



Map out the Next 12 Months for Your Organisation

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We have created a tool which can help you improve your organisations' governance in a stepped and measured way. This can be used as a month to month checklist to aid the start and finish point of your improvements in governance over the 12 month period. Small marginal improvements over this period will have had a cumulative improvement on the governance of your organisation, ensuring you have made continual, incremental gains in your organisation being at the forefront of exemplar governance and transparency.

Don't worry if you haven't achieved all of the months or all of your actions. Use this tool as an action plan and a reminder to populate strategies going

forward and ensure the mind-set of small continuous improvement continues within your organisation in the coming months and onwards.

Reflect on what has been achieved. Your organisation and the 3rd sector world you operate in is constantly evolving, at the end of the 12 months once you have reassessed yourself, creating an action plan for the next 12 months would be useful.

Good luck in your governance journey.

Month	Questions to ask yourself	Where are you now?	Where do you want to be and how will you get there?	Did you achieve it?
1	Are we an effective board? • Do we have the right mix of skills?			
	• Do we have a detailed strategy document and are we monitoring its effectiveness?			
	• Have we considered the board/ CEO relationships? Self assess relationships – critical friend or interfering presence?			
2	Do we have an effective finance function reporting to the board? • What timescales do we work to when reporting and are these satisfactory?			
	• Do the board understand and actively question the reporting?			
	• Are the board happy with the level of information they receive?			

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3	Does our finance function allow for effective financial reporting? <ul style="list-style-type: none"> Have you had this discussion with your auditor? 			
	<ul style="list-style-type: none"> Do we have differences in the management accounting and are we happy that these are necessary? 			
	<ul style="list-style-type: none"> If there are differences, consider who sees the management figures and will this distort their views? 			
4	Your reserves – are we building financial resilience? <ul style="list-style-type: none"> Assess your actual free reserves and their liquidity. 			
	<ul style="list-style-type: none"> Assess your needs – scenario planning, stress testing etc. 			
	<ul style="list-style-type: none"> Compare and document your reserves to policies, review gaps and plan strategy. 			
5	Is tax on our radar? Consider tax implications. <ul style="list-style-type: none"> Review all income streams and activities, prime purpose, ancillary or trading? 			
	<ul style="list-style-type: none"> Consider each income stream for potential VAT issues? 			
	<ul style="list-style-type: none"> Should we seek professional advice? 			
6	Are we making effective use of our resources? <ul style="list-style-type: none"> Do we have an effective investment policy that considers ethical issues, risk and return on investment? 			
	<ul style="list-style-type: none"> Have we reviewed our current bank and considered what other options there are? 			
	<ul style="list-style-type: none"> Have we considered whether our land and property assets are being utilised effectively? 			

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7	Reporting – do we ensure outcomes are clearly reported? <ul style="list-style-type: none"> Flowchart objects and purposes through to funding streams. 			
	<ul style="list-style-type: none"> Consider outcomes and how you report them – what improvements can be made? 			
	<ul style="list-style-type: none"> What can we work on to improve our impact and transparency of our reporting? 			
8	Reviewing your internal controls. <ul style="list-style-type: none"> Assess your written documentation on internal controls to the guidance by Charity Commission. 			
	<ul style="list-style-type: none"> Assess the internal controls in relation to the risk register. 			
	<ul style="list-style-type: none"> Create a method of continual assessment and improvement of internal controls. 			
9	How would our internal controls stand up to fraud? <ul style="list-style-type: none"> Ensure that your charity is alert to the risks of fraud, and you are responding accordingly, as the direct and indirect costs can be highly significant. 			
	<ul style="list-style-type: none"> Be aware of new and emerging areas, for example at present cyber-risks are becoming ever greater. 			
	<ul style="list-style-type: none"> Monitor the guidance issued by the Charity Commission, Office of the Scottish Charity Regulator, and Charity Sector Counter Fraud Group, so you understand the expectations of charity sector regulatory bodies. 			



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10	<p>What are our cyber security issues?</p> <ul style="list-style-type: none"> In compiling your risk register, has the risk of a cyber-attack and your reaction to it been fully considered? 			
	<ul style="list-style-type: none"> Review your systems, processes and procedures. Are they up to scratch? 			
	<ul style="list-style-type: none"> Are your users properly trained, aware of the risk and how to mitigate them, and what to do if an attack is successful? 			
11	<p>Are we making the most of VAT?</p> <ul style="list-style-type: none"> Review income and ensure the correct VAT treatment for each element. 			
	<ul style="list-style-type: none"> Review expenditure and maximise claims and reliefs. 			
	<ul style="list-style-type: none"> Funding applications – ensure VAT is on the agenda when preparing the tender. 			
12	<p>What have we achieved? What do we still need to look at?</p> <ul style="list-style-type: none"> Did we need to make improvements? 			
	<ul style="list-style-type: none"> Did we make improvements? 			
	<ul style="list-style-type: none"> Do we need a plan for the next 12 months to further enhance our governance? 			

The Importance of Governance

Never has governance been more important in the third sector. This tool can help you improve your organisations' governance in a stepped and measured way. However, there are many tools, guides and websites you can use to help you on your journey.

At MHA our team of specialist Not for Profit advisors can also help you with bespoke training, assistance with strategy and implementation, controls and so on. If you have a need and don't know where to start, get in touch with your local representative.

This information is up to date as of January 2017