NGO TEMPLATE FOR EFFECTIVE GOVERNANCE

ORGANISATIONAL GOVERNANCE

ABSTRACT

Governance refers to prescribed laws and norms that management follows to govern the institution. Effective governance structures are essential to achieving the organisation's mission and objectives. This presentation is highly recommended for NGO management and Board Members

TEMPLATE FOR EFFECTIVE NGO/ORGANISATIONAL GOVERNANCE

Governance, known as *corporate governance* in the business world, is a set of principles, policies, and processes that management uses to run an institution. Governance defines an institution's values while achieving its goals and objectives. Governance is vital in determining how to run a company/organisation. It also helps to instil confidence among donors, participants, and society. A good governance policy and effective management are a trademark of successful institutions.

Governance refers to prescribed laws and norms that management follows to govern the institution. Effective governance structures are essential to achieving the organisation's mission and objectives.

In this presentation, we look at the following aspects of governance:

1. Importance of governance

2. Elements of governance

3. Board of an organisation/NGO

4. Best practices for good governance

1. Why is Governance Important?

Most NGOs start small, with day-to-day management, budgeting and operations run by founders using a hands-on

approach. The founders are involved in all matters as financial and human resources are in acute supply.

Ultimately, the NGO grows, and funds and human resources require professional management and guidance. The founders gradually stepped back to allow the management professionals to run the day-to-day affairs. The founders take up the role of board members and overlook the organisation's functioning as the head of a large family would. But this is easier said than done, though. Every so often, the founders maintain interest in day-to-day functioning and thus do not give the professionals a free hand to manage the operations.

Studies show that such conflicts arise due to their fear of loss of organisational spirit and culture and not from a lack of trust in the operational capabilities of management. This is where a good governance policy can help. A governance policy will help define the organisation's culture even after the founders have stepped back or moved on. It will instil confidence in the stakeholders and prevent missteps on the way.

Do you want to learn more about the advantages of adopting good governance? <u>Contact us</u> to receive a quote and book a presentation.

2. Elements of Good Governance

Good governance has a few elements: participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law.

Do you want to learn what these elements represent and how they enhance an organisation's governance? Contact us for a quote and to book a presentation.

3. Board of an NGO

Most NGOs exercise effective governance through an internal system of rules and regulations that describe the roles and responsibilities of the Board members. The board members of the NGO are responsible for establishing the guidelines for the organisation's work.

The Board is at the centre of the governance of NGOs. There are several functions that the Board performs for the successful

management and governance of the NGO. Some of the most critical functions that the NGO board performs include:

- ➢ Compliance of the organisation with its Mission and Vision
- ➢ Establishing Fundraising Goals
- ➢ Assessment of NGO activities
- ➢ Establishing policies
- ➢ Hiring the executive director
- ➢ The financial health of the organisation
- ➢ Annual budget and annual work plan
- ➢ NGO representation

Do you want to learn what the Board does when performing those critical functions? Contact us to book a presentation and receive a quote.

4. Best Practices for Ensuring Good Governance

Good governance is not a chance game. There are standard protocols that organisations follow to ensure good governance. Some of the best practices include:

- ➢ Maintain board minutes
- ➢ Have a formal process for hiring board members
- ➢ Clear allocation of responsibilities
- ➢ Organisational Structure
- ➢ Adopt suitable Processes/Policies to deal with various decisions
- ➢ Make the list of trustees and board members public
- ➢ Annual Reports

➢ Self-assessment and Evaluation of Board

Do you want to learn more about NGO effective governance in general? Or would you like to learn more about the role of an NGO Board and how they can enhance the governance of an NGO/organisation? [Contact us](#) to book a presentation and receive a quote.