

# P12 - FINANCE FOR PROCURERS

## LEVEL

Working /Practitioner

## DURATION

1 day

## METHOD

Training Course

## OVERVIEW

The course provides a basic knowledge of finance and investment appraisal from a procurement practitioner perspective.

## AUDIENCE & FORMAT

This course is ideal for public procurement staff working in operational and strategic procurement roles.

## OUTCOMES

On completion of this course attendees will:

## COURSE CONTENT

Financial statements, key ratios and their interpretation

- Profitability
- Return on capital employed
- Liquidity
- Combined ratios and assessment of the likelihood of insolvency
- Investment appraisal and the business case
  - Costs – sunk, future and whole life cost
  - Benefits – tangible and intangible
  - Dealing with uncertainty
  - Discounted costs and benefits
  - Benefit cost ratios, net present value, internal rate of return
  - Multi criteria analysis – taking account of intangibles
- Budgets
  - Revenue and capital
  - Directorates and cost centres
  - Historic and zero based budgeting
  - Fixed and flexible budgets
  - Budget monitoring

- ☑ Understand the key components of a balance sheet, profit and loss account and cash flow statement.
- ☑ Able to apply ratio analysis to assess an organisation's financial standing.
- ☑ Understand the principles of investment appraisal and life cycle costs.
- ☑ Understand how to set and monitor budgets.

## Relevant Competencies

- Supplier Appraisal and Selection
- Strategic Sourcing
- Supplier Profiling

## PROCUREMENT JOURNEY

- Zone A (develop strategy)
- Zone A (supplier selection)