

Financial Modelling and the Aqua Book

Using analysis is central to decision making. This is reflected in the Treasury's Aqua Book: Guidance on producing quality analysis for government. Financial modelling is a frequently used method of analysis. Yet the history of government projects is full of examples where errors were made in developing financial models or in interpreting their results.

Aim

To provide participants with a clear understanding of:

1. To provide participants with a sound understanding of good practice in financial analysis
2. An In-depth look at the Aqua Book
3. A look at financial models and various methodologies
4. How to deal with uncertainty and economic downturn

Methodology

The training approach to be used, which governs the design and delivery of the training is based on the following principles:

- To actively involve the participants throughout the training
- To enable participants to share their thoughts and enquiries
- The training is designed based on the needs and expectations of the participants that are reflected in the pre-training questionnaire

Workshop methods and tools

In order to achieve the objectives of the training, the following tools and methods will be utilised:

- **Presentations:** presentations will be used in order to provide the background of each subject and create discussion and questions.
- **Discussions:** throughout the training, participants will be encouraged to contribute to discussions and share their experiences and thoughts with the rest of the group. The discussions will be facilitated and coordinated by the facilitator in order to maintain the focus in the key areas of interest
- **Case studies:** case studies will be used so as to facilitate and trigger discussion, as well as allow external benchmarking so as to achieve competitiveness
- **Group work:** group work will be used in order to facilitate practical understanding of the issues and in order to enhance team working, team building and cooperation amongst participants

Sample programme

Agenda

USING ANALYSIS IN LINE WITH THE AQUA BOOK

9:30 Welcome/Tea and Coffee

Day One

10.00 Overview of training and issues participants have experienced in using analysis

10.15 The purpose of analysis, examples and the different stages in its use

10.45 Guidance: The Aqua Book and other relevant guidance

11.15 Break

11.30 Commissioning and designing analysis in line with the Aqua Book

12.00 Dealing with risk and uncertainty

12.30 Lunch

1.00 Class exercise: designing analysis

1.45 Q&A

2.00 Close

10.00 Lessons learned from Day One

10.15 Common mistakes in using analysis and their consequences

10.45 Quality assurance

11.15 Break

11.30 Further consideration of the Aqua Book and other guidance

12.00 Class exercise: Reviewing the quality of analysis undertaken

12.45 Lunch

1.15 Q&A

1.30 Action plans

2.00 Close