

BUILDING A STRONG FINANCE DEPARTMENT INFRASTRUCTURE

The New Reality: Remote and Hybrid Work

UPDATING OPERATING PROCEDURES: DOCUMENTATION, EVALUATION and INTERNAL CONTROLS

Remote and hybrid working have resulted in changes to the operating procedures finance staff follow in performing their daily functions. Documenting these new procedures ensures the ongoing operation of the department. The procedures should be reviewed, evaluated and updated for workflow efficiencies and proper internal controls.

Documentation

Changes in procedures have occurred in the new work environment. For example, vendors are now being paid electronically instead of by paper checks. A finance department *Operations Manual* should be created, or if one exists it should be updated. The Manual should include the step-by-step procedures staff members follow in performing their daily functions. It should include exhibits with copies of documents and screenshots of the computer software and financial records that are part of their procedures.

Evaluation

The new procedures should be reviewed and evaluated for efficiency, for proper internal controls and that the staff is properly trained on the new procedures. If the new procedures require paper documents that were in the office, have the documents been scanned and are they accessible online to accommodate remote working?

Internal Controls

Internal controls may have weakened as a result of changes in procedures. Proper internal controls are essential for protecting the organization's assets, to mitigate the risk of fraudulent activity, to ensure the integrity of the financial data and to preserve the organization's reputation. For example, the elimination of staff positions may have compromised the separation of duties necessary for proper internal control. Alternate procedures should be put in place to maintain this critical internal control.

Conclusion

Meeting the challenges of the new work reality requires oversight and enforcement of efficient and effective operating procedures. We recently experienced how working arrangements changed abruptly due to the Covid pandemic. The finance department must be prepared to maintain continued operations regardless of where their staff is working.