

NON-GOVERNMENTAL ORGANISATIONS (NGOS) BOARDS AND CORPORATE GOVERNANCE: THE GHANAIAN EXPERIENCE

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Abstract

This paper seeks to examine the Boards of NGOs in line with best corporate governance practices using evidence from Ghana. Data collected were analysed using a comparative case approach which involved a comparison of the Boards of the four (4) main categories of NGOs in Ghana to ascertain whether they exhibit differences or similarities. NGOs in Ghana exhibited some weaknesses ranging board appointment to other board characteristics which depart from international best practices. Besides, there are no reference guides for NGO Board or codes on governance for NGOs in Ghana like in other countries. Therefore, there is the need to develop codes/by-laws or reference guidelines for NGOs, supported by an enabling environment to realise the full potential of NGOs.

Keywords: NGOs, Boards, Corporate governance, Ghana

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1. Introduction

The concept of corporate governance has made boards of organizations popular and critical. Together with management they pursue objectives that are in the interests of the organization and its stakeholders, facilitate effective monitoring and encourage an organization to use its resources more efficiently (e.g. OECD, 1999, 2004; IFAC 2001). Quoted in the Institute of Chartered Secretaries and Administrators (ICSA), New Zealand Publication (February, 2000), Pound argues that corporate governance cannot work without the informed involvement of three critical groups, especially board of directors, thus reiterating the key role of board in achieving good corporate governance.

Indeed, the issues of corporate governance vis-à-vis boards have been a growing area of research ranging from the private sector to the public sector. Beginning from the private sector which traditionally focused on the corporation-shareholder relationship, specifically large and listed firms, studies have been extended to small and medium-scale enterprises (Abor and Biekpe, 2007; Eisenberg et al, 1998; Bennet and Robson, 2004) and the public sector (see Hicks, 2003; Halligan, 2006; Nicoll, 2006; Edwards and Clough, 2005; Hepworth, 2004).

In recent years, there has been a resurgence of interest in questions of accountability and governance among non-governmental organisations considering the very important roles they play in an economy (see Moore and Stewart, 1998; Karajkov, 2006; McGann and Johnstone, 2006; Kurkure, 2006). Paul (1999) explains that NGOs have developed to emphasize

humanitarian issues, developmental aid and sustainable development to the extent that, they are seen as "indispensable partners" of governments and the international community. Consequently, in virtually every part of the world, these NGOs are having a major impact on governments, corporations, official international organizations like the United Nations and the World Bank, and most importantly the lives of people and the environment. For Karajkov (2006), NGOs are well positioned to do things that nobody else can do effectively. Apart from providing essential social services, many are engaged in development projects and provision of technical assistance to help improve the lives of the poor. What's more, they participate in the design, consultations, operation and evaluation of projects especially in developing countries (Ofusu- Appiah 2008).

In recent years, NGOs in the developed countries have come into the light with respect to mobilizing, defending their work, and thinking of self-regulation, creating standards of proper conduct, and essentially reforming the sector (Karajkov, 2006). However in developing countries like Ghana, NGOs are lagging behind especially in the area of governance and accountability³¹. Furthermore, although NGOs have proven their effectiveness in holding large institutions and governments accountable and exposing them to public scrutiny, very little has been done in their

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governance and accountability (see Karajkov, 2006; McGann and Johnstone, 2006).

In view of the above, one wonders the type board or governing body arrangements NGOs operate. Therefore, this paper seeks to examine the Board of NGOs in Ghana in line with the concept of Corporate Governance to improve their operations and activities. In a period of intense scrutiny both at the public and private sector, it is only logical that NGOs should be closely examined. Moreover, this paper is timely considering the controversies surrounding the recently proposed Trust Bill in Ghana to govern inter alia the operation of NGOs and Charitable Trusts as well as provide more accountability through institutionalized governance mechanisms, oversight and sanctions for non-compliance (see Atuguba, 2007; and others³²).

The rest of the paper is organized as follows: the next section briefly discusses the nature of the NGO sector, section 3 looks at the theoretical perspective of Board and corporate governance. The research methodology applied is described in section 4 whilst results of the findings are discussed in section 5. The final section considers the conclusions and recommendations made.

2. Nature of the Non-Governmental Organisations (NGOs) Sector

The phrase “non-governmental organization” from literature became popular with the establishment of the United Nations Organization (UNO) in 1945. They date back to at least the mid-nineteenth century (Davies, 2006; 2007).

Today, the term NGO describes a wide variety of organizations variously known as “private voluntary organizations,” “civil society organizations,” and “non profit organizations.” According to McGann and Johnstone (2006), they have become a powerful force due to the dramatic proliferation in their numbers and the growth in public and private grants and contracts flowing to them. In the field of international relations, scholars now speak of NGOs as non state actors (a category that can also include transnational corporations). They are now emerging influence in the international policy arena where previously only states played a significant role. For instance, the technical NGOs have been consulted on relevant issues by the World Bank and other UN agencies before policies are implemented and treaties drafted (Ofusu-Appiah, 2008).

From the above, it is clear that there is no single definition of an NGO as the term carries different connotations in different circumstances. Therefore, they are often defined by the law or code that governs their activities in a particular country. The World Bank³³ defines NGOs as “private organizations that

pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services or undertake community development”. Moreover, NGO is defined as an independent voluntary association of people acting together on a continuous basis, for some common purpose, other than achieving government office, making money or illegal activities (UNESCO Encyclopedia).

Sometimes, NGOs are defined using the generally accepted characteristics that exclude particular types of bodies from consideration. For instance, an NGO should not be constituted as a political party; it must be non-profit-making and not be a criminal group (UNESCO Encyclopedia). According to Kurkure, (2006), some of the characteristics are that, they are independent of any direct control of the government; are not constituted by any political party; must not have profit making as a goal; must not conduct any illegal activities; but be devoted to managing resources & implementing projects with the objective of addressing social problems. Besides, some consider NGOs in the light of their operations³⁴, size, thematic scope and geographical location (NGO Café, Mercieca, 2007).

In Ghana, they include a wide variety of indigenous grassroot organizations, community-based organizations, religious organizations, local unions, women’s associations, and village associations. They are generally classified as follows: traditional associations, community-based organizations (CBO), religious or church-related and charitable institutions, voluntary organizations (VOLU), and private voluntary organizations (PVO). Moreover, they are seen as local grassroots organizations without external affiliations; national organizations without external affiliations; international organizations operating locally; and national affiliates of international organizations (Atingdui, 1995).

For the purpose of identification and supervision, the Department of Social Welfare under the Ministry of Manpower, Labour & Employment, recognizes four (4) main categories, in Ghana, namely:

- Indigenous, i.e. community organization without external affiliation,
- National indigenous, i.e. national organisations without external affiliation,
- National affiliates of international organizations with indigenous leadership, and
- International organizations operating locally.

Like other organizations, NGOs are founded for public benefit and operates to accomplish a well-defined, articulated mission. They programme effectively and efficiently work toward achieving that mission. To achieve these, NGOs are governed by

32 Meeting of CSO/NGO representatives with Mr. James Shaw Hamilton, head of programmes, charity commission, UK, 18TH April, 2007

33 World Bank, Working with NGOs A Practical Guide to Operational Collaboration between the World Bank and Non-

Governmental Organizations. Operations Policy Department, World Bank, 1995, pp.7-9.

34 The typology the World Bank uses divides them into Operational and Advocacy

elected or appointed volunteer boards of directors³⁵ who are committed to the organisation's mission. For instance, an NGO board determines the mission, strategic direction, and future programming of the organization, ensures and nurtures adequate human and financial resources and actively monitors and evaluates the organisation's executive director/CEO, as well as the financial results. Moreover, the board members approve and systematically implement policies to ensure achievement of the mission of the organisation and to prevent perceived, potential, or actual conflict of interest. Above all, NGOs must operate within the laws and guidelines instituted by the industry in which they operate.

Unfortunately in Ghana, NGOs have over the years operated in an environment with minimal standards for measuring their transparency and accountability (see Atingdui, 1995 and Boaten³⁶). In view of this, the immense role NGOs play and the several stakeholders of NGOs such as individuals, trusts and corporate entities where they generate funding for their operations, the people for whose benefit the NGOs operate the society at large and the employees of the organizations, call for NGOs to be effective and efficient. This is the area where Corporate Governance will be the crucial differentiating factor between the success and failure of NGOs.

3. Boards and Corporate Governance

Corporate governance is defined severally by different documents, including codes, Acts/laws, principles, guidelines, reports and so on. Generally, it involves the set of principles and practices adopted by a Board that assures its key stakeholders that the organisation is being managed effectively and with appropriate probity. It provides the structure through which the objectives of the organization are set, and the means to obtaining those objectives and monitoring performance.

The famous Cadbury Committee (1992) defines corporate governance as the system by which companies are directed and controlled. It includes the structures, processes, cultures and systems that engender the successful operation of the organizations (Keasey et al 1997). Earlier writers like Cochran and Warwick (1988) define corporate governance as: "...an umbrella term that includes specific issues arising from interactions among senior management, shareholders, boards of directors, and other corporate stakeholders."

To sum up Oman (2001) defines corporate governance as the private and public institutions, including laws, regulations and accepted business practices, which in market economy, govern the

relationship between corporate managers and entrepreneurs ("corporate insiders") on one hand, and those who invest resources in corporations, on the other.

From the above, it is clear that there is no single model of corporate governance but on a whole focuses on board of directors (e.g. IFAC, 2001; OECD, 1999-2004), i.e. board size, composition, appointment and removal, evaluation and so on (see also the Combined Code on Corporate Governance, 2003 and the Irish Development NGOs Code of Corporate Governance, 2008).

A board should be constituted with a clearly defined role. Hilmer (1994) argues that not to deny the board's additional role with respect to shareholder protection, it must ensure that corporate management is continuously and electively striving for above-average performance, taking account of risk. Oftentimes, these board functions are achieved via sub committees known as board committees.

Specifically on NGOs, they must have a high performance board which is in control of their roles and reviews their activities to ensure effectiveness. Supporting the above, a research conducted by the Centre for African Family Studies (CAFS), 2001, revealed that, the boards size of NGOs vary from five to twelve members elected by the members of the NGO. Further, NGOs have developed criteria for appointment of Board members while in many others Board members are friends and family members of the founder. Moreover, the term of office and limits on the length of service for Board members vary from one organization to the other, but in most cases are between two to three years for a maximum of two terms.

In the case of larger NGOs, the board may set out the functions of sub-committees, officers, the chief executive, other staff and agents in clear delegated authorities (FTC, Kaplan, 2007).

4. Research Methodology

This study employed a comparative case approach in the analysis which involved a comparison of the governance structures among the four (4) main categories of NGOs in Ghana. This is to ascertain whether they exhibit differences or similarities in their governance systems.

To achieve the above, some fundamental elements of corporate governance such as board existence, size, composition, appointment and removal, as well as performance evaluation were examined in the context of the Ghanaian NGO regulatory framework. The study sampled thirty (30) NGOs drawn from the various categories by which NGOs are registered in Ghana, that is, the community based indigenous, national indigenous, national affiliates of international organization, and international organization operating locally. To allow the analysis to take all the four categories into account, only twenty of the NGOs, five from each

35 Has other names like Boards, Trustees, Executive Committees or Councils, Steering committees

36 www.generallawconsult.com/docs/ILO_NEWSLETTER_TRUST_BILL.pdf (April 25, 2008)

category were used. Data was collected through the administration of open and close-ended questionnaires as well as personal interviews. In addition, we relied on published information and other secondary sources of data Ministries, Departments and Agencies especially Ministry of Manpower, Labour & Employment. The results are presented and analysed using cross tabulations.

5. Data Analysis and Discussion of Results

As mentioned earlier, governance has become an issue of world-wide importance as the efficiency and accountability of organizations is now a matter of both public and private interests. It is generally concerned with processes, policies, procedures, systems and practices, both formal and informal, the manner in which they are applied and followed, the relationships that these processes create or determine, and the nature of these relationships. In recent years, there are many areas of organisational life which are affected by corporate governance but the fundamental area is the board of directors.

5.1 NGOs Boards and Corporate Governance

Following from earlier discussion, corporate governance cannot work without the informed involvement of the board of an organisation including NGOs, hence the need to establish boards, taking into account the composition and the size.

5.1.1 Board Existence, Size and Composition

From the data collected, only 2 respondents from the international and community based NGOs, representing 10% indicated that they don't have board of directors. This shows that most NGOs in Ghana acknowledge the importance of having BOD. The existence of board of directors is the heart of corporate governance. Jensen (1993) contends that the board has an ostensible role in providing high-level counsel and oversight to management in addition to corporate internal problems, underscoring the importance of the board in corporate governance. See table I (a) for details.

Table I (a). Existence of BOD

	Type of NGO				Total
	National Indigenous	National Affiliates	International	Community Base	
Yes	5 25.0%	5 25.0%	5 20.0%	4 20.0%	81 90%
No	0 0.0%	0 0.0%	1 5.0%	1 5.0%	2 10.0%
Total	5 25.0%	5 25.0%	5 25.0%	5 25.0%	20 100.0%

Source: Field Data (2008)

With respect to the frequency of meetings and issues discussed during such meetings, the majority constituting 50% of the 20 respondents led by the international and national affiliate NGOs, representing 20%, and 15% respectively hold board meetings quarterly (see table I (b)). The issues often discussed range from, approval of reports including budgets, administration, financial and staff matters, strategic and policy formulations, as well as consideration of new projects/programmes. Best practice recommends that the frequency of meetings will depend on the company's situation and on internal and external events and circumstances. Daily meetings may need to be held on exceptional circumstances. As a general rule, full board meetings should be no less than quarterly and quite possibly monthly.

The boards are made up both Executive Directors (EDs) and Non Executive Directors (NEDs). Although literature recommends a balance of EDs and NEDs so no group dominate in decision making, out of the 14 respondents who responded to this question, the majority, 50% have only 1 ED, followed by 21.7% indicating that there are 3 EDs on their boards. Further, the presence of females on the boards showed that there is at least one female on the boards of each of the four categories of NGOs who responded to the question. Further on the issue of the chair (person running the board) and the CEO (person running the NGO) being the same person, 77.8% of the 18 respondents disagree. It is also worth noting that none of the international NGOs agree with the assertion, meaning the other categories have CEOs who act as the board chair as well. See tables II (a-c).

Table I (b). Frequency of Meetings

	Type of NGO				Total
	National indigenous	National affiliates	International	Community based	
Not stated	1 5.0%	0 .0%	1 5.0%	1 5.0%	3 15.0%
Annually	2 10.0%	2 10.0%	0 .0%	1 5.0%	5 25.0%
Monthly	1 5.0%	1 5.0%	0 .0%	1 5.0%	3 15.0%
Quarterly	1 5.0%	3 15.0%	4 20.0%	2 10.0%	10 50.0%
Twice annually	1 5.0%	0 .0%	0 .0%	0 .0%	1 5.0%
Total	5 25.0%	5 25.0%	5 25.0%	5 25.0%	20 100%

Source: Field data (2008)

Table II (a). Board Composition: Number of Executive Directors

Number of Executive	Type of NGO				Total
	National Indigenous	National Affiliates	International	Community Base	
1	2 14.3%	2 14.3%	0 0.0%	3 21.4%	7 50.0%
3	1 7.1%	1 7.1%	1 7.1%	0 0.0%	3 21.4%
4	1 7.1%	0 0.0%	1 7.1%	0 0.0%	2 14.3%
6	1 7.1%	0 0.0%	0 0.0%	0 0.0%	1 7.1%
8	0 0.0%	1 7.1%	0 0.0%	0 0.0%	1 7.1%
Total	5 35.7%	4 28.6%	2 14.3%	3 21.4%	14 100.0%

Source: Field Data (2008)

Table II (b). Chair and CEO must be the same

	Type of NGO				Total
	National Indigenous	National Affiliates	International	Community Base	
Yes	2 11.1%	1 5.6%	0 0.0%	1 5.6%	4 22.2%
No	2 11.1%	4 22.2%	5 27.8%	3 16.7%	14 77.8%
Total	4 22.2%	5 27.8%	5 27.8%	4 22.2%	18 100.0%

Source: Field Data (2008)

Table II (c). Number of Female on Board

	Type of NGO				Total
	National indigenous	National affiliates	International	Community based	
0	0 .0%	1 6.3%	0 .0%	0 .0%	1 6.3%
1	1 6.3%	1 6.3%	0 .0%	1 6.3%	3 18.8%
2	3 18.8%	3 18.8%	0 .0%	0 .0%	6 37.5%
3	1 6.3%	0 .0%	0 .0%	1 6.3%	2 12.5%

4	0 .0%	0 .0%	3 18.8%	0 .0%	3 18.8%
7	0 .0%	0 .0%	6.3%	0 .0%	1 6.3%
Total	5 31.3%	5 31.3%	4 25.0%	2 12.5%	16 100.0%

Source: Field Data (2008)

Finally on the board size, the results ranged from 14 to 4 with only one (1) respondent from an international NGO having a board size of 14. This is not surprising as the other International NGOs

indicating a board size in the following descending order, 13, 9 and 7. Overall, majority of the NGOs have a board size of 7 directors as shown on table III.

Table III. Board Size

	Type of NGO				Total
	National Indigenous	National Affiliates	International	Community Base	
4	0 0.0%	0 0.0%	0 0.0%	2 11.8%	2 11.8%
5	2 11.8%	2 11.8%	0 0.0%	0 0.0%	4 23.5%
7	1 5.9%	2 11.8%	1 5.9%	2 11.8%	6 35.3%
9	1 5.9%	0 0.0%	1 5.9%	0 0.0%	2 11.8%
13	0 0.0%	1 5.9%	1 5.9%	0 0.0%	2 11.8%
14	0 0.0%	0 0.0%	1 5.9%	0 0.0%	1 5.9%
Total	4 23.5%	5 29.4%	4 23.5%	4 23.5%	17 100.0%

Source: Field Data (2008)

5.1.2 Appointment and Removal of Board Members

This is another critical issue under governance. Out of the 14 NGOs, 64.3% of the respondents affirmed that they have laid down criteria for appointing board

members and listed some as shown on tables IV (a & b) below. From table IV (b), most of the NGOs consider experience, exposure, competence and commitment as the key conditions.

Table IV (a). Existence of criteria for appointing Board Members

	Type of NGO				Total
	National Indigenous	National Affiliates	International	Community Base	
Yes	3 21.4%	3 21.4%	2 14.3%	1 7.1%	9 64.3%
No	1 7.1%	2 14.3%	0 0.0%	2 14.3%	5 35.7%
Total	4 28.6%	5 35.7%	2 14.3%	3 21.4%	14 100.0%

Source: Field Data (2008)

Table IV (b). List of criteria for appointing Board Members

	Freq	Percentage
Financial contribution	1	5.00%
Willingness to serve	4	20.00%
Experience, exposure, competence and commitment	11	55.00%
Geographic location	2	10.00%
Nomination	2	10.00%
Total	20	100.00%

Source: Field Data (2008)

Furthermore, most of the NGOs observed that board members are appointed by the executive directors including the founder/initiator of the NGO. More of the national indigenous NGOs made this

disclosure. However, most of the international NGOs use the voting system by members at a general assembly. See table IV (c) below for the details.

Table IV(c). Mode of Appointment onto Boards

	Type of NGO				Total
	National Indigenous	National Affiliates	international	Community based	
Not stated	1 (5.00%)	1 (5.00%)	1 (5.00%)	3(15.00%)	6 (30.00%)
Board chair	0 (.00%)	1 (5.00%)	0 (.00%)	0 (.00%)	1(5.00%)
Executive Directors, including the founder	4 (20.00%)	1 (5.00%)	1 (5.00%)	2 (10.00%)	7 (35.00%)
Voting members of general assembly	0 (.00%)	2 (10.00%)	3 (15.00%)	0 (.00%)	5 (25.00%)
Total	5 (25.00%)	5 (25.00%)	5 (25.00%)	5 (25.00%)	20 (100.00%)

Source: Field Data (2008)

As expected of every new board, 50% of the 15 respondents observed that, orientations are organised for any new board member. They cited programmes like running an NGO, report writing and presentation skills, projects and proposal management as well as management trainings.

On the issue of the eligibility for re-appointment and maximum term to serve on the board, 87.5 % of

the valid respondents stated that all board members are eligible for re-appointment after completing their tenure. Moreover, 84.6% disclosed that, board members have a maximum tenure of two (2) terms. The NGOs that strongly supported this are the national indigenous and international NGOs. Table IV (d & e) gives the details.

Table IV (d). Orientations for Board Members

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	10	50.0	66.7	66.7
	No	5	25.0	33.3	100.0
	Total	15	75.0	100.0	
Missing	System	5	25.0		
Total		20	100.0		

Source: Field Data (2008)

Table IV (e). Maximum Terms for Board Members

	Type of NGO				Total
	National Indigenous	National Affiliates	International	Community Base	
2.0	4 30.8%	2 15.4%	4 30.8%	1 7.7%	11 84.6%
4.00	0 0.0%	1 7.7%	0 0.0%	0 0.0%	1 7.7%
5.00	0 0.0%	0 0.0%	0 0.0%	1 7.7%	1 7.7%
Total	4 30.8%	3 23.1%	4 30.8%	2 15.4%	13 100.0%

Source: Field Data (2008)

Like private organisations, non performing directors of NGOs must be removed. Although most of them claim they don't remember the directors that have been remove over the last five (5) years, 18 out

of 20 respondents representing 90% disclosed they have criteria for removing non-performing director. Shown in table IV (f) are the criteria mentioned.

Table IV (f). Criteria and Reasons for removal of non-performing Directors

	Freq.	Percentage
If no enthusiasm is shown	5	27.78%
If fail in two projects	3	16.67%
Death	2	11.11%
Conflict of interest	3	16.67%
Fraud	1	5.56%
Members may vote against that member at AGM	4	22.22%
Total responses	18	100.00%

Source: Field Data (2008)

5.1.3 Performance Evaluation of Boards

Boards generally, should undertake formal and rigorous regular evaluation of its own performance and that of individual director to determine whether members continue to contribute effectively and demonstrate commitment to their roles. From the data collected 58.8% of the NGOs, led by the national indigenous and followed by the international NGOs do evaluate the performance of their boards.

With respect to the frequency and how the evaluation is done, almost all stated it is an annual ritual. They further explained that, the evaluations are done using appraisal forms (questionnaires), interviews and sometimes engage the services of local and external consultants for the exercise. What's more, the issues often considered during the evaluations are the extent of interest of member, ability to raise funds for projects, the success of projects as well as a comparison of members' duties and responsibilities as against set standards. See table IV below.

Table V. Evaluation of NGO Boards

	Type of NGO				Total
	National Indigenous	National Affiliates	International	Community Base	
Yes	4 23.5%	2 11.8%	3 17.6%	1 5.9%	10 58.8%
No	1 5.9%	2 11.8%	2 11.8%	2 11.8%	7 41.2%
Total	5 29.4%	4 23.5%	5 29.4%	3 17.6%	17 100.0%

Source: Field Data (2008)

5.2 Board Committees

Also known as standing committees, they provide the board an opportunity to delegate their powers and responsibilities and most importantly, enhance the independence of their activities, especially in the area of remuneration. Some of the pertinent committees evidenced in literature are the Audit, Risk, Remuneration, and Nomination committees.

Ofentimes, they are made up of non executive directors of the organisation. They may exist all year round or exist to accomplish a goal and then cease to exist³⁷.

In Ghana, some of the NGOs have committees to help their boards, tables VI (a & b) show the results.

6. Conclusions and Recommendations

Recent corporate failures in the US and other parts of the world underscore the importance of corporate governance in every organization as well as NGOs in view of their unique nature and roles played in the

society. Although they have proven their effectiveness in holding large institutions and governments accountable and exposing them to public scrutiny, very little has been done in their governance assessment, thus they have been operating in environments with minimal standards for measuring their transparency and accountability. Much of corporate governance studies have indeed focused on profit making organizations especially publicly traded companies. Ghana has witnessed the proliferation of NGOs but much corporate governance pronouncement has concentrated on public i.e. listed companies leaving the development and implementation of good corporate governance among NGOs to individual NGOs.

It is against this background that this study examined the governance practices of NGOs in Ghana in line with the concept of Corporate Governance to improve their governance and general activities. The concept of corporate governance is very broad but one of the key aspects of a firm that it affects is the Board of directors and its characteristics, hence this study focused on the boards and its characteristics of NGOs in Ghana.

³⁷ <http://www.managementhelp.org/boards/brdcmtte.htm>

Table VI (a). Existence of Audit Sub-Committee

	Type of NGO				Total
	National Indigenous	National Affiliates	International	Community Base	
Yes	2 10.5%	3 10.5%	4 21.1%	1 5.3%	9 47.4%
No	3 15.8%	3 15.8%	1 5.3%	3 15.8%	10 52.6%
Total	5 26.3%	5 26.3%	5 26.3%	4 21.1%	19 100.0%

Source: Field Data (2008)

Table VI (b). Audit Sub-Committee

	Type of NGO				Total
	National Indigenous	National Affiliates	International	Community Base	
None	2 20.0%	1 10.0%	0 0.0%	0 0.0%	3 30.0%
Ad hoc Committee	0 0.0%	1 10.0%	0 0.0%	1 10.0%	2 20.0%
Programs committee	0 0.0%	0 0.0%	1 10.0%	0 0.0%	1 10.0%
Finance	0 0.0%	0 0.0%	2 20.0%	0 0.0%	2 20.0%
Performance assessment and disciplinary	0 0.0%	0 0.0%	1 10.0%	0 0.0%	1 10.0%
Trainers sub committee	0 0.0%	1 10.0%	0 0.0%	0 0.0%	1 10.0%
Total	2 20.0%	3 30.0%	4 40.0%	1 10.0%	10 100.0%

Source: Field Data (2008)

Evidence shows that, a lot still needs to be done in the NGO sector of Ghana. For instance, there is no specific legislation(s) tailored towards the regulation of the Ghanaian NGO industry and codes on governance of NGOs or reference guidelines for NGO Boards in Ghana like in other countries.

However, most NGOs in Ghana recognize the importance of having boards, so they have boards in place. They meet quarterly and often handle matters ranging from approval of reports, including budgets, administration, financial and staff matters, strategic and policy formulations, as well as considering new projects/programmes.

Some board sizes seem too large (14), with the international NGOs leading. Further, the boards appear to benefit from NEDs who dominate most of the boards. However, the NEDs on the local NGOs boards are often friends and family members.

Most of the international NGOs operate the two-tier governance system as the board chair is different from the CEO. Furthermore, all the NGO boards are gender sensitive as there is at least one female on the board of each of the four categories of NGOs.

Board members are appointed and removed using laid down criteria which are not written among the

local NGOs. This is confirmed by the differences in the appointing processes. Among the international NGOs, the appointments are made by voting members at general assembly, whilst the others use the executive directors including the founders.

Orientations organised for newly appointed board members appears to centre on running the NGO. As a result, evaluating board members has been a challenging task for most of the NGOs, even though they say that is done annually using internal tools and sometimes engaging the services of local or external consultants.

To discharge their responsibilities, most NGO boards have sub-committees but have nothing to do with achieving good corporate governance, i.e. audit and risk committees.

In the light of the above, we recommend the development of codes/by-laws or reference guidelines for NGOs in the area of governance. It should address roles and functions of boards versus management, values, philosophy, vision and mission, procedures for board operations, criteria for Board appointments, principles of good governance and evaluation mechanisms and the activities of vital sub-committees for audit and risk management.

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