



**CGIA**  
INSTITUTE

# MASTER FINANCIAL CONTROLLER

CPD | VIRTUAL TRAINING

**OCTOBER 27 -29, 2022**

[www.cgia institute.org](http://www.cgia institute.org)



# MFC OVERVIEW

*This MFC course covers several activities that are practiced by financial controllers. From preparing and reviewing financial statements, analyzing organization's financial health and performance, and administering the budget process and control function to managing staff performance and enhancing their productivity.*

*This course provides professionals the chance to practice these responsibilities and sharpen the necessary skills.*

## WHY PARTICIPATE?

- Identify the main responsibilities handled by financial controllers.
- Describe the different financial statements used in their organizations.
- Analyze company performance highlighting impact of current operations on future financial results.
- Evaluate and present company budgets and assist management in selecting proper plans.
- Practice some of the key skills required using Excel to boost the efficiency of accounting and finance work.
- Assess internal controls within the finance department and the organization in general



# TRAINER



**Peter E. Welch, FCGIA**

**President, CGIA Institute**

*Peter Edward Welch is a renowned finance and accounting expert with over 40 years of professional experience. All throughout his professional life, he has focused on topics including, but not limited to accounting, internal audit and risk assessment, internal control, treasury, and auditing.*

He started his career as an accountant at the British Diplomatic Service / Foreign & Commonwealth Office in London, and then held other private-sector senior accounting roles before, in 1979, moving to the USA, where he worked mostly in the above-mentioned fields of specialization.

Since then, Mr. Welch has worked for various different private sector companies, including USAID and EU projects, in countries such as Botswana, Kuala Lumpur, Kenya, Bangladesh, Nigeria, Ghana, Iraq, Afghanistan/Singapore, Egypt, Georgia, Sudan, Bosnia & Herzegovina, South Africa, Japan, India, UAE, Puerto Rico, and Bermuda.

Peter has chaired the International Special Interest Group of the Financial Executives Networking Group (FENG); has served on the membership, and hospitality committee of the Financial Executives Institute (FEI); and served as a board member for professional accounting bodies.

He had been an adjunct professor at the business schools of both Golden Gate University and Southern New Hampshire University in the USA. He holds a Master's Degree in Finance (distinction), obtained at Bentley University (USA) in 1988.

*Peter is currently serving as the President of the CGIA Institute.*

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# DAY 1

# OCT. 27, 2022

## MORNING

Objective of financial reporting / Constructing financial statements (IAS 1, (international accounting standards) Financial statement analysis / Illustrated IFRS Financial Statements (International financial reporting standards).

We will begin this program by reviewing the fundamentals underlying all financial statements. But first we'll review, as a refresher, albeit advanced the three primary financial statements of financial position, profit or loss and cash flows, basic to all entrepreneurs and financial reporting entities.

Throughout this program, we will continuously return to these, and other financial statements along with notes to the financials.

### LEARNING OBJECTIVES

- Understanding the conceptual framework
- The objectives of general purpose financial statement
- What is the Reporting entity
- Other comprehensive income (derivative accounting)
- Understanding qualitative characteristics
- Analyzing and cross-footing Notes to the financials and discussion of Operational results
- Concepts of capital and capital maintenance
- DuPont Analysis
- Analyzing profitability using ratio and comparison historical and by entity
- 3-5 year business plan/budgeting using projected financial ratios

## AFTERNOON

- *Enron / Inside Job / Financial Shenanigans*
- *Working Capital management*

Having clearly understood now what correct and proper accounting means, i.e., the conceptual framework, we'll now consider where key financial employees, e.g., the CFO, are able (initially) to generate falsified financial statements for personal gain often linked to equity options and manipulating market prices.

As to working capital, the paramount aim of any business organization is that of profitability and provided profits are earned that it may be assumed that the business will prosper.

### LEARNING OBJECTIVES

- Understand how the Annual Report is a critical document for analysis
- Enron, what happened
- Other examples: WorldCom (free cash flow) and Tyco International
- Recording revenue too soon
- One-time, unsustainable activities
- Shifting current expenses
- Shifting normal operating cash flows to investing section
- Distorting Balance Sheet metrics to avoid showing deterioration
- Miller Orr and Baumol models
- Cost of Trade credit
- Debt factoring vs invoice discounting
- Operational cycles
- Sales activity and working capital budgets
- Effective credit control



# DAY 2

# OCT. 28, 2022

## MORNING

- *Analytical Techniques ((including EVA (economic value added), WACC (weighted average cost of capital))*
- *GRC (Governance, Risk and Compliance)/ ESG (Environmental, Social and Governance)*

Moving on from, continuing, financial statement analysis, let us now turn to detailed analytical techniques that will include two key concepts, EVA along with WACC. The expected rate of return on a portfolio of all the firm's securities is called the weighted average cost of capital (WACC).

It is also called the expected return on the asset of the firm.

### LEARNING OBJECTIVES

- Corporate Radar and early warning systems
- Z-score model
- Argenti's model
- Borders case study
- Define EVA (Stern Stewart)
- What is MVA (market value added)
- WACC – define the constant dividend growth model
- What is CAPM (Capital Asset Pricing model)
- Define the yield curve
- Measurements of risk
- Define Beta
- GRC (Governance, Risk and Compliance)
- ESG (Environmental, Social & Governance)
- Explain the difference of 'governance' in both requirements

## AFTERNOON

- *SEC Climate regulations 2022 (Parts 1 & 2)*
- *Compliance 101\_ Defining an Internal Control / COSO 13 & 17*

Additionally in the US, the SEC has recently (March 2022) introduced a climate related regulation.

In essence, it would place climate - related disclosures on par with financial disclosures, generated and vetted by a similar framework of governance, data collection, processes and procedures, and assurance.

Consider GRC, ESG and climate requirements as it relates to ICFR (internal controls over financial reporting) requirements

### LEARNING OBJECTIVES

- Implementation issues
- Documents required
- Process flow mapping
- Sustainability issues
- Staff training
- Define COSO and explain the 17 bullet points and 'points of focus'
- Role of internal audit
- Employees responsibility



## MORNING

- *Key performance indicators*
- *Financial Controller vs CFO function*

Extending financial statement analysis, Narrative reporting/KPIs - whether in the form of an Operating and Financial Review (OFR), Management Discussion & Analysis (MD&A), a Business Review or other management commentary - is vital to corporate transparency.

*Key performance indicators (KPIs)*, both financial and non-financial, are an important component of the information needed to explain a company's progress towards its stated goals, for all of these types of narrative reporting.

But despite this fact, KPIs are not well understood. What makes a performance indicator "key"? What type of information should be provided for each indicator? We'll now delineate the controller vs CFO function and later introduce the treasury function.

### LEARNING OBJECTIVES

- Review KPIs and contrast with 'normal' financial statement ratio analysis
- Discuss the informational and value content of KPIs
- Does 'key' derive an unjustified perspective on interpreting analytical results

## AFTERNOON

- *Annual 5-year Business Plans / Operating budget*
- *Treasury Management function*

Certainly within the financial sector, the annual five year business plan cycle is fairly embedded. Within the services industry, the annual development of the next five years business plan does have value & provides control.

Unfortunately this process often results in decreasing costs mandated from the CFO level wherein directors and managers are obligated to plan for staff reductions along with normal operating expenses.

### LEARNING OBJECTIVES

- Annual planning cycle
- Top-down, bottom-Up approach
- Authoritative vs participative culture
- Impact on employees / scheduled staff reductions
- Extracting Year-1 to become the annual operating budget
- Identify treasury type transactions
- Review banks and financial institutions
- Payment systems
- Money markets
- Managing derivatives and hedging transactions
- Managing weekly/daily projected cash movements





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**FEE** **US\$250**

## **INCLUSIVE**

- *3 - days Full Access to Training*
- *Gain CPD Points*
- *Certificate of Participation issued by the CGIA Institute*
- *Access to Training Materials*

**TO REGISTER:**

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