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The Financial Controller job description involves managing leadership over finances, accounting, and financial strategies. They must possess the ability to see the larger picture while focusing on detail. Efficiency and accuracy are important to the financial controller, two things that often conflict with one another. While the controller's work is centered around financial data, the position is evolving into being more strategic now more than ever. Those in financial controllership must be fluid enough to engage in new and different tasks.

Controllers may be accountants, but they don't do accounting. Accounting refers

to the act of recording company transaction data, where controllers are focused on making sure the data is recorded accurately, in a timely manner, and in accordance with company rules and regulations. If and when a discrepancy arises, the controller is the one who should find it, determine what happened, and follow up with all involved parties.

The Traditional Role

Finance controllers are often simplified as being the lead accountant of any financial department. They lead the department to ensure all activities are completed and in compliance with government, industry, and company standards. They are responsible for the general ledgers and financial statements like balance sheets and income statements, ensuring they reflect the true nature of cash flow in the organization. In large companies, they serve as the link between the senior management team and the finance department. Their day-to-day responsibilities include:

- Ensuring payments are received from debtors and customers
- Overseeing general accounting operations
- Setting up bank accounts and corporate credit cards
- Working with certified public accountants (CPAs) outside of the company
- Creation of internal policies and controls to manage those policies
- Creation of financial reports to deliver to the Chief Financial Officer (CFO)
- Filing all monthly, quarterly, and annual federal and state tax forms
- Review payroll for accuracy and ensure proper withholdings
- Ensuring payments are received from debtors and customers.

The financial controller is often responsible for informational technologies and works with IT departments to improve these technologies. They also review state and federal tax reports to ensure accuracy, stay on top of insurance policies, and

conduct audits. Human resources is often a part of the job within the financial department. Whomever serves in the controller role will often work closely with the HR department over job openings, interviewing, and hiring processes for their department. Overall, controllers are as responsible for regulatory and financial compliance of the company.

In smaller companies, the financial controller may also be the CFO. As such, people in those positions also deal with a lot of project management, and have to deal with control aspects related to managing the accounting team as well as reporting, budgeting, and planning company spending.

To work as a financial controller, a Bachelor's degree in finance is required, though many opt to continue on to a Master's degree because it provides additional education to support the strategist role. Many financial controllers are also certified public accountants or certified management accountants (CMAs), but these certifications are not required to be hired into the role, or to succeed in it. Controllers may also have other designations such as:

- Certified Financial Analyst
- Certified Fraud Examiner
- Certified Financial Controller

To be successful in the field, financial controllers also need a comprehensive set of soft skills, including:

- Communication skills
- Leadership skills
- Emotional intelligence
- Flexibility and adaptability
- Problem solving skills

Sometimes, companies call this position comptroller.

The In-Depth Tasks

For the financial controller, accuracy is top priority, and it's far better to get things done correctly the first time. The tools the accounting department uses must streamline things for all of the accounting department. The financial controller needs to work with senior management to build workflows and processes that remove as much potential for human error as possible - along with risk reduction.

The financial controller spends time every day monitoring internal controls, which are often created by the CFO. Beyond automation controls, these include accounting standards, and clearly determining who is responsible for specific tasks required within those standards. While all accounting departments follow generally accepted accounting principles, many departments tack on their own controls to keep things moving as smooth as possible.

Segregating responsibilities is an internal control that all accounting departments use, but smaller companies may struggle with this because of limited staff. There are several ways to separate duties and many companies opt to use more than one to reduce the risk of fraud. For example, the person in charge of creating bank and credit accounts does not have access to use those accounts - and the people who use the accounts lack the authority to open new accounts. The accounts payable department handles bill payment only when invoice approval occurs, and does not handle payroll. Financial information is limited to only those who need it, both inside and outside of the finance department.

Investing in a procure-to-pay system that allows for automation can dramatically improve controls. By setting up internal controls for who can place orders, spending thresholds, etc. along with approval workflows to automatically route purchase requisitions and purchase orders to the right staff for approval in a couple of clicks, the whole process runs smoother, which makes things easier for

the entire finance team. With three-way matching, purchase orders are automatically matched to goods receipts and invoices to ensure companies are only paying for the things they both ordered and received.

The Role of Strategist

The financial controller's role is not often associated with strategy because of the nature of accounting. Accountants work in the past, based on financial transactions that occurred during the past payroll period, the past month, the past quarter, the last fiscal year, etc. Working in the present is easier now than it used to be, because systems are in place that allow real-time views of spending. Access to this information enables the controller to work on a strategy that ensures growth and sustainability. Data driven decision-making guided by financial analysis lowers risk. Controllers are now taking on more duties that the CFO used to handle, while CFOs are participating in a strategic partnership with the CEO. Because of this, controllers have a bigger opportunity to work on financial strategies to present to the management team.

Risk Management

Risk management is one way a controller can step into the role of strategist. Understanding the current financial picture alongside past situations, makes it easier to assess risks and whether or not those risks are worth it to the organization. Accountants are less likely to take high risks when it comes to finances, and their input on sustainability and profitability is helpful when making decisions.

Controllers also keep an eye on company assets to ensure they are present, and in the expected condition based on their depreciation schedule. They, along with the rest of the accounting department, look over transaction records to ensure no fraudulent activity or unauthorized purchases occur, from either internal or

external factors.

Risk management focuses on reducing the negative impact of risks on the business, its employees, the community and the environment. This involves tasks such as creating retention plans to minimize turnover rates in the company, ensuring adequate insurance policies and coverage levels are in place, and claim costs are allocated to the appropriate departments.

Another essential part of risk management is in proper record keeping. The financial controller establishes the records that must be maintained, determines how those records will be managed, and develops the necessary policies for their management. While paper-based systems are an option, they are full of error potential, and storage requires a lot of space. That's why many companies are opting for a paperless process that runs in the cloud. Policies dictate who creates the records, how often they are reviewed for accuracy and compliance, and so on.

Controllers will also work with the procurement team to review some contracts and help in establishing policies around those contracts, including how potential contract renewals will be handled. The controller may also participate in contract negotiations.

Managing Spending

An effective financial controller will manage spending well, which is another benefit of using software to manage the purchase-to-pay cycle. Controllers can get a quick overview of what's going on, but also have the option to take a deep dive into anything they want. The information allows them to see who is spending, what they are spending money on, and its impact on the company. The audit trail ensures all staff is held accountable for their actions.

Budgets can be added for each department, with spending limits for each month. This is an ideal option for seasonal businesses where income isn't consistent

because it allows the company to spend more during the times of the year where they have more money coming in. Controllers must provide insight on those budgets to ensure the company can meet their annual and long-term financial goals.

The fact remains that the less money a company spends, the more profit there is. That said, it's important to ensure you spend money on quality materials and services to produce the goods or services you provide, to keep customers happy. You must invest in your employees to keep them happy. That means having a budget for everything and implementing the controls to keep the spending in line with the budget.

The controller is the one who has to inform senior management about how much the company can afford - which may not be an easy task if there has been a lull in sales. It's crucial that the board of directors understand the company's financial situation so they can make better decisions regarding the budget.

The good news is, experienced financial controllers are skilled at finding ways to spend less, without sacrificing quality. By maximizing things like early payment discounts, discounts for bulk orders, and special contracted rates, controllers can provide significant savings for the business. When it comes to services such as insurance, the controller shops around every year, to make sure they are getting the best possible price for what they're already getting, or if there's a value-added option that makes spending a bit more better for the company. They'll also look at ways to reduce supply usage - such as converting paper-based processes to digital ones - to stop spending so much on printer ink and paper.

Even if your company isn't large enough to warrant filling the financial controller position, someone should act in this role for the betterment of the organization.

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