

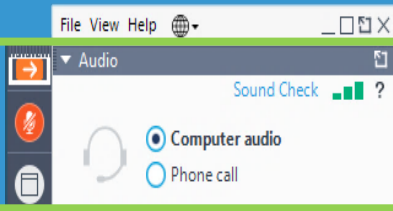
Best Practices: CFO and Accounting Functions – Session 1

July 21, 2020



**KNOW
GREATER
VALUE**

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Listen in through computer audio.
Headset recommended.

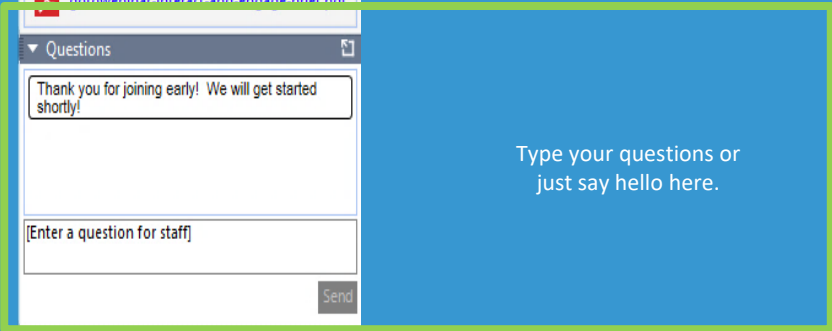
The screenshot shows the 'Audio' settings window. The 'Computer audio' option is selected with a blue radio button, while 'Phone call' is unselected. A 'Sound Check' indicator is visible at the top right of the panel.

or



Select Phone Call to see the
number to call, Access Code and
PIN

The screenshot shows the 'Audio' settings window with 'Phone call' selected. It displays the following information: **Dial:** +1 (951) 384-3421, **Access Code:** 616-133-885, and **Audio PIN:** 36. There is also a note: 'Already on the call? Press #36# now.' and a dropdown menu for 'United States'.



Type your questions or
just say hello here.

The screenshot shows the 'Questions' panel. It contains a text input field with the placeholder text '[Enter a question for staff]' and a 'Send' button to the right. Above the input field, there is a message: 'Thank you for joining early! We will get started shortly!'.

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Attendee Control Panel

Today's Presenters



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Discussion Topics

- Current challenges facing CFOs and controllers
- Effective accounting department design and configurations
- Optimizing the organizational chart for maximum efficiency and effectiveness
- Shared accounting resources (Out or Co-Sourcing)
- Internal control environments today, including working remotely
- Enterprise Resource Planning (ERP) and general ledger systems – QuickBooks and more
- Cybersecurity – VPNs, the Cloud and more
- Robust data transmission

Current Challenges Facing CFOs and Controllers

- Wear Many Hats (Finance, Accounting, Analytics, Insurance, etc.)
- Evolving Business Strategy in a rapidly changing and complex world:
 - Shift product mix to grow revenues and profits
 - Finance new activities
 - Data gathering and analytics management and quality/consistency
 - New projections, scenarios and business plan
 - IT and software challenges and cyber risk
 - Controlling costs and increasing margins
 - Attracting and retaining talent

Effective System of Internal Controls and Accounting Department Design

- Establish an Enterprise Risk Management Concept
 - Environment (Tone at the Top)
 - Set Objectives, Identify Risk Events, Assessment & Responses
 - Define Control Objectives and Controls to Minimize Risk and Maximize Returns
 - Prepare a Heat Map, what Residual Risk Remains
 - Monitor and Report Effectively and Communicate Key Information to Stakeholders (ERP-Enterprise Resource Planning)
 - Establish Key Roles, Responsibilities and Authority
- Centralize Controls and Accounting or Decentralize to Business Units
 - Consider utilizing remote workers (Outsourcing or Co-Sourcing)
- Use cloud or on premises IT platform – Cyber Fraud, Data Protection and Privacy Considerations

Optimizing the Organizational Chart for Maximum Efficiency and Effectiveness

- CFO
- Financial controller
- Treasury manager
- Accounting manager
- Bookkeeper
- IT and Insurance
- Employee benefits – although typically in HR

Optimizing the Organizational Chart for Maximum Efficiency and Effectiveness

- Financial controls – policies and system design and implementation & risk assessment
- Cash management and finance
- Budgeting, forecasting, variance analysis, & analytics
- Customer – sales side
 - Revenue, invoicing, accounts receivable and collections
- Fixed assets and equipment
- Intangible assets – intellectual property and goodwill
- Accounts payable including:
 - Vendor onboarding and approvals and payments
- Liabilities, debt and other obligations; capital markets and banking relations
- Employee benefits
- Consolidation, reporting and
- Financial statement preparation and tax and reporting/compliance
- Tax accounting, planning and compliance
- Audit support

Shared Accounting Resources Workflow – Combining Company Staff and Outsource or Co-Sourced Resources

Data Providers

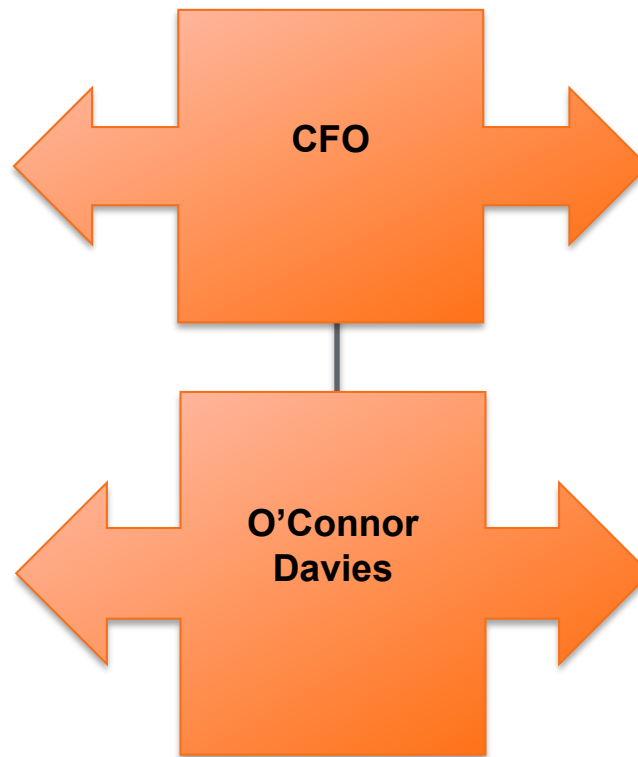
Vendors & Customers

Company Divisions

Banks, Counterparties, Insurance Companies and Brokers

IT Support and Data Warehouse

Lawyers and Accountants, etc.



Financial Controls, Processing, Cash Management, Asset and Liability Management, Budgeting & Forecasting Reporting, Finance

Internal Control Environments Today, Including Working Remotely

Define Tasks, Responsibilities & Authority:

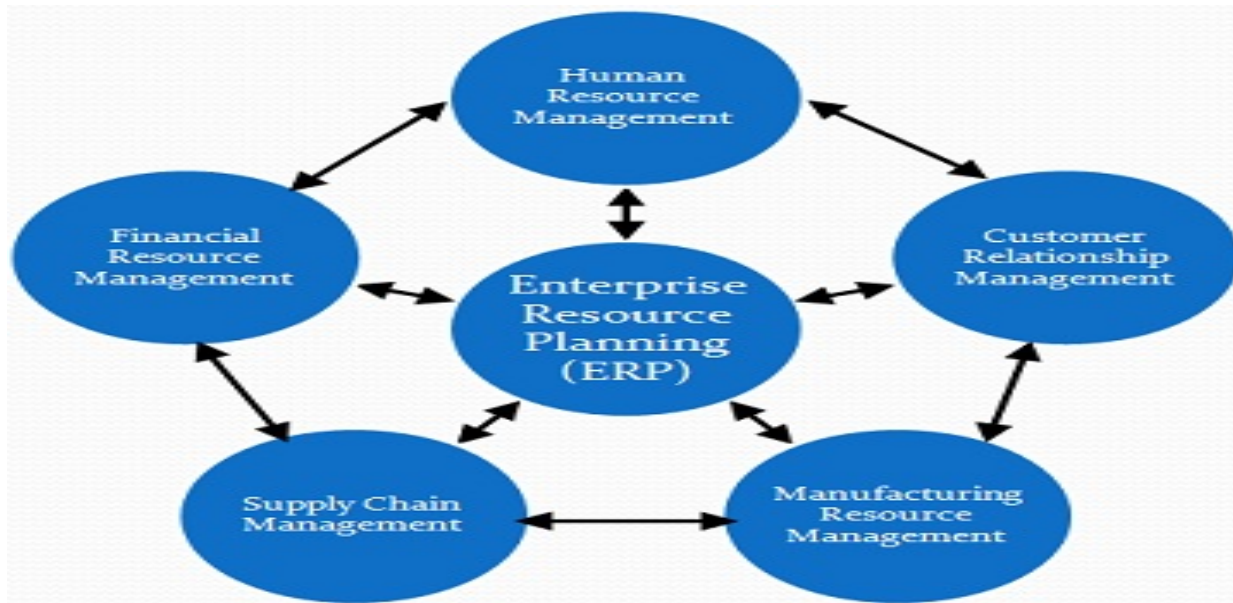
- Consistent systems, policies and procedures
- Segregation of Duties
- Approvals & Oversight
- Education and training
- IT Access & Restrictions

Detective or Preventative:

- Trial balance Variances vs. Budget or Historic Reports

- Reconciliations
- Data Protection, Privacy & Cyber Controls
- Machine Learning-Pattern Recognition
- Remote (random) transaction audits
- Third party reviews – audit
- Required vacations – e.g. consecutive two week periods
- Escalation controls

Enterprise Resource Planning (ERP) Systems and General Ledger Systems



- Exact, NetSuite, SAP, Sage Systems-Intacct, Sage 50,100, etc.
- FundCount-Investments and Complex Families
- QuickBooks & Zero (for simpler reporting needs)

Cybersecurity – VPNs, the Cloud & More

- Is Cloud Computing an Effective way for the business to Operate?
 - Considerations include the following:
 - **Type of Cloud**
(Public, Private or Multi-Private, Community or Hybrid)-Cost considerations and Privacy Trade Off
 - **Storing and Accessing Records and other Business Data**
Software Application Platform (Co-location Cloud Management, Cloud Platform as a Service (includes applications) and SAS Solution-Software as a Service (SaaS)- CRM and Data Library
 - **Processing Information**
On Premise Software Server, Laptop Access to On Premise or Hosted Cloud Solutions
 - **Data Protection, Privacy and Cyber Security Issues**
Remote Access (Physical and Platform Access Controls, VPN log In (Dual Authentication), Passwords)
 - **Out-sourced, Co-Sourced or other Remote Access Solutions**
 - **Data Privacy Laws (California, Federal and GDPR)**

Robust Data Transmission and Cyber Fraud

- Data Transmission and Interception is a key issue (Operational & Financial Data requires encryption or other safeguarding protocols)
 - What are the firms Physical & Access/Usage IT Controls)
 - What Remote Access Authorizations Exists
 - What Cyber Interception and Cyber Fraud Prevention Exists (Bank Payments, Vendor Falsifications, Phishing Emails and Hacking/Ransomware)
- Need for Data Privacy, Data Protection and Cyber Protection
 - Need a Cyber Prevention and Response Plan for Business Continuity and Privacy Compliance



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