



BROADOAK CONSULTING

Different types of financial roles

From the role of a Bookkeeper to a Financial Director, the different types of financial and accounting positions within a business are often misunderstood. This is further complicated by the considerable overlap between roles & responsibilities. This is by no means a bad thing, as it prevents individuals who have many skills from being “pigeon-holed”.

It does however present risk in terms of ensuring we hire the right candidate for the right role with the right responsibilities. If an employee is under qualified, the role will not be capably filled, but if a person is overqualified they may soon grow disenchanted and look for another job.

Below we have summarised the roles of various functions and at Broadoak Consulting we are able to take on interim positions and help upskill your financial staff so that senior management are able to focus on strategic decisions and a smooth HR transition.

Bookkeeper

A Bookkeeper’s primary role is to **process financial transactions** such as sales invoices, receipts and payments. This will also most likely extend to completing VAT returns, preparing cash flow statements and bank reconciliations. As a bookkeeper becomes more experienced, their role can expand and often overlap with that of a Management Accountant.

In recent years, this function has become increasingly automated and outsourced. While there are clear benefits to doing so, it is imperative that data quality is maintained.

Management Accountant

Management Accountants then **aggregate & analyse** this information for a particular product, service, department or company. Analysis of this financial information should be relevant, timely & accurate so that senior management are able to make prompt decisions on the performance of the business and forecast longer term horizons.

Management accountants may also have costing responsibilities such as reconciling actual spending with budgets as part of job costing (variance analysis) & recommending methods and strategies for managing costs. More experienced accountants may also be involved in capital budgeting and business analysis.

Financial Accountant

While the focus of a Management Accountant is internal, a Financial Accountant’s objective is the collation of information for external reporting purposes to **prepare financial statements**. They may also contribute to M&A decisions, employee benefits planning and long-term financial projections. This work is more diverse & requires an understanding of both accounting and finance. This function, along with tax planning, is often outsourced by SME’s.

Treasurer

As the name suggests, a corporate treasurer is responsible for maintaining the business's treasury, i.e. its **financial resources**. This will likely cover:

- determining financial strategy and policy;
- advising on what businesses to invest in;
- arranging appropriate funding and
- managing financial risks in an organisation.

The role ensures that a company has sufficient capital to meet its obligations, involving raising funds from banks, as well as debt and equity markets and, in some companies, actively trading in the foreign exchange, commodity and money markets. Other activities may involve dealing with property, taxation, insurance and pensions.

Financial Controller

The Financial Controller may be thought of as the head of the accounting department whose primary function is to maintain the historical **financial records** of the business. This data will be used to oversee all company accounts and investments & create monthly and annual reports to identify results, trends and financial forecasts.

Management responsibilities include:

- Supervising & managing financial staff;
- Suggest updates and improvements for accounting systems, including payroll and invoicing;
- Ensure that all financial transactions are properly recorded, filed and reported;
- Establish & implement financial reporting systems to comply with government regulations and legislation and
- Collaborate with auditing services to ensure proper compliance with all regulations.

Financial Director

The Financial Director is the financial leader of the business. While the primary function is strategic, the Finance Director must also be able to understand past financial performance in order to accurately predict the organisation's financial future. Financial Directors focus on strategic planning with financial information. This will include responsibilities for:

- Capital allocation;
- Tax strategy;
- Risk management strategy;
- Treasury strategy;
- Non-finance staff areas (HR, IT, etc.) and
- IFRS compliance.