

Financial Oversight

If you have questions about the library's financial policies and procedures, budget, or anything to do with your role and duty of care in providing financial direction and oversight it is your fiduciary responsibility to ask those questions.

Ask questions that are positive, trust-based, open, curious, and helpful.

“Board members are ambassadors. Every question should be asked in the tone and spirit of someone who is deeply committed to the mission. And the CEO / senior staff should feel that.

A presentation with no substantive questions is not a good use of time. For either the presenter or the board.

A CEO should welcome these questions. The more a board member knows, the more invested ... [they are]. The more skin ... [they have] in the game, the more ... [they] will jump through hoops for the organization you all care so deeply about.”

Joan Garry Consulting: Because Nonprofits are Messy

[10 Good Questions Board Members Should Ask](#)

Board Discussion

Trustees bring a diversity of experiences, skills, knowledge, and questions to public library board work. Board policies and practices vary across the province and BCLTA is focused on common issues of common concern for board development. Your board chair, your library director, and BCLTA all have a role in helping you find further resources specific to your needs. The Libraries Branch staff are available for all questions regarding the Library Act.

Your board financial oversight discussions might cover a wide range of topics such as:

- Board roles and responsibilities and library director roles and responsibilities
- Supporting the library director in their day-to-day management of the library's finances
- Understanding fiducial responsibility and duty of care in the context of public library governance
- The role and expectations of the Libraries Branch, Ministry of Education as a funder
 - Review the [Ministry Funding and Accountability Framework](#)
 - Discuss the board's responsibility to ensure that provincial grant reports and the Statement of Financial Information are accurate and filed on time
- How to understand financial reports and how to provide financial oversight
- The risks of micro-managing the library's finances and the risks of rubber-stamping the library's financial reports
- The sources of the library's revenue and the importance of understanding the expectations of funders such as granting agencies, government and those the library may have service agreements with such as local First Nations
- Public library trends and practices such as those regarding the Friends of the Library, library foundations, and the charging of fees and fines
- The relationship between strategic priorities and the budget
- The high-level breakdown of the annual operational budget
 - Note the high-level breakdown of the budget such as the budget line for staffing as public libraries are about providing service
 - Note how the budget compares to previous annual budgets and informs the next year's annual budget
 - Note the relationship between revenue and expenses
- The role of the Friends of the Library and Foundations in fund development and their relationship to the board
- Any capital funding projects such as building or renovation projects

Resources

[BC Public Library Governance: A Quick Guide for Library Trustees](#)

- BCLTA, 2020
- Fiduciary responsibility and duty of care defined

[Library Finances](#)

- May 12, 2018, presentation by Susan Koch (Richmond Public Library Board Chair)
- Accessible framework for discussing the difference between governance oversight and operational management of the budget and the detail and format of board financial report

[Duties and Responsibilities of the Library Board](#)

- North Vancouver District Public Library, 2016
- Concise, easy to digest document that provides clearly defines the board's roles and responsibilities (governance) and the library director's roles and responsibilities (management)

Please note!

The following resources were not developed for BC public library governance. Most are from the nonprofit sector and they contain some language and recommended "best practices" that may or may not be applicable to your BC public library board work. They are included in this Discussion Starter because used wisely they will support your board's discussions regarding role clarity, fiduciary responsibility, and the important role of board oversight of your library's finances.

Please work with your board chair and library director to better understand the needs of your public library and how your board provides financial direction and oversight.

[A Guide to Financial Statements for Not-for-Profit Organizations \(NFPs\): Questions for Directors](#)

- From the Chartered Professional Accountants of Canada (updated annually)
- While this booklet is intended for the non-profit sector, the plain language explanations for various financial reports are applicable to public library governance
- The section on questions to ask about financial reports is useful for building a shared understanding with the library director regarding governance and operational roles and responsibilities

[What Is Oversight and How Does it Relate to Governance?](#)

- Canadian Audit & Accountability Foundation (2020)
- Useful definition of "oversight" that will help clarify the financial role and responsibilities of the board

[Financial Oversight ... Watching your Dollars](#)

- Governance Matters, n.d.
- Useful for creating your own board list of what needs to be watched, indicators of good governance, and the types of questions the board should ask

[Governance and Financial Management](#)

- E. Grant MacDonald, Governing Good, 2016
- Helpful read for discussing micro-managing and rubber-stamping

Email Babs Kelly (babs.kelly@bclta.ca), BCLTA Director for Learning and Development, with any questions about or suggestions for BCLTA Discussion Starters.