

Questions to ask... about your charity's financial governance

Good financial governance is vitally important for your charity's success. Policies and procedures should be robust and your strategy should be reviewed frequently. Each trustee should ensure that they have a good understanding of the charity's finances so that decisions are made collectively. The internal and external environment rarely stands still, so you should consider the answers to these key questions on a regular basis.

Strategy

- What is our 3–5 year strategic plan?
- What difference do we want to make?
- How will we measure success?
- What are the challenges and barriers to success?
- What investment is required to deliver our strategy?

Financial strategy

- What is the financial position of the charity, split by different types of funds?
- What do we need in the short, medium and long term, to fund our strategy?
- How does our financial model work?
- Are there restrictions on our funds?
- What are our risky income streams?
- What level of reserves do we need in the short, medium and long term to mitigate risk, invest in projects and meet our objectives?

Financial risk

- What are our major financial risks?
- How are we managing these risks?
- How do we know our internal controls are working?
- What are the risks of internal or external fraud?
- How are we managing restrictions on funds?

Financial procedures and policies

- Do we have a register of financial policies?
- Are they regularly reviewed and approved by the board?
- Do we have a finance manual detailing all finance procedures?

Annual budgets

- What are the underlying assumptions in the budget?
- What is the budgeted result for each fund?
- Does the budgeted result meet our longer-term financial strategy and reserves policy?
- Have we included a contingency in the budget?
- Is the budget achievable to deliver the objectives?
- What are the high-risk areas of income?
- What costs can be eliminated if required?
- Is the organisation aware of any upcoming regulatory changes in the ESG space?



Here to help

If you have any questions regarding any of the above, please contact your usual HaysMac contact or Jane Askew, Partner, using the details below:



Jane Askew

Partner

T +44 (0)20 7969 5683

E jaskew@haysmac.com

© Copyright 2025 HaysMac LLP. All rights reserved.

HaysMac is the trading name of HaysMac LLP, a limited liability partnershipRegistered number: OC423459 Registered in England and WalesRegistered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales

A list of members' names is available for inspection at 10 Queen Street Place, London EC4R 1AG

A member of the ICAEW Practice Assurance Scheme

Disclaimer: This publication has been produced by the partners of HaysMac LLP and is for private circulation only. Whilst every care has been taken in preparation of this document, it may contain errors for which we cannot be held responsible. In the case of a specific problem, it is recommended that professional advice be sought. The material contained in this publication may not be reproduced in whole or in part by any means, without prior permission from HaysMac LLP.

HaysMac[★]

10 Queen Street Place
London EC4R 1AG

020 7969 5500
020 7969 5600

marketing@haysmac.com
haysmac.com