

Chief financial officer essay

[Business](#), [Accounting](#)



Assume you are promoted to Chief Financial Officer of a Company. Discuss your responsibilities. Discuss the role of a Finance Manager. Explain CFO Responsibilities.

The Chief Financial Officer is responsible for providing timely and relevant data to support planning and control activities and for preparing financial statements for external users. The chief financial officer (CFO) is a corporate officer primarily responsible for managing the financial risks of the corporation. This officer is also responsible for financial planning and record-keeping, as well as financial reporting to higher management. In some sectors the CFO is also responsible for analysis of data. The CFO typically reports to the chief executive officer and to the board, and may additionally sit on the board. The CFO is a highly paid professional who has command over the technical details of accounting and finance, who can provide leadership to other professionals in his or her department, who can analyze new and evolving situations, who can communicate technical data to others in a simple and clear manner, and who is able to work well with top managers from other disciplines. A CFO's job can be broken down into three major components: 1. Controllability duties – Controllability duties hold the CFO responsible for presenting and reporting accurate and timely historical financial information of the company he or she works for. Every stakeholder in the company – including shareholders, analysts, creditors, employees and other members of management – relies on the accuracy and timeliness of this information.

It is imperative that the information reported by the CFO is accurate, because many decisions are based on it. 2. Treasury duties – The CFO is also

responsible for the company's present financial condition, so he or she must decide how to invest the company's money, taking into consideration risk and liquidity. In addition, the CFO oversees the capital structure of the company, determining the best mix of debt, equity and internal financing. Addressing the issues surrounding capital structure is one of the most important duties of a CFO.

3. Economic strategy and forecasting – Not only is a CFO responsible for a company's past and present financial situation, he or she is also an integral part of a company's financial future. A CFO must be able to identify and report what areas of a company are most efficient and how the company can capitalize on this information. For example, the CFO of an auto manufacturer must be able to pinpoint which models are making the most money for the company and how this information can best be used to improve the company in the future.

This aspect of a CFO's duties also includes economic forecasting and modeling – in other wo