



The ILO Turin Centre's facilities

Located in an attractive park on the banks of the River Po, the Centre's campus provides a congenial environment in which to live and study.

- It contains 21 pavilions with fully equipped modern classrooms, conference halls and meeting rooms fitted out for multilingual simultaneous interpretation, and a computerized documentation centre linked to various data banks.

The campus has 287 study/bedrooms, all with private bathroom, telephone, free access to internet and cable television. It also has:

- a reception desk open 24 hours a day;

- a restaurant, a self-service canteen and a coffee lounge, all catering for international dietary needs;
- a bank;
- a travel agency;
- a laundry service;
- a post office;
- an internet point;
- a recreation room;
- facilities for outdoor and indoor sports;
- medical service.

Social events are regularly held both on and off campus, so that participants from different cultural backgrounds can make the most of a stimulating international environment.

For further information, please contact:

International Training Centre of the ILO
Sustainable Development Programme
Viale Maestri del Lavoro, 10
10127 Turin - Italy

E-mail: sdp@itcilo.org



Copyright © International Training Centre of the International Labour Organization, 2016. All rights reserved.
Design Luca Fiore – Printed by the International Training Centre of the ILO, Turin, Italy

Made of paper awarded the European Union Eco-label,  reg.nr FR/011/002, supplied by International Paper.

Balance Sheet analysis and Financial Assessment tools for Procurement Practitioners



Balance Sheet analysis and Financial Assessment tools for Procurement Practitioners

Turin, Italy
13– 17 March 2017



www.itcilo.org

Balance Sheet analysis and Financial Assessment tools for Procurement Practitioners



Introduction

The legal framework of Public procurement requires procurement practitioners to assign a set of “qualification” or “selection” criteria that potential suppliers/contractors must meet in order to prove that they possess the technical and financial capacity, experience and past performance records which are the minimum necessary to execute a specific procurement contract. Such “qualification” or “selection” criteria are distinct from the bid evaluation/contract award criteria. The selection criteria are a pre-condition for the supplier/contractor’s participation in the competition proceedings for contract award and they pertain to the bidder’s organization and work capacity profile. The “bid evaluation” or “award” criteria are related to the subject-matter of the procurement and concern the bid/offer itself and not the bidder’s organization and work profile.

In every organization, procurement practitioners are required to perform the prequalification procedures of bidders while not being sufficiently trained in reading and interpreting the firm’s audited financial statements which are often produced under specific national accounting standards. Therefore acquiring financial assessment skills that are applicable to the selection/prequalification process are essential for successfully concluding the selection process and for mitigating the risk of work stoppages (due to cash flow problems) or abandonment/non-completion of the contract in cases of precarious financial situation of an awarded bidder.

This 5-day module explores the assessment techniques of a company’s balance sheet in accordance with the International Financial

Reporting Standards (IFRS) and prepares the participants to appropriately apply the gained competencies in the selection of financially-viable suppliers and contractors. It also enhances the ability of participants to use economic assessment tools like cost-benefit analysis and Net Present Value in order to select the most cost-effective contractual alternative for a particular major procurement operation including the decision to go for a Public-Private Partnership arrangement.



Objectives

At the end of the course the participants will be able to analyse the financial statements of companies (like balance sheet, income statement and cash flow analysis) and work-out key financial indicators (like R.O.I, R.O.E, R.O.A) and liquidity indicators (like current ratio, quick ratio and working capital/sales) in order to exercise professional judgement in the selection/prequalification of financially-viable suppliers/providers of goods, works and services. They will also be able to apply cost-benefit analysis techniques using Net Present Value calculations.



Course methodology

The course is conducted using a highly-participative training delivery methodology through a combination of presentations by subject-matter specialists followed by self-assessment exercises/assignments. Group works are foreseen in order to facilitate the interpretation of accounting standards, analysis of cash flow statements and associated financial reports. Ample opportunity is provided to discuss common problems in the

prequalification of the suppliers/providers in order to overcome specific constraints faced by the participants in establishing a firm’s financial viability and its ability to meet the contractor’s cash flow requirements.



Course contents

General

- Introduction to accounting principles and current attempts at harmonization of accounting standards
- Overview of accounting standards and relevance to the procurement practitioners
- International Accounting Standards (IAS)
 - Presentation of Financial Statements (IAS 1)
 - Introduction
 - Objective and scope of the Standard
 - Definition of key terms
 - Accounting treatment
 - Presentation and disclosure
 - Statement of Financial Position (Balance Sheet)
 - Statement of Comprehensive Income
 - Statement of Changes in Equity
 - Other
- Cash flow Statements (IAS 7)
 - Introduction
 - Objective and scope of the Standard
 - Definition of key terms
 - Accounting treatment
 - Presentation and disclosure
 - Case studies on Financial statements
- Cost benefit Analysis and NPV calculations



Participants’ profile

This course addresses project directors, procurement staff, accounting and financial management in the public and private sectors who are staff engaged in the prequalification and selection process of suppliers and contractors as well as in the supervision of procurement contracts including Internal control staff at central, regional and local contracting authorities. The course is also useful for development agencies’ staff responsible for the supervision of projects undertaken by the recipients of the loans and grants ex. the United Nations, International Financial Institutions, and the EU.

Candidates are expected to have procurement experience in the public or private sector and reasonable fluency in written and spoken English.



Cost of participation

The cost of participation in this one-week programme is **Euro 2.180** payable in advance by the participant’s sponsoring organisation. This covers:

- tuition fee, which includes the use of the Centre’s training facilities and associated support services, books and training materials, routine medical care and insurance;
- participant fee, which covers:
 - accommodation and full-board at the Centre;
 - Main travel between the participant’s home country and Turin is not included.

For information regarding payment, cancellation and refunds, please consult:

<http://www.itcilo.org/en/training-offer/how-to-apply>