

# Streamlining governance challenges in civil society organisations - how not to scare funders?

By [Refilwe Pico](#)

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It is undeniable that a correlation between good governance and the sustainability of civil society organisations (CSOs) exists, and now more than ever, is it pivotal for CSOs to have good financial management practices and adequate governance systems in place for them to survive. These provide organisations with an edge to thrive in these competitive and ever-changing CSO environments.



Organisations that have good governance systems and are registered and compliant with Department of Social Development as well as the South African Revenue Services, have a better chance at being sustainable compared to those that are not.

Codes such as the King Code of Governance for South Africa (King III, 2009), the Department of Social Development's Code of Good Practice for South African Non-Profit Organisations (2001), the Independent Code of Governance and Values for Non-Profit Organisations in South Africa (2012) guide organisations on how to uphold good governance standards.

According to, [The impact of Covid-19 on African civil society organizations – challenges, responses and opportunities](#), a survey exclusively on the impact of Covid-19 on African CSOs which was released in June 2020, 55.69% of CSOs had already experienced a loss of funding, while 66.46% CSOs expected to lose funding three to six months therein.

## CSOs face serious financial challenges

Unfortunately, many CSOs find themselves on the backfoot of good governance and thus the resulting effects are that numerous CSOs face serious financial challenges, with many already closing or scaling back their activities primarily because there is a diversion of funds from CSOs to other institutions for Covid-19 programmes.

Implementing CSO intermediaries, such as non-governmental, non-profit, or community-based organisations, tend to be

small, with limited resources, both financial and human. However, the work that these institutions carry out is simply too important and too immense to not intervene.

In early 2021, Seriti Institute, through one of its programmes, [Seriti Partner](#), identified good governance and financial management as a serious challenge in NGOs, CBOs and CSOs. The programme was designed with an intention of strengthening CSOs' contributions to the communities they work with and serve, using a hybrid approach that draws on the experience and best-practice tools used in both the for-profit and not-for-profit sectors. The aim is strengthening the whole non-profit sector and not just to support a few organisations.

To curb the good governance and financial management challenge, Seriti Institute is currently running a Basic Financial Management skills transfer. Topics covered on the course will enable organisations with a proficiency in rendering effective and efficient management of finances and will ensure that organisations spend their funds in accordance with their strategic and funder objectives.



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## Good governance stimulates agility, resilience

Having good governance systems does not only inspire the culture of transparency and accountability, but it also stimulates agility and resilience. Good governance and financial management systems provides organisations with donor confidence, a chance at being sustainable and assists in the organisation's operational efficiency.

Governance codes will apply differently to organisations, depending on their structural formation and funding categories. Therefore, it is important for organisations to have a coherent appreciation of the codes and align appropriately.

During the hard lockdown in May 2020 and when a large portion of the economy shutdown, Londani Lushaka, a community-based organisation that develops sustainable community-owned and driven wellness systems in collaboration with government and non-government partners, opened up and extended their services to meet the growing-demand in their community. It was at this point that, Londani Lushaka was identified as a perfect candidate to partner with Seriti. Through this partnership, the organisation received technical support which assisted them in raising their profile, sector registration and professionalisation of their operations.

Said Londani Lushaka's Irene Chauke: "When Seriti came onboard we didn't have any sense of direction. Despite receiving all sorts of donations, training on how to engage with children through their aRe Bapaleng Programme, training on how to develop and maintain a food garden through their Work. Learn. Grow programme, they helped us register and be compliant with all the requirements for us to function fully and lawfully which helped us find other partner organisations.



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Further to this, we received financial management, communications and marketing, monitoring and reporting and donor sourcing support. They also assisted us with our Volunteer Code of Conduct. Seriti has opened our eyes and having them on board really is a blessing. On behalf of the Londani Lushaka management and the team, we would like to thank Seriti for their great work!"

If South Africa is to solve its interlocking problems of poverty, inequality and joblessness, civil society organisations must

work more effectively and efficiently, and such exchanges promise to help this crucial change.

## ABOUT THE AUTHOR

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