TUESDAY'S TOP TIP

SHARD Business Services

OUR WEEKLY DOSE OF SMART BUSINESS AND FINANCE TOP TIPS

Check whether your Governors can explain the biggest Financial Risks

Why?

Move Beyond Receiving Reports

- Highlight the assumptions and risks behind the figures.
- Make clear what could materially change the forecast.

Support Effective Challenge

- Explain what management is doing about each significant risk.
- Identify trigger points for further action.

Benefit

Governors and trustees do not need to know every transaction, but they should understand the issues that could materially affect the organisation's financial sustainability. Presenting the biggest financial risks alongside management accounts helps move discussion beyond whether expenditure is simply over or under budget. It enables boards to challenge assumptions, understand potential future pressures and consider whether management action is sufficient before a risk becomes an actual financial problem.

Useful Resources

- Academy Trust Handbook
- DfE – Academy Trust Governance Guide

Office@ShardBusinessServices.co.uk

ShardBusinessServices.co.uk