

Certified Financial Project Manager™

Certified by the **International Academy of Project Management (IAPM)**

Recognised as one of the leading professional education
and certification providers in the world.

New Program

Program Overview

Project Management today embraces many different industry sectors including IT, building and construction, energy and telecommunications, roads and infrastructure, research and development and many other areas. The role of the project manager is constantly changing so that they are being required to play a greater role in the financial management, control and decision making in their projects. This is undertaken in a business environment that requires a high level of financial, business and project performance.

In recognition of these changing demands on project managers the International Academy of Project Management (IAPM) has developed a specialised three day program specifically for project managers. Although the official program covers three days there is a requirement for a financial analysis of a project to be completed after the completion of the program. This highly interactive program has been specially designed to enhance project managers with an understanding of financial terminology and financial management techniques and how these can be applied to projects and project management in a business context.

The program is non industry specific therefore the concepts discussed will apply equally to project managers from the public and private sectors as well as project managers from all industries.



Who Should Attend?

This three day course has been specially designed for project managers and project management professionals or those who have an active involvement in projects. However, any person in the organisation desiring an understanding of the financial aspects of projects would benefit from this program. The following would benefit from the program:

- ❖ Chief Executive Officers
- ❖ Chief Operating Officers
- ❖ Executive Directors
- ❖ Program Directors
- ❖ Project Directors
- ❖ Finance Directors
- ❖ Operations Directors
- ❖ Project Managers
- ❖ Operations Managers
- ❖ Finance managers
- ❖ Divisional Heads
- ❖ Head of HR
- ❖ Architects
- ❖ Engineers
- ❖ Project Engineers
- ❖ Production Engineers
- ❖ Project Leaders
- ❖ Team leader
- ❖ Supervisors

By attending this practical and informative course, you will:

- ❖ Gain an appreciation of the project reporting processes.
- ❖ Learn how to interpret financial statement using well established as well as new analytical techniques
- ❖ Understand the importance of cash, as opposed to profits, for an organisation to continue to operate
- ❖ Realise the level of risk that is associated with any capital expenditure project and how it can be taken into consideration
- ❖ Learn some of the commonly used techniques for project costing and pricing
- ❖ Understand the financial techniques that are used to identify the optimal financial outcome
- ❖ Appreciate why there is ONLY one way that capital investment projects should be evaluated to provide the optimal outcome
- ❖ Obtain member of the International Academy of Project Management (IAPM) for up to 18 months.
- ❖ **Become a Certified Financial Project Manager (CFPM)**

Program Content

Finance terminology in project management

- ❖ Financial terminology in project management has adopted its own jargon. We look at this jargon and what it means

Accrual accounting – What is it?

- ❖ Private sector use of accrual accounting
- ❖ The public sector use of cash accounting
- ❖ The public sector use of hybrid accounting
- ❖ What are the benefits?
- ❖ The pitfalls of accrual accounting and the dangers of mixing up cash flow and profitability.

Statements of Financial Performance, Statements of Financial Position and Cash Flow Statements – the three key financial reports

- ❖ The key external reports
- ❖ Who are they prepared for?
- ❖ What format do they follow?
- ❖ The International Financial Reporting Standards

◆ The three key financial reports

- ❖ Statement of financial position (SFPF)
 - » What does it show?
 - » What are assets and liabilities?
 - » What does equity mean?
- ❖ Statement of financial performance (SFPF)
 - » What does it show?
 - » The bottom line – surplus or profit?
 - » Elements of operating costs
 - » Elements of non operating costs
- ❖ Statement of Cash Flows
 - » Where did the funds come from and where did they go?
 - » The hardest report to manipulate
 - » Ties in to both the other key statements

Analysis of financial reports

- ❖ What is the purpose of the analysis?
- ❖ What are the commonly used techniques?
- ❖ DuPont analysis
- ❖ Cash adequacy analysis
- ❖ Further analytical techniques

Project Budgeting and Control

There is no need for budgets if you are not going to control it!

- ❖ The importance of monitoring and data analysis
- ❖ Taking appropriate corrective action
- ❖ Elements of cost control
 - » Cost estimating
 - » Cost accounting
 - » Project cash flow
 - » Direct labour costing
 - » Overhead cost rating
 - » Other e.g. incentives, penalties, profit sharing.
- ❖ Earned Value analysis
 - » Planned value
 - » Actual cost
 - » Earned value – what you actually have made
- ❖ Productivity Index Comparison
 - » Earned value vs Actual cost
 - » Earned value vs scheduled cost
- ❖ Cost budgeting
 - » Time phased budgets
- ❖ Project cost tolerance and when to act.

Project Financial Statements (PFS)

Project Post Audit

- ❖ Answers a series of questions
 - » Was the Project vision achieved?
 - » Was the Project on track from start to finish?
- ❖ Did the project create a recognisable business value?
 - » Can you share the knowledge?

Financial evaluation techniques for programs and projects

- ❖ Data collection – the critical process
- ❖ Discounted cash flow techniques
 - » Net present value (NPV)
 - » Internal rate of return (IRR)
 - » Present value index (PI)
- ❖ Non discounted cash flow techniques
 - » Payback period
- ❖ Discounted payback period
- ❖ What technique provides the optimal financial outcome?
- ❖ Financial outcome only?

Risk analysis and financial decision-making

- ❖ What is the risk associated with financial decision making?
- ❖ How do we measure risk?

