**CFO Forum February 19, 2019 CFO Best Practices-Risk/Reward**

**Any convergence of risk and resources requires your focus-**

**Whether it is your defined responsibility or not (who will the CEO, the Board and the jury will find accountable?)**

**Remember Sarbanes Oxley CFO Accountability statement!**

**Ever think about your controls and your responsibilities when you sign a rep letter to:**

**Your CPA firm**

**Your insurance provider**

**Or your lender?**

**You are guaranteeing, personally, that everything you should know, should be doing, should have in place and documented is really there AND is being done!**

**Have you considered your fiduciary responsibility in healthcare?**

**With increased employee contributions and deductibles, as well as certain ACA requirements, the risk is greater than in 401k plans (although not defined that way by ERISA-yet).**

Don’t rely on your broker to give you objective advice (miss aligned objectives)

Don’t rely on HR to do your job!

Competitive analysis, metrics and education

**Risk areas that need you need to know and have processes and metrics in place**

**OSHA reporting** –consequence of poor record keeping, late reporting, sloppy accident investigation and reporting can have serious consequences-insurability, denied coverage, warning letters or fines with publicity

Best practices include objective reviews, education, calendar and documented reporting to staff and Board

**Safety manual, procedures, training-think about the rep letter you sign for insurance renewals. You are affirming procedures, training, accident investigations, understanding of requirements are in place! If not, claim could be denied (unlikely) but renewal will be more expensive or refused!**

**Work Comp-accident investigation, complexity of differences between states**

**Facility-inspections, fire drills, ambulance/ EMT drills, safety procedures, first aid/CPR training, AED, chemical/ haz mat supplies and training, waste disposal, etc. Each can be an area of exposure-physically, financial, fines and negative publicity.**

**Do you have a contingency plan AND business interruption insurance and a plan?**

**Fleet-you have fleet insurance but do you have a fleet safety plan? Annual driver’s license tests, drug testing are obvious for your fleet drivers but what about your non fleet drivers?**

**Vehicle safety inspections, crash grills, fire extinguishers, first aid kits, cameras, back up alarms—you have to do everything possible to have a reasonable defense-legally and “morally”.**

**Finally, address the risks-people management**

**Do you have a best in class recruiting, interviewing and performance review procedures that are followed 100% of the time?**

**“Me too” exists outside of Hollywood and not just with female employees or candidates. Do you have broad recruiting efforts, training efforts, appropriate interviewing questions and behaviors? Think about happy hours, sales meetings, client entertaining, supplier “meetings” if you would not want your wife or daughter or mother at the “meeting”, don’t have the meeting. It used to be enough for the CFO to look the other way or not attend, is that your “defense”?**

**People are the firm’s greatest assets but do you have training available to “all” and do you offer promotions “fairly”?**

**You do not get to define “all” or “fairly”-EEOC, DOL, the courts, employees, newspapers and Glassdoor define them for you!**

**Performance reviews-new employee expectations in writing and monitor performance. Keep records, all warnings in writing and co-signed. Document terminations, defend terminations for unemployment-it keeps your rates low AND it keeps you internally honest!**

**Performance reviews must be 100% and honest. Including execs.**

**Remember, D&O insurance does not protect incompetence or bad judgment and the CFO is generally held to a higher standard.**

**Train yourself, be ridiculously objective, keep records of your training, your reports to agencies, Board and responses to inquires.**

**Review your policy manual with your exec team and your insurance providers, recruiters, counsel and partners.**

**If you are responsible for HR,**

**get trained and keep current.**

**Join SHRM and drive best practices.**

**If you don’t have time, figure out your risk profile-you may wind up delegating financial tasks to your team since you understand those requirements and can manage risk better than you can manage what you do not know!**

**Working sessions with executive team to share awareness.**