ACT EDUCATION

DIPLOMA IN TREASURY MANAGEMENT

Syllabus

INTRODUCTION

SUMMARY

The Diploma in Treasury Management (Diploma) assumes you already have a thorough working knowledge of the key principles and concepts relating to treasury and is therefore the ideal qualification for anyone working in treasury or who interacts with treasury professionals, or has plans to do so.

Entry is open to everyone who has completed the ACT's Certificate in Treasury (CertT) qualification. Alternatively, if you have significant treasury experience, you might be allowed direct entry onto the Diploma qualification (see below). The ACT can advise if direct entry is available to you based on your experience and qualifications and if it is the right option to consider based on the requirements of the Diploma.

The Diploma qualification provides deeper insights into the key tools, concepts and models that enhance the skills and behaviours of treasury professionals. In particular, understanding and applying learnings from the Diploma qualification in the workplace will support more effective treasury decision-making, planning and risk management.

The Diploma comprises three core compulsory units plus one additional unit from a choice of two. So, to achieve the Diploma qualification it is necessary to complete a total of four units. Each unit should take around 150 hours of study, so you should expect to commit around 600 hours in total for the whole qualification. It is anticipated that you will be able to complete the entire qualification within 12 to 18 months, alongside full-time working. There is flexibility so it can be completed more quickly by those who have more study time available.

BACKGROUND

The Diploma will provide students with a detailed level of knowledge and understanding of the key tools used by treasury professionals. Importantly, the Diploma will provide the ability to identify the most relevant tools that can be used in different circumstances and the knowledge of how to apply these tools to support more effective decision-making in the workplace.

Whilst the specific objectives of treasury might vary, the contribution of highly effective treasury management to business success is widely acknowledged. The three core units focus on key areas of importance to all organisations which have a treasury function. These are corporate finance, risk management and the role of the treasury manager. For the fourth unit, students are able to select an area, perhaps because it is most relevant to them in their current role or is perceived to be of use in a future role. It might be of specific interest or could have been identified as an area of future personal development. The choice of optional unit is either financial reporting, tax and regulation or working capital and trade finance.

The content of the units within the Diploma is intended to build upon the general principles and concepts that students have studied within the CertT qualification or would have experienced in the workplace during their initial years within the treasury function.

Ultimately, the Diploma will add a range of techniques, models and theories to the decision-making toolkit of anyone already working at a managerial or senior operational level. In addition to enhancing leadership and management capability, it also covers technical skills and project management techniques through 'the treasury manager' unit.

Overall, what can you expect from the Diploma qualification?

You will become expert in:

- three key areas for more senior treasury professionals – corporate finance, risk management and financial leadership and management
- either about the financial reporting, tax and regulatory aspects of treasury or about working capital and trade finance, depending on which option you choose.

Completion of the qualification evidences in-depth learning and application of various tools and techniques. The Diploma qualification can also provide a springboard to the ACT's highest level qualification, the Advanced Diploma in Treasury Management, for those with aspirations of achieving a position of influence within treasury or who wish to continue their learning journey.

QUALIFICATION STRUCTURE

UNIT	PROGRESS TESTS	SUMMATIVE ASSESSMENT	WEIGHTING FOR GRADE AWARD (%)
1. Corporate finance for treasury	Yes	One exam covering the whole unit	25
2. Risk management for treasury	Yes	One exam covering the whole unit	25
3. The treasury manager	Yes	One mini-dissertation covering the whole unit	25
4A. Financial reporting, tax and regulation for treasury (optional)	Yes	One exam covering the whole unit	25
4B. Working capital and trade finance (optional)	Yes	One exam covering the whole unit	25

TEACHING AND LEARNING

The qualifications are delivered through an online learning platform, enabling you to move through at your own pace. You can undertake self-directed study with PDF, ePUB and MOBI versions of the materials and will be supported by ACT technical tutors who will lead, participate in and moderate a discussion forum for queries and wider debate.

Throughout the course, additional resources will be added to the online learning platform in the form of webinars, podcasts, links to relevant news and updates, and wider reading to ensure that you benefit from the latest insights and developments in the topics you are studying.

You will also be able to take practice assessments as part of the learning programme to familiarise yourself with the types of questions you can expect during the assessment.

You will have access to the online platform for 24 months from the date booked on the qualification.

ASSESSMENT AND FEEDBACK

The Diploma in Treasury Management will be assessed through the following method:

- for Units 1 and 2, there will be one online exam, remotely invigilated, per unit. The exam structure for both units is comprised of two sections: Section A is based on a pre-seen case study, released approximately two weeks before the exam date, with long-form questions. Section B consists of three long answer questions based on case-studies. You must choose two of the three questions to answer in Section B. The case studies will not be pre-released for Section B
- Unit 3 will be a mini dissertation of 6,000 words, based on a company of your choice, with guided points to focus your analysis on
- for Units 4A and 4B, there will be one online exam, remotely invigilated, per unit. The exam structure for both units is comprised of two sections: Section A is based on a pre-seen case study, released approximately two weeks before the exam date, with long-form questions. Section B consists of two compulsory long answer questions based on case-studies. The case studies will not be pre-released for Section B
- there will be three assessment sessions available per year and you will be able to opt into the assessment when you feel ready. However, you will need to complete the assessments and full qualification within the timeframe of your learning licence
- once you have booked your assessment, you will be provided with information and guidance on how to prepare for taking your assessment with the ACT
- upon successful completion of each unit assessment, you will receive an eCertificate, confirming your final result, within five to six weeks. Once you have successfully completed the qualification you will be issued with digital credentials, and a hard copy certificate, confirming your completion of the full Diploma qualification
- you may then use the designatory letters, AMCT, provided you are a member of the ACT
- post-assessment support is available for these assessments, which includes a post-assessment feedback report for the assessments (additional fees will be payable)
- if you have failed a unit assessment, you will be able to re-sit the assessment, when you are ready and within your license period
- if you have failed Unit 3 and received a marginal fail (between 45 and 49), you will be able to resubmit the same dissertation, with amendments, in the next window – more details will be provided should you fall within this criteria.

ENTRY REQUIREMENTS

Entry requirements do exist for the Diploma and we have a number of different ways you can gain recognition from any prior learning or work experience.

More information on the entry routes for the Diploma can be found here.

UNIT 1: CORPORATE FINANCE FOR TREASURY

INTRODUCTION

This is the first of three compulsory units within the Diploma qualification. The unit starts by providing an overview of the world of corporate finance. This includes exploring typical corporate objectives and the importance of corporate financial management. It explores the importance of environmental, social and governance (ESG) considerations and ethics within corporate financial management. It also examines the importance of stakeholder management and considerations when identifying and managing stakeholders, both internally and externally.

The unit then examines key theoretical and practical considerations in relation to capital structure. Methods of determining the organisation's long-term funding requirements are explored. Different methods of calculating the cost of capital are also considered. The importance and relevance of credit ratings, in the context of corporate finance and capital, are examined.

Next, the unit explores two key elements of funding – equity and debt. Starting with equity, the unit explores the main equity markets (both primary and secondary) and examines the considerations for managing equity, including dividend policy. It also focuses specifically on the management of shareholders. As regards debt, it examines the importance of banks both as a source of debt finance and from the perspective of relationship management. Debt capital markets and associated documentation are also considered. There is focus on developments in debt capital markets and the increasing range of funding sources.

The unit examines a range of business valuation and project appraisal techniques, focusing on their application in relation to major projects, acquisitions and disposals. There is a focus on the ability to carry out business valuations and project financial appraisals and to make justified recommendations based on findings.

The unit concludes by considering a range of corporate finance implications for treasury. Focus is on the implications of treasury structures and the level of participation within the corporate finance process. The importance of monitoring and reviewing corporate finance developments is also explored. Ultimately, a range of factors is examined, both internal and external, that might impact on capital structure decisions. Students will be expected to evaluate these various factors and make justified recommendations about corporate finance and capital structure.

UNIT 1: CORPORATE FINANCE FOR TREASURY

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

L01 Evaluate the importance of appropriate governance structures and stakeholder management for treasury and the wider business.

L02 Recommend and justify an optimal capital structure, addressing both practical and theoretical considerations.

L03 Examine the use of equity markets as a source of capital and the importance of managing shareholders, including undertaking relevant calculations.

L04 Evaluate the range of debt funding sources that treasury could utilise and make justified recommendations appropriate to the nature and financial position of the business, including undertaking relevant calculations.

L05 Evaluate appropriate valuation and project appraisal models, including undertaking calculations, to aid decision making and the ongoing management of projects, acquisitions and disposals.

UNIT 1: INDICATIVE CONTENT

1. The corporate finance world

LO1: Evaluate the importance of appropriate governance structures and stakeholder management for treasury and the wider business.

- Corporate objectives and ESG
- Corporate financial management e.g. governance and ethics
- Stakeholder management

2. Capital structure – theory and practice

LO2: Recommend and justify an optimal capital structure, addressing both practical and theoretical considerations.

- Establishing the long-term funding requirements of a business
- Advanced cost of capital
- Advanced weighted average cost of capital
- The relevance of credit ratings

3. Equity funding in practice

LO3: Examine the use of equity markets as a source of capital and the importance of managing shareholders, including undertaking relevant calculations.

- Equity Markets
- Primary market equity issuance
- Secondary equity markets
- Managing equity and shareholders e.g. dividend policy

4. Debt funding in practice

LO4: Evaluate the range of debt funding sources that treasury could utilise and make justified recommendations appropriate to the nature and financial position of the business, including undertaking relevant calculations.

- Bank lending and bank relationship management
- Debt capital markets and borrowing documentation
- Developments in debt capital markets e.g. ESG financing
- Other funding sources e.g. Sharia compliant financing and deal contingent funding

5. Techniques in business evaluation and project appraisal

LO5: Evaluate appropriate valuation and project appraisal models, including undertaking calculations, to aid decision making and the ongoing management of projects, acquisitions and disposals.

- Business profiling
- Corporate valuation
- Advanced valuation methods
- Project appraisal techniques

UNIT 2: RISK MANAGEMENT FOR TREASURY

INTRODUCTION

This second compulsory unit focuses on the vital area of risk management. It starts by examining risk management policy and the importance of developing and applying a risk management framework. A number of important associated elements are also explored, including the nature of risks that might arise in treasury and the risk appetite of the organisation. Risk policy plays a crucial role and this is examined in detail including how such policies are developed and applied within organisations.

The unit then focuses on the first two stages of a typical risk management process – risk identification and assessment. It examines how risks in treasury might be identified and focuses specifically on foreign exchange and interest rate risks. Treasury related risks are of course broader than these two areas of exposure, so the identification and assessment of other financial risks are also explored.

The unit then provides a detailed review of a range of techniques used to conduct an evaluation of treasury related risks, to determine the materiality of the risks to which the organisation might be exposed. Different evaluation methods are analysed, focusing on both quantitative and qualitative approaches.

Next the unit considers different techniques for managing risks, that have already been identified, assessed and evaluated. There is focus on a wide range of techniques and different areas of risk, including dealing with uncertainty. The importance of resilience and business continuity planning are also explored. In particular students will be expected to understand all of these various techniques and to make justified recommendations on how best to manage risks in different situations.

The unit concludes by exploring the importance of reporting and governance within risk management. This includes both internal and external risk reporting, including the importance of meeting the requirements of relevant international standards.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

LO6 Evaluate the key factors which organisations should consider when establishing a robust and integrated risk management framework.

LO7 Evaluate tools used to identify and assess risks for which treasury has responsibility.

LO8 Analyse techniques for the evaluation of treasury and interrelated risks which an organisation might encounter, including undertaking relevant calculations.

LO9 Evaluate the use of appropriate techniques in managing treasury risks and make justified recommendations for the application of risk management tools, using relevant calculations to support justifications.

LO10 Evaluate business continuity planning techniques and apply appropriate risk reporting techniques to support and enhance the risk management process.

UNIT 2: INDICATIVE CONTENT

1. Formulation of a risk management policy

LO6: Evaluate the key factors which organisations should consider when establishing a robust and integrated risk management framework.

- The nature of risk
- The risk appetite of the organisation
- Risk policy development
- Creating a risk management framework

2. Risk identification and assessment

LO7: Evaluate tools used to identify and assess risks for which treasury has responsibility.

- Risk identification in treasury
- Foreign exchange risk identification and assessment
- Interest rate risk identification and assessment
- Identifying and assessing other financial risks

3. Techniques for the evaluation of risk

LO8: Analyse techniques for the evaluation of treasury and interrelated risks which an organisation might encounter, including undertaking relevant calculations.

- The context for the evaluation of risk
- Evaluating risk
- Quantitative approaches to evaluating risk e.g. VaR, VIX and Monte Carlo
- Qualitative approaches to evaluating risk

4. Risk management approaches

LO9: Evaluate the use of appropriate techniques in managing treasury risks and make justified recommendations for the application of risk management tools, using relevant calculations to support justifications.

- Hedging with certainty e.g. forwards, swaps and related instruments
- Hedging with uncertainty e.g. options
- Managing liquidity and counterparty risk
- Operational risk controls and digital assets

5. Business continuity and risk reporting

LO10: Evaluate business continuity planning techniques and apply appropriate risk reporting techniques to support and enhance the risk management process.

- Resilience and business continuity planning
- External risk reporting and relevant international accounting standards
- Internal risk reporting and controls

UNIT 3: THE TREASURY MANAGER

INTRODUCTION

This is the third compulsory unit and focuses on the role, responsibilities and activities of the treasury manager. The unit starts by considering the important role that treasury plays in helping a business to achieve its corporate objectives. This includes creating an appropriate structure within the business and playing a role in the corporate finance process. It also explores the importance of reviewing and scanning for changes within the corporate finance and general business landscapes.

The unit then focuses on three key areas in relation to organisational improvements. These are: setting objectives; problem-solving; and project management. These are all discussed in the context of how they can be applied by treasury professionals to drive both treasury and business improvements.

Next the unit explores a range of different tools and techniques that can be used by treasury managers to analyse treasury performance, with a view to identifying opportunities for improvements. The role and uses of benchmarking are explored. Concepts in relation to knowledge and data management are also examined. The application of different technologies to support relevant analysis and improvements in treasury performance are also assessed.

The unit then examines concepts and theories relating to leadership and management, both in terms of driving treasury performance and building stakeholder relationships. This part of the unit focuses on leading and managing people, teams and oneself. Its focus is on both internal and external treasury relationships.

The unit concludes by exploring a range of different negotiation and communication tools. These can be applied by treasury managers to communicate with stakeholders and manage conflict when it arises. The concept of commercial acumen is explored together with tools to support the development of associated skills. Change management and innovation are examined including tools to support the identification of opportunities for the application of innovation within treasury.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

LO11 Evaluate the role of treasury in supporting the achievement of corporate objectives.

LO12 Examine the importance, to treasury professionals, of objective setting, problem solving and project management skills for the delivery of organisational improvements.

LO13 Assess a range of tools and techniques to analyse and improve treasury performance in support of organisational objectives.

LO14 Examine the importance of leadership and management in building stakeholder relationships and optimising performance, including the application of relevant theories.

LO15 Evaluate a range of tools to communicate and negotiate effectively, and develop commercial acumen as well as identify opportunities for the application of innovation within treasury.

UNIT 3: INDICATIVE CONTENT

1. The role of treasury in achieving corporate objectives

LO11: Evaluate the role of treasury in supporting the achievement of corporate objectives.

- Building a treasury structure
- Participating in the corporate finance process
- Reviewing and scanning corporate finance and business developments

2. Objective setting, problem solving and project management

LO12: Examine the importance, to treasury professionals, of objective setting, problem solving and project management skills for the delivery of organisational improvements.

- Objective setting
- Problem solving
- Project management

3. Analysing and improving treasury performance

LO13: Assess a range of tools and techniques to analyse and improve treasury performance in support of organisational objectives.

- Benchmarking treasury and corporate performance
- Knowledge and data management in treasury
- Application of technology

4. Leadership and management

LO14: Examine the importance of leadership and management in building stakeholder relationships and optimising performance, including the application of relevant theories.

- Managing and leading treasury teams
- Managing and leading individuals
- Managing oneself
- Managing and leading on internal and external treasury relationships

5. Negotiation, communication, commercial awareness and innovation tools

LO15: Evaluate a range of tools to communicate and negotiate effectively and develop commercial acumen, as well as identify opportunities for the application of innovation within treasury.

- Managing conflict and effective negotiation skills
- Effective communication skills for treasury
- Building commercial acumen within the treasury team
- Change management and innovation

UNIT 4A: FINANCIAL REPORTING, TAX AND REGULATION FOR TREASURY (OPTIONAL)

INTRODUCTION

This is the first of two optional units, from which one must be selected. This unit focuses on accounting, tax and regulatory issues of concern to treasury. The accounting aspect is first addressed through examining the impact of the organisation's structure on both operations and transactions. This includes exploring issues such as budgeting, forecasting and the management of exposures. Next the accounting implications in relation to specific types of transactions and other considerations are examined. For example, the implications of international financial reporting and the requirements for disclosure are discussed.

Next the unit focuses on tax considerations and the implications for treasury planning and decisions. Both domestic and international tax are explored, especially in the context of typical treasury transactions.

The unit then focuses on a number of practical financial considerations and issues that are typically encountered by treasury. This includes the important areas of debt documentation and associated debt covenants. It also examines the implications of ISDA documentation.

The unit concludes by examining the impact of corporate governance and regulation on treasury activities. The regulatory environment has a significant impact on treasury transactions, strategy and reporting. The unit focuses, in particular, on the anti-money laundering and know your client responsibilities of treasury. It also examines the role of corporate governance and ethics. It considers the importance and implications of meeting reporting requirements, for example in connection with ESG, and the impact of broader events arising from changes in the economic and political landscape.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

LO16 Evaluate the impact of the organisation's structure on accounting for treasury operations and transactions.

LO17 Analyse how treasury transactions should be reported and structured to ensure financial reporting implications are managed.

LO18 Evaluate the impact of tax regulation on the structure of the organisation and treasury activities.

LO19 Assess the practical and contemporary financial issues that treasurers must manage.

LO20 Examine the requirements and implications of the regulatory environment on treasury transactions, strategy and reporting.

UNIT 4A: INDICATIVE CONTENT

1. The essentials of accounting for treasury

LO16: Evaluate the impact of the organisation's structure on accounting for treasury operations and transactions.

- The impact of corporate structure on treasury
- Budgets and forecasts in treasury
- The importance of cash
- The importance and management of currency exposures

2. Accounting for treasury activities

LO17: Analyse how treasury transactions should be reported and structured to ensure financial reporting implications are managed.

- International financial reporting
- Disclosure of treasury transactions
- Fair value and lease accounting
- Hedge accounting

3. Tax for treasurers: its importance, strategy and communication

LO18: Evaluate the impact of tax regulation on the structure of the organisation and treasury activities.

- Tax in the context of treasury
- Domestic and international tax
- Profit shifting, transfer pricing and OECD minimum tax agreements
- Tax of treasury transactions

4. Financial issues for treasury

LO19: Assess the practical and contemporary financial issues that treasurers must manage.

- Debt documentation and financial covenants
- Other issues in debt documentation
- ISDA Master Agreements and Credit Support Annexes

5. Regulation considerations for treasury

LO20: Examine the requirements and implications of the regulatory environment on treasury transactions, strategy and reporting.

- The impact of regulation on treasury activities
- Anti-money laundering (AML) and Know your Customer (KYC)
- ESG reporting

UNIT 4B: WORKING CAPITAL AND TRADE FINANCE (OPTIONAL)

INTRODUCTION

This is the second optional unit and focuses on working capital and trade finance. It starts by providing an overview of both elements, focusing on a range of approaches and risks in the context of different businesses and activities. It provides an overview of both in relation to domestic and international trade.

The unit then focuses specifically on working capital management, assessing policies and techniques which can optimise an organisation's working capital position. In particular the unit examines the management of trade payables, trade receivables, supply chain and inventory management.

Next the unit explores different cash management structures and techniques which can be applied to optimise the management of cash within the business. It addresses a range of techniques, focusing also on international cash management and on more recent developments in the area of cash management generally.

The unit then evaluates different techniques for managing risk in trade finance areas. It considers economic principles in relation to trade and the evolution of trade finance. It also explores a number of trade finance related tools, techniques and products, including payments, collections, bonds and guarantees. It also examines specialist risk management tools applicable to international trade transactions.

The unit concludes by focusing on contemporary developments in relation to working capital and trade. It includes key topics such as the importance of managing counterparty risk and the evolving role of treasury in international trade transactions.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

LO21 Evaluate a range of practices, procedures and risks inherent in domestic and international trade.

LO22 Assess policies and techniques to optimise accounts receivable, accounts payable, supply chain and inventory control, including undertaking relevant calculations.

LO23 Evaluate different cash management structures and techniques to manage cash efficiently within the business.

LO24 Evaluate different techniques to manage risk in domestic and international trade and make justified recommendations on how to manage such risks effectively.

LO25 Examine contemporary developments, counterparty risk and the evolving role of treasury in managing working capital and international trade.

UNIT 4B: INDICATIVE CONTENT

1. Overview of working capital management and trade finance

LO21: Evaluate a range of practices, procedures and risks inherent in domestic and international trade.

- Supporting the activities of a business
- International business
- Principles of economics and application to trade

2. Working capital management

LO22: Assess policies and techniques to optimise accounts receivable, accounts payable, supply chain and inventory control.

- Trade payables
- Trade receivables
- Supply chain and inventory management
- Optimising the management of working capital

3. Cash management

LO23: Evaluate different cash management structures and techniques to manage cash efficiently within the business.

- Cash management structures
- International cash management techniques
- Corporate insolvency

4. Trade finance – managing risk

LO24: Evaluate different techniques to manage risk in domestic and international trade and make justified recommendations on how to manage such risks effectively.

- Trade finance
- Evolution of trade finance
- Trade finance – payment and collection techniques
- Bonds and guarantees
- Specialist risk management tools for international trade

5. Contemporary developments

LO25: Examine contemporary developments, counterparty risk and the evolving role of treasury in managing working capital and international trade.

- Key considerations in working capital and trade
- Developments in cash management
- Evolution of the role of corporate treasury

GLOSSARY OF QUALIFICATIONS TERMS	
Award	For the purpose of this qualification, upon passing your examination, you will be awarded the Diploma in Treasury Management. The award is therefore the outcome of your studies and assessment and represents your achievement.
Unit	A unit represents a segment of learning within the Diploma in Treasury Management. Each individual unit has its own rationale and content. Each unit also has a number of learning outcomes and supporting indicative content.
Overarching learning outcomes	The learning outcomes within a unit lay down the expectations of the learner and define the level of knowledge and understanding required in order to be fully prepared to take the ACT assessment.
Learning outcomes (LOs)	These appear within each of the sections in the units and act as the basis to determine knowledge and understanding which shape your learning and assessment. Within each LO, we have included assessment criteria which will help guide you to what will be expected within the assessment.
Indicative content	The indicative content is an indication of the knowledge required in order to fulfil the assessment requirements and achieve the learning outcomes and it details the level of technical content of the programme.

ACT EDUCATION

ACT COMPETENCY FRAMEWORK

Theresult of consultation with senior treasurers,banks and learning and development teams, the framework defines the competencies treasurers need to operate successfully in global business today. The skills a treasurer needs over their career varies according to seniority. The competencies have been benchmarked and mapped to four job levels; tactical, operational, managerial and strategic.

The content of this syllabus introduces the skills required to operate at a managerial level.

Strategic Level
Managerial Level
Operational Level
Tactical Level

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