

Financial Management

This **two day** course provides an introduction to financial and accounting information necessary to successfully operate a business or project.

A particular focus on practical examples and exercises are worked through to ensure that a sound level of financial literacy and practical understanding is achieved.

Participant workbook is accompanied by a post-graduate level text book on Financial Management.

Target Audience ↗ This course is suited to those who are in levels of management with financial responsibility (eg budgeting), or who operate their own business.

↗ Course Outline

Introduction

Financial Management – what is it all about and how does it apply to engineering businesses/organisations and projects of all sizes

Financial Reasons why Businesses Fail

Eight financial policies to avoid.

Understanding Accounting Terminology, Jargon & Theory

The language of accountants; contributing to solving financial problems.

Financial Statements

Understanding and analysing financial statements; statement of financial performance (income statement); statement of financial position (balance sheet); cash flow statements; financial analysis of a business.

Reading Financial Reports

Understanding and analysing financial reports; profit concepts; debtor collection rate; liquidity; gearing; stock turnover; return on investment; analyse the financial results; forecast financial problems before they occur.

Employee or Contractor?

Consider forming a company? Workers Compensation insurance; ABNs and GST; taxation implications.

Introduction to Capital Investment Decisions

How investors financially analyse the economics of proposed capital expenditure including return on investment; payback period; discounted cash flow – DCF, NPV, IRR; time value of money.

Lease or Buy?

Important factors to take into account in a lease versus buy decision for plant and equipment and motor vehicles.

Introduction to Budgeting & Costing

Control by budgeting; fixed and variable costs; analysing variances; break-even analysis; pricing; using standard costs.

Putting it All Together

Financial Management in the workplace – how this is applicable to all concerned – implementing key learnings in day to day operations

↗ Course Objectives

At the end of the course participants will be able to:

- Relate to the financial reasons why businesses fail
- Understand accounting terminology, jargon and theory
- Read financial statements (and carry out analysis)
- Understand financial reports and have an appreciation of what is behind the key financial figures that are reported
- Determine the differences between employees and contractors from a workers compensation, insurance and taxation perspective
- Identify with the capital investment decision making process and how this applies to engineering businesses and large projects
- Apply simple budgeting and costing processes
- Carry out a gap analysis on their competency level relevant to the Engineers Australia Financial Management competency for Executive Engineer

“ Very appropriate for a non-finance person and very impressed with the course. ”

*Operations Senior Supervisor
Lakaka Civil and Construction*