



THEME: UPSKILLING QUANTITY SURVEYORS EFFICIENCY IN FINANCIAL MANAGEMENT OF BUILDING, ENGINEERING AND INFRASTRUCTURE DEVELOPMENTS.

SETTING THE BEST PROJECT COST FRAMEWORK FOR EFFECTIVE FINANCIAL MANAGEMENT ON PROJECTS

2026 ANNUAL QS ASSEMBLY

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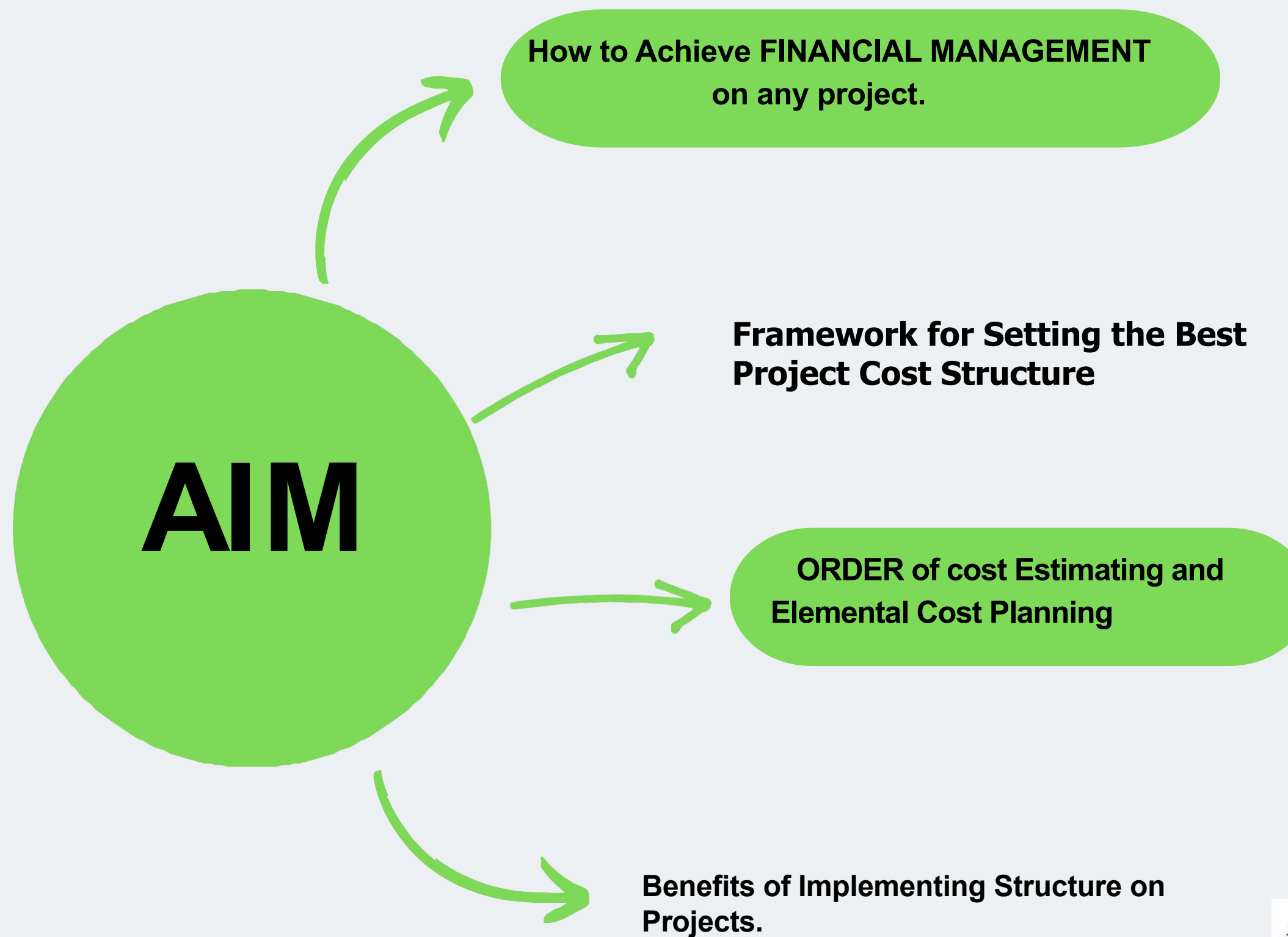
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**THIS PAPER AIMS TO
ANSWER THE
FOLLOWING
QUESTIONS**



INTRODUCTION



Financial Management in a simple term is the process of arriving at the expected outcome of a costing.

With Financial management comes a duty of care and orderliness and Orderliness is next to Godliness.

Orderliness is cleanliness or perfection.

When a process or product is well ordered, it simplifies managerial control and ensures perfection.

With orderliness comes assured accuracy, better understanding by clients and other readers.

Orderliness reduces the over reliance on long experience of the estimator and any arbitrariness in the computation process.

The essence of the paper is to underscore the importance of having orderliness in computing and setting out Project Costing. Be it for Preliminary Estimates, Tender Estimates, Final Account Estimates etc.



THE ROLE OF THE QS IN FINANCIAL MANAGEMENT

The Project Life Cycle of any Project consists of 5 Essential phases -
Initiation, Planning, Execution, Monitoring, Controlling and Closing.

This is the same for the effective management of Project finances, the Quantity Surveyor must implement a structured and standardized approach to:

- Planning
- Estimating
- Budgeting
- Cost controlling
- Reporting

This structured approach must align with internationally accepted standards.

This is what distinguishes professional Quantity Surveyors from other consultants who attempt to engage in construction costing without standardized methodology.



Framework for Setting the Best Project Cost Structure

In setting up the best project cost framework for effective financial management, you must:-

- 1. Identify the type of Project you're working on.**
- 2. Define the scope and Work breakdown structure**
- 3. Implement accurate cost estimation**
- 4. Establish Cost control procedures to Adopt**
- 5. Conduct periodic reviews**
- 6. Optimize resources and cash flow**
- 7. Standardize Financial Reporting**
- 8. Closeout**



Adopting “ORDER” according to the International Construction Measurement Standards (ICMS)

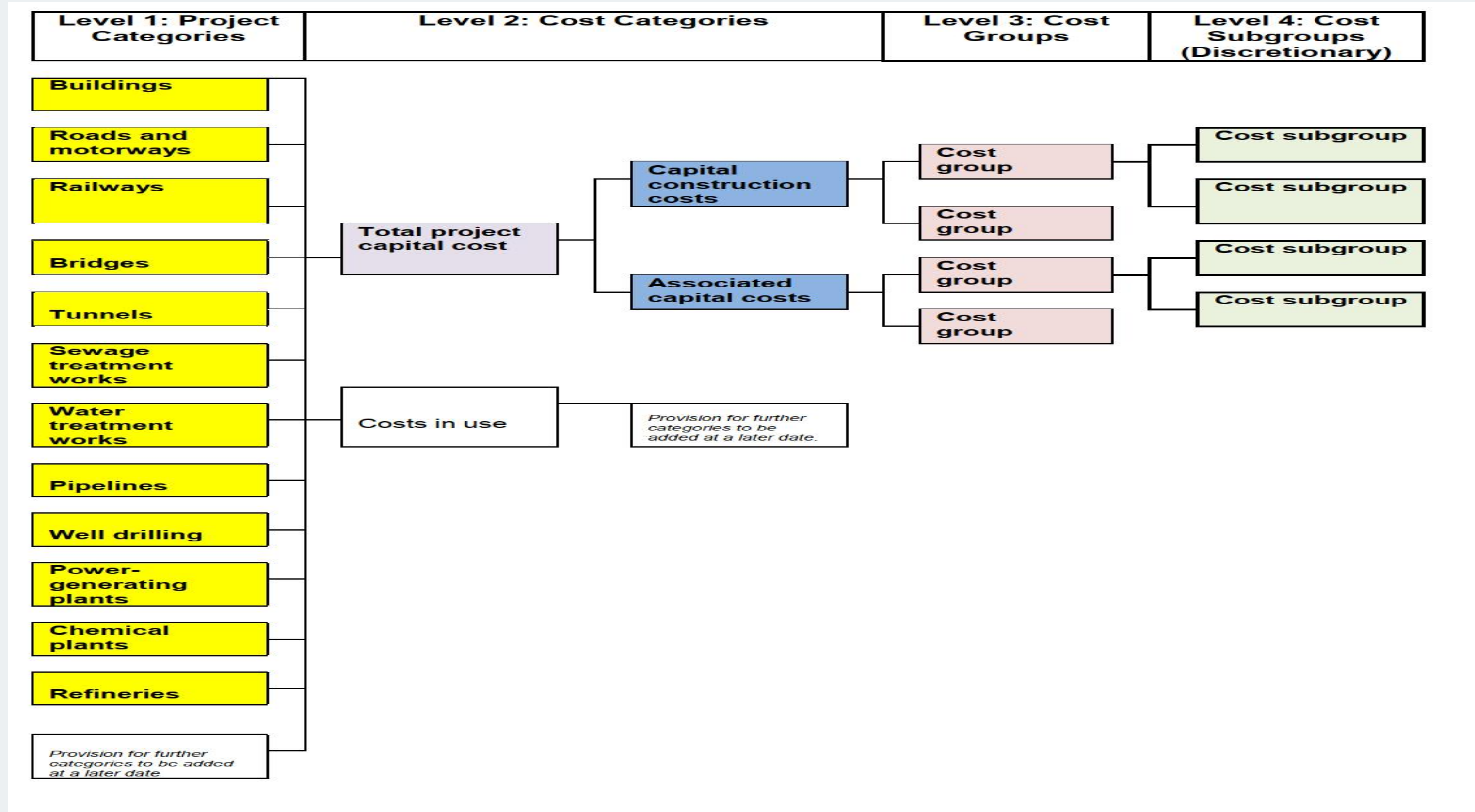
The International Construction Measurement Standards (ICMS) provide a globally consistent framework for classifying, defining, analyzing, and reporting construction costs at project, regional, and national levels.

ICMS was developed by the ICMS Coalition through its Standards Setting Committee (SSC), comprising experts from 43 international organizations including:

- . Africa Association of Quantity Surveyors (AAQS)**
- . Nigerian Institute of Quantity Surveyors (NIQS)**
- . Pacific Association of Quantity Surveyors (PAQS)**
- . And representatives from Brazil, Canada, Ghana, Korea, Singapore, Hong Kong, and many more.**

The aim of ICMS is to promote transparency, consistency, and comparability of construction costs across international boundaries, enabling benchmarking and identification of cost differences globally.

The ICMS provides a four-level hierarchical structure:



Financial Management in the ICMS and the NRM

My next Slide is the most interesting, it shows the link in ORDER the International Standards I am elaborating on

Recall, the Level 2 – Cost Category as discussed in the ICMS described that upon identifying the type of project, the next thing is to create a **WORK BREAKDOWN STRUCTURE.**

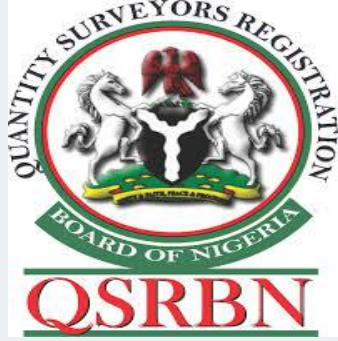
The level 2 - Cost Category according to the ICMS breaks the project into major cost elements such as:

- **Demolition**
- **Site Preparation**
- **Substructure**
- **Superstructure**
- **Finishes**
- **Services**
- **External Works.**

This is where I would link in the Standards we know commonly known as:

- **SMM7 (Revised Edition)**
- **BESMM (Nigeria)**
- **BCIS standards**
- **NRM (New Rules of Measurement)**

These standards were created to ensure Bills of Quantities (BOQ) are prepared in a consistent and professional format, forming the basis for both pre-contract and post-contract cost control.



Adopting "ORDER" According to the RICS NEW RULES OF MEASUREMENT - Order of cost estimating and elemental cost planning

The RICS Quantity Surveying and Construction Professional Group set up a group to research the problems associated with the measurement of building works at all stages of the design and construction process.

The Steering Group concluded that it was essential that guidance be made available to quantity surveyors so that a common and consistent basis is used to measure areas and building works items for the purpose of order of cost estimates and cost plans; as well as giving guidance on providing a structured approach for dealing with the other constituents needed to calculate cost estimates, cost limits or cost targets.

Hence, it was decided that a bespoke set of measurement rules were required for the preparation of order of cost estimates and elemental cost plans.

Tabulated Rules of measurement for elemental cost planning.

Group element 1: Substructure

Group element 2: Superstructure

Group element 3: Internal Finishes

Group element 4: Fittings, furnishings and Equipment

Group element 5: Services

Group element 6: Complete buildings and building units

Group element 7: Work to existing buildings

Group element 8: External Works

Group element 9: Facilitating works

Group element 10: Main Contractors preliminaries

Group element 11: Main Contractors overheads and profit

Group element 12: Project / Design team fees

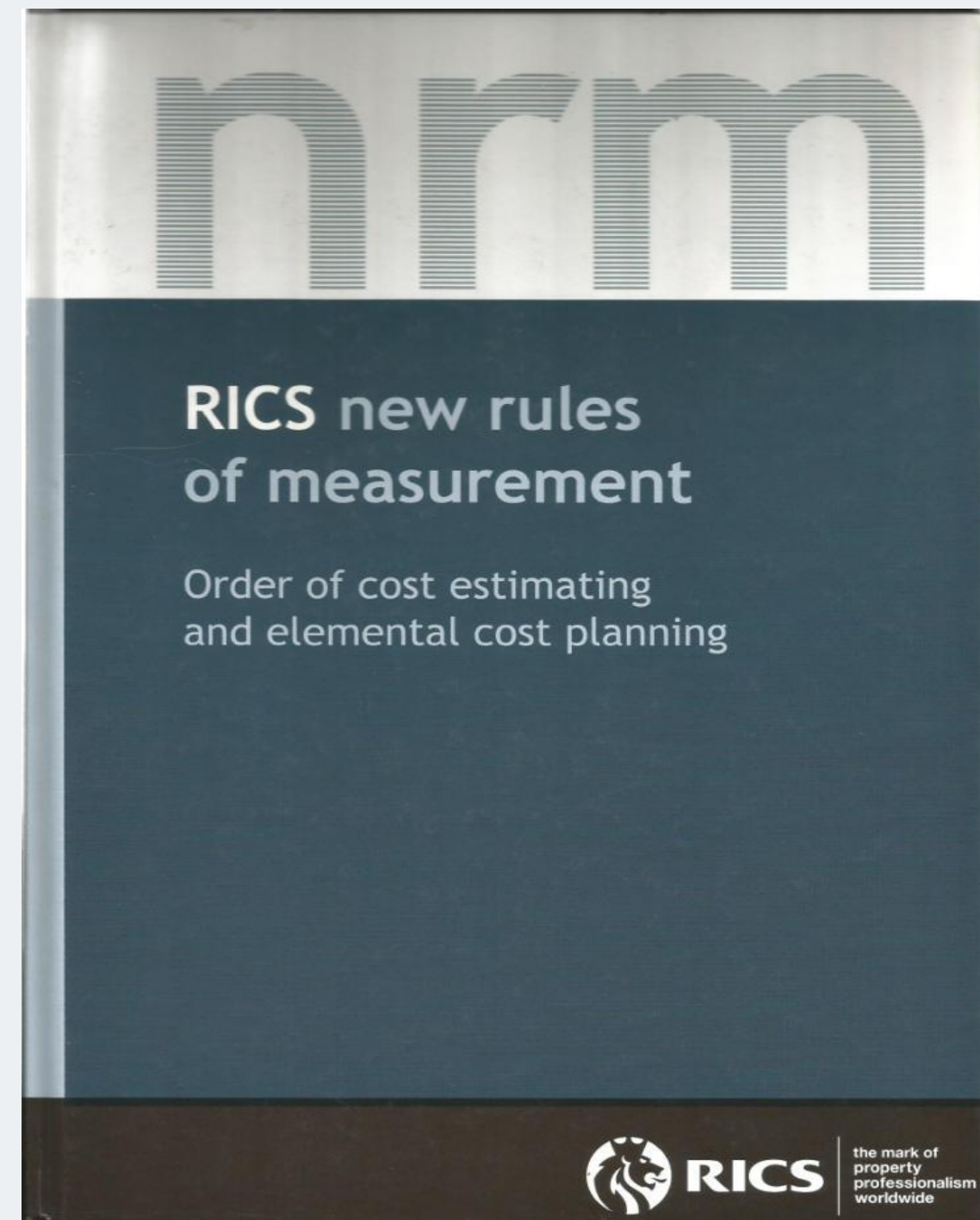
Group element 13: Other development project costs

Group element 14: Risks

Group element 15: Inflation

RICS NEW RULES OF MEASUREMENT

Order of cost estimating and elemental cost planning





Adopting “ORDER” According to the UNICLASS - Unified Construction Classification by NBS

Uniclass is a unified, table-based classification system for the UK construction industry (applicable internationally) used to structure information across all design and construction stages. It covers buildings, landscape, and infrastructure, ensuring consistency in BIM Level 2 compliance and organizing everything from project complexes down to specific products.

Core Tables Explained are:

Complexes (Co): The overall project, such as a university campus.

Entities (En): Individual buildings within a complex.

Spaces/Locations (SL): Specific areas within a building.

Activities (Ac): Functions occurring within spaces.

Elements (EF): Main components, like walls or roofs.

Systems (Ss): Component assemblies, like a curtain wall system.

Products (Pr): Specific items used to create systems

Benefits of Implementing FINANCIAL MANAGEMENT on Projects

An effective project cost framework, aligned with international standards such as NRM, ensures:

- Optimal use of financial resources
- Improved transparency and accountability
- Reduced financial risks
- Better cost predictability
- Successful project delivery within budget

As Quantity Surveyors, it is our professional responsibility to uphold these standards and lead the financial management of construction projects with structure, discipline, and global best practice.



An overhead view of two people, a man and a woman, sitting at a wooden desk in an office. They are both looking at a large set of architectural blueprints spread out on the desk. The man, on the left, is wearing a light blue dress shirt and a tie, and is holding a yellow highlighter. The woman, on the right, is wearing a blue top. On the desk, there is a blue hard hat, a purple mug, a smartphone, and several stacks of papers. The floor is covered in a grey and blue patterned carpet.

FINALLY, an effective framework ensures that financial resources are used optimally, risks are mitigated, and the project delivers value without exceeding its budget.



Thank You