

Covid-19 spurs renewed focus on improving NPO governance standards

While the Covid-19 pandemic has pushed many non-profit organisations to the brink of survival, it has also, however, resulted in a renewed focus on good governance and the roles and responsibilities of board members. This is according to Inyathelo, a non-profit organisation that has worked for nearly 20 years to help organisations to become more sustainable.



Soraya Joonas, finance director, Inyathelo

Governance is about how an organisation is led and guided by its governing body. It is also about the ethical considerations that inform the decision-making within an organisation. It involves an acknowledgement of the technical aspects of governance, such as registration and legislation, and a commitment to transparency and accountability.

Many board members who are responsible for leading non-profits through these challenging times are seeking guidance on matters such as giving strategic direction, ensuring sufficient resources, and oversight — monitoring financial, legal, ethical and performance issues. Inyathelo's methodology is called advancement and encourages organisations to work in an integrated way to attract resources for long-term sustainability. This multi-layered approach spans 10 elements, of which governance is one.

“For the past year we have had multiple enquiries on a range of governance matters,” says Inyathelo finance director Soraya Joonas. “Many NPOs have made use of our online resources and publications, and another pleasing development has been tailor-made webinars. This year we have developed

bespoke governance webinars for board members operating in fields as diverse as sport tours and filmmaking.”

Says Joonas: “At the start of the pandemic, finance and fundraising were an immediate focus for many NPOs. They realised they had to position themselves optimally if they were to attract new sources of income from local and overseas funders. This is because established philanthropists and foundations generally require that strict criteria be met before they will entrust an NPO with funding to carry out their mandates.”



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Governance requirements

In the process of ensuring compliance and strategising to meet the new challenges posed by Covid-19, many NPO boards realised that governance requirements had evolved significantly over the past decade. There has been growing emphasis on accountability and transparency since the global economic crisis in 2008, which had implications not only for for-profit companies, but non-profits as well. In South Africa, state capture and corporate fraud have also shed light on the critical importance of good governance, accountability and ethics.

“An international organisation that works to build better policies for better lives, the Organisation for Economic Co-operation and Development (OECD) concluded that the 2008 global economic crisis could, to a large extent, be attributed to failures and weaknesses in corporate governance arrangements,” says Joonas. “Evidence pointed to severe weaknesses within

corporate governance structures – the boards of the companies that precipitated the crisis were not functioning properly.

“Covid-19 has further exposed the vulnerability of organisations and their sustainability and highlighted the importance of risk management as part of good governance. It is vital that non-profits put plans in place to ensure that their practices are above reproach.

“Board members must be empowered to govern with a clear understanding of their roles, responsibilities and accountabilities, both legal and ethical. We have worked with new, refreshed and mature boards (reflecting their organisational life cycles) and find that these governing principles are widely applicable and adaptable. We are passionate about the need for good governance in the sector and find that boards are also responding to our segment on diversity, equity and inclusion. We leverage on the theory, but what is of most value is working through the specifics of the board and the organisation that it governs and sharing experiences.”



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Online resources and tools

To assist non-profits to become compliant, Inyathelo has a range of online resources and tools on governance, including several free publications available for immediate download [here](#).

Inyathelo was also part of the working group that drafted an Independent Code of Governance for Non-Profits in South Africa. This followed widespread recognition of the need for local NPOs to adopt their own distinct code that reflected their values and needs rather than being regulated by government or corporate sector codes. Visit the website [here](#).

In addition, The Board Walk Good Governance series is now in its second edition, and is available for purchase from the Inyathelo online shop [here](#).

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