

The Board-Ready Governance Checklist

Is Your Reporting Built for Trust, or Just for Compliance?

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Compliance answers "did we follow the rules." Governance answers "does the board actually trust what we're showing them." Most organizations — for-profit and non-profit alike — have the first. Fewer have the second. This checklist tests for both.

01 Reporting & Controls

- ☐ Financial statements reach the board with enough lead time to actually be read
- ☐ Variances from budget are explained, not just disclosed
- ☐ Internal controls are documented, not dependent on one person's memory
- ☐ Reserves and restricted funds are clearly separated from operating cash

02 Risk Oversight

- ☐ A risk register exists and is reviewed at least annually, not just after an incident
- ☐ The board sees downside scenarios, not only the base case
- ☐ Insurance, liability, and succession risks are explicitly owned by someone
- ☐ Whistleblower / escalation path exists independent of management

03 Strategic Alignment

- ☐ Budget is visibly tied to strategic priorities, not just prior-year totals
- ☐ Board sees a multi-year view, not only the current fiscal year
- ☐ Major decisions reference the financial and mission trade-offs together
- ☐ Progress against strategic goals is reported alongside financial results

04 Board Engagement

- ☐ Board members can explain the financials in their own words, not just nod along
- ☐ Committee structure (finance, audit, risk) matches the organization's actual size and risk
- ☐ New board members receive a real financial orientation, not just bylaws
- ☐ Management welcomes hard questions rather than steering around them

Why This Matters Beyond the Audit

A board that trusts its numbers makes faster, bolder decisions. A board that's quietly unsure what it's looking at hedges everything — which shows up as slower approvals, more redundant questions, and a management team that spends board meetings defending instead of strategizing.