INSTITUTE OF COMMUNITY DIRECTORS AUSTRALIA
▸Knowledge ▸Connections ▸Credentials

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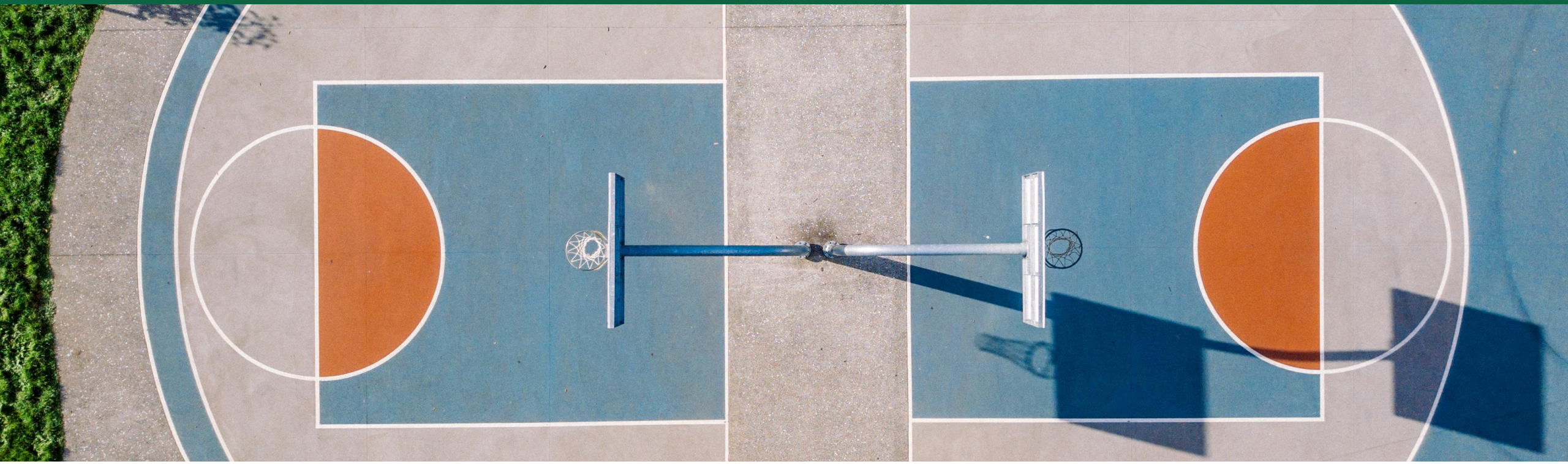
Where not-for-profits go for help



Board bootcamp: Reading the play

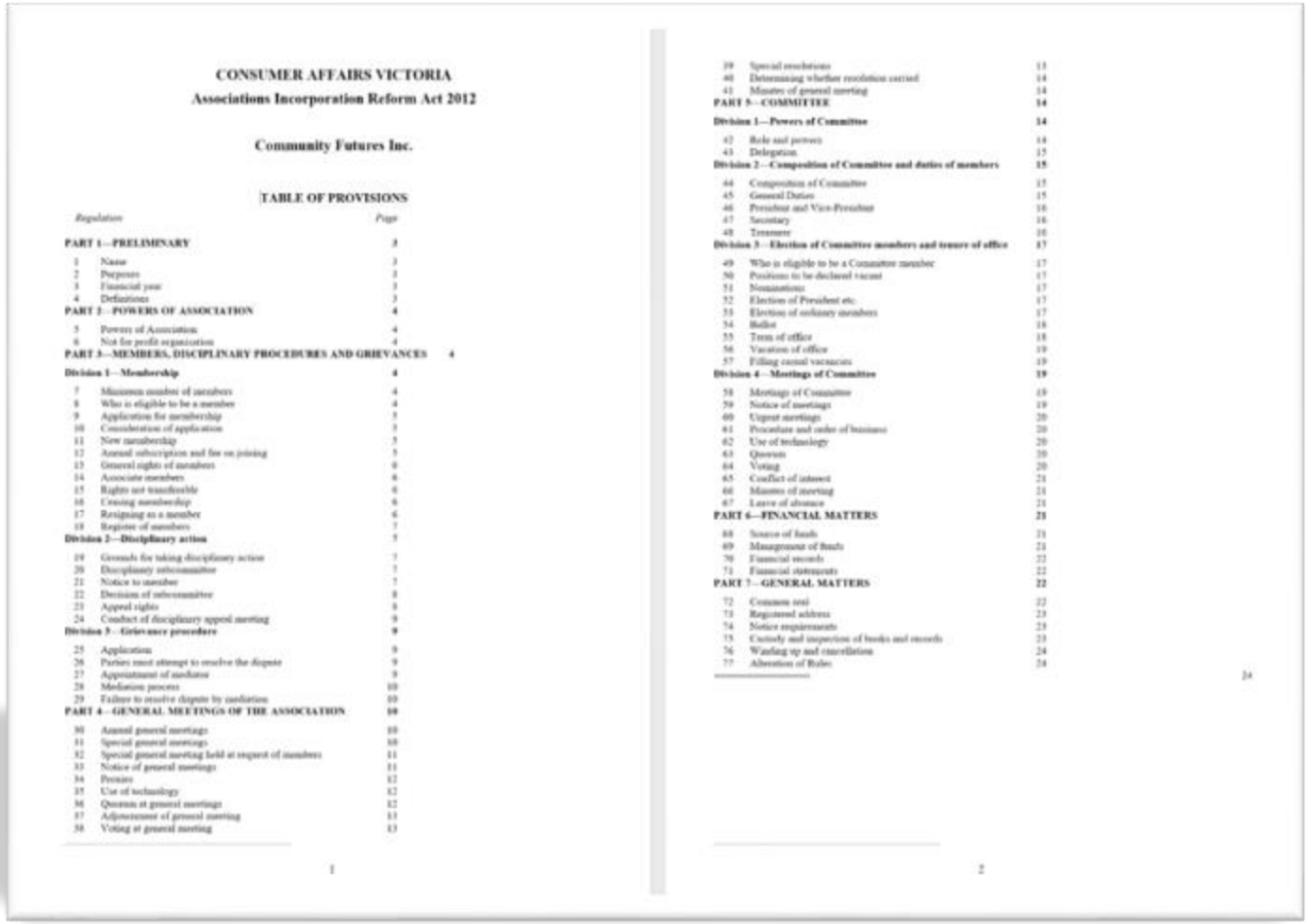
Nina Laitala, Institute of Community Directors Australia

Today’s session:

1. Constitution, strategic plan and other key organisational documents
2. Board paperwork you need to know
3. Understanding financial reports
4. Understanding risk and compliance
5. Asking the right questions

What's in the constitution and how can it help us?

1. Purpose and objects
2. Membership
3. Meetings
4. The board/committee
5. Powers and duties
6. Conflicts of interest
7. Finance and records
8. Dispute resolution
9. Changes to the constitution
10. Winding up or dissolution



CONSUMER AFFAIRS VICTORIA

Associations Incorporation Reform Act 2012

Community Futures Inc.

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Community Futures Inc. Strategic plan 2024–2028

Our purpose

To strengthen communities by supporting families, young people, and volunteers through programs that build connection, safety, and opportunity.

Our vision

Thriving, inclusive communities where everyone feels supported and empowered.

Our values

Respect – valuing people and diversity

Integrity – acting with honesty and accountability

Inclusion – creating safe and welcoming spaces

Collaboration – working with partners to achieve more

Innovation – finding better ways to meet community needs

Strategic priorities

Community impact



- Expand family and youth programs to meet growing demand
- Strengthen volunteer recruitment, training, and recognition
- Embed child safety and wellbeing in all programs

Partnerships and advocacy



- Build alliances with local councils, community groups, and government
- Advocate on key issues such as affordable housing and youth engagement
- Leverage partnerships for funding and shared resources

Sustainability and growth



- Diversify income through grants, fundraising, and fee-for-service options
- Maintain strong financial management and healthy reserves
- Invest in staff development and leadership succession

Digital and innovation



- Improve digital service delivery and client engagement
- Strengthen cyber security and data management
- Explore innovative program models and pilot new initiative

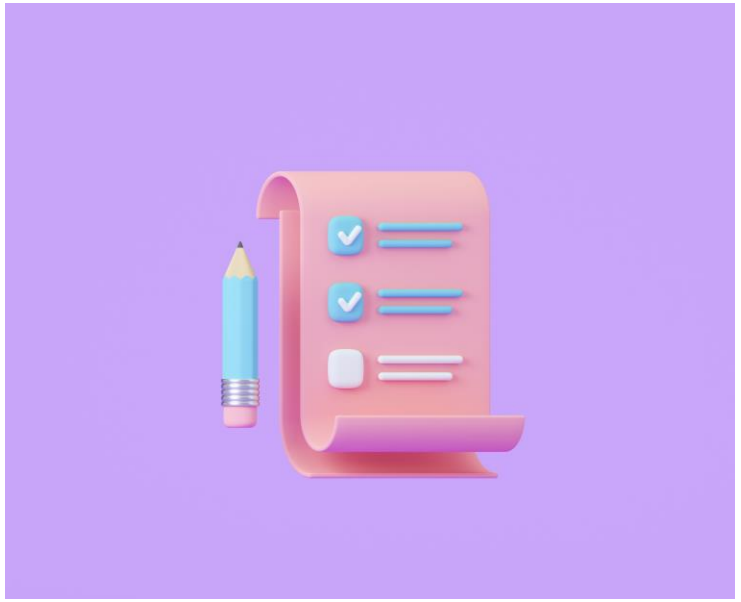
Moving in the same direction

1. How is it connected to our strategy?
2. Which pillar/goal of our strategy does it fulfil?
3. Why do it now?
4. Why us (why should we do it and not someone else)?
5. Who is going to drive it forward?
6. Who else is doing it already?
7. Low cost, no cost, large cost?
8. How long will it take?
9. What will it be competing with in terms of time? (ie what else are we doing right now?)



The agenda

- Information about the meeting including:
  - Items that need a decision
  - Items that need discussion
  - Items (or reports) that need noting
- Ideally shared one week in advance
- Usually created by the Chair, Secretary and CEO
- Used as a basis for minutes
- Includes background information for decisions and discussions



Briefing paper

www.communitydirectors.com.au/tools/decision-making-tool-2

1. Background
2. What is the issue we are trying to decide?
3. Is this timeframe dependent?
4. What are the options available (including no decision)?
5. What are the benefits and costs of each option?
6. Does it support our mission?
7. How do we get information (data) to assist us in the decision?
8. Who have we consulted?
9. What are the criteria to decide? (financial, planned, social, cultural) What are the risks and how do we mitigate? (finance, operation, reputation, stakeholder
10. Has plan been budgeted?
11. What are the social benefits to our organisation/members
12. What are the cultural benefits to our organisation and members?
13. Who wins/loses from this decision?
14. How and who will communicate this decision to stakeholders?
15. How will we review/measure success of the decision?

The minutes

- A legal obligation to record specific aspects of the meeting
- May or may not record:
  - discussion points
  - number and/or name of votes
  - additional details to provide context
- You may request specific comments, such as dissent, to be recorded in the minutes
- Should not record the meeting verbatim
- Must be shared with all members of the board *
- Must be confirmed at the next board meeting for accuracy



* Unless it's an *in camera* discussion

Decision making discussion

Your organisation is a not-for-profit that runs community health and wellbeing programs. The constitution states that the organisation's purpose is to "improve health outcomes and reduce social isolation in the local community, particularly among older people."

A corporate philanthropic organisation has offered the organisation a $250,000 grant over three years to deliver a new youth mental health program. The grant is substantial and could employ two new staff members.

However, the program would focus on young people aged 12–18, not older people and the organisation has never worked directly with youth before.

Your strategic plan has three key priorities:

1. Expand outreach to isolated seniors.
2. Strengthen partnerships with aged care providers.
3. Improve financial sustainability through new income sources.

- What questions would you ask before making a decision?
- Does the constitution allow you to take on this program?
- If the constitution is restrictive, what are your options? (e.g. decline the grant, amend the constitution, partner with another group)
- How does the strategic plan guide your decision here?
- What risks could arise if the board accepts the grant without checking these documents?

What should I know before making a decision?

Individually and collectively, you are responsible for the decisions you make.

The board acts as one legal entity.

Ask questions and make sure you are satisfied with the response.

Trust but validate.

Understanding the finances

It’s not just about the numbers, it’s essential to understand the story behind the numbers.



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Key questions to always consider about the finances.

1. Do we know enough about our operations to understand what changes will impact our financial position and annual budget?

2. Do recent bank statements match the information provided in finance reports?

3. Are there appropriate delegations of authority in place and appropriate approval processes?

4. Are we getting the appropriate information (amount, presentation, relevance?)

5. Does everyone feel satisfied they can make an informed decision?

The aims of sound financial management are to ensure that your organisation:



Can meet all of its financial obligations



Is prudent and has processes to protect against fraud



Complies with all relevant legislation



Is professionally managed and directed

Key financial documents and reports

- Budget
- Statement of financial position (Balance sheet)
- Statement of financial performance (Profit and loss)
- Statement of cash flows

Budget

Definition:

An estimate of future income and planned expenses for a period of time (usually a year)

Budgeting is the process of planning your organisation's finances for 12 months. It's all the activities you plan to undertake in the next 12 months, expressed in terms of money.

The board must approve the budget, every year.....and must be minuted before the new financial year starts.

This isn't just a formality. The board must have a good understanding of the operations to ensure the budget is fit for purpose.

400 INCOME	Core	Maintenance	Advocacy	Special projects	Total
4-1000 GRANTS	$ 300,000	$ 600,000	$ -	$ -	$ 900,000
4-1100 DONATIONS	$ -	$ 175,000	$ 250,000	$ 75,000	$ 500,000
4-1200 RENT	$ 120,000	$ -	$ -	$ -	$ 120,000
4-1300 INTEREST ON TERM DEPOSIT	$ 53,000	$ -	$ -	$ -	$ 53,000
4-1400 MISC	$ 14,400	$ -	$ -	$ -	$ 14,400
TOTAL INCOME	**$ 487,400**	**$ 775,000**	**$ 250,000**	**$ 75,000**	**$ 1,587,400**
600 EXPENSES					
6-1000 ADMINISTRATION	$ 15,000	$ 15,000	$ 5,000	$ 10,000	$ 45,000
6-1100 INSURANCE	$ 20,000	$ 10,000	$ -	$ -	$ 30,000
6-2000 REPAIRS AND MAINTENANCE	$ -	$ 35,000	$ -	$ -	$ 35,000
6-3000 STAFF	$ 800,000	$ 250,000	$ 150,000	$ 150,000	$ 1,350,000
6-4000 STAFF LEAVE	$ 34,000	$ 18,000	$ 4,000	$ 12,000	$ 68,000
6-5000 DEPRECIATION	$ 20,560	$ 12,008	$ -	$ -	$ 32,568
6-6000 MISC	$ -	$ 5,000	$ 5,000	$ 5,000	$ 15,000
TOTAL EXPENSES	**$ 889,560**	**$ 345,008**	**$ 164,000**	**$ 177,000**	**$ 1,575,568**
NET PROFIT/DEFICIT	**-$ 402,160**	**$ 429,992**	**$ 86,000**	**-$ 102,000**	**$ 11,832**

BALANCE SHEET

Definition:
A point in time statement of what the organisation owns and what it owes.

What we own	What we owe
ASSETS	LIABILITIES

= NET ASSETS (or equity)

ASSETS	Everything the organisation owns: cash, inventory and vehicles
CURRENT ASSETS	**What the organisation owns that is expected to be turned into cash within a year**
Cash at Bank	Cash held in bank accounts
Funds on Hand	Cash held in petty cash and non-bank sources
Debtors	Invoices issued for amounts owing to your organisation (aka Accounts Receivable)
Stock	Goods held by your organisation, awaiting sale (aka Inventory)
Prepaid expenses	Items the organisation has paid for but not yet gained the full use of (although they will do so within the next 12 months). Includes items such as rent and insurance.
NON-CURRENT ASSETS	**What the organisation owns that is not a current asset, such as assets that cannot be easily converted into cash.**
Investment Funds	All investments held with a maturity greater than one year (eg: term deposits)
Land & Buildings	All land and buildings that are owned in the organisation's name
Office Equipment	All office equipment, such as furniture and computers (valued at original purchase cost)
Depreciation	All non-current assets decline in usefulness as they age. Depreciation is a non-cash item that systematically spreads the cost of each asset (except land) over its useful life.

LIABILITIES	**Everything the organisation owes: loans and creditor invoices.**
CURRENT LIABILITIES	What the organisation owes that is expected to be paid back within a year
Short-Term Debt	The amounts owing on overdrafts and credit cards.
Current portion of Long-Term Debt	The amount owing within the next 12 months on any long-term loans held in the organisation's name.
Creditors	Amounts owed that the organisation has been invoiced for but has yet to pay (aka Accounts Payable).
Employee entitlements	Items the organisation has gained full use of but not yet paid for (although they will need to do so within the next 12 months). eg: salaries, leave loading and taxes.
Unearned revenue	Payment for a good/service that hasn't been delivered yet
NON-CURRENT LIABILITIES	What the organisation owes that is not a current liability, that is due to be repaid in more than a year.
Long-Term Debt	Total of all loans owed by the organisation with a maturity of greater than one year.
Employee entitlements	With a longer than 12month timeframe eg. Provision for long service leave

BALANCE SHEET

Balance sheet with prior period and prior year						
		May-25		Apr-25		May-24
ASSETS						
CASH						
OPERATING ACCOUNTS	$	69,651	$	20,655	$	78,998
SAVINGS MAXIMISER ACCOUNT	$	567,008	$	567,008	$	500,000
TERM DEPOSITS	$	830,000	$	830,000	$	800,000
PETTY CASH	$	360	$	400	$	500
CURRENT ASSETS						
ACCOUNTS RECEIVABLE	$	2,345	$	38,000	$	7,689
NON CURRENT ASSETS						
NON CURRENT ASSETS	$	2,459,283	$	2,611,691	$	2,317,893
TOTAL ASSETS	$	3,928,647	$	4,067,754	$	3,705,080
LIABILITIES						
CURRENT LIABILITIES						
ACCOUNTS PAYABLE	$	20,737	$	40,540	$	12,988
CREDIT CARDS	$	9,108	$	2,088	$	5,662
GST	$	18,023	$	21,230	$	17,665
FUNDS RECEIVED IN ADVANCE	$	75,000	$	150,000	$	70,833
STAFF LEAVE PROVISIONS	$	156,888	$	162,766	$	69,000
STAFF PAYROLL	$	19,066	$	21,098	$	4,233
NON CURRENT LIABILITIES						
LOAN	$	57,000	$	58,567	$	75,800
TOTAL LIABILITIES	$	355,822	$	456,289	$	256,181
NET ASSETS	$	3,572,825	$	3,611,465	$	3,448,899
300 EQUITY						
3-800 RETAINED EARNINGS	$	3,448,899	$	3,448,899	$	3,303,221
3-900 CURRENT YEAR EARNINGS	$	123,926	$	162,566	$	145,678
TOTAL EQUITY	$	3,572,825	$	3,611,465	$	3,448,899

How do you validate this?

Net assets

Retained earnings are profits from previous years.

Current year earnings are the profit/loss at this point in time for the current year

Warning signs when looking at the balance sheet

- You don’t know where the organisation’s money is coming from.
- The organisation has taken on more debt than expected.
- The overall value of the organisation is shrinking.
- The organisation owes more in the short term than it has available in cash or quick assets.
- The organisation’s liabilities are greater than its assets.
- There are lots of unpaid bills building up.
- The organisation has very large amounts it still owes but hasn’t paid.

Profit and loss statement

Definition:

A retrospective look at income and expenses over a set period.

When compared with the budget it is called budget vs actuals

Profit and loss statement compared to budget	May-25				YTD (Jul 24 - May 25)				24-25 FY
	Actuals	Budget	Variance $	Variance %	YTD Actuals	Budget	Variance $	Variance %	Annual budget
400 INCOME									
4-1000 GRANTS	$ 75,000	$ 75,000	$ -	0%	$ 825,000	$ 825,000	$ -	0%	$ 900,000
4-1100 DONATIONS	$ 500	$ 20,833	-$ 20,333	-98%	$ 221,667	$ 250,000	-$ 28,333	-11%	$ 250,000
4-1200 RENT	$ 6,000	$ 8,000	-$ 2,000	-25%	$ 90,566	$ 95,333	-$ 4,767	-5%	$ 104,000
4-1300 INTEREST ON TERM DEPOSIT	$ -	$ -	$ -	0%	$ -	$ 36,000	-$ 36,000	-100%	$ 36,000
4-1400 MISC	$ 30,000	$ -	$ 30,000	30000%	$ 35,000	$ -	$ 35,000	35000%	$ -
TOTAL INCOME	$ 111,500	$ 103,833	$ 7,667	7%	$ 1,172,233	$ 1,206,333	-$ 34,100	-3%	$ 1,290,000
GROSS PROFIT	$ 111,500	$ 103,833	$ 7,667	7%	$ 1,172,233	$ 1,206,333	-$ 34,100	-3%	$ 1,290,000
600 EXPENSES									
6-1000 ADMINISTRATION	$ 3,467	$ 3,750	-$ 283	-8%	$ 42,777	$ 41,250	$ 1,527	4%	$ 45,000
6-1100 INSURANCE	$ 2,545	$ 2,090	$ 455	22%	$ 28,000	$ 22,920	$ 5,080	22%	$ 25,000
6-2000 REPAIRS AND MAINTENANCE	$ 6,500	$ 2,917	$ 3,583	123%	$ 28,556	$ 32,083	-$ 3,527	-11%	$ 35,000
6-3000 STAFF	$ 66,667	$ 75,000	-$ 8,333	-11%	$ 850,000	$ 825,000	$ 25,000	3%	$ 900,000
6-4000 STAFF LEAVE	$ 358	$ 5,667	-$ 5,309	-94%	$ 60,554	$ 62,333	-$ 1,779	-3%	$ 68,000
6-5000 DEPRECIATION	$ 2,714	$ 2,714	$ -	0%	$ 29,854	$ 29,854	$ -	0%	$ 32,568
6-6000 MISC	$ 5,000	$ 1,250	$ 3,750	300%	$ 8,566	$ 13,750	-$ 5,184	-38%	$ 15,000
TOTAL EXPENSES	$ 87,251	$ 93,388	-$ 6,137	332%	$ 1,048,307	$ 1,027,190	$ 21,117	2%	$ 1,120,568
NET PROFIT/DEFICIT	$ 24,249	$ 10,445	$ 13,804	132%	$ 123,926	$ 179,143	-$ 55,217	-31%	$ 169,432

Warning signs when looking at the profit and loss statement

Income / revenue

- Revenue has dropped compared to previous years.
- Income includes unusual “one-off” amounts without clear explanation.

Expenses / costs

- Spending has gone up but income has not.
- Costs are higher than in previous years without a clear reason.
- There are unusual or unexpected large expenses.
- Financial reports don’t clearly show where income or expenses come from.

CASH FLOW STATEMENT

Definition:

A retrospective look at where cash has come from and gone to over a set period.

STATEMENT OF CASH FLOWS		
APRIL 2025-MAY 2025		
OPERATING ACTIVITIES		
RECEIPTS FROM CUSTOMERS	$	35,655
PAYMENTS TO SUPPLIERS	$	19,803
INVESTING ACTIVITIES		
INTEREST RECEIVED	$	-
PROCEEDS FROM SALE OF PROPERTY OR EQUIPMENT	$	30,000
PROCEEEDS FROM SALE OF INVESTMENTS	$	-
FINANCING ACTIVITES		
NET INCREASE/DECREASE FOR THE PERIOD	$	48,956
CASH AT THE BEGINNING OF THE PERIOD	$	1,418,063
CASH AT THE END OF THE PERIOD	$	1,467,019
CASH AT BANK		
OPERATING ACCOUNTS AND PETTY CASH	$	70,011
SAVINGS MAXIMISER	$	567,008
TERM DEPOSIT	$	830,000
TOTAL CASH AT BANK	$	1,467,019

Warning signs when looking at the cash flow statement

- The organisation may not have enough cash to cover current or future debts.
- Cash flow is unstable or unpredictable over time.
- There are big swings in cash flow without a clear explanation.

P&L Monthly, YTD and annual budget	May-25				YTD (Jul 24 - May 25)				24-25 FY
	Actuals	Budget	Variance $	Variance %	YTD Actuals	Budget	Variance $	Variance %	Annual budget
400 INCOME									
4-1000 GRANTS	$ 75,000	$ 75,000	$ -	0%	$ 825,000	$ 825,000	$ -	0%	$ 900,000
4-1100 DONATIONS	$ 500	$ 20,833	-$ 20,333	-98%	$ 221,667	$ 250,000	-$ 28,333	-11%	$ 250,000
4-1200 RENT	$ 6,000	$ 8,000	-$ 2,000	-25%	$ 90,566	$ 95,333	-$ 4,767	-5%	$ 104,000
4-1300 INTEREST ON TERM DEPOSIT	$ -	$ -	$ -	0%	$ -	$ 36,000	-$ 36,000	-100%	$ 36,000
4-1400 MISC	$ 30,000	$ -	$ 30,000	30000%	$ 35,000	$ -	$ 35,000	35000%	$ -
TOTAL INCOME	$ 111,500	$ 103,833	$ 7,667	7%	$ 1,172,233	$ 1,206,333	-$ 34,100	-3%	$ 1,290,000
GROSS PROFIT	$ 111,500	$ 103,833	$ 7,667	7%	$ 1,172,233	$ 1,206,333	-$ 34,100	-3%	$ 1,290,000
600 EXPENSES									
6-1000 ADMINISTRATION	$ 3,467	$ 3,750	-$ 283	-8%	$ 42,777	$ 41,250	$ 1,527	4%	$ 45,000
6-1100 INSURANCE	$ 2,545	$ 2,090	$ 455	22%	$ 28,000	$ 22,920	$ 5,080	22%	$ 25,000
6-2000 REPAIRS AND MAINTENANCE	$ 6,500	$ 2,917	$ 3,583	123%	$ 28,556	$ 32,083	-$ 3,527	-11%	$ 35,000
6-3000 STAFF	$ 66,667	$ 75,000	-$ 8,333	-11%	$ 850,000	$ 825,000	$ 25,000	3%	$ 900,000
6-4000 STAFF LEAVE	$ 358	$ 5,667	-$ 5,309	-94%	$ 60,554	$ 62,333	-$ 1,779	-3%	$ 68,000
6-5000 DEPRECIATION	$ 2,714	$ 2,714	$ -	0%	$ 29,854	$ 29,854	$ -	0%	$ 32,568
6-6000 MISC	$ 5,000	$ 1,250	$ 3,750	300%	$ 8,566	$ 13,750	-$ 5,184	-38%	$ 15,000
TOTAL EXPENSES	$ 87,251	$ 93,388	-$ 6,137	332%	$ 1,048,307	$ 1,027,190	$ 21,117	2%	$ 1,120,568
NET PROFIT/DEFICIT	$ 24,249	$ 10,445	$ 13,804	132%	$ 123,926	$ 179,143	-$ 55,217	-31%	$ 169,432

Balance sheet with prior period and prior year	May-25	Apr-25	May-24
ASSETS			
CASH			
OPERATING ACCOUNTS	$ 69,651	$ 20,655	$ 78,998
SAVINGS MAXIMISER ACCOUNT	$ 567,008	$ 567,008	$ 500,000
TERM DEPOSITS	$ 830,000	$ 830,000	$ 800,000
PETTY CASH	$ 360	$ 400	$ 500
CURRENT ASSETS			
ACCOUNTS RECEIVABLE	$ 2,345	$ 38,000	$ 7,689
NON CURRENT ASSETS			
NON CURRENT ASSETS	$ 2,151,200	$ 2,151,200	$ 2,150,000
TOTAL ASSET	$ 3,620,564	$ 3,607,263	$ 3,537,687
LIABILITIES			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	$ 20,737	$ 40,540	$ 12,988
CREDIT CARDS	$ 9,108	$ 2,088	$ 5,662
GST	$ 18,023	$ 21,230	$ 17,665
FUNDS RECEIVED IN ADVANCE	$ 75,000	$ 150,000	$ 70,833
STAFF LEAVE PROVISIONS	$ 156,888	$ 162,766	$ 69,000
STAFF PAYROLL	$ 19,066	$ 21,098	$ 4,233
NON CURRENT LIABILITIES			
LOAN	$ 57,000	$ 58,567	$ 75,800
TOTAL LIABILITY	$ 77,737	$ 99,107	$ 98,788
NET ASSETS			
300 EQUITY			
3-800 RETAINED EARNINGS	$ 1,446,978	$ 1,446,789	$ 1,245,508
3-900 CURRENT YEAR EARNINGS	$ 123,926	$ 162,566	$ 145,678
TOTAL EQUITY	$ 1,570,715	$ 1,609,355	$ 1,391,186

STATEMENT OF CASH FLOWS APRIL 2025-MAY 2025	
OPERATING ACTIVITIES	
RECEIPTS FROM CUSTOMERS	$ 35,655
PAYMENTS TO SUPPLIERS	$ 19,803
INVESTING ACTIVITIES	
INTEREST RECEIVED	$ -
PROCEEDS FROM SALE OF PROPERTY OR EQUIPMENT	$ 30,000
PROCEEEDS FROM SALE OF INVESTMENTS	$ -
FINANCING ACTIVITES	
NET INCREASE/DECREASE FOR THE PERIOD	$ 48,956
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CASH AT BANK	
OPERATING ACCOUNTS AND PETTY CASH	$ 70,011
SAVINGS MAXIMISER	$ 567,008
TERM DEPOSIT	$ 830,000
TOTAL CASH AT BANK	$ 1,467,019

How do I keep track?

At every meeting you should get:

- A statement of financial position, or balance sheet
- A statement of financial performance, or profit and loss
- A comparison of budget versus actual
- A forecast to the end of the financial year
- Some commentary on variances and other assumptions
- A cash flow statement
- An up-to-date download of the current bank account balances

You should also ensure that someone apart from the treasurer has verified that the bank accounts actually reflect what the treasurer is reporting.



Risk management begins with five basic questions:

1. What can go wrong?
2. How likely is it to go wrong?
3. What will be the consequences if it goes wrong?
4. What will we do to prevent it?
5. What will we do if it happens?

Risks


Annoyances
Low impact but
most likely to happen
Biggest risks
High impact and
most likely to happen
Minor worries
Low impact and
less likely to happen
Thin ice
High impact but
less likely to happen
Probability
Ignoring impact,
what risks are the
most likely?
Potential impact
Ignoring probability, what risks might have the biggest impact?

Risk Matrix

Consequence		Likelihood				
		E **Rare**	**D** **Unlikely**	**C** **Possible**	**B** **Likely**	**A** **Almost Certain**
	5 **Extreme**	Medium	High	High	Very High	Very High
	4 **Major**	Low	Medium	High	High	Very High
	3 **Moderate**	Low	Medium	Medium	High	High
	2 **Minor**	Low	Low	Medium	Medium	High
	1 **Insignificant**	Low	Low	Low	Low	Medium

Mitigating risk

Top 10 risk-wise tips for new board members

1. **Communicate clearly**
2. **Keep learning**
3. **Use your voice**
4. **Know your resources**
5. **Track progress**
6. **Work as a team**
7. **Expect change**
8. **Value feedback**
9. **Build resilience**
10. **Look to leadership**

Compliance checklist

- ✓ Regulators
- ✓ Tax
- ✓ Finance (audits, acquittals)
- ✓ Superannuation
- ✓ Insurance
- ✓ OHS
- ✓ Privacy
- ✓ Data retention and storage
- ✓ Reporting

www.communitydirectors.com.au/tools/annual-board-compliance-calendar-template

Scenario: Community Futures Inc.

The CEO raises an urgent item at tonight's meeting. A building inspection has confirmed the roof at your main program delivery site is failing, with water penetrating the structure. The CEO has followed the procurement policy and is seeking board approval tonight to proceed with repairs over the Christmas shutdown, while the building is vacant.

The board has a duty of care to the staff and program participants who use this building. Delaying repairs may expose the organisation to legal and reputational risk. The spend is unbudgeted. Refer to your finance reports.

Your decision Approve to proceed with unbudgeted repairs/ Approve with conditions / Defer / Decline

Discuss

What do the financials tell you that is relevant to this decision?

What are the risks of acting? What are the risks of not acting?

What would you need to know before deciding?

What does your group decide, and why?

Asking the right questions

- Does it align with our strategy and purpose?
- How will it be perceived externally? (Will it pass the pub test?)
- Is this a one-off change or likely to be a trend that will continue?
- How will this impact our strategy and/or budget?
- Does this align with our policies and procedures?
- How does it align with our compliance responsibilities?
- Do we have, or should we get, an expert opinion/recommendation?
- Is this in the best interests of the organisation now AND in the future?
- Are there any areas of risk we haven't considered?
- What are the risks in proceeding and in not proceeding?
- How are we performing based on our strategy and budget?

Reflection and challenge for the week

- What question has been answered today?
- How has your confidence changed after today?

Challenge for the week

- Review your organisation’s finances and think of two questions to ask at your next board meeting
- Review the policies/information your organisation has regarding risk, finance and compliance – are they easy to understand and practical to implement?