



Financial Management

# Financial management for development projects

Turin, Italy



International Training Centre

[www.itcilo.org](http://www.itcilo.org)

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## Introduction

Financial management is more than an administrative and control function. Sound financial management is a critical prerequisite for successful project delivery. Timely and precise financial data are indispensable for effective decision-making as well as corrective action by the project management in order to enhance the prospects of timely completion within the planned project budget and scope of deliverables.

Sound project financial management provides:

- essential information needed by those who manage, implement and supervise projects, including government oversight agencies and financing institutions;
- the comfort needed by the recipient country, lenders and donor community that funds have been used efficiently and for the purposes intended; and
- a deterrent to fraud and corruption, since it provides internal controls and the ability to quickly identify unusual occurrences and deviations.

In view of the current efforts to harmonise accounting and financial management procedures, the course is designed to promote improved compliance with the financial reporting and control requirements of national governments as well as international finance institutions. It will guide the participants in the preparation of periodic financial monitoring reports that suit the reporting exigencies of their projects with respect to the four key parameters of project delivery namely cost, time, scope and resources.

Throughout the course the participants will acquire the competencies needed for setting-up the various components of an integrated project financial management system with corresponding modules/procedures for planning and budgeting, accounting, financial reporting, internal control, auditing, procurement and disbursement. The presence of such a system will enable timely measurement of project achievements with respect to physical performance (delivery of project

outputs) as well as progress towards achieving project objectives.

The course materials are designed to enable assessment of learning achievement by the trainer and the learner through exercises, group work and practical case studies.



## Objectives

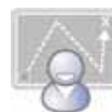
Course participants will be able to competently design and operate project financial management systems and execute corresponding payments/disbursements in accordance with sound professional standards and the harmonised requirements of donors and their respective governments.



## Participants

This course addresses project directors and accounting and financial management staff engaged in the implementation of development projects particularly those of the United Nations, International Financial Institutions, and EU-funded projects.

Candidates are expected to have basic knowledge of accounting in the public or private sector and reasonable fluency in written and spoken English.



## Course methodology

The course is delivered by senior financial management specialists/advisors with profound knowledge of the financial management environment in development projects. 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

and group work intended to facilitate the practical application of project financial management principles and procedures. Ample opportunity is provided to discuss common problems in financial management and disbursement and ways and means to overcome specific constraints faced by the participants in the implementation of their projects.

Each participant is encouraged to bring along a copy of the financing agreement, the Project Appraisal Document and any relevant operations' manuals related to his/her project for reference throughout the course.



## Course contents

### General

- Project cycle and relevant project documentation
- Procurement guidelines of funding agencies and related standard bidding documents (World Bank procurement guidelines are used in the course as a model)

### Financial management

- Introduction to project financial management
- Project financial management activities throughout the project cycle of a development project
- Factors influencing optional design of a project financial management system
- Internal control
- Planning and budgeting
- Accounting systems
- Computerisation of accounting systems
- Financial monitoring reports
- Annual financial reports
- Auditing arrangements
- Common project financial management problems

i Arrangements can be made to pay an additional allowance for incidental expenses at government or funding-agency cost to accommodate participant entitlements or other government requirements.

### Payment / disbursement

- Payment/disbursement procedures of the funding agency or national government
- Letters of Credit and special payment procedures
- IMPREST account/special account
- Common payment/disbursement problems in donor-funded projects



## Cost of participation

The cost of participation in this two-week programme is Euro 3,250 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;
- participant fee, which covers:
  - accommodation and full-board at the Centre, plus a lump sum to cover incidental expenses<sup>i</sup>;
  - routine medical care and insurance.

Main travel between the participant's home country and Turin is not included.

Fellowships for training programmes conducted by ITC-ILO generally become available through the training budgets of development projects financed by International Financial Institutions or by United Nations' agencies, bilateral technical co-operation agencies, governments and/or private enterprises. Candidates are encouraged to contact these organisations and agencies in their countries to enquire about the availability of funds for fellowship training programmes.



## 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, a computer laboratory, and a computerized documentation centre linked to various data banks.

The campus has 287 study/bedrooms, all with private bathrooms, telephones 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;
- an infirmary.

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

## For further information, please contact:

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