



## FINANCIAL CONTROLLER DUTIES

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The overarching duty of a Financial Controller is to:

1. fairly represent the financial condition of the company;
2. ensure the CEO is at all times apprised of the financial posture of the company;
3. comply with all applicable financial laws pertaining to the company; and,
4. create and operate an orderly system and set of processes to accomplish all of the above.

When a company does not have a Chief Financial Officer, the Financial Controller will typically have the following duties:

### Financial accounting

- ❖ Create, maintain, document accounting policies and procedures
- ❖ Create, maintain, document a Chart of Accounts feeding into a General Ledger
- ❖ Prepare on a periodic basis an accurate Income Statement, Balance Sheet, Statement of Cash Flows for the company and its subsidiaries as derived from the General Ledger
- ❖ Prepare on a periodic basis accurate Cash Receipts and Cash Disbursement journals
- ❖ Deliver to and brief the CEO on the noted financial statements
- ❖ Define the roles, hire, train, set objectives for, and promote the accounting staff
- ❖ Create, maintain, document the accounting system's hardware, software, backup
- ❖ Safeguard the company's data both on and off site

- ❖ Maintain professional knowledge of the accounting principles pertinent to the company's industry

### Management accounting

- ❖ Create, maintain, document a set of management reports in consultation with the CEO to provide timely information for the efficient management of the company
- ❖ Incorporate critical CEO approved KPIs in the management reports an
- ❖ Graph monthly KPI performance on an annual basis
- ❖ Publish the management reports in a timely manner

### Controls

- ❖ Create, maintain, document financial controls including authority levels to undertake specific actions within the accounting department
- ❖ Prepare graphic representations of critical financial processes and train to those standards (e.g. the receipt, approval, data entry, payment of accounts payable)
- ❖ Ensure that controls conform to readily identifiable practices (Sarbanes-Oxley in the US)
- ❖ Review the controls with the auditors on an annual basis

### Budget

- ❖ Prepare and submit for approval by the CEO an annual budget based on a monthly projection
- ❖ Report monthly performance v budget reports; explain any variances
- ❖ Feed budget information into forecasts (do not alter budget, re-forecast only)

### Capital transactions

- ❖ Provide financial analysis of any proposed capital transactions
- ❖ Support acquisition negotiations with data and financial analysis
- ❖ Calculate returns on investment

- ❖ Create budget modifications
- ❖ Create separate accounting ledger to allow future ROI assessment
- ❖ Create initial booking entries for acquisitions
- ❖ Consult with outside accountants to ensure the accounting treatment is correct

### Assets

- ❖ Create, maintain, document asset accounting principles (useful life, depreciation)
- ❖ Prepare an asset ledger for accountability and accounting purposes
- ❖ Provide inventory support to ensure the physical presence of assets
- ❖ Maintain a database of all asset identification information (particularly any computer or tech equipment)

### Audit

- ❖ At CEO or Board direction, retain the auditors by written contract
- ❖ Prepare the PBC (prepared by client) files for the annual audit
- ❖ Supervise the presence of the auditors in the company offices
- ❖ Review the audit results with the CEO and agree to changes
- ❖ Distribute the audit
- ❖ Make the appropriate changes or modifications

### Taxes

- ❖ Ensure that real estate, sales, use, property taxes are incorporated in the budgets and forecasts
- ❖ Ensure intimate knowledge of all taxing jurisdictions, tax rates, and filing deadlines
- ❖ Pay all taxes as they come due
- ❖ Retain outside tax preparation firm to file income taxes
- ❖ Oversee the preparation of the company's income tax returns with outside firm
- ❖ File income taxes on a timely basis
- ❖ Ensure the CEO and Board understand the company's tax structure

### Banking, treasury

- ❖ Develop banking relationships with a primary and a secondary bank
- ❖ Reconcile bank statements (bank statements should be received by the CEO unopened, a single person should be assigned to perform the reconciliation, the reconciliation duty should be rotated amongst the accountants)
- ❖ Maintain a ledger on all loans
- ❖ If there is debt, ensure the timely payment of all obligations
- ❖ Payoff or renew loans on a timely basis (ensure sufficient time to negotiate renewals)
- ❖ Manage cash balances with bank
- ❖ Cautiously invest excess cash balances after having assessed cash liquidity requirements

### Receivables collection

- ❖ Create an aged receivables report
- ❖ Develop an internal and external receivables collection discipline
- ❖ Filter receivables collection through management reports and KPIs

### Record keeping

- ❖ Develop a written chart of company files
- ❖ Maintain physical, digital, and backup files
- ❖ Develop an emergency backup reinvigoration plan

### Administration

- ❖ Create, document, administer the company sponsored retirement plans
- ❖ Administer company benefits (vacation, sick leave)
- ❖ Administer the company Performance Appraisal program

### Human relations, personnel

- ❖ Create, document, update, distribute an employee handbook encapsulating the company's policies
- ❖ Undertake an annual review (including outside counsel) of the employee handbook
- ❖ Develop comprehensive personnel files and secure them
- ❖ Document hiring, firing, promotions, discipline
- ❖ Develop a comprehensive compensation program of salary, benefits, short term incentive compensation, long term incentive compensation, something special
- ❖ Develop a comprehensive benefits program as documented in the employee handbook
- ❖ Create a comprehensive Performance Appraisal system which is goal and objective based
- ❖ Develop and maintain dollar weighted organization charts

### Technology, data

- ❖ Create, document, maintain, renew the company's tech backbone including both financial and administrative hardware and software (enterprise, desktop, laptop, tablet, cell phones)
- ❖ Ensure the utilization of current equipment and software
- ❖ Document all hardware and software warranties
- ❖ Maintain all software licenses current
- ❖ Create data safeguards and security protocols
- ❖ Create a complete hardware, software, data backup on and off site
- ❖ Create a file of personnel tech training
- ❖ Ensure that all personnel are trained for the hardware and software they are using
- ❖ Oversee an annual security review by an outside firm

### Reporting

- ❖ Prepare, review, certify monthly, quarterly, annual financial reports, management reports, and ledgers (e.g. debt schedule, asset schedule)
- ❖ **Immediately bring items of concern to the attention of the CEO**
- ❖ Prepare an annual report

- ❖ Conduct (support) an annual shareholders meeting
- ❖ Deliver payroll and retirement account information to employees on a monthly, quarterly, annual basis as required
- ❖ If the company is public, the reporting will be undertaken in accordance with the requirements of the US Securities and Exchange Commission and would include SEC Forms 10Q, 10K, 8K as applicable.

A Controller qualified to undertake and successfully discharge the duties enumerated above will have five to ten years of experience and be a Certified Public Accountant or Certified Management Accountant. The compensation provided should be in the range of \$90-125,000 annually with an adjustment for market and geography. Such an employee would receive an annual bonus of 5-20% of annual compensation based on the character of performance.

This is a difficult job.