GLOBAL FINANCE TRENDS SURVEY

Security, Data, Analytics, Automation, Flexible Work Models and ESG Define Finance Priorities

5 Questions Boards Should Ask Their CFOs

CFOs serve as a critical filter to the board of directors. And filter they must, due to the complex array of strategic risks boards expect their companies to monitor. CFOs' expanding scope of responsibilities, strategic partnership with the CEO, and risk- and control-centric mindset enable them to pinpoint the pivotal aspects of threats to, and opportunities for, the enterprise that require the board's attention. This explains why leading finance chiefs increasingly deploy data visualization tools and approaches to zero in on board-worthy topics in concise and compelling board reports.

Board members can help CFOs execute a mandate that now extends well beyond their traditional finance blocking and tackling to a wider range of strategic issues that include cybersecurity and data privacy; environmental, social and governance (ESG) strategies and reporting; supply chain management; and more. By posing the following questions to their CFOs, directors will get the insights their oversight requires while providing guidance to finance chiefs on how to make their board reports and presentations even more clear, targeted and decisive:

1. Regarding the organization's investment in cybersecurity and data privacy, are we protected, spending enough and investing wisely in the right areas? How does the finance group quantify our organization's information security risks and the returns on our cybersecurity and data privacy investments?
2. Regarding ESG, how does the company ensure that material information is accurately disclosed and that returns on sustainability investments are measured? How does finance leverage ESG data collection, reporting and monitoring activities to increase business value by enabling efficient access to capital, driving higher profitability and attracting better talent?

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Key fact

Among organizations in which finance operations experienced disruptions or delays as a result of office closures or shutdowns at vendors or third-party service providers over the past year, 57% addressed these challenges by engaging a managed services or business process outsourcing provider, compared with 41% the prior year.

3. Regarding the finance organization's labor model, how is the CFO optimizing talent investments among a highly skilled core of full-time staff, interim professionals, contractors, managed services providers and outsourcers? Are these talent investments sufficiently supported by related investment in cloud-based collaboration and workflow technologies?
4. Regarding the finance organization's planning and forecasting, to what extent are these and related processes integrating new data inputs to help generate increasingly real-time insights for finance customers inside and outside the organization? To what extent are finance teams providing sharper forecasts and viewpoints by supplementing key performance indicators (KPIs) with key business indicators (KBIs) culled from data sources throughout the organization and among external partners, vendors and other third parties?
5. Regarding the finance organization's ongoing digital transformation, are investments in technology and talent supporting the data quality and governance, analytics, workflows, and collaboration required to thrive as a next-generation finance function? Given the foundational role that cloud technology plays in enabling digital transformation and supporting advanced tools, does the finance group have sufficient cloud capabilities in place or a plan for putting them in place?

Interested in learning more? Further insights and our full report, *Security, Data, Analytics, Automation, Flexible Work Models and ESG Define Finance Priorities*, are available at Protiviti.com/FinanceSurvey.