

From Confusion to Clarity: Strengthening Financial Oversight in Nonprofits



Today's Speakers



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About Enkel

Enkel

[en-kel] Adjective | Simple

Co-founded in 2016 with a simple problem in mind “You can’t build a great organization without good books”

- 300 clients
- 100+ NPOs across Canada
- Financial operations support — bookkeeping, payroll, and more
- Financial Management support — CFO Advisory and Controllershship

Acknowledgement: Enkel would like to acknowledge that our offices are situated on the unceded traditional territories of the x^wməθk^wəy̓ əm (Musqueam), S_kw_x wú7mesh (Squamish), and səlilwətał (Tseil-Waututh) Nations.



Overview

- Why financial oversight matters for nonprofits
- Board vs. management responsibilities in financial leadership
- Practical tools: RACI matrix, policies, and simple controls
- Governance in Action: Fractional Controllers/CFOs & Meeting Structure
- Best practices in approvals, reporting, and board collaboration
- Resources, tools, and Q&A

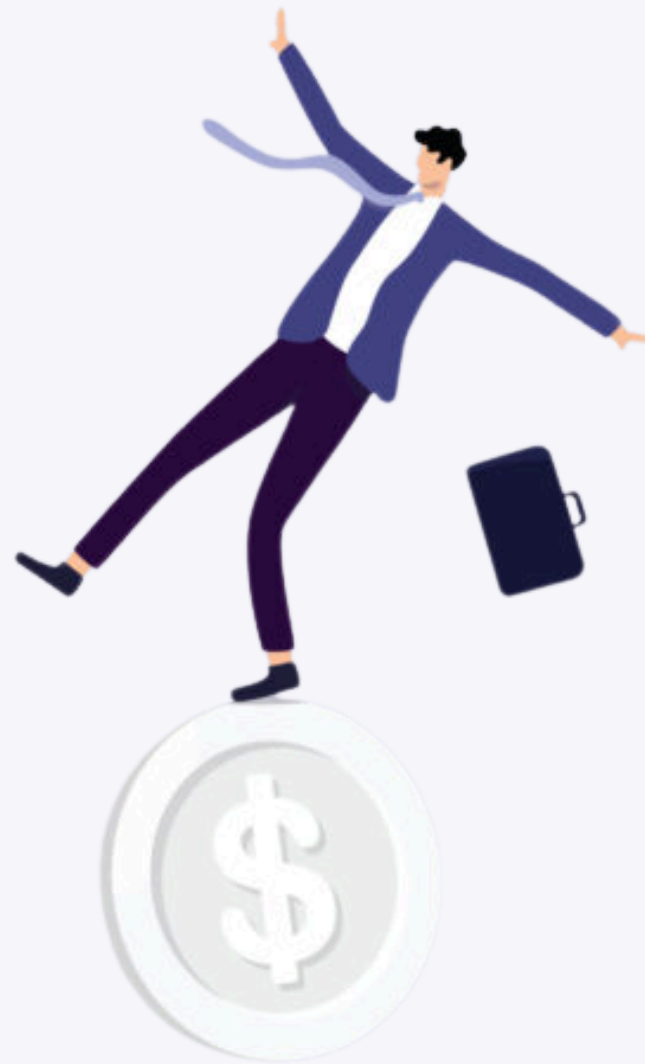


Why This Matters

- Many boards avoid financial discussions or receive reports too late to be useful
- Treasurers unsure what to review → oversight gaps
- Executive Directors are left isolated, carrying financial risk
- Strong oversight empowers decision-making and strengthens mission impact



IWK Case: Lessons in Accountability & Oversight



CTV News

Former IWK CEO Tracy Kitch found guilty of fraud after retrial

The former CEO of the IWK Health Centre in Halifax has been convicted of fraud over \$5000 for using her corporate credit card to pay for...



- Clear policies are needed for expense approval, use of corporate credit cards, and what separates “business vs. personal” expenses.
- Strong oversight (board/finance committee) and internal controls to ensure accountability.
- Transparent record keeping & regular audits (or expense reviews) to catch issues early.
- Ethical leadership: trust & public perception matter.

Interactive Poll

Question: On a scale of 1–5, how confident are you in your board's financial oversight?

(1 = High risk and confusion → 5 = Crystal-clear confidence)





Board vs. Management Responsibilities in Financial Oversight

Board Responsibilities



- Purpose and Fiduciary Duties
- Setting strategic direction
- Establish and uphold the Organization's mission, vision, and values. The board leads the strategic planning process to determine long-term goals and outline the steps to achieve them.

Board vs. Management Roles



Board (Governance): Oversight and guidance: provides high-level oversight and strategic guidance on financial matters.

Management (Execution): Daily operations: responsible for the day-to-day operational needs, including the execution of policies and procedures.

Board vs. Management Roles



- Financial and Spending
- Risk and Fraud
- Compliance and Filings
- Resources and Funding
- Financial Review and Audits



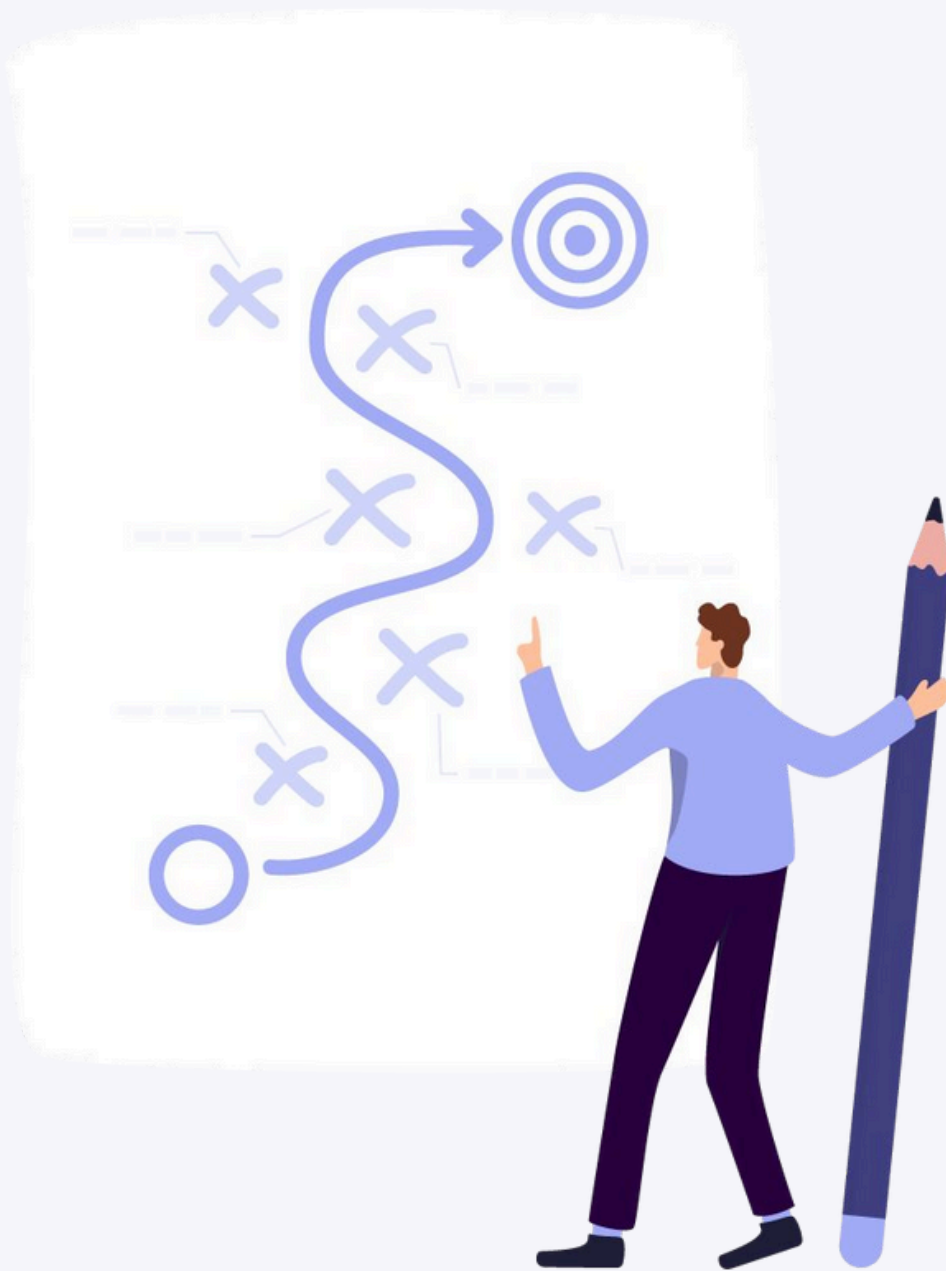
Practical Tools & Best Practices

RACI Matrix

Tool to clarify accountability

- R = Responsible = Management
- A = Accountable = Board
- C = Consulted = Treasurer/ED/Board
- I = Informed = All members/stakeholders

Example: Charity Gala



RACI Matrix



- Clarity
- Accountability
- Communication
- Resources
- Decision making
- Onboarding

Example RACI Matrix

Task	Executive Director	Events Coordinator	Marketing Team	Volunteers	Board of Directors
Create event budget	A	R	I	I	C
Create marketing materials	A	R	I	I	I
Contact donors	I	R	I	A	I
Event agenda	I	I	R	C	A
Write and send thank-you letters	I	I	R	I	A

What Good Policies Look Like



- Procurement
- Spending
- Conflict of interest
- Audit & compliance checks

Start Simple (Policy Gap Audit)

- Review what's in place
- Identify missing policies
- Begin with procurement and approvals
- Regular review cycle (e.g., every 2 years)



Interactive Poll

How frequently does your board review financial statements?

Monthly, quarterly, semi-annually, annually, never, more often

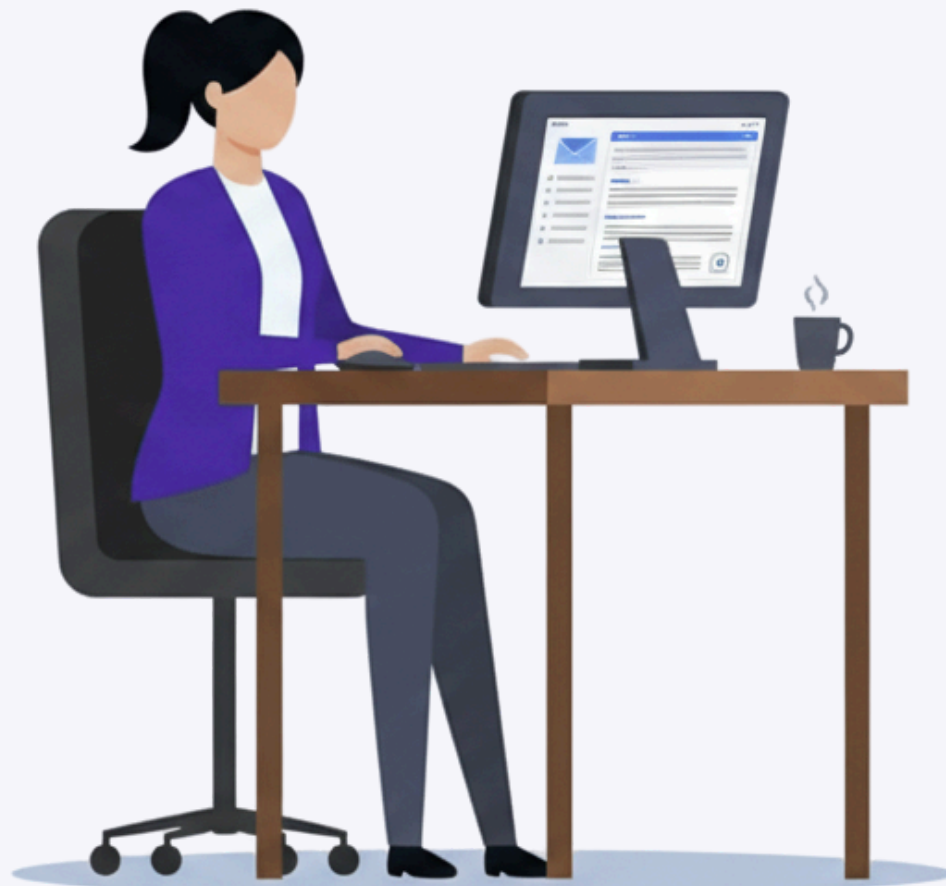




Strengthening financial leadership

Why Controllers & CFOs Matter for Boards

- **Bridge Numbers & Strategy:** Turn financial data into insights boards can act on.
- **Strengthen Oversight:** Support fiduciary duties with deeper financial review and risk management.
- **Prevent Blind Spots:** Flag risks, compliance issues, and cash flow concerns early.
- **Enable Better Decisions:** Provide forecasts and scenarios to align resources with mission.
- **Free Up Leadership:** Lighten the load on EDs and Treasurers so they can focus on governance.



What Controllers Do



- Implementing and monitoring financial controls
- Preparing monthly or quarterly board packages
- Debrief of financial results, explaining them in terms you can understand
- Year-end accounting support
- Calculating and monitoring debt covenants
- Expense management

What do CFOs do?

- Cash flow forecasting
- Strategic decisions around expansion opportunities and expense reduction
- Financial projections/forecasting
- Grant applications
- Financial strategy and board reporting
- Reporting on financial controls and areas of risk to management and the board



Why go fractional?



- **Cost-Effective Expertise:** Get financial leadership at a fraction of the cost of a full-time hire. 80% of the results with 20% of the time.
- **Flexible & Scalable:** Services can be scaled up or down to match your organization's changing needs.
- **Broad Experience:** With diverse industry backgrounds, fractional finance professionals bring fresh insights to your organization.



Best practices in approvals,
reporting, and board collaboration

Approval Processes & Reporting

The goal: No surprises!

The foundation is strong

- Documented policies and processes provide clarity and guidance
- Strategic plan drives budget
- Risk register highlights 3-4 issues to keep an eye on

Reporting is clear

- Income statements, balance sheets, and cash flow statements are professional and error-free
- Funder-specific or additional reports where required.
- Graphs and visuals tell a story with numbers and bring people along
- Leadership, board, and Treasurer are confident and understand the same information



Approval Processes & Reporting

Meetings are efficient

- A meeting before the meeting builds confidence
- Agenda includes heads-up where approvals are necessary
- Financial reports are provided in advance
- Leadership, board, and Treasurer are confident and understand the same information



ED, Treasurer, Board in Balance



- Leadership has the bench strength to steer the ship, manage audit process, and prepare financial reports
- Treasurer liaises with board, lends bi-directional assurances, helps board see around corners
- Board: connects to overall direction and strategy, acts as safety valve

Strengthen Collaboration

Everyone understands their role in executing fiduciary responsibilities!

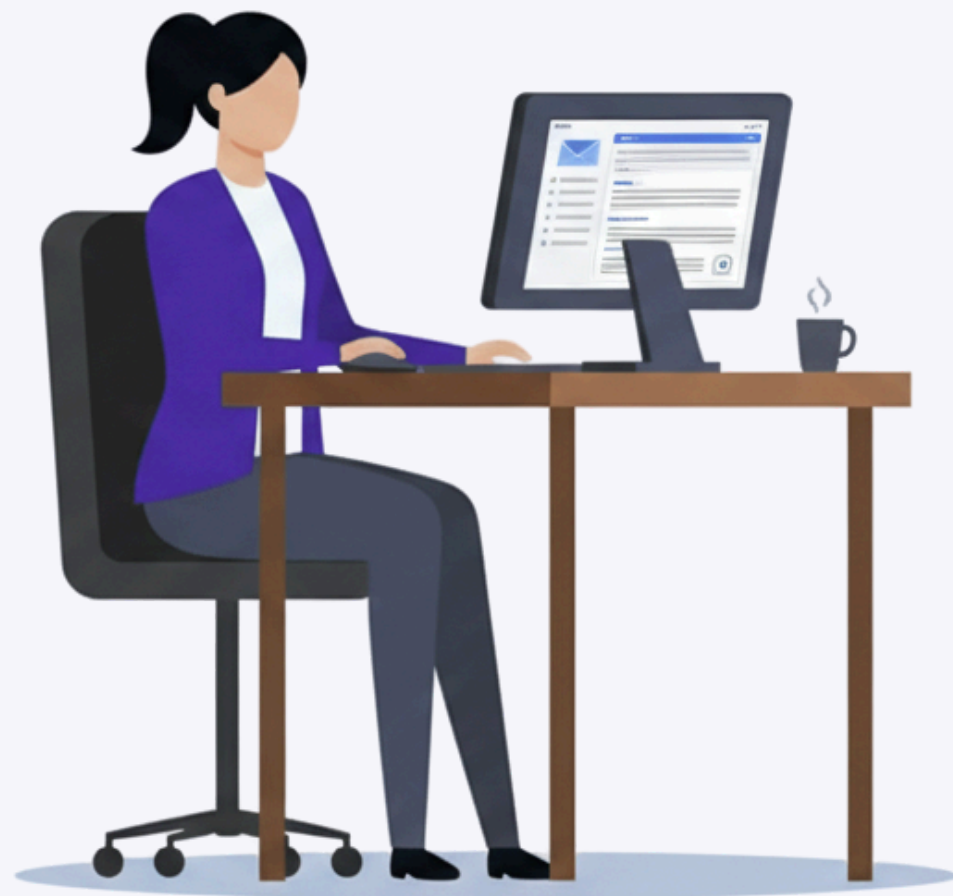


- Budget: Leadership builds it, Treasurer ensures it is realistic, achievable, and comprehensive, Board ensures it is aligned to strategic goals
- Reporting: Leadership prepares it, Treasurer ensures information is sufficient, Board ensures they understand it
- Risk tolerance: ED and Board Chair set comfort level, Treasurer informs decisions

Governance Readiness Matters!

- Reporting, Committee Structure, Role Clarity, Policies and Processes
- Stronger oversight
- Builds trust and capacity
- Prepares you for growth and strategic opportunities





Final Thoughts

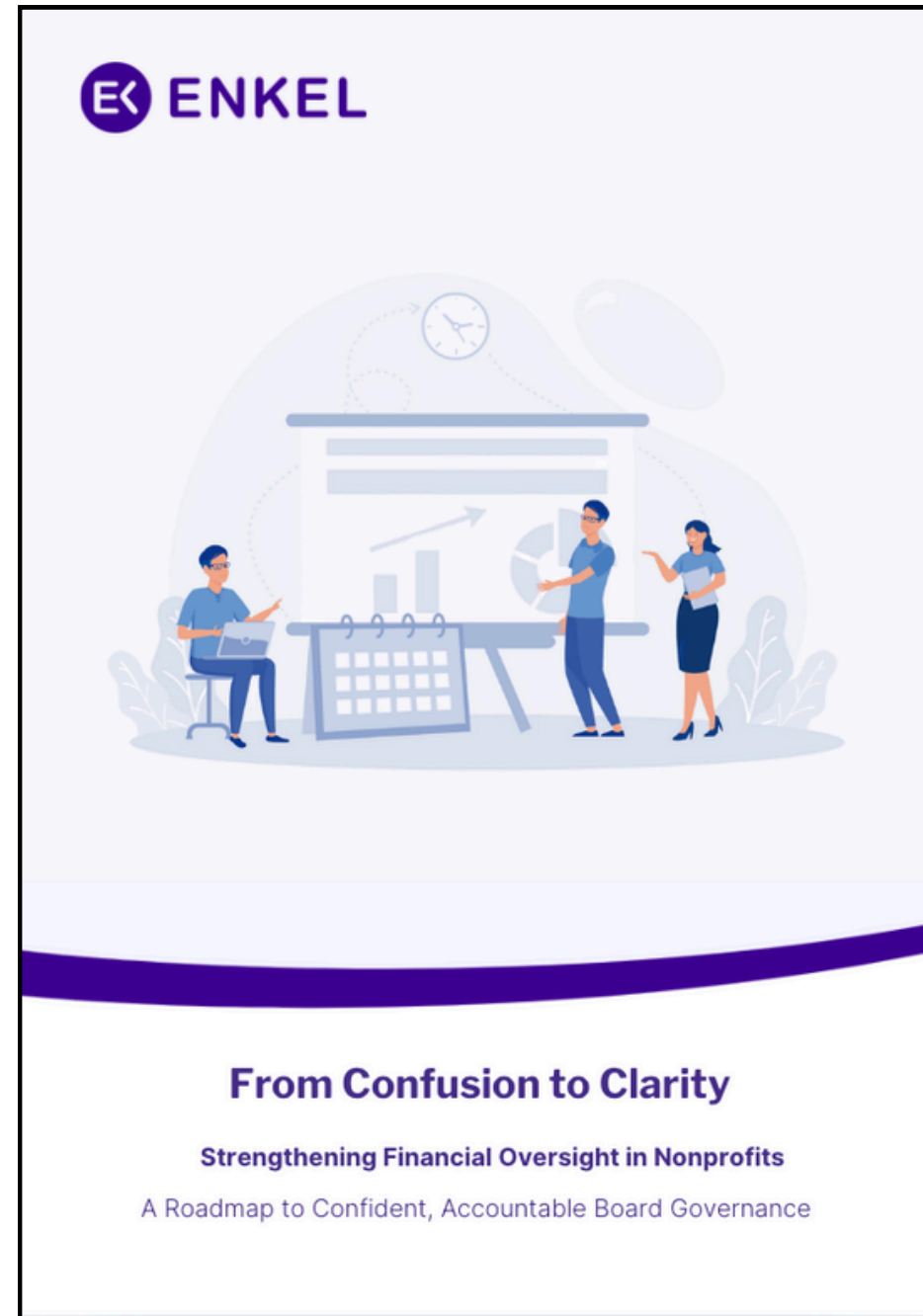
From Oversight to Insight

- Strong boards use financial insight to guide strategy
- Clear reporting, sound policies, and defined roles make this possible
- Fractional Controller and CFO support provide the expertise to put it into action



Enkel helps leadership teams and boards move forward with confidence by delivering the financial clarity, discipline, and strategic insight needed to make better decisions and drive sustainable growth.

Further Reading & Tools



Free E-Book

 www.enkel.ca

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Q&A and Interactive Discussion