

# **NIGERIAN NONPROFIT CAPACITY ASSESSMENT**

*REPORT*

---

Key findings from the first national  
survey into nonprofit capacity  
assessment in Nigeria.

**2019**



## ABOUT US

The Nigeria Network of NGOs (NNNGO) is the first generic membership body for civil society organizations in Nigeria that facilitates effective advocacy on issues of poverty and other developmental issues. Established in 1992, NNNGO represents over 2,400 organizations ranging from small groups working at the local level, to larger networks working at the national level.

Our membership includes over 20 national organizations and over 250 membership organizations focusing on different thematic areas of development, all of whom work to support a diverse range of membership communities across the nation. In total, our outreach to the third sector in Nigeria is estimated to be in the excess of 5000 which includes both members and affiliates at national and global levels.

NNNGO champions a sector that is accountable, independent and truly representative of giving a voice to the common man.

This work is a product of the staff of the Nigeria Network of NGOs. The findings interpretations and conclusions expressed in this work do not necessarily reflect the views of our donors- FORUS, European Union and the French Development Agency.

Attribution--- Please cite the work as follows: "Nigeria Network of NGOs. 2019. Nigerian Nonprofit Capacity Assessment Report. © NNNGO."

All request for further information should be addressed to  
The Nigeria Network of NGOs  
15 Ramat Crescent, Ogudu, GRA, Lagos, Nigeria.  
e-mail: [nnngo@nnngo.org](mailto:nnngo@nnngo.org)  
Tel: +234 906 946 0107  
Website: [www.nnngo.org](http://www.nnngo.org)



The Nigeria Network of NGOs will like to thank the 324 nonprofits who completed the survey and more than 70 nonprofit executives who participated at our validation workshop and key informant interview sessions. By sharing their information and insights, they have provided us with new visibility into the state of the Nigerian nonprofit sector's capacity. We greatly appreciate them taking the time to speak with us, and we are aware of our obligation to make sure their perspectives are integrated into policies and practices that address their capacity concerns.

In particular, we appreciate the help of members of the Legitimacy and Transparency Working Group within the Civicus- Affinity Group of National Associations for reviewing our assessment tool under the group's work on accountability models by nonprofit associations.

Oyebisi, Babatunde Oluseyi, Executive Director at NNNGO, authored this report. Research for the report was carried out by Okpara Chidinma, Project Officer, NNNGO and data analysis by Ajibade Philip, Data Analysis Lead, NNNGO. It was reviewed by: Oyindamola Aramide, Communications Lead. IT support for this work was provided by Afolabi Mathew, I.T Officer, NNNGO with administrative support provided by Odion Timothy, Finance and Membership Manager.

In addition, several nonprofit actors and experts provided invaluable feedback on a draft of the report. Ajibade Philip designed the report and prepared it for publication.

We would like to thank FORUS, the European Union and the French Development Agency for supporting our members' engagement project and for making this research and report possible.



# CONTENT

---

ii	Acknowledgement
5	About the Research
7	Context
9	Executive Summary
12	Findings
29	Conclusion

# ABOUT THIS RESEARCH



We set out in 2019 to understand what the capacity needs of the Nigerian nonprofits are and how best the sector and other critical stakeholders can respond to the gaps.

**324**

Participating  
Nonprofits

From

**36**

States including the  
FCT

With

**72**

Leaders of Nonprofit  
Organisations attending the  
Validation workshop

Having

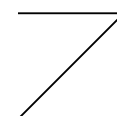
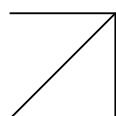
**2-16**

Years of Experience

While the nonprofit sector has a history of providing succor to the less privileged in the society, they have witnessed growth and challenges in their operations, having important implications for their capacity to deliver on their organisational vision and mission.

Our research was funded by FORUS through a grant from the European Union (EU) and French Development Agency (AFD) to inform the Nigeria Network of NGOs (NNNGO) sector wide capacity building plan and to share findings with the larger field of nonprofit actors and other stakeholders. It is intended to help nonprofit leaders, staff, funders, board members, and other stakeholders make decisions and assess the potential for success in the management of their organisations.

Spanning responses from nonprofits in the 36 States of the Federation, 'The Nigerian Nonprofit Capacity Assessment Report' is the first comprehensive national review into how nonprofits in the country are going about the fulfillment of their organisational objectives. The research has allowed us to identify what the gaps are, what may be driving them and how the sector and other stakeholders can respond.



# Methodology

---

We collected the views of 324 nonprofits from all States across the country. Participants who received and responded to survey question were either Founders, Board members, Executive Directors or Senior Management Staff/leaders of nonprofits on the NNNGO database and have operated for between 2 to 16 years with 1,882 nonprofits on the database having an annual commulative budget of 3,223,500,000 and another 610 having an average budget of more than 5,000,000. In terms of size, majority of the organisations oscillate between small and medium sized in their operations with few large sized.

We began our research by conducting a high-level scan of nonprofit assessment frameworks, literatures and articles about nonprofit capacity. Next we developed the assessment questions based on our findings and it was peer reviewed by the Legitimacy, Transparency and Accountability working group of the Civicus-Affinity Group of National Associations (AGNA) as part of its work on accountability and transparency models implemented by National Associations. As this is a sector-wide survey, promotion for the survey relied heavily on online and offline promotions and was conducted through mass emails to nonprofits on the NNNGO database, hardcopies of the survey were shared at two workshops organised by the Network in Lagos and Abuja, on social media and on a dedicated webpage for the assessment. Multiple reminder emails and SMS were sent post-launch of the assessment tool.

To validate the results, we identified and invited a diverse cross section of 72 leaders of nonprofits, networks and foundations to present our findings, obtain feedback on the accuracy of findings and identify possible interventions to the problem areas. In addition, we had a bias towards small and medium sized organisations whose organisations are currently facing challenges. We also drew upon the Network's decades of experience in building the capacity of nonprofits in the country- and convened a small group of nonprofit leaders with over 10 years' experience as advisors—to help us frame our findings.

## Limitation

---

The results of this survey reflect the responses of nonprofits that received information about the assessment and elected to respond. As it is the case with self-reported assessments, there remains an inherent risk of response bias and inaccurate reporting. It should be noted that the results are not construed as a random sample by scientific standards with the validity of self-reported responses not guaranteed. As a result, the findings may not accurately represent the state of the nonprofit sector as a whole.

We however hope that our findings provide a snapshot and reflection of the sector's capacity, capturing moments in time, one that it is capable of sparking an important conversation in the nonprofit capacity development field spurring a comprehensive approach to addressing capacity gaps in the sector.



As the nonprofit sector in Nigeria continues to mature, actors and forces within and outside the space have shaped and continue to challenge the sector on its legitimacy, transparency and accountability. We are increasingly seeing an interest on the part of nonprofits in borrowing business approaches, applying management concepts as they work to scale up and organise their passion in ways that deliver results.

## Assessment Area:



Governance



Human Resources



Management

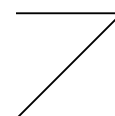
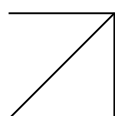


Sustainability

Most recently the rise of interest on the part of executive and legislative arms of government including security and intelligence agencies in nonprofit regulations turned attention to nonprofit governance, management and financial management. Given its increased profile and trends from 2012 till date, focus will continue to be on the operations of nonprofits and their ways of working vis-a-vis fundraising, management, governance, evaluation, strategy, human resources and sustainability.

The sector is recognizing that its activities must now run on a broad range of systems, strategies and tools that not only build organisation effectiveness but that also deliver results within the ambits of the laws guiding the formation and operation of nonprofits in the country.

Even as the sector is preparing itself to go through this shift, the capacity to achieve this needs to be assessed in ways that provide empirical evidence for where action is most needed and at the same time, increasing awareness on how it can become more socially responsible and strengthen the core values it is known for- transparency and accountability.





---

As the economy continues to bite harder, poverty and income inequality on the rise, more people will look up to nonprofits for support in areas such as health, education, water, rights related issues and sanitation, humanitarian aid amongst others. Many nonprofits will have to address their capacity gaps in ways that ensures that they are able to mobilise the right resources and also bridge the gap between the market and government with a view to accelerate and scale up impact amidst fewer financial support from the donor community. Organisational and operational effectiveness is the new constant within the nonprofit space in Nigeria.

Existing old assumptions, attitude, behaviors and operational models that have prevailed for decades in the running of nonprofits now need to be broken down for new models to be properly formed and adapted based on clearly articulated social sector models and borrowed business approaches to governance, management and regulatory compliance along the lines of international best practices, realities, trends and regulatory frameworks in the formation and operation of nonprofits.

The size of the problems encapsulated in the Sustainable Development Goals and our capacity as a sector to address this in partnership with government and the private sector without leaving anyone behind requires that we think collectively about how we approach our operations and plans to become better. There has to be a shift, one that can no longer be delayed.

We hope that this report provides an evidence for that shift and deep context for strengthening the sectors governance, human resources, administrative procedures, programme management, evaluation, financial management and sustainability.



Accessing nonprofit services starts with trust, simply because stakeholders and beneficiaries must trust the organisation to deliver on its objectives. Much like the need for evidence to substantiate claims in a law court, critical stakeholders must trust that resources are safeguarded and used appropriately from how it is budgeted, raised and applied.

## Improvement needed in the areas of:



Better  
Governance



Accountability  
and transparency

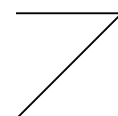
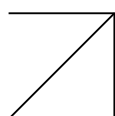


Regulatory  
Compliance

Individuals throughout the organisation must understand the care given to governance and management of the organisation's resources in ways that make decisions effective and the asking of new questions easier.

Our national survey of 324 nonprofit leaders and managers provides insight into organisations' activities in each of these four assessment areas: a) Governance, Strategy and Structure., b) Human Resources and Administration, c) Program Management, Monitoring, Evaluation and Reporting and d) Financial Management and Sustainability and indicators developed from a pool of governance resources, sector wide experience on NGO management, nonprofit realities and regulatory frameworks guiding the work of nonprofits in the country and identifies where gaps existed.

Overall the survey found a persistent gap: very few respondents assessed are meeting the indicators identified for each of the assessment areas. Taken together 44% of respondents completing the survey are not meeting indicators under the governance index, another 44% reported this area needs more



work and only 12% doing well in this area. For the human resources and administration component of the assessment, majority of respondents 54% could not scale through the assessment indicators, 38% acknowledged they have more work to do in this area in order to attain the desired result while 8% can confirm that they are meeting the indicators already.

The gaps are also wide for the program management, monitoring, evaluation and reporting area of the assessment with 53% of respondents reporting their inability to meet indicators in this assessment area, 36% would like to do more work with the aim of meeting all assessment indicator, 11% are already meeting this. Turning to the last assessment area, 54% of organisations self-reporting on the financial management and sustainability assessment area told us that they are not in any way meeting the indicators in this area, 38% claimed they are working to address the gaps with 8% saying they are already meeting these assessment indicators. The survey augmented by a validation workshop and interviews with leading practitioners and experts in the field gauges the management and governance practices of nonprofits across the country and how respondents self-reported their activities and practices through this assessment. The following major conclusions emerge:

### BETTER GOVERNANCE IS NEEDED WITHIN THE NONPROFIT SECTOR.

01

A minority of respondents are meeting all the indicators in all the four assessment areas which point to the need for a greater commitment to governance and effective management practices in support of meeting organisational objectives.

### FOSTERING A CULTURE OF ACCOUNTABILITY AND TRANSPARENCY IMPROVES ORGANISATIONAL OUTCOMES

02

Leadership and management practices that support a culture of transparency and accountability yield organisational effectiveness and regulatory compliance, but our findings show that many organisations need to do more to spread this important skill and mindset throughout their systems and operations. A majority of the respondents are still engaged in practices that makes accountability difficult meanwhile attracting and retaining the right human resources for delivering this culture is a significant challenge cited by respondents attending our validation workshop.

### REGULATORY COMPLIANCE EMERGES AS AN OPPORTUNITY

03

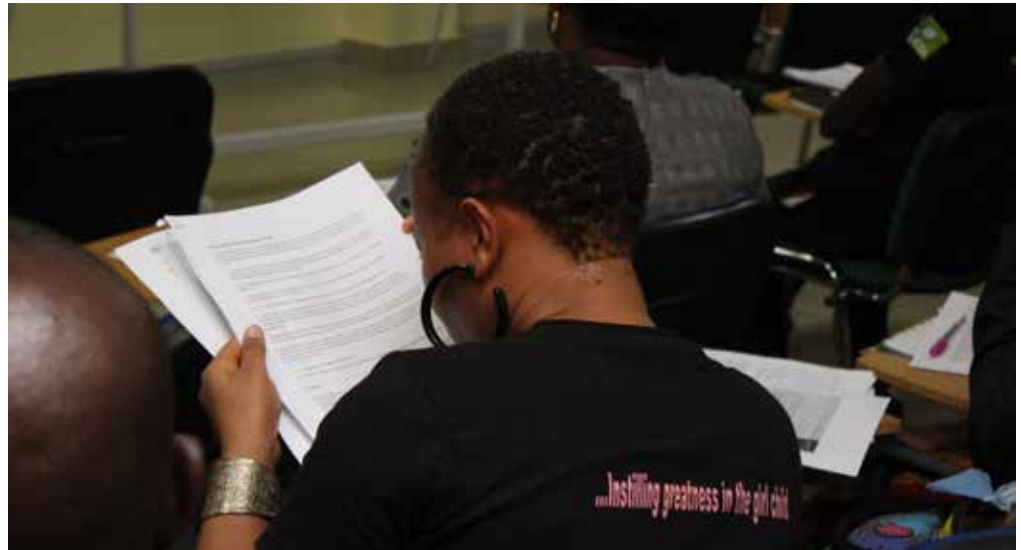
For organisations doing well in all of the assessment areas, findings revealed might not be unconnected with the fact that these indicators are required as part of donor funding requirements including their long years of existence, size of operation and nonprofit experience by the governance team of these organisations. There are opportunities for increasing and shifting the maturity of nonprofit practices in these assessment areas from being largely determined by donor requirement to that of willingness to comply with regulatory frameworks guiding nonprofit operations and as a way to build trust, ensure transparency, accountability and opportunity to self-regulate rather than simply treating them as donor driven compliance mandates.

---

Several organisational choices will have to be adopted in order to address the gaps identified. One of such is that of clearly articulating the role of the founder within the organisation and separating this from that of the Board and management functions where possible and after due consideration is given to the operations of the organisation and governance models that fit the organisation's ways of working. Those whose Board understands their role as "owners in trust" are more likely to report that they are meeting the indicators as are those who work in organisations where the management functions are clearly defined and documented.

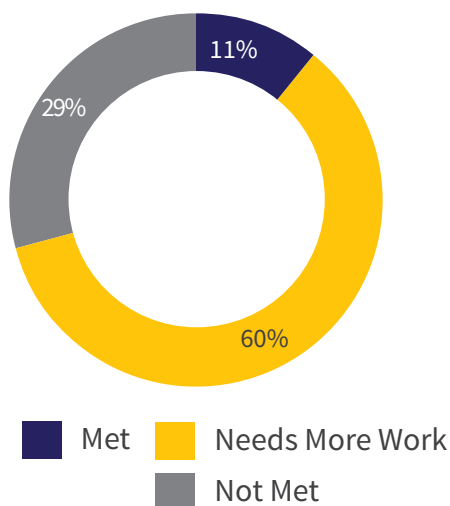
For leaders of organisations still striving to achieve the indicators for all the assessment areas, the findings from this report is particularly useful. Their chief take away: working hard to meet all the indicators lead to organisational effectiveness, better outcomes, measurable benefits and increased trust.

In order words, this leads to a vibrant civil society sector, that is transparent and accountable.



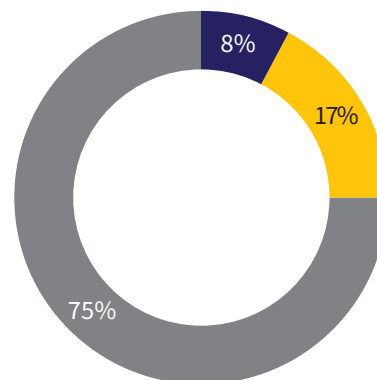
**An independent board/committee (or some other system) supervises management and takes responsibility for all actions of the NGO. This system is governed by a documented constitution/by-law.**

Majority of respondents, (60%) note that they need more work to ensure that Boards of Directors that supervise management and take responsibility for all actions of these organisations are in place; 29% say that they do not have a functioning board in place while 11% report that they do.



**The board has at least six voluntary (unpaid) members with limited terms of office (e.g. only appointed for 2 years)**

Board members do not have limited terms of office. Despite this non-availability of limited terms of office amongst majority of the respondents (75%), 8% say that their board members have limited terms of office and 17% say they are aware of this gap and are working to address them.

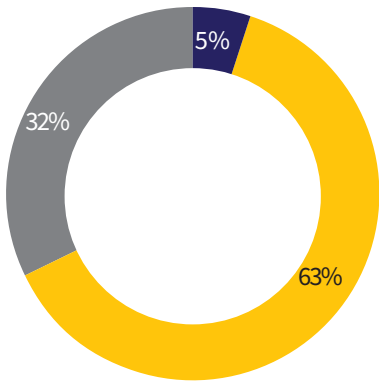


■ Met      ■ Needs More Work  
■ Not Met



**At least 70% of board members meet every 3 months.**

Although the board of most respondents' organisations are not meeting quarterly but are working to address it, 5% have had their board meetings every 3 months while 32%, nearly 4 in 10 organisations, have not met every quarter and are not doing anything about this at this time.

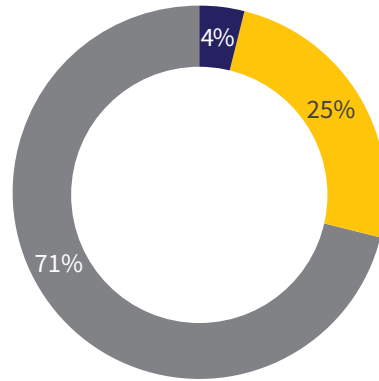


■ Met  
■ Needs More Work  
■ Not Met



**The NGO has a written and costed strategic plan that has been revised within the last 3 years.**

Written and costed strategic plans are not available in majority of the organisations responding (71%). Nearly one fourth (25%) of the organisations have identified this as a need while nearly 1 in 20 (4%) organisations have their criteria met.

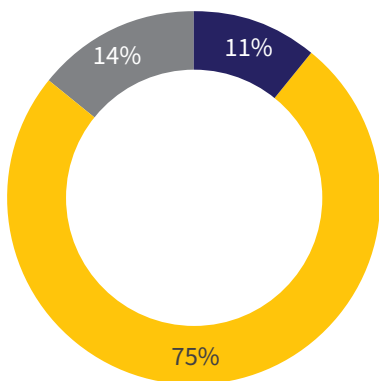


■ Met  
■ Needs More Work  
■ Not Met



**Board members fundraise for the NGO and can provide legal, medical and management advice.**

Currently, nearly eight-in-ten organisations (75%) who have their board members not fund raising or providing legal, medical and management advise are aware of this capacity need; about 1 in 10 organisations (14%) are not doing anything about it and another nearly 1 in 10 organisations have met their assessment criteria.

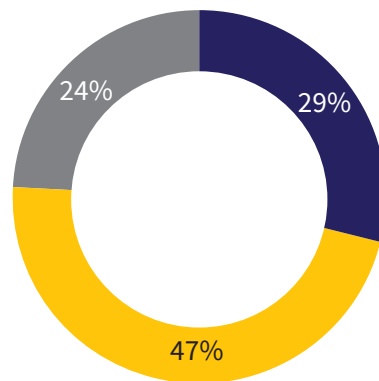


■ Met  
■ Needs More Work  
■ Not Met

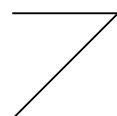
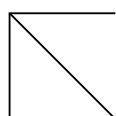


**Board members, staff and volunteers all know the strategic values, vision and mission of the organization.**

47% nonprofits that completed the assessment are working towards having their Board members, staff and volunteers know all the strategic values, vision and mission of the organisation. About a quarter (24%) are not with 29% already having this in place.



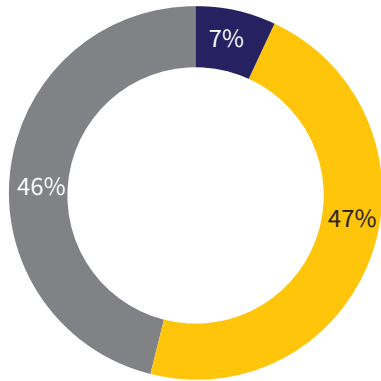
■ Met  
■ Needs More Work  
■ Not Met





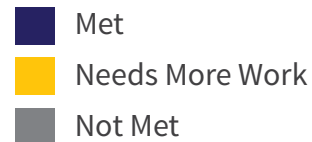
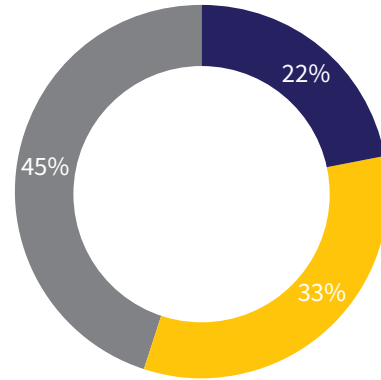
### All annual workplans and budgets are developed in line with the strategic plan.

Amongst non-profits responding, one out of ten (7%) have their workplan and budgets developed based on their strategic plan while 47% agree that this needs more work and 46% are not doing anything about this.



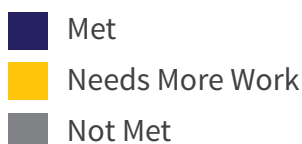
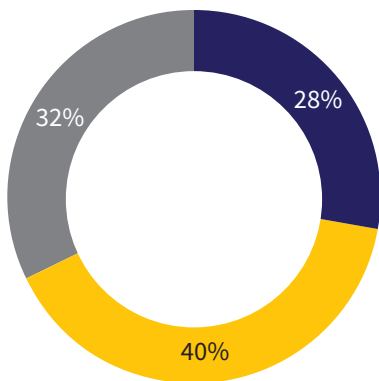
### The NGO has a documented organisational structure (organogram).

Our poll finds that organisational structures are documented by nearly one-fifth of our respondents. One third (33%) now see a need to have this documented and nearly half (45%) organisations are not working on improving this area.



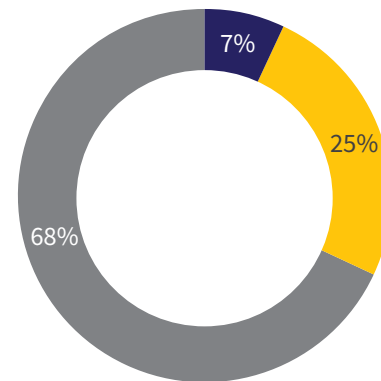
### Management delegates tasks and share information with everyone through regular meetings and do not try to do everything by themselves.

Our survey explored if non-profit managers delegate tasks and share information with everyone through regular meeting and do not try to do everything themselves. About one third (32%) have managers not delegating tasks, 40% are working towards achieving/ improving delegation and over 93 organisations (28%) are already delegating.



### The NGO is properly registered according to local regulations. The board and management ensure the NGO complies with all local reporting, tax and labor requirements.

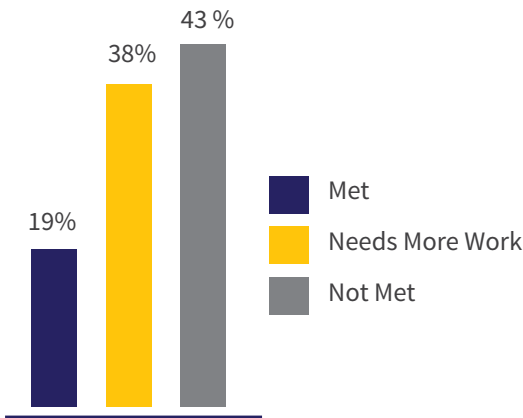
For 68% of respondents, board members and management are not ensuring compliance with all reporting, tax and labour requirements. 25% are working to address this and 7% fully meets this assessment criteria.





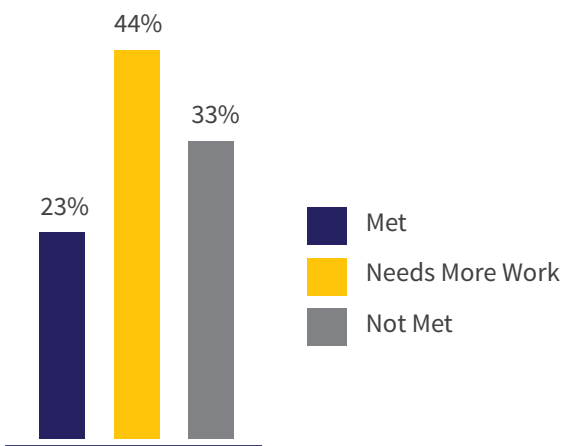
**It is clear who is responsible for administrative work, such as paperwork, office maintenance, transport, paying suppliers, organising events and workshops.**

19% told us that it is clear who is responsible for administrative work such as paper work, office maintenance, transport, paying suppliers, organising events and workshops. 43% said they knew nothing about this. 38% identified this as a gap they are working on.



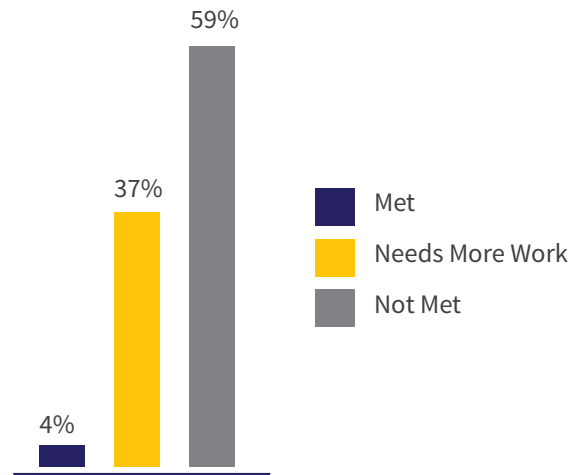
**The procedures for administrative tasks are understood by everyone and always followed**

3 in 10 organisations across the country do not have procedures for administrative tasks that are understood and always followed by everyone (33%), while far fewer said their organization has met this assessment criteria (23%). 44% needs to do more work in this area.



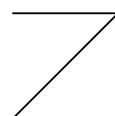
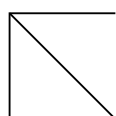
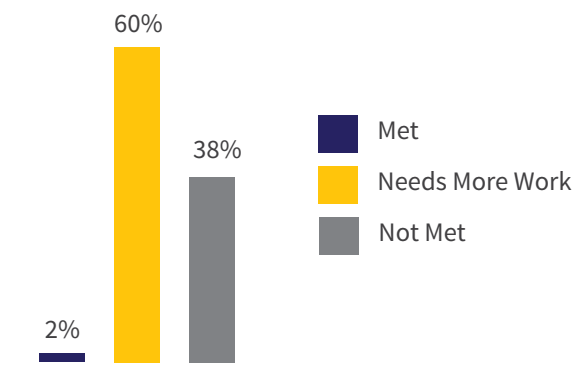
**All administrative procedures are documented in a manual.**

Nonprofits do not have their administrative procedures in a manual (59%). 4% have theirs properly documented. 37% are advancing towards bridging this gap in their organisation as they have recognised it as a need.



**There is a policy for recruitment, including how: (a) Positions are filled (internally and externally) (b) People are interviewed (c) Job offers are made. This policy is documented.**

Of all non-profits that responded, only 7% told us that they have in place a documented policy for recruitment, including how positions are filled (internally and externally), people are interviewed and job offers made. Close to 4 in 10 organisations (38%) have identified this gap and are working to address it, 60% do not see this being applicable to their organisations, have not met it or not working presently to meet this indicator.

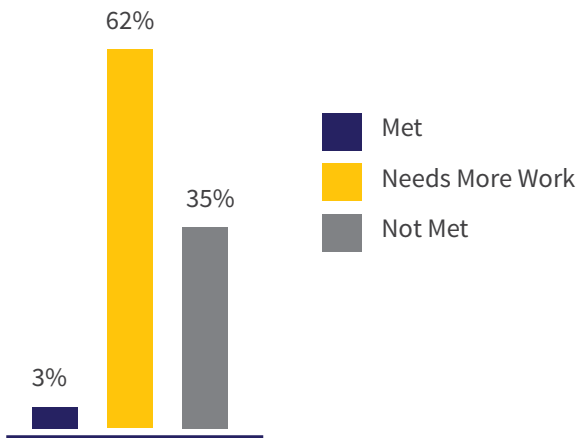






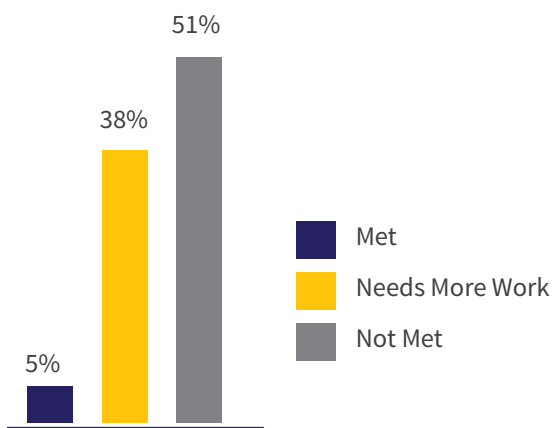
**There is a policy on salaries and promotions, including how: (a) Salaries are structured (b) Pay rises are given (c) Promotions are made. This policy is documented.**

Only 1 in 10 organisations have documented policy on salaries and promotions including how they are structured and paid, including how promotions are made. 35% say they are aware of this need and are working to attain it. Majority (62%) are not doing anything about this either because they don't know how or don't need it at this time.



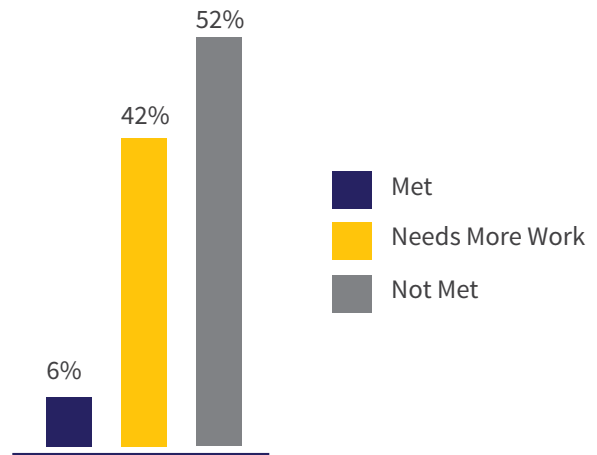
**All job descriptions are: (a) Clearly defined (b) Documented (c) Regularly reviewed.**

It is clear that majority of non-profits do not have clearly defined, documented and regularly reviewed job descriptions, with only about 1 organisation in 20 having them (5%). 38% are lagging behind in this area and addressing it. 57% do not see it as a need or are not working to meet it.



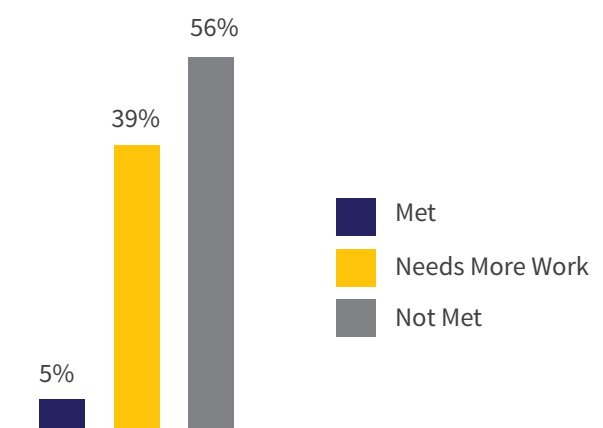
**There are clear procedures for how: (a) The work of staff is evaluated (b) Feedback is given. These procedures are documented.**

For 42% of organizations, there are no clearly documented procedures for how the work of staff is evaluated and feedback is given, however they are addressing this. Only 1 organization in 20 reported having met this indicator (6%). 52% either do not find it relevant or are not meeting it at all.



**There are clear procedures for how: (a) Staff are disciplined (b) Staff report grievances against the NGO. These procedures are documented.**

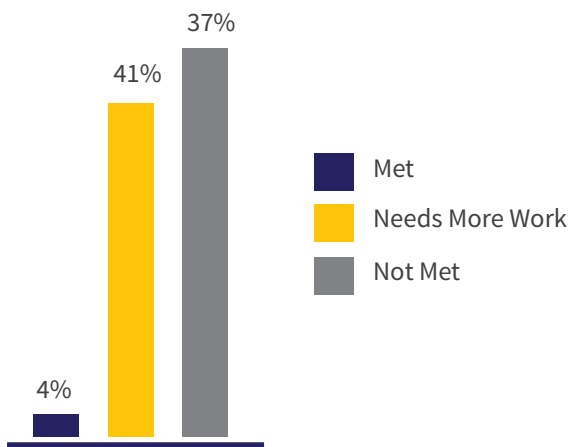
In majority of organisations, clear procedures are not in place for how staff are disciplined and report grievance against the NGO, with 56% reporting that this indicator hasn't been met. 39% reported a need for their organization to work on meeting it and only 1 of 20 organisations (5%) reported to have met this.





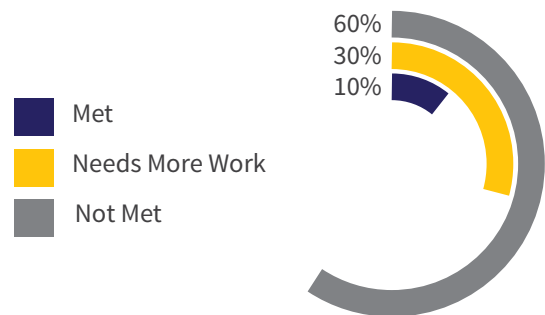
**There are clear procedures for how volunteers are managed, including: (a) Recruitment & induction (b) Training (c) Payment of incentives/ stipends. These procedures are all documented.**

4% of organisations have clearly documented procedures for how volunteers are managed including recruitments and induction, training and payment of incentives/ stipends. 41% see a gap in their organization meeting this indicator and are doing their best to address it. Majority of non-profits across the country however do not meet this criterion.



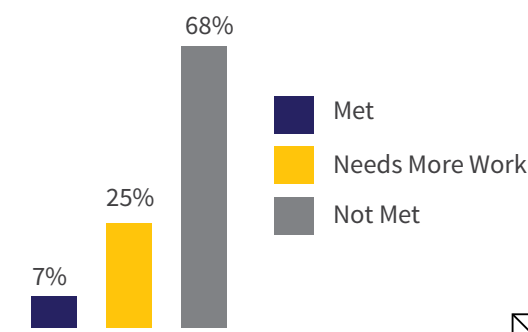
**All projects follow all stages of the project cycle: (a) Needs assessment (b) Project design & indicator (c) Project planning & budgeting development (c) Regular monitoring (d) Evaluation of project and outcomes (e) Replanning of projects based on evaluation outcomes.**

It is unsurprising that 6 in 10 organisations do not follow all stages of the project cycle (60%). Nearly 1 in 10 organization report following this (10%), while 30% have identified a need to improve this indicator.



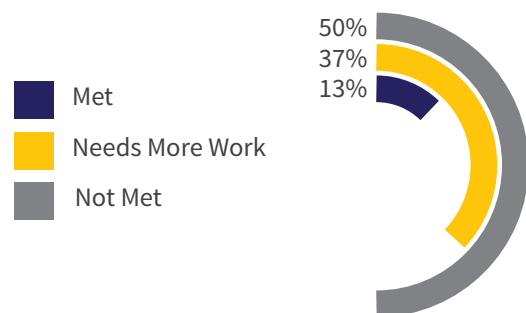
**There is a clear policy for training and development, including: (a) Identifying training needs of staff (b) Providing for study leave if possible (c) Providing financial support if possible. This policy is documented.**

Respondents who see their organisations having a clearly documented policy for training and development including training needs of staff, providing study leave and financial support if possible are only 7%. 68% see no need for this and 25% agree they need more work in this area.



**All stages of the project cycle are done in consultation with stakeholders including all project staff and members from the community**

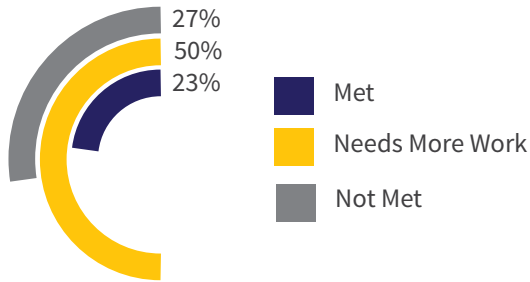
With all stages of the project cycle done in consultation with all stakeholders, including all project staff and members of the community by 13% of our respondents, 50% currently do not meet this indicator. 37% have reported this indicator needs more work on their part.





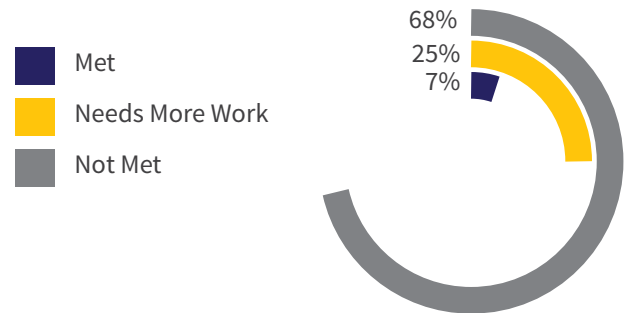
**Projects and programmes are developed in line with the strategic mission, goals and objectives of the organisation.**

We asked respondents if their projects and programmes are developed in line with the strategic mission, goals and objectives, half of the responding organizations reported that this indicator needs more work (50%), 27% reported they haven't met this indicator needs more work and 23% told us they have met it.



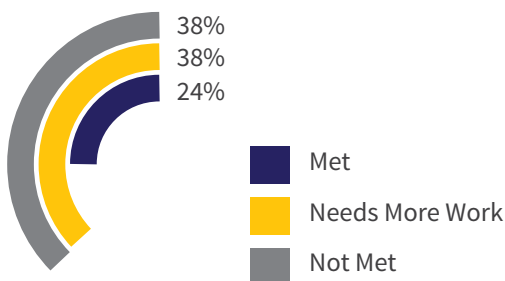
**All projects have documented workplans. These are reviewed against activity and updated between staff and management at least every 3 months.**

Majority (68%) of non-profits appear not to have documented workplans that are reviewed against activity and updated between staff and management at least every 3 months. 7% claimed they have documented workplans, but 25% noted that this indicator needs more work.



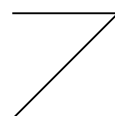
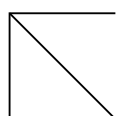
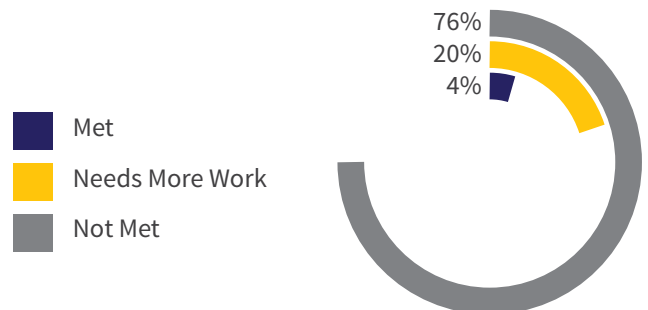
**Indicators have been identified for each objective/goal. All objectives are SMART (Specific, Measurable, Achievable, Relevant, Time-based).**

The need to identify indicators for each objective/ goal of the organisation's project and programmes have been identified by 38% organizations who said this assessment area needs more work. Another 38% haven't met this while 24% has.



**All projects have documented budgets. These are reviewed against expenditure and updated between staff and management at least every 3 months.**

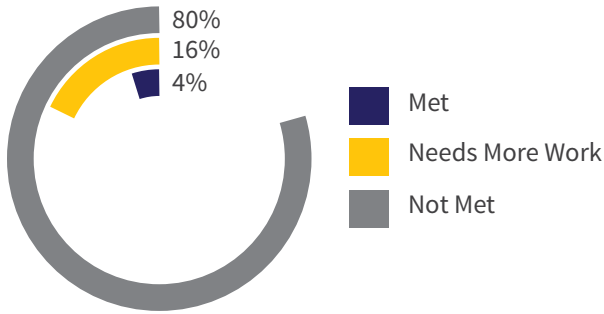
When asked whether all projects have documented budgets and are reviewed against expenditure and updated between staff and management at least every 3 months, 76% of non-profits are yet to meet this indicator, 4% have, while 20% agreed it needs more work.





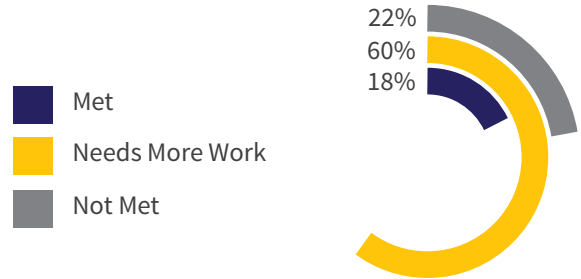
### The NGO has a monitoring and evaluation system

Monitoring and evaluation systems are weak amongst majority (80%) of non-profits responding to the question on whether the NGO has a monitoring and evaluation system and that data collected are used to review and update workplans at least every 3 months. 4% say they have met this indicator, 16% reported it needs more work.



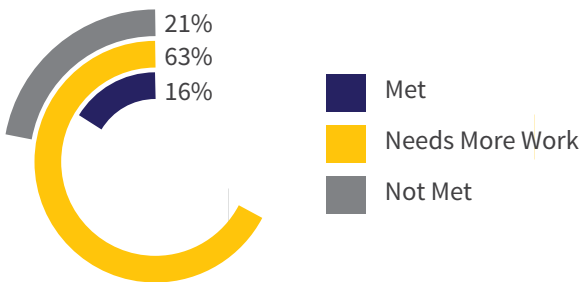
### The NGO completes evaluation reports at the end of every project and distributes these to relevant audiences including management, the board and donors.

The completion of evaluation reports at the end of every project, including distributing these to relevant audiences can be seen as an indicator that is not being met by 59% of respondents. Over a third reported this needs more work (37%) and 4% confirms meeting this indicator.



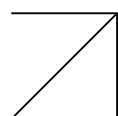
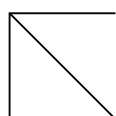
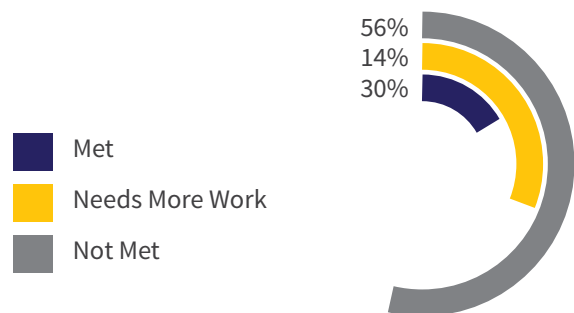
### All necessary project reports are completed and sent to donors on time.

Across all respondents, 63% informed us that all necessary project reports are completed and sent to all donors on time. 21% organizations are not meeting this indicator while 16% are.



### Project reports are compared to financial expenditure reports to ensure activity matches with expenditure.

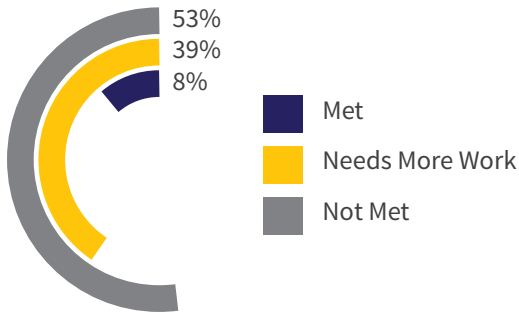
Non-profits go on to suggest that very few organizations (4%) are comparing project reports to financial reports to ensure activity matches with expenditure. More than half 56% aren't while 40% needs more work in this area.





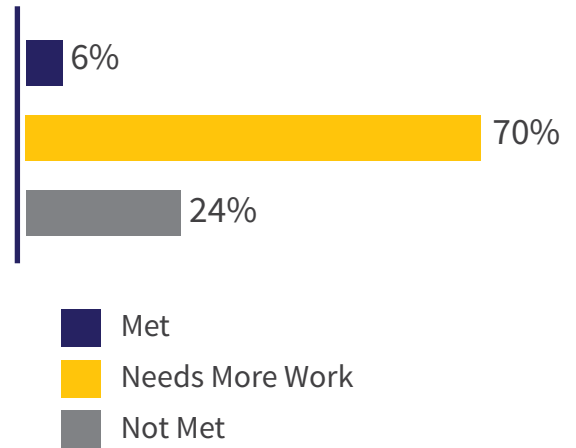
### Project teams all meet (or communicate) at least once a week to review and co-ordinate work

As a whole, a little over half (53%) of respondents do not meet the indicator to access whether project teams at least once a week to review and co-ordinate work. 39% needs more work and 8% met it.



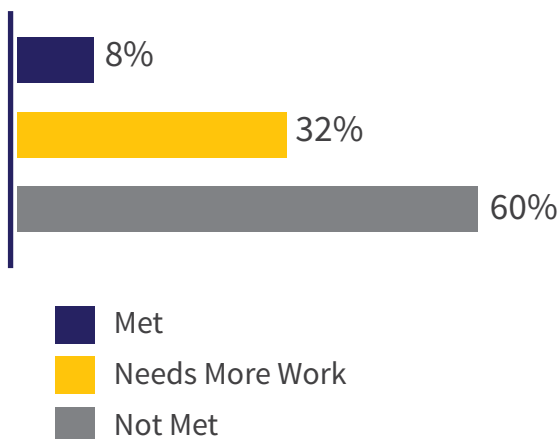
### All staff clearly understand the procedures of Financial Policies

The majority of respondents (70%) indicated that they need for work for the indicator on whether staff clearly understand the procedures for how income is received and accounted for etc. including if all financial policies and procedures are documented in a manual. 24% never met and 6% have met the indicator.



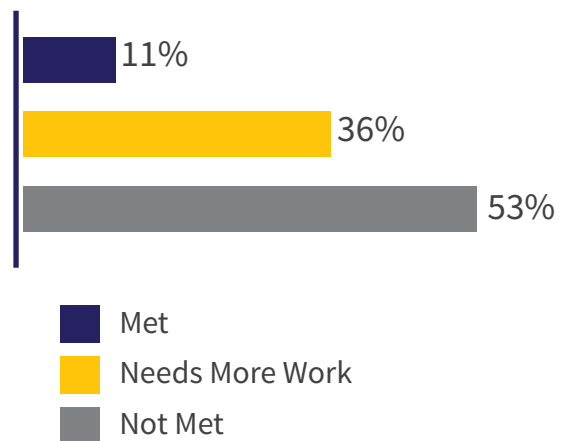
### All financial transactions are recorded with relevant receipts and supporting documentation.

We asked respondents if all financial transactions are recorded with relevant receipts and supporting documents, about one third organisations reported needing more work in this area, 8% are meeting the indicator while 60% are not.



### Project staff plan and budget for their own projects themselves.

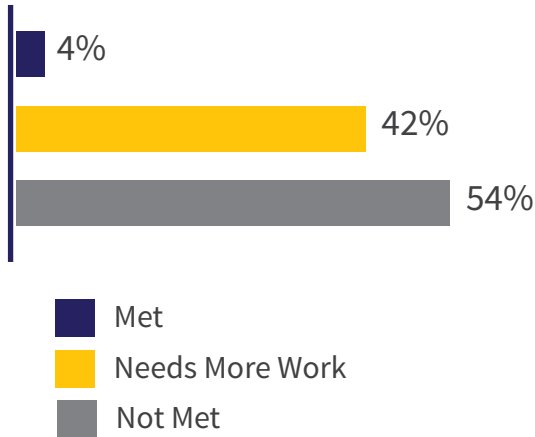
Are project staff planning and budgeting for their own project themselves? 53% are off track on this indicator with 36% saying more work needs to be done to meet it, 11% are already meeting this indicator.





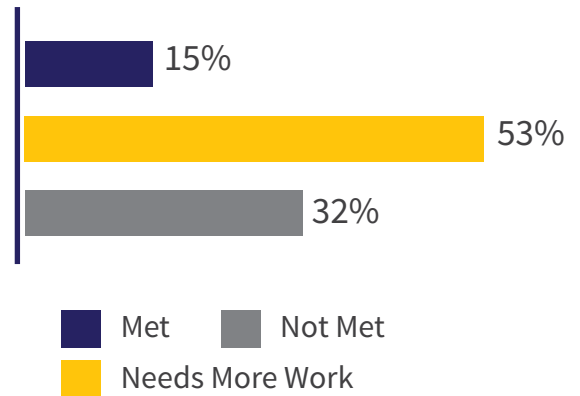
**Management prepare an overall budget for the organisation as part of the annual planning process.**

Assessing whether management prepares an overall budget for the organization as part of annual planning process, 1 in 20 organizations reported meeting this indicator, 54% not met and 42% reported they have more work here.



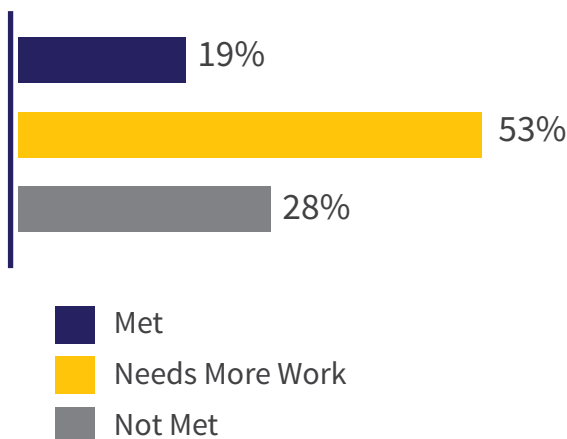
**All expenditure is accounted for under different account categories and different donors funds.**

For the question asking directly if all expenditure is accounted for under different account categories and different donor funds, 32% of the respondents reflected their organisations not meeting this requirement, 53% claimed this area needs more work and 15% said they are meeting this requirement in their organisation.



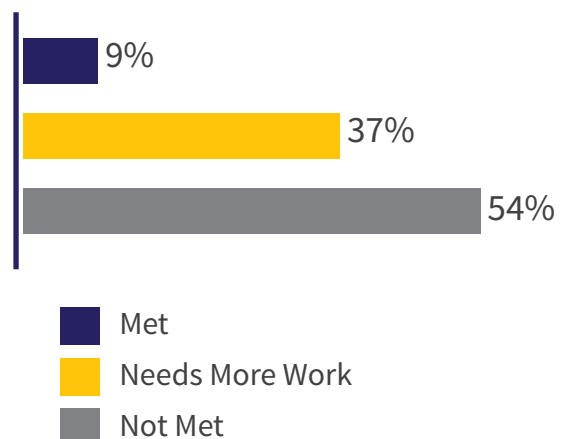
**Systems are in place to prevent fraud, such as: (a) Two signatures required for every cheque (b) Regular audits of stock/inventory (c) Strict procedures for purchase of goods/services.**

Asked if there are systems in place to prevent fraud, 53% of non-profits surveyed acknowledged this indicator needs more work on their part, 28% not meeting it, with nearly 1 in 5 organizations (19%) reporting meeting this.



**Management compare expenditure against budgets for projects and overheads at least every 3 months and investigate any variances with staff.**

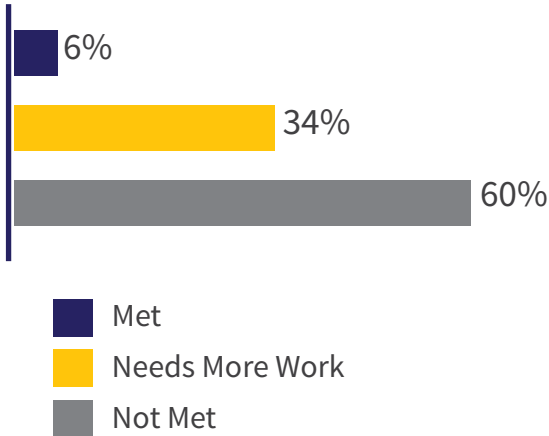
We assessed management of non-profits on whether they "compare expenditure against budgets for projects and overheads at least every 3 months and investigate a variance with staff", about 1 in 10 organisations (9%) meet this indicator while 54% aren't and 37% stating it needs more work.





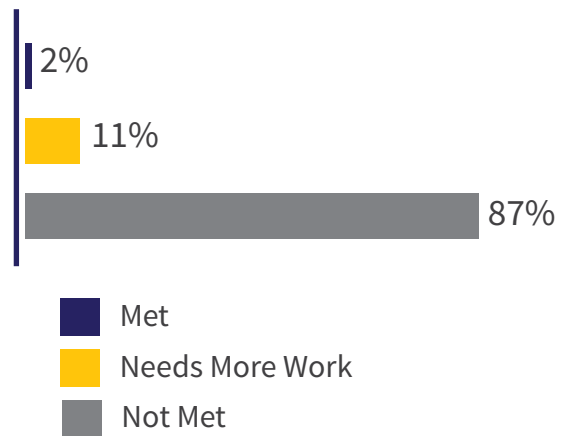
**An external audit is conducted at least every 18 months and includes a review of management practices. Recommendations made in audits are implemented.**

Across non-profits self-reporting on the indicator on external audit conducted at least every 18 months and includes a review of management practices and implementation of audit recommendations, majority of organisations are not meeting this indicator. 34% needs more work and 6% meeting it.



**The main funding source (donor) of the NGO provides no more than 65% of the NGOs total funds. The NGO has developed many different sources of income including the local community.**

For majority of non-profits (87%), their donors are not providing 65% of the NGOs total funds and have developed many different sources of income including the local community. Only 1 in 10 organisations report meeting this indicator. 11% recognise this needs more work.



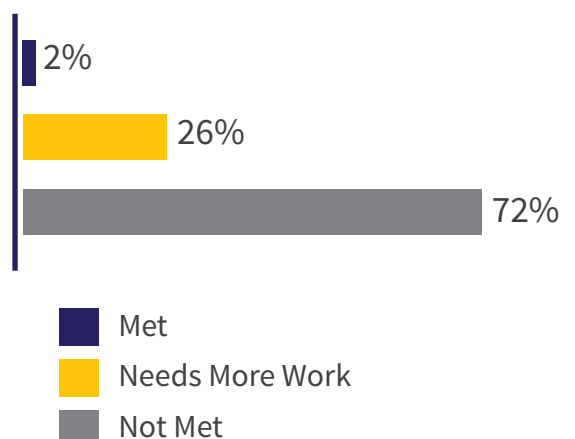
**The NGO always has enough cash to pay for things on a day-to-day basis.**

Non profits operating in the country do not always have enough cash to pay for things on a day to day basis reports 59% of respondents, 31% agreed this area needs more work for them while 10% are meeting this indicator.



**The NGO has the capacity to develop successful proposals and wins over 50% of the bids it applies for.**

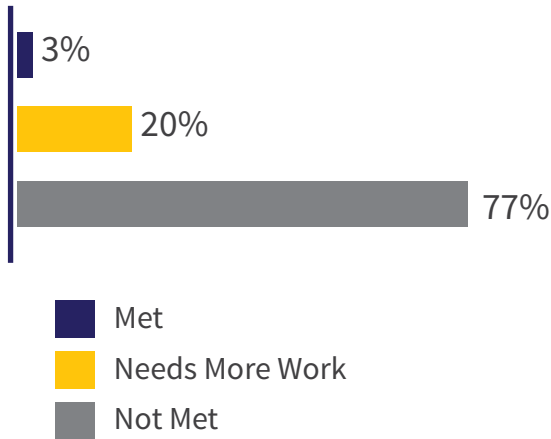
2% non-profits have the capacity to develop successful proposals and win 50% of the bids it applies for. A high majority (72%) are not able to while only 26% needs more work.





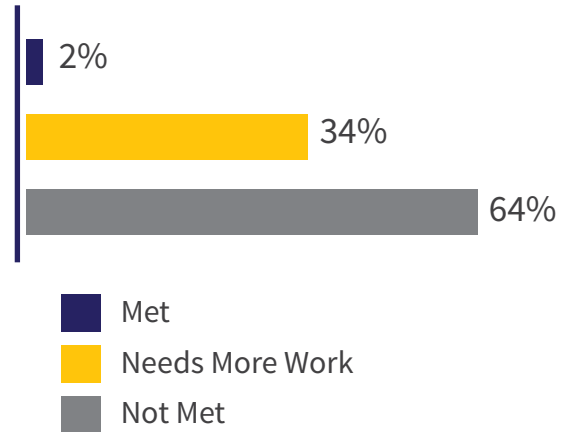
**The NGO tries to ensure its programmes and services will be sustained by the community when its funding runs out.**

Only 3% non-profits of the total surveyed “tries to ensure its programmes and services will be sustained by the community when its funding runs out. 77% can’t meet this assessment criteria while 20% needs to do more work.



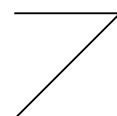
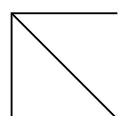
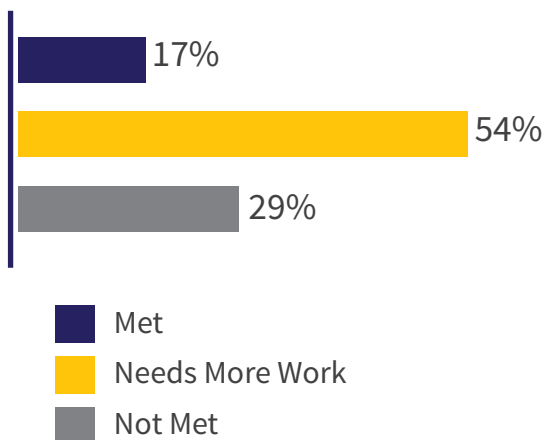
**Funders and external organisations invite the NGO to contribute to discussions and policy development**

Only 1 organisation in 50 report on funders and external organisations inviting them to contribute to discussions and policy developed. 64% are not meeting this assessment indicator and 34% opined they need to do more work on this.



**The NGO engages in external relations with the community, the media, networks and coalitions of organisations**

54% non-profits need to do more work on the indicator assessing if the “NGO engages in external relations with the community, media, networks and coalitions of organisations”. 17% met this and 29% do not.







Findings from the 'Nigerian Nonprofit Capacity Assessment Report show that nonprofits in the country still have a lot to do before it can fully fulfil its potential to be a true strategic development partner and in evolving a sector that is truly transparent and accountable. It highlight 45 indicators that are either essential, recommended or additional in strengthening the operations and organisational activities of nonprofits across the country.

Consequently, through our findings, we were able to identify issues that we believe summarise the key factors that have contributed to the capacity gaps identified by this report. The research suggests that several respondents are very far from reaching the highest level of performance in their governance, human resources, programme management and financial management function. Although these challenges seem to have persisted, nonetheless we believe that the sector can attain its optimum capacity and that this is achievable and necessary if the sector is to remain relevant and fulfil its potential as a truly trusted ally of the common man.

While this will require a significant structural, attitudinal, organisational, financial and capability enhancement change, failure for a sector-wide approach to address the capacity gaps will further undermine the Nigerian nonprofit sectors ability to fully deliver their organisational vision and mission including objectives, further limiting the ability to scale up interventions to the ever growing needs of their beneficiaries.

An urgent response by all critical stakeholders to the capacity needs of the sector as identified in this report will prepare each nonprofit for the uncertain and challenging future that lay ahead globally as well as helping to improve overall performance for today. The task is enormous and will not be easy, but the task of bringing succor to the needy is a path that has been chosen by exceptionally passionate, resilient and motivated citizens whose efforts and activities we have seen demonstrated across the country in delivering development to the doorsteps of the common man.

It is our firm believe that the nonprofit sector in Nigeria is up to the task of working with and in collaboration with its array of critical stakeholders to develop and implement a response plan to address this huge capacity gaps.

