Treasury and Cash Management

INTRODUCTION

- The banking crisis of 2008, which created financial havoc around the world, caused considerable savings and wealth to evaporate, strained the equity levels of global organisations to unprecedented minimum levels and resulted in money markets, as well as other normally liquid and transparent capital markets, to temporarily freeze up or suspend trading activities. As a result of the substantial losses caused by this tidal wave of financial ruin that occurred in equity stock markets, currency, commodity and derivative markets on a global basis, treasury and cash management functions are now regarded as vital for the stability, security and profitability of all organisations.

Participants attending this training course will develop the following competencies:

- Improved treasury management skills by adopting the responsibilities and techniques required to ensure optimum organisational liquidity and profitability
- Better prepared to eliminate interest rate and exchange rate risks as well as commodity pricing risks utilising the best available internal and external hedging instruments
- Improve cash management skills as a result of gaining a better understanding of liquidity, and portfolio investment returns

PROGRAMME OBJECTIVES

This Treasury and Cash Management training course aims to enable participants to achieve the following objectives:

- Recognise the roles, responsibilities, tools and strategies associated with treasury management, including international best practices and procedures
- Improve financial management skills in terms of managing assets and liabilities liquidity issues
- Discuss the various types of risks associated with global organisations, namely interest, exchange, credit and commodity pricing risks and identifying sources and methodologies of risk management in attending to these types of risks
- Examine the nature, risk and utilisation of financial derivatives in addressing financial risks
- Appreciate the basic concepts of cash management in order to enhance organisational cash flows and maximise portfolio investment returns

WHO SHOULD ATTEND?

- Professionals directly responsible for treasury and cash management functions. Supervisory professionals responsible for monitoring financial risks, including liquidity, credit, interest rate or exchange rate risks
- Managers and financial decision makers, whose techniques for decision making and risk analysis will be improved upon by the tools, techniques, strategies and best practices offered by this programme
- Professionals directly responsible for the implementation and execution of financial decisions made by other organisational executives and senior managers, who will gain a new perspective and appreciation for corporate decision-making processes and thereby benefit from shared values within their organisation
- Those professionals with an interest in finance or aspirations to enhance their careers in the field of finance

TRAINING METHODOLOGY

- This highly interactive training course will involve active participation by all participants through a combination of direct instruction, analysis and evaluation of practical case studies, examples and exercises as well as discussions of current issues, policies, procedures and other "real life" issues arising within the participants' respective organisations.

PROGRAMME SUMMARY

- In examining the various roles, functions and responsibilities coupled with the essential tools, techniques and skills necessary for efficient treasury and cash management functions within an organization, each participant will recognise and appreciate the cumulative, progressive approach to the learning of the programme topics. In addition, each participant will gain a comprehensive understanding of the intricacies associated with treasury and cash management functions, thus providing for future individual meaningful participation toward their respective organisation's continued profitability and success.

PROGRAM OUTLINE

An Overview of Treasury Management

- Market volatility – establishing the need for effective treasury management
- The strategic role and scope of treasury management
- The role and functions of Asset and Liabilities Committee ("ALCO") and other risk related committees
- Portfolio management, trading and settlement, including proprietary trading
- Establishing a treasury function along with developing a risk management strategy
- Regulation, including the international regulatory framework

Financial Management

- Corporate financial planning and engineering strategies and techniques
- Liability management strategies, objectives, tools and techniques
- Asset management strategies, objectives, tools and techniques
- Capital adequacy determinations
- Off-balance sheet activities and securitisations
- The role of securitisations in the post-banking crisis environment

Financial Derivatives

- An overview of financial derivatives
- Forward contracts and FRAs
- Options – Types, Tools, Strategies and Risks
- Swaps – a brief overview of how they work
- Types of Swaps – Currency and interest rate swaps
- Risks and Risk Management – the benefits and risks of using financial derivatives

Risk Management

- Market risk – Understanding the various market risks that exist
- Identifying and Managing Interest Rate Risk
- Exchange rate risk – differentiating between transaction risk and translation risk
- Credit risks – Measurement and management tools and techniques
- Operational risks – Understanding the scope of operational and other associated risks
- Other risks – Legal, reputation (corporate brand) and strategic risks

Cash Management Best Practices and Techniques

- Preparing and understanding cash flow statements and financial forecasts
- Analysing and evaluating financial statements, including the use of ratio analysis
- Liquidity management
- Transfer pricing policies, including effective documentation techniques
- Netting and pooling concepts – treasury and cash management within multinational organisations
- A summary overview of the concepts of investment risks and portfolio investment returns