, which is matched to the Element. A candidate's knowledge and understanding can also be demonstrated through presented performance evidence.

(1) **Budgets:**

- (1a) the importance of budgetary control to organisational efficiency and your role and responsibility in relation to this;
- (1b) the principles which underpin effective budgetary control and how to apply them;
- (1c) the variations from the planned **budget** which may occur; how to identify these and what forms of **corrective action** you should take in response to them;
- (1d) the requests for **expenditure** outside your area of responsibility which may be required and the procedures to follow in response to these.

(2) **Information handling:**

- (2a) the importance of accurate and comprehensive records of activities against **budgets** and how to ensure these are kept.

(3) **Involvement and motivation:**

- (3a) how to encourage and enable team members to take responsibility for **monitoring** and controlling activities against **budgets**.

(4) **Organisational context:**

- (4a) your organisations requirements for budgetary **monitoring** and control.

O17 Control expenditure and income

O17.2 Identify and record income due

Performance Criteria - this involves...

- (a) confirming how **payments for contracts will be made**
- (b) implementing project costing methods for recording and verifying **expenditure**
- (c) recording information about **payments** due and calculating the total income due under the contract
- (d) collating and storing **records** and receipts which support **payments** due
- (e) producing clear, accurate accounts for **payments** at agreed stages and in a manner designed to maintain goodwill and trust
- (f) keeping complete and accurate **records** of accounts, payments received and receipts issued
- (g) identifying and recommending **action to recover outstanding debts** in a manner which maintains the goodwill and trust of the client

The Range...

- [1] **How payments for contracts will be made with:**
 - clients;
 - within the organisation;
 - external auditing;
 - legal requirements
- [2] **Expenditure:**
 - employment costs;
 - capital plant and equipment;
 - materials;
 - liabilities;
 - subcontract costs;
 - consumables
- [3] **Payments:**
 - agreed fees;
 - quantification of work completed;
 - agreed recoverable expenses;
 - VAT
- [4] **Records may be:**
 - manual;
 - electronic
- [5] **Action to recover outstanding debts:**
 - re-invoicing;
 - negotiation;
 - legal action

O17 Control expenditure and income

O17.2 Identify and record income due

The Evidence - performance and process

Taken as a whole, the evidence must show that the candidate consistently meets all the performance criteria, across the ranges for the Element.

References in brackets after items in the Evidence specification refer to the corresponding performance criteria, eg. (a), and range, eg. [1], to which they apply.

There must be workplace evidence against each performance criterion. Where the workplace evidence does not cover a whole range, knowledge evidence must be provided to cover the remaining items of range for each relevant performance criterion.

Product Evidence:

The candidate must produce documentary evidence from the workplace covering the following items that are considered to be common and key/critical to demonstrate competence

- (1) Project costing method(s) for recording and verifying expenditure (b) [1,2]
- (2) Record(s) of payments, accounts, calculations of income due, payments received and receipts issued (a,c,d,e,f) [1,3,4]
- (3) Record(s) of action taken to recover outstanding debts (g) [5]

Simulations are not considered to be acceptable for producing evidence for this Element

Process Evidence:

None applicable

Evidence: knowledge and understanding

Established from questioning the candidate or from industry recognised education and training course assessment, which is matched to the Element. A candidate's knowledge and understanding can also be demonstrated through presented performance evidence.

- (1) How and why do you confirm how **payments for contracts will be made**? (evaluation) (a) [1]
- (2) How and why do you implement project costing methods for recording and verifying **expenditure**? (synthesis) (b) [2]
- (3) How do you record information about **payments due** and calculate the total income due under the contract? (application) (c) [3]
- (4) How do you collate and store records and receipts which support **payments due**? (application) (d) [3]
- (5) How do you produce accounts for **payments** at agreed stages? (application) (e) [3]
- (6) How do you keep **records** of accounts, payments received and receipts issued? (application) (f) [4]
- (7) How do you identify and recommend **action to recover outstanding debts**? (application) (g) [5]