

Academy of Training

Financial Due Diligence

Overview

Investment Management and Performance Teams are responsible for the assessment of proposals for investment funding. To do so, they are required to assess the financial viability of Private and Public organisations and Trusts as well as Project Business Cases.

For Private and Public organisations and Trusts, attributes to consider include financial statements (Income Statement, Balance Sheet, Cash Flows) as well as tax records, assets and liabilities, revenue streams, business model, market position and any potential liabilities or risks.

For Project Business Cases, they must assess the strategic, economic, commercial and financial cases for investment, identify any weaknesses or issues with the business cases, while at the same time, understanding what questions to ask and understanding the answers.

Objective

The objective of this two-day workshop is to assist Investment Management and Performance team members in developing all of the key knowledge and skills to effectively understand and assess funding applications from Public and Private sector organisations and Trusts as well as being able to confidently evaluate and assess Project Business Cases.

Content

Topics covered in the workshop include:

Part 1: Understanding Financial Statements and Due Diligence for Organisations and Trusts

- Fundamentals of Financial Statements
- Reading and interpreting Financial Statements
- Key financial metrics and ratios
- Assessing tax compliance and risks
- Assets, Liabilities, and Risk Assessment
- Identifying and valuing assets and liabilities
- Revenue streams and business models
- Assessing market position and competition
- Legal and compliance considerations

- Identifying potential liabilities and contractual risks.

Part 2: Financial Due Diligence for Project Business Cases

- Overview of project business cases
- Assessing strategic, economic, commercial and financial aspects
- Strategic analysis of alignment with organisational goals
- Identifying strategic benefits and challenges
- Assessing long-term viability
- Economic impact of the project and commercial feasibility
- Scenario analysis
- Financial projections and assumptions
- Assessing the financial model and cash flow projections
- Identifying potential financial risks and challenges.

Part 3: Asking the Right Questions

- Developing a list of critical due diligence questions
- Exercises for questioning and interviewing.

Method

The workshop will be conducted on an interactive basis, using examples and case studies drawn for the workplace of participants.

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