

Financial Governance and Management

Part I



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Objectives

1. Review governance and management structures that drive effective financial management
2. Discuss the role of policies in management
3. Discuss the purpose of an audit and the role of governance and management in audit oversight



Financial management is the sole responsibility of the Finance team



True



False



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Financial management is everyone's
responsibility



False



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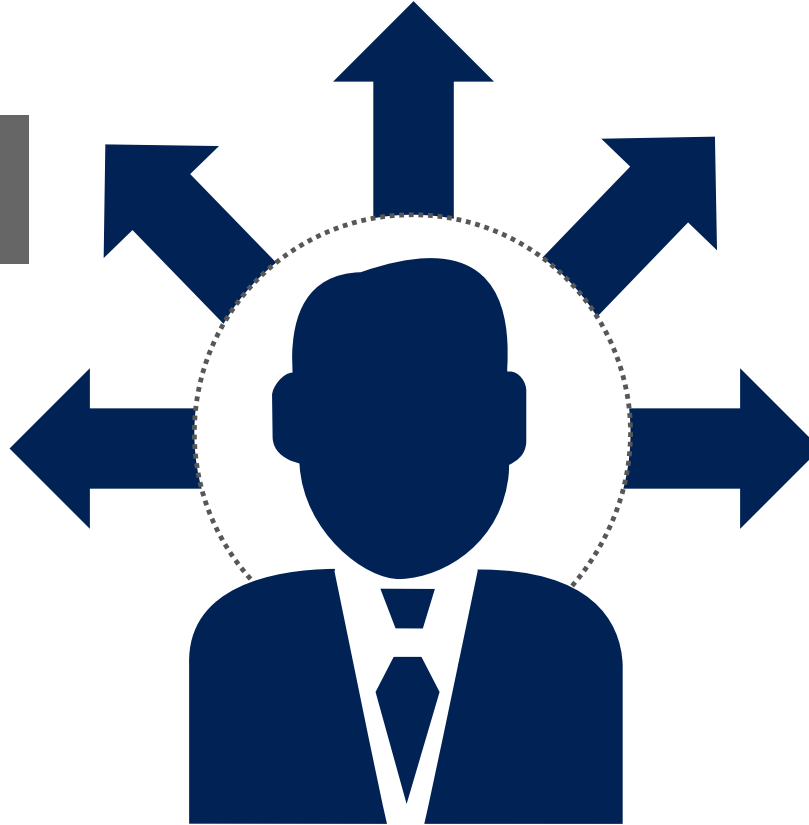
1. Establish Effective Governance and Management Structures

2. Understand Roles and Responsibilities

3. Adopt policies and procedures to standardize processes

4. Practice active management of people and processes, and a culture of accountability

5. Promote collaboration across finance and operations



Keys to Effective Financial Management



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1. Governance and Management Structures



Financial Governance



<https://ghi.illu.edu/governance>

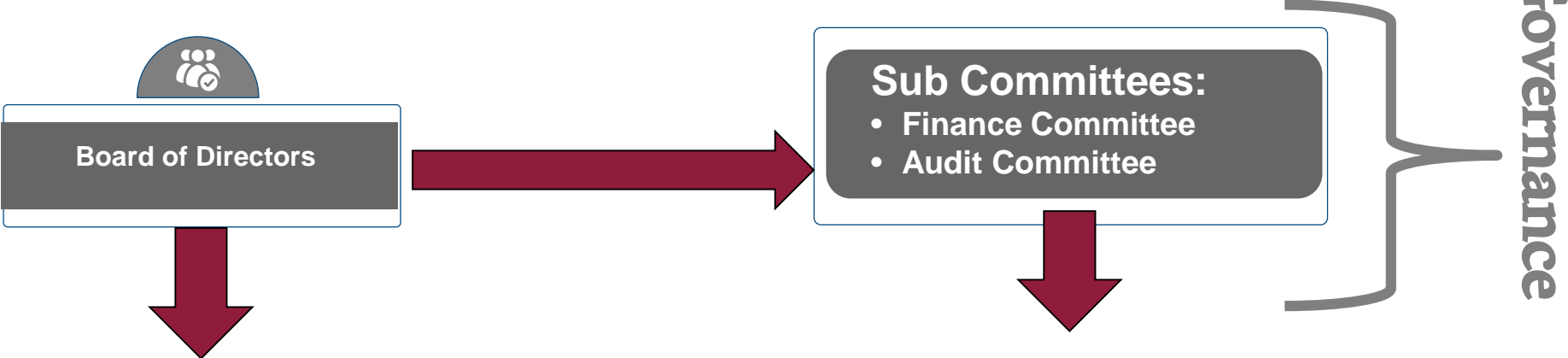
Finance Sessions:

1. The Board's Role in Financial Oversight
2. The Role of the Finance Committee
3. The Board's Role in Planning



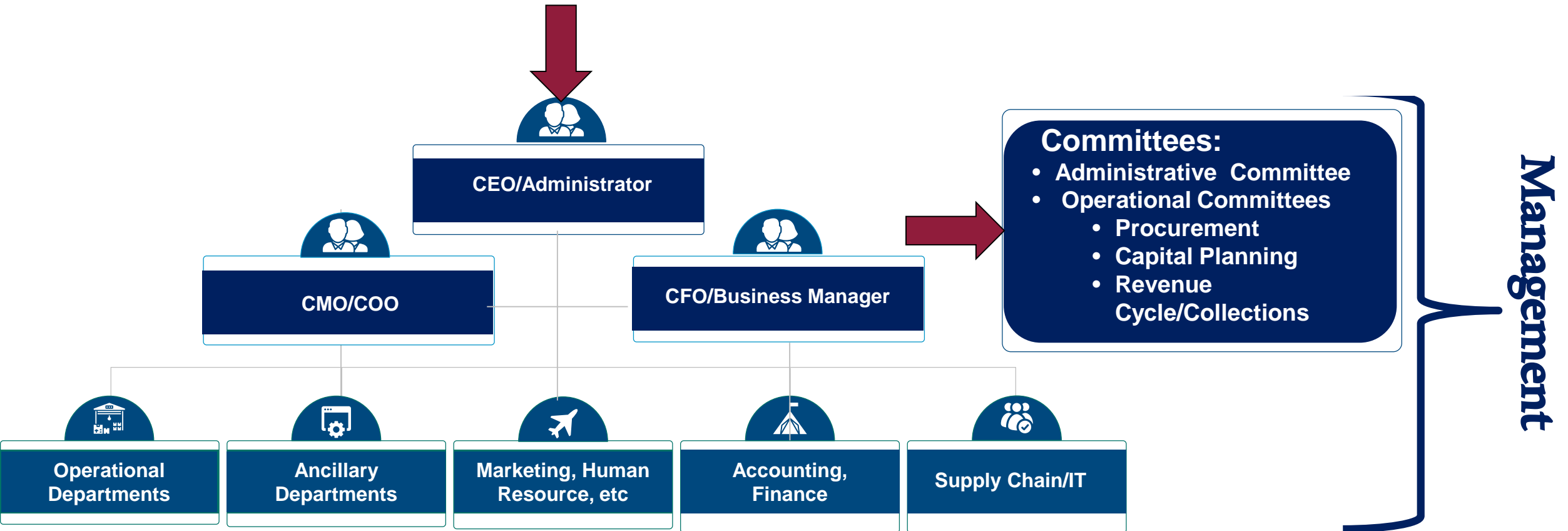
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1. Overview of Financial Governance and Management



Audit Committee

1. Overview of Financial Governance and Management



2. Understand Roles and Responsibilities



2. Understand Roles and Responsibilities: Governance

FINANCE



BOARD

- Understand what the board needs
 - Story behind the numbers
 - What's working well
 - What's not working well
- Provide accurate reports
- Explain performance against approved plans
 - Variance analysis
- Approval of unbudgeted items

- Seek to understand performance
 - Ask questions
- Hold management accountable to targets
 - Turnaround plan
- Vet proposed projects
- Be a resource



Management



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*When finance and operations work together, they become **unstoppable***

Charles Liu



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2. Understand Roles and Responsibilities: Management

FINANCE



Operations

- Understand Operations
- Translate the numbers
- Provide actual to budget performance
- Establish/manage productivity standards
- Monitor departmental spend
- Understand variance drivers
- Provide back to budget plans
- Manage employee productivity



3. Adopt Policies and Procedures

