

# Finance Questions for Board Meetings

## Questions to ask at Board Meetings to monitor financial issues and progress

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These are some sample questions that trustees should regularly ask at board and trustee meetings to help raise important issues.

### **Charitable and community objectives**

- How are we meeting our charitable or community objectives
- What difference are we making and how is it being measured?
- Do our objects meet today's needs and priorities?

### **Strategy and governance**

- What is our strategy and when was it last reviewed?
- Is the strategy relevant to the current external environment?
- Is it time to review our governance structures and policies?

### **Business model and contracts**

- What are the main income streams?
- What are the implications of personal budgets, payment by results and other new contracts and funding streams?
- Does the income cover the costs of delivery?
- What opportunities are there for making efficiencies and savings?

### **Income**

- How is our income compared to budget last year/other similar organisations?
- What proportion of income is at risk this year/next year?
- Have there been or expected to be any major changes for our income?
- Is any income restricted?
- What is our forecast surplus or deficit for the year?

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## Cashflow

- What is our cashflow position?
- What does the forecast over the next six to 12 months look like?
- Are we struggling to pay suppliers and contractors?
- Is PAYE and VAT up to date?
- Are we satisfied that VAT is correct?
- What is our liquidity ratio?
- Are there any outstanding debtors?

## Fixed assets and reserves

- What is our reserves policy and is it relevant to our current needs?
- Are we in compliance with our reserves policy?
- Can we see a summary of the movements and balances on restricted funds?
- What is the split between restricted, designated and unrestricted funds?
- Are there any major changes to or issues with our fixed assets?

## Capital projects

- What governance and financial monitoring controls are in place?
- Can we see a regular process report including costs compared to budget?
- Is the project fully on track or are there delays, overspends or anticipated issues?

## Audit and compliance

- Can you give me an update on progress on the issues set out in the most recent audit management letter?
- Do we always comply with filing and other compliance, tax and other requirements?
- Having had the same auditors for 10 years, it seems time to review and tender.

## Staff

- What proportion of income are the staff costs?
- If significantly above or below average, or compared to last year or the budget, then what are the reasons?
- Do we have the right structure and staffing levels to deliver our services?