



NIGERIAN NOT-FOR-PROFIT GOVERNANCE CODE 2023

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LIST OF ACRONYMS

| | |
|---------------------|---|
| AGM | Annual General Meeting |
| CAC | Corporate Affairs Commission |
| CEO | Chief Executive Officer |
| Chairman | Chairman of the Not-For-Profit Organisation |
| FRC | Financial Reporting Council |
| NCCG | Nigerian Code of Corporate Governance |
| NED | Non-Executive Director |
| NFPGC | Not-For-Profit Governance Code |
| NFPO | Not-For-Profit Organisation |
| Organisation | Not-For-Profit Organisation |
| PENCOM | National Pension Commission |
| The Code | Not-For-Profit Governance Code |
| TWG | Technical Working Group of the FRC |

DEFINITIONS

Assets

A resource controlled by the NFPO that includes items such as land, inventory, property and equipment investments, and leases as defined by IFRS 16. It excludes employees as the NFPO does not have control over its employees.

NFPO

Not-For-Profit Organisations (NFPOs) means organisations that provide services to the community or a defined group of constituents or members and do not operate to make a profit for its members (or shareholders, if applicable). Any profits made through its operations, must go back into the services the organisation provides and must not be distributed to members, even if the organisation winds up.

The Board

The Board is the body responsible for providing oversight and strategic direction to management by whatever name called provided that in the case of Companies Limited by Guarantee and Incorporated Trustees, it shall mean the Board of Directors or the Board of Trustees, whichever is applicable.

Volunteering is unpaid non-compulsory work; that is, time individuals give without pay to activities performed either through an organization or directly for others outside their own household or related family members.

PART A: PRELIMINARY MATTERS

1. Introduction

This Code, to be referred to as the Not-For-Profit Governance Code 2023, is the outcome of deliberations of the Technical Working Group (“**TWG**”) for the development of the Nigerian Not-For-Profit Governance Code (“**NFPGC**” or the “**Code**”) constituted by the Honourable Minister of Industry, Trade and Investment on Thursday, February 9, 2023, which may be adopted and complied with by Not-For-Profit Organisations (“**NFPOs**” or “**Organisations**”) in Nigeria.

The Not-For-Profit sector in Nigeria has been actively engaged in charitable causes and philanthropy through corporate social responsibility programs. Through the years, charity has progressed from individual charitable acts of helping the poor to more organized philanthropic and charitable activities.

NFPOs are increasingly used by individuals and notable personalities and families, religious leaders, and philanthropists who primarily use foundations and other non-profit forms to contribute their resources to addressing social problems. These problems include alleviating poverty, provision of free education and healthcare, as well as philanthropic activities among others. These organisations are significant tools for enhancing the growth and development of the economy through leveraging financial and human resources and fostering leadership values in the citizenry.

Urged on by humanitarian concerns over either glaring poverty and neglect, or economic mismanagement by the leaders of some countries, certain donors (through individual and philanthropic activities, multilateral grants and aid) have made significant donations directly to relevant organisations in the hope that it would engender greater mission fulfilment, donor value, beneficiary satisfaction and trust. A Code of Corporate Governance will elevate public trust and confidence in the not-for-profit sector, particularly among citizens, beneficiaries of these organisations, donors, volunteers and other key stakeholders, particularly among donors, volunteers, and other key stakeholders.

Within the context of the global fight against Money Laundering (ML) and Terrorism Financing (TF), robust internal governance practices serve as measures for mitigating risks associated with ML/TF. A Code of Governance can help Organisations put in place

transparent and accountable frameworks and structures that would assist with the identification and management of potential risks, reducing the likelihood of legal or reputational harm.

The Code will also assist Boards and Management of Organisations to better understand their roles and responsibilities, and to develop effective governance practices that support their mission and goals.

In addition, the Code will help to improve the performance of Organisations by promoting efficient and effective management practices that will lead to improved outcomes for the communities that these Organisations serve and also help to increase the overall impact of the Not-For-Profit sector.

Finally, the Code will help to ensure that Organisations are well-positioned to respond to changing conditions and emerging issues given the importance in today's rapidly evolving social and economic landscape, where Organisations must be adaptable and responsive in order to meet the evolving needs of their stakeholders and the public.

It is in line with the foregoing that the Financial Reporting Council of Nigeria (“**FRC**”) has continuously recognized the need for a Code of Governance that will guide the Not-For-Profit sector. in accordance with the FRC’s mandate of developing, publishing, monitoring and enforcing accounting, auditing, financial reporting, and corporate governance standards to be observed by organisations and Public Interest Entities in Nigeria.

1.1 Objectives of the Code

The remit of the TWG is to extend concepts of good governance to Organisations in Nigeria by the development of the Code. Entities that are covered include Volunteer Organisations, Non-profit Organisations and Associations, Civil Society Organisations (CSOs), Charities etc.,

The Not-For-Profit sector - also referred to as the Benevolent Sector, the Third Sector or the Civil Society Sector - is critical to the success of the Nigerian economy due to the strategic role it plays in the key functioning of the country.

The NFPGC constitutes a set of principles and recommended guidelines that promotes good governance practices and standards of accountability, transparency, and effective governance for all Organisations to aspire to.

The Code covers areas such as Board Composition, Board Responsibilities, Financial Management, and Stakeholder Engagement. The application of the principles and recommended guidelines of the Code will improve the operations of Organisations whilst ensuring their long-term sustainability and relevance to the communities they serve.

It is hoped that the NFPGC will:

- i. enhance the fulfilment of the overall mandate of Organisations so that they can achieve their intended outcomes for their communities and citizens as well as render better service to users and key stakeholders;
- ii. be a useful tool for Boards and Managements of Organisations, enabling them to operate in an effective, efficient, transparent and ethical manner;
- iii. promote a culture of trust between Organisations and their stakeholders and create incentives that reward those Organisations who commit to embracing high standards of public accountability and good stewardship of resources entrusted to them; and
- iv. enhance the sustainability of Organisations, amongst others.

2. Governance of Not-for-Profit Organisations

2.1 What is a Code of Governance

A Code of Governance is a set of values and principles that helps to establish, guide and inform an accountable and transparent decision-making and management process through which an organisation conducts its operations. It serves as a standard and measure of performance to guide the Board and Management of an organisation in directing resources and exercising power in the fulfilment of its vision and mission.

2.2 Distinctive Attributes of NFPOs

Generally, NFPOs exist to create a sustainable and more humane world by operating diverse missions whose objectives are usually to fill a social gap, provide philanthropic

services to their members or the general public and/or achieve a humane purpose. They play a very vital role in the society.

The goal of NFPOs is not necessarily financial success as expressed in for-profit organisations in terms of institutional wealth or turnover. Their goal is expressed in terms of mission fulfilment or beneficiary satisfaction and trust.

In terms of management, NFPOs have an in-built bias towards informality, participation and consensus and their Boards tend to have both oversight and supporting roles which relies on the active participation of volunteers or their members.

NFPOs covered by this Code include but are not limited to the following:

| TYPE OF ORGANISATION | EXAMPLES |
|-----------------------------|--|
| Charitable | Homeless shelter, Disability & Youth empowerment, Hospital, Healthcare clinic, Animals' right group, Human rights group, Para – military (scout, brigade, etc.), Emergency relief group, Philanthropic organisation, Any other charitable organisation |
| Educational | Schools (primary, post primary, tertiary, vocational, etc.), Childcare centre, Adult education centre, Conservation group, Wildlife Protection, Museum, Library, Any other educational organisation. |
| Professional and Scientific | Research Centre, Group or Foundation, Professional group (environmental, engineering, medical, etc.) |
| Religious | Temple, Church, Mosque, Synagogue, Seminary /Bible College, Relief or charitable group with religious base/principles, Any other religious body, mission or society. |
| Literary Artistic | Concert centre, Theatre group, Art gallery, Music group and orchestra, Artists, writers, poetry etc. organisations, Art theatre, Any other literary/artistic organisation |

| | |
|--|--|
| Political/Administrative | Political parties, Political observers, Political pollsters, Lobbying Groups, Trade groups (Chambers of Commerce, Business Councils, etc.) |
| Social and Recreational Clubs and Associations | Residents Association, Sports Clubs, Cultural Groups, Alumni Bodies |
| Trade Unions | Craft, Enterprise, Industry, Public Service, Federation, General |

2.3 The Concepts of Public Trust and Mission Fulfilment

Public trust and mission fulfilment are key concepts for the Not-For-Profit sector and this Code seeks to help Organisations realise these two concepts.

Donor trust refers to the confidence that donors have in an Organisations commitment to use their donations effectively, responsibly, and in line with its mission and values.

Donor funding is essential for the sustainability of Organisations, as it is often the primary source of funding for their activities. Donors want to know that their contributions are making a difference, and that the Organisations are transparent, accountable, and trustworthy.

Mission fulfilment, on the other hand, refers to the degree to which an Organisation is successfully achieving its mission and goals. The mission is the core purpose of the Organisation, and defines its reason for existence. Mission fulfilment is essential for Organisations to demonstrate their impact and effectiveness as well as build trust and confidence among their stakeholders, including donors, volunteers, staff, and the wider community.

Public trust and mission fulfilment are closely related, as an Organisation cannot achieve its mission without the support and trust of the public- donors, beneficiaries, citizens, government and other stakeholders. Public trust is built on a track record of successful mission fulfilment, and mission fulfilment depends on the financial support and engagement of stakeholders. Therefore, Organisations must prioritize both public trust and mission fulfilment to achieve long-term sustainability and success.

2.4 Does one size fit all?

The sector encompassing Organisations are extremely diverse. It is impossible or procedurally inappropriate for a code to be dogmatically prescriptive in defining characteristics for general Not-For-Profit sector governance.

Organisations may differ in size, nature, activity, structure, capacity and objectives, there are certain universal principles and standards that should apply to all Organisations such as being voluntary, self-governing and non-profit. NFPOs are encouraged to adopt the identified principles of good governance, and allow for variance in implementation of the Code based on each Organisation's size.

The Code recommends guidelines for the establishment of good governance practices under each of the identified principles having regard to each Organisation's size, which is defined in terms of gross annual receipts or total expenditure.

3. Key Principles of the Code

There are twelve (12) principles (the “Principles”) which constitute this Code. These Principles are based on the assumption that an organisation is already meeting its existing legal and regulatory responsibilities based on its form and sector. The Code is organised into sections. Every section starts with a general Principle, followed by the Recommended Guidelines to practicalise the Principle based on the size of the Organisation. In considering and applying both the Principles and the Guidelines of the Code. Organisations should, at all times do so in the spirit of the Code.

Principle 1

Vision, Mission and Objectives

Organisations are established to fulfil particular purposes. These purposes are usually defined in the vision, mission and goals of the Organisations. They represent what the Organisation set out to accomplish. To facilitate fulfilment of these purposes, the vision, mission and objectives of Organisations should be clearly expressed, and the Board and leadership should ensure they are being delivered effectively and sustainably.

Principle 2

Adherence to Laws

The Organisation should adhere to all of the requirements of its governing instrument and all relevant laws and regulations under which it is established, or which may be applicable to it from time to time.

Principle 3

Effective Governing Bodies

Every Organisation should be led by an effective Board that provides strategic leadership in line with the Organisation’s aims and values. The Board should work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. The structure and responsibilities of the Board, including size, composition, and role in overseeing the Organisation's operations should be well defined.

Principle 4

Diversity Equality and Non-Discrimination

The Board recognizes that having an optimal mix of skills, expertise and experience is paramount to ensuring that the Governing Body is equipped to make appropriate decisions and actively considers, supports and embraces diversity from a number of aspects, including but not limited to gender, age, culture, religion, region, educational background, professional experience, skills and knowledge. The Board should therefore have a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the Organisation and in its own Board practices.

Principle 5

Disclosures and Transparency

The Organisation should be transparent and accountable in its operations. It should provide accurate information to its stakeholders and the public about its vision, mission, structure, operations, activities, finances and governance practices.

Principle 6

Stakeholder Engagement

At the heart of stakeholder engagement is the acknowledgement that Organisations are impacted by and on those with whom they interact. The Organisation should promote active stakeholders' participation based on the principles of inclusiveness, transparency, responsiveness, accountability and respect for rights. Organisations should be aware of the stakeholder environment in which they operate and understand who their key stakeholders are, what their relationship to the Organisation is, what responsibilities the Organisation has to them, if any, and the needs and interests (interests, motivations and objectives) of the stakeholders.

Principle 7

Ethics, Integrity & Conflict of Interests

Board Members, staff and volunteers should adhere to the highest ethical standard, principles and values and always act in the best interest of the Organisation. Clear values should be adopted, policies and procedures set, and measures taken to ensure that the Board and leadership prevent and address conflict of interest and promote an amicable, supportive and transparent culture. The Board should be aware of the significance of the

public's confidence and trust in the Organisation and reflects the Organisation's ethics and values in decision-making.

Principle 8

Sustainability

The Organisation should take steps to maintain a balance between its financial, organisational and pragmatic goals in order to ensure the long-term success of its mission and the trust of its stakeholders and funders.

Principle 9

Fundraising and Reserve Management

The Organisation should ensure that all its fundraising activities are transparent and ethical. It should explain to its funders how, when, and for what purposes the funds will be used. The Organisation should also be prudent in engaging third party fundraisers.

Principle 10

Financial Management

The assets and finances of the Organisation should be managed in accordance with statutory requirements, established policies and procedures, and the highest standards of care and diligence. Appropriate checks and balances should be in place to ensure that assets and financial transactions are properly monitored and managed.

Principle 11

Assurance

The Organisation should develop adequate and effective assurance mechanisms that will enhance the safety and security of its assets and improve its ability to meet its mission and objectives.

Principle 12

Leading people

NFPOs should be responsible for providing leadership to volunteers, employees and contractors as their most essential resource and ensure that this resource feel valued having clarity around their own roles and the roles of others. This includes taking their duty of care towards these people seriously and promoting a culture of respect.

PART B: APPLICATION OF THE CODE

1. Application, Scope and Modality of Compliance

1.1. Application of the Code

This Code applies to all Organisations operating in the Not-for-Profit sector in Nigeria whether registered or not. The list of the types of organisations covered by the Code is as stated in the Definitions.)

The Minister may, after consultation with stakeholders as listed in the Definitions, review the list of types of Organisations to be designated as Not-for Profit for the purpose of this Code from time to time.

1.2. Scope of the Code

The Principles of the Code apply to all Organisation's irrespective of size, type and nature. It is recognized that the extent to which the Recommended Guidelines will apply will vary based on a number of factors. The Code's Guidelines are designed to be applicable depending on the status and size of the Organisation as classified below:

Micro – Not more than N10 million in average annual gross receipts or total expenditure for the last two years of operations.

Small – Above N10 million but not more than N100 million in average annual gross receipts or total expenditure for the last two years of operations.

Medium - Above N100 million but not more than N1 billion in average annual gross receipts or total expenditure for the last two years of operations.

Large - Above N1 billion in annual gross receipts or total expenditure for the last two years of operations.

1.3 Modality of Compliance

This Code is Elective and operates on the basis of Apply or Explain. Micro NFPOs who elect to adopt the Code are encouraged to Apply the Code.

A Small, Medium or Large Organisation that elects to adopt the Code is enjoined to apply the Recommended Guidelines that are applicable to it under each Principle of the Code or explain why it has not applied the relevant recommendation and the alternative it has adopted.

Organisations that elect to adopt the Code should publish an Annual Governance Statement in the form of a short narrative in their Financial Statements or Annual Report explaining their use of the Code and confirming their commitment and undertaking to continue to adhere to the Principles and Guidelines of the Code relevant to their size and type.

2. Commencement

This Code will become applicable effective [FRC/Ministry to confirm]

PART C: BOARD MATTERS

Vision, Mission and Objectives

Principle 1: Organisations exist to fulfil particular purposes. These purposes are usually defined in the vision, mission and goals of the Organisations. They represent what the Organisation wants to accomplish. To facilitate fulfilment of these purposes, the vision, mission and objectives of the Organisation should be clearly expressed, and the Board and leadership should ensure that these are being delivered effectively and sustainably.

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| a. The purpose of the Organisation should be clearly stated in its Founding Instrument or Charter and communicated to its stakeholders | ✓ | ✓ | ✓ | ✓ |
| b. Each Member of the Board should understand and commit to the purposes of the Organisation as expressed in its vision, mission and objectives. | ✓ | ✓ | ✓ | ✓ |
| c. The Founding Instrument should guide Board of the Organisation in decision-making and governance of the Organisation at all times. | ✓ | ✓ | ✓ | ✓ |
| d. The Board should regularly review the vision, mission and objectives of the Organisation to ensure that they remain valid and relevant to the operating environment. | ✓ | ✓ | ✓ | ✓ |
| e. The Board should review the activities of the Organisation periodically to determine whether they are effective in achieving the purpose of the Organisation. | ✓ | ✓ | ✓ | ✓ |
| f. The Board should periodically carry out strategic reviews of all aspects of the Organisation's work and use the results to inform positive change and innovation. | ✓ | ✓ | ✓ | ✓ |

Adherence to Law

Principle 2: *The Organisation should adhere to all of the requirements of its governing instrument and all relevant laws and regulations under which it is established, or which may be applicable to it from time to time.*

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| a. The Organisation should familiarise itself with all the laws and regulations applicable to it. | ✓ | ✓ | ✓ | ✓ |
| b. The Organisation's Board should review periodically all laws and regulations applicable to it | ✓ | ✓ | ✓ | ✓ |
| c. The Board should ensure that all aspects of the Organisation's activities are consistent with the laws of the Federal Republic of Nigeria and other applicable regulations from time to time. | ✓ | ✓ | ✓ | ✓ |
| d. Where necessary, the Board should seek professional advice and assurances on statutory compliance obligations of the Organisation. | ✓ | ✓ | ✓ | ✓ |

Effective Governing Bodies

Principle 3: *Every NFPO should be led by an effective Board that provides strategic leadership in line with the Organisation's aims and values. The Board should work as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. The structure and responsibilities of the Board, including Board size, composition and its role in overseeing the Organisation's operations should be well defined.*

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| 3.1. Role of the Board | | | | |
| The Board as the principal body responsible for the oversight and direction of the Organisation. The responsibilities may include the following: | | | | |
| a. exercising leadership, enterprise, integrity and judgment in its oversight and control of the Organisation so as to achieve the Organisation's sustainability and mission fulfilment; | ✓ | ✓ | ✓ | ✓ |
| b. ensuring that the Board and its Committees act in the best interest of the Organisation at all times; | ✓ | ✓ | ✓ | ✓ |
| c. considering and approving the long-term and short-term strategies of the Organisation and monitoring their implementation by Management/Executive Committee; | | | ✓ | ✓ |
| d. ensuring the establishment and implementation of a succession plan, appointment process, training mechanism; | | | ✓ | ✓ |
| e. ensuring that where allowances are payable to Members of the Board as travel, accommodation or reimbursement for out-of-pocket expenses are modest and proportionate to the resources of the Organisation; | | | ✓ | ✓ |
| f. being accountable to the Organisation as well as identifying and managing the relationship with members of the Organisation and other stakeholders; | | ✓ | ✓ | ✓ |
| g. establishing and maintaining the Organisation's values and standards as well as modelling these values and standards; | ✓ | ✓ | ✓ | ✓ |
| h. overseeing the internal audit function, approving the internal audit plan, and appointing and removing the head of the internal audit function on the recommendation of the committee responsible for audit; | | | ✓ | ✓ |
| i. establishing the Organisation's risk management framework and monitoring its effectiveness, setting the Organisation's risk appetite, receiving and reviewing risk reports; | | | ✓ | ✓ |
| j. overseeing Information Technology governance; | | | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| k. defining a formal schedule of matters specifically reserved for Board decision and matters delegated to Board Committees and Management; | | ✓ | ✓ | ✓ |
| l. overseeing the effectiveness and adequacy of the internal control system; | ✓ | ✓ | ✓ | ✓ |
| m. overseeing the Organisation's communication and information dissemination policy; | | ✓ | ✓ | ✓ |
| n. performing the appraisal of Board members and executive Management; | | | ✓ | ✓ |
| o. ensuring the integrity of annual reports and accounts and all material information provided to regulators and other stakeholders; | ✓ | ✓ | ✓ | ✓ |
| p. ensuring that management systems are in place to identify and manage environmental and social risks and their impact; | | ✓ | ✓ | ✓ |
| 3.2. Governing Board or Council | | | | |
| a. Where it is desirable for an Organisation to have a Governing Body or Council, the Governing Body or Council should be comprised of persons duly elected or appointed in accordance with applicable laws and regulations. | ✓ | ✓ | ✓ | ✓ |
| b. The Governing Body or Council should provide strategic direction and oversight over the administration and management of the Organisation in accordance with applicable laws and regulations. | ✓ | ✓ | ✓ | ✓ |
| c. In the case of Incorporated Trustees: | | | | |
| i. all the Trustees of the Organisation together with other persons duly elected or appointed by the Organisation should be members of the Governing Body or Council; | | | | |
| ii. the Board of Trustees should exercise its powers subject to the directions of the Organisation or Governing Body or Council; and | ✓ | ✓ | ✓ | ✓ |
| iii. the Chairman of the Governing Body or Council should not act as the Chairman of the Board of Trustees or Head of Management. | | | | |
| 3.3. Appointment to the Board and Removal | | | | |
| a. All Members of the Board should be appointed in accordance with the Organisation's governing document as well as applicable legislations and regulations. | | ✓ | ✓ | ✓ |
| b. Before the appointment of new Members, the Board should determine what new attributes, skills and knowledge are needed for effectiveness and ensure that the appointment fills this gap. | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| c. Every Member of the Board should receive a letter of appointment or contract of employment, specifying the terms and conditions of his appointment or employment. | | ✓ | ✓ | ✓ |
| d. The letter of appointment or contract of employment should cover the following matters: <ul style="list-style-type: none"> i. duration of the appointment or tenure; ii. details of the remuneration (if any); iii. summary of the rights, duties and other responsibilities of the Member; iv. requirement to disclose any material interests in the organisation and other entities carrying on transactions or providing services to the organisation; v. specific requirements, such as Board or Board Committee vi. meeting attendance; vii. details of the formal induction program or training for the Member to attend; viii. the Organisation's governing document, Board Charter, Code of Conduct and Ethics (to be attached as separate documents) and the Board Member's responsibility to observe same; ix. Organisation's Board performance evaluation process, and x. any other relevant matters. | | ✓ | ✓ | ✓ |
| e. The Board should ensure that the procedures for joining and leaving the Board are well documented and understood by those concerned. | | ✓ | ✓ | ✓ |
| f. To resign, Members should submit a written notice of resignation addressed to the Chairman of the Board. | | ✓ | ✓ | ✓ |
| g. Where a Member has concerns about the running of the organisation, which cannot be resolved and he elects to resign from the Board, such concerns should be detailed in a written statement to the Chairman for circulation to the Board. | | ✓ | ✓ | ✓ |
| h. Subject to the provisions of extant laws and the recommendation of the Committee responsible for nomination (if any) and/or, the results of the individual Member's performance appraisal, Board Members may offer themselves for re-election. | | | ✓ | ✓ |
| i. The Organisation may state the process used in relation to all Board appointments in its annual report. | | | ✓ | ✓ |
| 3.4. Board Members' Induction and Development | | | | |
| a. The Board should establish a formal induction process for new Members to enhance understanding of their responsibilities, the organisation's strategic plans, operations, operating | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| environment and senior management. | | | | |
| b. Induction of new Members of the Board should take place immediately after their Appointment. | | ✓ | ✓ | ✓ |
| c. The Board should have a strategy for the support of all its Members so that Members are constantly updated on the knowledge and skills relevant to their roles. | | | ✓ | ✓ |
| d. All new Members of the Board should undergo a full induction, during which relevant information and support needed to carry out their duties will be provided. The induction should also include meeting with key staff, beneficiaries, and other stakeholders. | | ✓ | ✓ | ✓ |
| e. The induction process should: <ul style="list-style-type: none"> i. build an understanding of the operations of the Organisation, its purpose and the operating environment; and ii. build a link between the Organisation's people, including meeting with senior Management, visit to sites and participation in Board's strategy development. | | ✓ | ✓ | ✓ |
| 3.5. Chairman of the Board | | | | |
| a. The Chairman's primary responsibility is to ensure the effective operation of the Board such that the Board works as a group towards achieving the Organisation's strategic objectives. The Chairman should also provide guidance to the Chief Executive Officer/Head of Management or Executive Committee and be available to him/her for regular communication. | | | ✓ | ✓ |
| b. The Chairman of the Board should not be involved in the day-to-day operations of the organisation, which should be the primary responsibility of the Chief Executive Officer/Head of Management or Executive Committee and the management team. | | ✓ | ✓ | ✓ |
| c. The Chairman's functions should include the following: <ul style="list-style-type: none"> i. presiding over meetings of the Board and general meetings of Organisation; ii. agreeing an annual Board plan with the Board; iii. ensuring that the agenda for Board meetings is set; iv. ensuring that the Board and its Committees are composed of individuals with relevant skills, competencies and desired experience; v. ensuring that Board meetings are properly conducted; vi. ensuring that the Board is effective and functions in a cohesive manner; vii. ensuring that induction programmes are conducted for new Board Members and a continuing education | | x | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| programme is in place for all Board Members; viii. ensuring effective communication and relations with the Organisation's members and other stakeholders; and ix. taking a lead role in the assessment, improvement and development of the Board. | | | | |
| d. The Chairman is responsible for ensuring that management provides the Board Members with accurate, timely and adequate information. | | ✓ | ✓ | ✓ |
| e. The Chairman of the Board should not act as Head of Management/Executive Committee. | | | | ✓ |
| 3.6. Chief Executive Officer / Head of Management or Executive Committee | | | | |
| a. The Board may delegate any of its powers to the Chief Executive Officer/Head of Management or Executive Committee as it deems appropriate for the smooth operation of the Organisation. | | ✓ | ✓ | ✓ |
| b. The Chief Executive Officer/Head of Management or Executive Committee should have a broad understanding of the Organisation's operations. He should demonstrate the required skills, credibility and integrity and have the confidence of the Board and Management. | | ✓ | ✓ | ✓ |
| c. The Chief Executive Officer/Head of Management or Executive Committee should establish a culture of integrity, conformance and performance which should be assimilated by personnel at all levels of the Organisation. | | ✓ | ✓ | ✓ |
| d. The responsibilities of the Chief Executive Officer/Head of Management or Executive Committee should include: i. day-to-day management of the Organisation; ii. proper implementation and achievement of the Organisation's strategic imperatives to ensure the sustainability of the Organisation; iii. ensuring prudent management of the Organisation's finances and other resources; iv. providing the Board with complete, accurate and timely information and documentation to enable it make sound decisions; v. promoting and protecting the interests of the Organisation; and vi. being the Organisation's leading representative in its dealings with its stakeholders. | | ✓ | ✓ | ✓ |
| e. The authority of the Chief Executive Officer/Head of Management or Executive Committee and the relationship between him and the Board should be clearly set out in an instrument of appointment. | | ✓ | ✓ | ✓ |
| f. The Chief Executive Officer/Head of Management or | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| Executive Committee should declare any conflict of interest on appointment and annually thereafter. In the event that he becomes aware of any potential conflict of interest at any other point, he should disclose this to the Board at the first possible opportunity. Actions following disclosure should be subject to the Organisation's Conflict of Interest Policy. | | | | |
| g. The Chief Executive Officer/Head of Management or Executive Committee should not be a member of the committees responsible for remuneration, audit, or nomination and governance. | | ✓ | ✓ | ✓ |
| h. The Chief Executive Officer/Head of Management or Executive Committee may be appointed a Member of the Board of another NFPO, provided such appointment is not detrimental to his responsibilities and is in accordance with Board-approved policy. | | | ✓ | ✓ |
| 3.7. Executive Members of the Board | | | | |
| a. Executive Members of the Board should have a broad understanding of the Organisation's operations in addition to possessing such other qualifications as may be needed for their roles or responsibilities. | | ✓ | ✓ | ✓ |
| b. Executive Members of the Board should support the Chief Executive Officer/Head of Management or Executive Committee in the management of the Organisation. They should accept collective responsibility for the proper implementation and achievement of the Organisation's strategic imperatives, as well as prudent management of its finances and other resources. | | ✓ | ✓ | ✓ |
| c. Executive Members of the Board should declare any conflict of interest on appointment and annually thereafter. In the event that they become aware of any potential conflict of interest at any other point, they should disclose this to the Board at the first possible opportunity. Actions following disclosure should be subject to the Company's Conflict of Interest Policy. | | ✓ | ✓ | ✓ |
| d. An Executive Member of the Board may be appointed a Member of the Board of another NFPO, provided such appointment is not detrimental to his responsibilities and is in accordance with Board-approved policy. | | | ✓ | ✓ |
| e. An Executive Member of the Board should not be a member of the Committees responsible for remuneration and audit, | | ✓ | ✓ | ✓ |
| f. The responsibilities and authority of Executive Members of the Board should be clearly set out in an instrument of appointment. | | | ✓ | ✓ |
| 3.8. Non-Executive Directors (NEDs) | | | | |
| a. NEDs should be chosen on the basis of their wide experience, knowledge and personal qualities and are expected to bring these qualities to bear on the Organisation's operations. | | | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| b. NEDs should constructively contribute to the development of the Organisation's strategy. | | | ✓ | ✓ |
| c. NEDs should not be involved in the day-to-day operations of the Organisation, which should be the primary responsibility of the Managing Director/Chief Executive Officer and the management team. | | | ✓ | ✓ |
| d. NEDs should have unfettered access to the Executive Directors, Company Secretary (if any) and the Internal Auditor, while access to other senior management should be through the Managing Director/Chief Executive Officer. | | | ✓ | ✓ |
| e. To facilitate the effective discharge of their duties, NEDs should be provided, in a timely manner, with appropriate facilities and reasonable support as well as quality and comprehensive information relating to the management of the Company and on all Board matters. | | | ✓ | ✓ |
| 3.9. Board Meetings | | | | |
| a. In order to effectively perform its oversight function and monitor management's performance, the Board should meet regularly. | ✓ | ✓ | ✓ | ✓ |
| b. Every Board Member should endeavour to attend all Board meetings. The attendance record of Board Members should be among the criteria for the re-appointment of a Board Member. | ✓ | ✓ | ✓ | ✓ |
| c. Minutes of meetings of the Board and its Committees, as a record of what transpired at those meetings, should be prepared and sent to Board Members on a timely basis. Such minutes should be formally reviewed and approved by the Members of the Board or relevant Board Committee at its next meeting. | ✓ | ✓ | ✓ | ✓ |
| 3.10. Board Committees' Composition | | | | |
| a. The Board should determine the extent to which its responsibilities should be undertaken through Committees, taking into consideration the size, needs and other requirements of the Organisation. | | ✓ | ✓ | ✓ |
| b. The composition of its Committees should ensure that each is comprised of members with relevant skills and competencies and that they are able to devote sufficient time to the work of the Committee. | | ✓ | ✓ | ✓ |
| c. Only Board Members should be members of Board Committees, while members of senior management may be required to attend Committee meetings. | | ✓ | ✓ | ✓ |
| d. The terms of reference and composition of such Committees should be clearly set out in the Board-approved Committee Charter, which should be reviewed periodically. | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| e. The membership of Board Committees should be reviewed and refreshed periodically and in accordance with the Organisation's governing instrument. | | | ✓ | ✓ |
| f. To facilitate adequate oversight, the Board should establish the Committees responsible for: <ul style="list-style-type: none"> i. Finance and General Purpose; ii. Nomination and Governance; and iii. Audit and Risk Management. | | | ✓ | ✓ |
| g. The Board may combine the responsibilities of any of the Board Committees, taking into consideration the size, needs and other requirements of the Organisation. | | ✓ | ✓ | ✓ |
| h. The Chairmen of Board Committees should be appointed by the Board. | | ✓ | ✓ | ✓ |
| i. The Board should ensure that its Committees have sufficient authority to carry out their responsibilities with clear written limits relating to budget, reporting and other matters. | | ✓ | ✓ | ✓ |
| j. The Board should ensure that, in appointing members of the Board Committees, there is a balanced distribution of power in respect of membership across Committees so that no individual has the ability to dominate decision making and undue reliance is not placed on any individual. | | ✓ | ✓ | ✓ |
| k. The Secretary of the Organisation (if any), or any other officer in the office of the Secretary, should be the secretary of a Board Committee. | | | ✓ | ✓ |
| l. The agenda for the meetings of Board Committees should be developed in consultation with the respective Committee Chairmen. | | ✓ | ✓ | ✓ |
| m. The timing of Committee meetings should be well coordinated for the effective discharge of their duties. | | ✓ | ✓ | ✓ |
| n. At Board meetings, the Chairman of each Board Committee should present a written report of the key recommendations made at all the meetings held by the Committee since the last Board meeting. | | ✓ | ✓ | ✓ |
| o. Board Committees should be accountable to the Board for their own activities and performance. | | ✓ | ✓ | ✓ |
| 3.11. Finance and General-Purpose Committee | | | | |
| a. The Committee should meet at least twice a year, or such number of times as may be necessary to discharge its responsibilities. | | ✓ | ✓ | ✓ |
| b. The Chairman of the Committee should be a person knowledgeable in financial matters and should not be a member of the Management or Executive Committee of the | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| Organisation. | | | | |
| c. The Organisation's Head(s) of Finance and Administration should be members of the Committee. | | ✓ | ✓ | ✓ |
| d. the Committee should be responsible for monitoring, reviewing and making recommendations to the Board on the Organisation's material and strategic financial as well as general operational matters, including funding, budgeting, expenditure, procurement and other administrative matters. | | ✓ | ✓ | ✓ |
| 3.12. Nomination and Governance Committee | | | | |
| a. The Committee should meet at least twice a year, or such number of times as may be necessary to discharge its responsibilities. | | | ✓ | ✓ |
| b. The Chairman and members of the Committee should not be members of the Management or Executive Committee of the Organisation. | | | ✓ | ✓ |
| c. The Committee should be responsible for nomination and appointments, succession planning, remuneration, Board evaluation, governance and human resources. | | | ✓ | ✓ |
| d. The Committee should also be responsible for: <ul style="list-style-type: none"> i. periodically reviewing the structure, size, composition and commitment of the Board and making recommendations on any proposed changes to the Board; ii. establishing a formal and transparent process for Board appointments, including establishing the criteria for appointment to the Board and Board committees, reviewing prospective candidates' qualifications and any potential conflict of interest; assessing the contribution of current Directors against their re-nomination suitability, and making appropriate recommendations to the Board; iii. identifying individuals suitably qualified to become Board members and making recommendations to the Board for nomination and appointment as Members; iv. periodically determining the skills, knowledge and experience required on the Board and its Committees; v. ensuring that the Organisation has a formal programme for the induction and training of Board Members; vi. ensuring that the Organisation has a succession policy and plan in place to ensure leadership continuity; vii. developing a process for, and ensuring that the Board undertakes an annual performance evaluation of itself, its Committees, the Chairman and individual Directors, as well as the Company's corporate governance practices; and viii. ensuring the development and periodic review of Board charters, Board Committee charters and other governance policies, such as the code of ethics, conflict of interest and | | | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| whistleblowing policies among others. | | | | |
| 3.13. Audit and Risk Management Committee | | | | |
| a. All members of the Committee should be able to read and understand financial statements with at least one of them having sound knowledge of accounting and financial management. | | ✓ | ✓ | ✓ |
| b. The Chairman and members of the Committee should not be members of the Management or Executive Committee of the Organisation. | | ✓ | ✓ | ✓ |
| c. The Committee should exercise oversight for the Organisation's audit, internal control and risk management functions. | | ✓ | ✓ | ✓ |
| d. Members of the Committee should be provided appropriate information, advice, training and support for facilitate their effectiveness. | | ✓ | ✓ | ✓ |
| 3.14. Board and Members Evaluation | | | | |
| a. The Board should establish a system to undertake, at least every two years, evaluation of its own performance, that of its Chairman, Members and Committees. | | | ✓ | ✓ |
| b. The evaluation should be externally and independently facilitated at least once in four years. | | | ✓ | ✓ |
| c. The evaluation system should include the criteria and key performance indicators and targets for the Board, its Chairman, Members and Committees. | | | ✓ | ✓ |
| d. The evaluation of the Board should consider the mix of skills, experience, objectivity, competence of members of the Board, its diversity (including gender), knowledge of the Organisation and its strategic direction, attendance at meetings, how the Board works together and other factors relevant to its effectiveness. | | | ✓ | ✓ |
| e. The result of the Board performance evaluation should be communicated to and discussed by the Board as a whole, while those of individual Members should be communicated to and discussed with them individually by the Chairman. | | | ✓ | ✓ |
| f. Where the performance of a Member is considered to be unsatisfactory, the Board should provide appropriate training to address the identified gaps. | | | ✓ | ✓ |
| g. The results of a Member's performance evaluation should be considered in the re-election process. | | | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|----------------|----------------|-----------------|----------------|
| 3.15. Corporate Governance Evaluation | | | | |
| a. The Board should periodically conduct strategic reviews of all aspects of the Organisation's work and governance practice, to ensure that: <ul style="list-style-type: none"> i. the needs for which the Organisation was set up remains sovereign; ii. the Organisation is continuing to meet those needs, and remains fit for purpose; iii. the needs are being met in the most effective way; and iv. the objects of the Organisation as set out in its governing document remain relevant to its needs. | | | ✓ | ✓ |
| b. The Board should perform an annual internal corporate governance evaluation, including the extent of application of this Code, is carried out. | | | ✓ | ✓ |
| c. The evaluation should be externally and independently facilitated at least once in three years. | | | ✓ | ✓ |
| d. The summary of the report of this evaluation should be included in the Organisation's annual report. | | | ✓ | ✓ |
| e. The summary of the report of this evaluation should be published on the Organisation's website. | | | ✓ | ✓ |

PART D: RELATIONS WITH STAKEHOLDERS

Diversity, Equality and Non-Discrimination

Principle 4: *The Board recognises that having an optimal mix of skills, expertise and experience is paramount to ensuring that the Board is equipped to make appropriate decisions and actively considers, supports embraces diversity from a number of aspects, including but not limited to gender, age, culture, religion, educational background, professional experience, skills and knowledge. The Board should therefore have a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the Organisation and in its practices.*

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| a. The Board should be of a sufficient size to effectively undertake and fulfil its responsibilities to oversee, monitor, direct and control the Organisation's activities relative to the scale and complexity of its operations. | | ✓ | ✓ | ✓ |
| b. The Board should assume responsibility for its composition by setting the direction and approving the processes for it to achieve the appropriate balance of knowledge, skills, experience, diversity, inclusion and independence to objectively and effectively discharge its role and responsibilities. | | ✓ | ✓ | ✓ |
| c. The Board should consider the following factors in determining the requisite number of its Members: <ul style="list-style-type: none"> i. appropriate mix of knowledge, skills and experience which best supports the good governance and mission fulfilment for the Organisation; ii. in the case of Board of Directors, appropriate mix of Executive and Non-Executive Directors such that majority of the Directors are Non-Executive Directors. It is desirable in the case of Large Organisations that not less than one-third of its Members are Independent Non-Executive Directors; iii. need for a sufficient number of Members that qualify to serve on the Committees of the Board; iv. need to secure quorum at meetings; and v. diversity as well as inclusive targets relating to the composition of the Board. | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| d. The Board should promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance. These attributes include field of knowledge, skills and experience as well as age, culture and gender. The Board should have a policy to govern this process and establish measurable objectives for achieving diversity in gender and other areas. | | ✓ | ✓ | ✓ |
| e. The Board should periodically strengthen its capabilities by ensuring the appointment of new members with relevant skills and fresh perspectives, while retaining valuable knowledge, skills, experience and diversity in order to enhance continuity. | | ✓ | ✓ | ✓ |
| f. No individual or small group of individuals should dominate Board decision-making. | | ✓ | ✓ | ✓ |
| g. The positions of the Chairman of the Board and the Chief Executive Officer/Head of Management or Executive Committee should be separate such that the two offices are not occupied by the same person. | | | ✓ | ✓ |
| h. Members of the Board may hold concurrent Board memberships. However, concurrent service on too many Boards may interfere with an individual's ability to discharge his responsibilities. To assist the Board in determining the appropriateness of concurrent Board memberships: <ul style="list-style-type: none"> i. Prospective Board Members should disclose memberships on other Boards, and current Board Members should notify the Board of prospective appointments on other Boards. This information should be kept current by serving Board Members. ii. The Board should consider the disclosed Board Membership, taking into account the number of other Board Memberships and the responsibilities held to determine whether the individual can discharge his responsibilities and contribute effectively to the performance of the Board before recommending such a person for appointment or continued service. | | | ✓ | ✓ |

Disclosure and Transparency

Principle 5: *The Organisation should be transparent and accountable in its operations. It should provide accurate information to its stakeholders and the public about its vision, mission, structure, operations, activities, finances and governance practices.*

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| a. The Board should produce a yearly activity report that is adequate, accurate and widely available. | ✓ | ✓ | ✓ | ✓ |
| b. The Board should meet the reporting requirements of the organisation and its members, funders, relevant regulators, and other relevant stakeholders. | ✓ | ✓ | ✓ | ✓ |
| c. The Board should annually provide adequate and accurate information about its finances and activities. | | | ✓ | ✓ |
| d. The Board should ensure within the limits of public disclosure and data protection laws, that there is availability and accessibility (through its website, newsletters and/or other means) of its financial information and annual report. This includes information about its programs; activities; audited financial statements; Board members and executive management; and progress during the year against its strategic objectives. | | | ✓ | ✓ |
| e. The Board ensures that stakeholders have an opportunity to hold the Board to account through agreed processes and medium, for example question and answer sessions. | ✓ | ✓ | ✓ | ✓ |
| f. The Board should meet the reporting requirements the organisation and its members, funders, relevant regulators (such as the Corporate Affairs Commission, Federal Inland Revenue Services, Federal Reporting Council of Nigeria, Industrial Training Fund, National Social Insurance Trust Fund, National Health Fund, Pension Commission and Special Control Unit against Money Laundering) and other any relevant stakeholders. | ✓ | ✓ | ✓ | ✓ |
| g. The Board should invite and review report from the Chief Executive Officer (CEO) on compliance with reporting requirements of the organisation and its members, funders relevant regulators (such as the Corporate Affairs Commission, Federal Inland Revenue Services, Federal Reporting Council of Nigeria, Industrial Training Fund, National Social Insurance Trust Fund, National Health Fund, Pension Commission and Special Control Unit against Money Laundering), and any other relevant stakeholders. | | | ✓ | ✓ |

Stakeholder Engagement

Principle 6: *At the heart of stakeholder engagement is the acknowledgement that organisations are impacted by and on those with whom they interact.*

As a measure to increase effectiveness and efficiency in driving its mission, goal, and objectives, an NFPO should promote active stakeholders' participation based on the principles of inclusiveness, transparency, responsiveness, accountability and respect for rights. NFPOs should also have an awareness of the stakeholder environment in which they operate and understand who their stakeholders are, what their relationship to the organisation is, and what responsibilities the organisation has to them, if any, and the needs and interests (interests, motivations and objectives) of these stakeholders.

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| 6.1 Identifying stakeholders, their needs and interests, and effectively communicating with them | | | | |
| a. The Board should identify who the organisation needs to communicate with and how, taking into account its financial and other resources. | ✓ | ✓ | ✓ | ✓ |
| b. The Board should identify and understand the organisation's key stakeholders with legitimate interests in their work, their needs and expectations. | | ✓ | ✓ | ✓ |
| c. Stakeholder analysis will help the NFPO identify its key stakeholders and facilitate how to satisfy them. The analysis will also assist the NFPO reveal how ways of satisfying those key stakeholders will also create public value and advance the common good. | | ✓ | ✓ | ✓ |
| d. The Board should ensure there is a strategy for regular and effective communication with these stakeholders about the organisation's purposes, values, work and achievements. | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| e. The Board should actively seek and respond to feedback and complaints from the organisation's stakeholders. | ✓ | ✓ | ✓ | ✓ |
| f. The Board should appoint an agreed spokesperson for the organisation. | ✓ | ✓ | ✓ | ✓ |
| 6.2 Stakeholder Participation | | | | |
| a. The Board should encourage and enable the engagement of relevant and key stakeholders, such as funders, beneficiaries, target groups, affected communities among others, in the organisation's planning and decision-making. | ✓ | ✓ | ✓ | ✓ |
| b. The Board should hold annual general meetings in line with the organisation's governing documents where stakeholders would be allowed to express their views about the organisation's work. | ✓ | ✓ | ✓ | ✓ |
| 6.3 Gender Equality and Social Inclusion | | | | |
| a. The Board should demonstrate significant commitment towards integrating gender, disability policy and promote equity and diversity in all its programmes and activities, in line with its aims, strategy, culture and values. | ✓ | ✓ | ✓ | ✓ |
| b. The Board should ensure that stakeholders are considered in relevant board decision-making and that where applicable, it assesses how the communities and people that it serves are included and centred in decision-making. | | | ✓ | ✓ |
| c. The Board assesses the organisation's approach to equality, diversity and inclusion. | | | ✓ | ✓ |
| d. The Board sets a clear organisational approach to integrating gender, disability policy and promoting equity and diversity in all its programmes and activities, in line with its aims, strategy, culture and values. | ✓ | ✓ | ✓ | ✓ |
| 6.4 Respect for Rights | | | | |
| a. The Board adopts and implements a suitable code of conduct that reflects the organisation's values and sets out expected standards of ethics, probity and behaviour. | ✓ | ✓ | ✓ | ✓ |
| b. The Board should take reasonable steps to prevent its internal and external stakeholders, especially children, women and vulnerable adults from any form of sexual and non-sexual exploitation, abuse or harassment, and respond appropriately when it occurs. | ✓ | ✓ | ✓ | ✓ |
| c. The Board should establish/adopt and implement a do-no-harm (to identify unintended negative or positive impacts of humanitarian and development interventions in settings where there is conflict or risk of conflict) and/or safeguarding (taking all reasonable steps to prevent harm, particularly sexual exploitation, abuse and harassment from occurring; to protect people, especially vulnerable adults and children, from that harm; and to respond appropriately when harm | ✓ | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| does occur) policy in the organisation. | | | | |
| d. The Board should conduct a periodic review of the organisation's safeguarding policies and procedures. | ✓ | ✓ | ✓ | ✓ |
| 6.5 Volunteer Management | | | | |
| a. Careful considerations should be made in the following volunteer management processes: Recruiting and Onboarding, Integration, and Evaluation. | ✓ | ✓ | ✓ | ✓ |
| 6.6.1 Recruiting and Onboarding | | | | |
| i. Conduct an assessment to identify the organisation's volunteer needs and specific volunteer roles. This should be based on your organisational mission, vision, and program goals. | | | | |
| ii. Conduct structured interviews with potential volunteers in both formal and informal settings. | ✓ | ✓ | ✓ | ✓ |
| iii. Communicate with prospective volunteers the goals of your organisation that will help them to better understand how they can fit within the organisation. | | | | |
| iv. Provide a comprehensive orientation for new volunteers to ensure that they have a strong sense of what the organisation values, their specific role within it, and expectations. | | | | |
| 6.6.2 Integration | | | | |
| i. Assign a specific supervisor (any member of staff to supervise) to volunteers. | | | | |
| ii. Provide training and professional development opportunities for volunteers that will help them grow personally and professionally. The training and support volunteers will receive should be specified in their job descriptions. | ✓ | ✓ | ✓ | ✓ |
| iii. Communicate regularly with volunteers, set clear expectations, involve volunteers in the decision-making process, ask about their concerns, and put volunteers in positions to succeed based on their specific skills and knowledge. | | | | |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| 6.6.3 Evaluation <ul style="list-style-type: none"> i. Develop specific organisational policies for evaluating and reviewing volunteer job performance. ii. Schedule regular meeting times to discuss volunteer performance, task-related challenges, and overall satisfaction. iii. Provide clear, appropriate, applicable, and consistent feedback to volunteers to ensure that potential problems are identified and addressed in a prompt manner. | ✓ | ✓ | ✓ | ✓ |

Ethics, Integrity and Conflict of Interest

Principle 7: Board Members, staff and volunteers should adhere to the highest ethical standard, principles and values and act always in the best interest of the Organisation. Clear values should be adopted, policies and procedures set, and measures taken to ensure that the Board and leadership prevent and address conflict of interest and promote, an amicable, supportive and transparent culture. The Board should be aware of the significance of the public's confidence and trust in the Organisation and reflects the Organisation's ethics and values in decision-making.

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| 7.1 Ethical Conduct | | | | |
| a. The Board should clearly model a top-down commitment to ethical conduct by formulating and periodically reviewing the Code of Conduct and Ethics. | | ✓ | ✓ | ✓ |
| b. The Board should be responsible for monitoring adherence to the Code of Conduct and Ethics to ensure that breaches are effectively sanctioned. This responsibility may be delegated to the Committee responsible for nomination and governance. | | ✓ | ✓ | ✓ |
| c. The Code of Conduct and Ethics should include the following: <ul style="list-style-type: none"> i. Board Members and Senior Management of the Organisation should act honestly, in good faith and in the best interests of the Organisation in accordance with legal requirements and established ethical standards; ii. Board Members owe a fiduciary duty to the Organisation, together with a duty of care, skill, diligence and loyalty in fulfilling the responsibilities of their offices and exercising any powers attached to the offices; iii. Board Members should undertake diligent analysis of all proposals placed before the Board and act with the level of skill expected a reasonably prudent director in comparable circumstances; iv. The Board should ensure funds are spent according to approved procedures, assets are carefully managed while complete and accurate records of financial transactions are kept. v. Board Members should not make improper or prejudicial use of privileged information and should not disclose non-public information except where disclosure is authorised or legally mandated; vi. Board Members should not take advantage of their position for personal gain; vii. Board Members should not engage in conduct likely to discredit the Organisation and should encourage fair | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| <p>dealing by all with its stakeholders;</p> <p>viii. Board Members should encourage the reporting of unlawful or unethical conducts and actively promote ethical conducts and the protection of those who report violations in good faith; and</p> <p>ix. Board Members, Management and staff should commit to complying with the principles of the Code of Conduct and Ethics at all times.</p> | | | | |
| 7.2 Integrity and Conflict of Interest | | | | |
| a. Board Members should always exercise independent judgment and act reasonably in the interests of the organisation and of its present and future beneficiaries, users and relevant stakeholders. | ✓ | ✓ | ✓ | ✓ |
| <p>b. The Board should ensure:</p> <p>i. The establishment of policies on related party transactions and conflict of interest.</p> <p>ii. That insiders are precluded from engaging in unlawful or improper transfers of assets out of the Organisation for their personal benefits or for the benefit of those who control the Organisation.</p> <p>iii. The disclosure of all transactions between related parties, whether natural persons or bodies corporate, including whether such transactions have been executed at arm's length and on normal market terms. This disclosure should be made prior to the conclusion of the transaction, if they exceed a disclosure threshold as determined by the Board.</p> | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| <p>c. The policy on conflict of interest should be communicated, supported and monitored to provide reasonable assurance that all potential conflict of interest situations will be disclosed. The policy should be guided by the following:</p> <ul style="list-style-type: none"> i. Board Members should promptly disclose any real or potential conflict of interest that they may have by virtue of their membership of the Board. ii. A Board Member should not be present during the time any matter in which he has an interest is being decided and should not seek to participate or influence any discussions or negotiations relating to that matter. iii. If a Board Member is not certain whether he is in a conflict of interest situation, he should discuss the matter with the Chairman of the Board, the Organisation's Secretary (if any) or the Chairman of the Committee responsible for nomination and governance for advice and guidance. iv. If any question arises before the Board as to the existence of a real or perceived conflict, the Board should by a simple majority determine if a conflict exists. The Board Members potentially in the conflict of interest situation should not be present during any discussion and voting on the issue. v. Board Members who are aware of a real, potential or perceived conflict of interest on the part of a fellow Board Member, have a responsibility to raise the issue promptly for clarification, either with the Member concerned, the Chairman of the Board or the Chairman of the Committee responsible for nomination and governance. vi. Disclosure by a Board Member of a real, potential or perceived conflict of interest or a decision by the Board as to whether or not a conflict of interest exists should be recorded in the minutes of the meeting. vii. All Board Members should declare any conflict of interest on appointment and annually thereafter. In the event that they become aware of any potential conflict of interest at any other point, they should disclose this to the Board at the first possible opportunity. Actions following disclosure should be subject to the Organisation's conflict of interest policy. viii. No person who has served at directorate level or above, leaving the services of a relevant regulatory institution, for any reason, should be appointed as a Board Member or Top Management staff of an Organisation that has been directly supervised or regulated by the said regulatory institution until after three years of the disengagement of such Executive or Senior Management staff from that regulatory institution. | | | | |
| | | ✓ | ✓ | ✓ |

PART E: ACCOUNTS AND AUDIT

Sustainability

Principle 8: NFPO should take steps to maintain a balance between their financial, organisational and pragmatic goals in order to ensure the long-term success of their mission and the trust of their stakeholders and funders.

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| 8.1 Sustainable Practice | | | | |
| a. NFPOs should promote its long-term success. | ✓ | ✓ | ✓ | ✓ |
| b. The Board should regularly review the sustainability of its income sources and their impact on achieving the Organisation's objectives in the short, medium and longer term. | ✓ | ✓ | ✓ | ✓ |
| c. NFPOs should strive to ensure steady and continuous flow of resources for maintaining continuity of its projects. | ✓ | ✓ | ✓ | ✓ |
| d. The Board should recognise its broader responsibilities towards communities, stakeholders, wider society and the environment, and act on them in a manner consistent with the organisation's purposes, values, and available resources. | ✓ | ✓ | ✓ | ✓ |
| e. NFPOs can sustain its projects through engaging volunteers as human resource for performing activities, which would help in continuity of mission without financial outlay. | ✓ | ✓ | ✓ | ✓ |
| f. The Board should weigh the benefits and risks of partnership working, merger, or dissolution if other organisations are carrying out comparable goals more successfully and/or when the viability of the NFPO is in doubt. | | ✓ | ✓ | ✓ |
| g. NFPOs may develop a communication strategy that will showcase the outcome of its project results to the public. It can be achieved by releases on social media, journals, webpage, etc. | | | ✓ | ✓ |
| 8.2 Sustainable Investment | | | | |
| a. The Board may establish an investment policy statement that reflects their mission, values, and objectives. This policy statement should provide guidance on how sustainable factors are incorporated into the organisation's investment decisions. | | | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| b. NFPOs should evaluate an investee organisation's capacity to carry out its objectives and generate returns, as well as the possible risks and opportunities presented by economic, social, and environmental (ESG) issues. | | | ✓ | ✓ |
| c. The Board should ensure that investments are monitored and on a periodic basis, re-evaluate ESG risks. | | | ✓ | ✓ |
| d. NFPOs may develop a criteria that are specific to their organisation's mission and objectives and use these criteria to evaluate potential investments. | | | ✓ | ✓ |
| e. NFPOs may engage with investee companies to understand its ESG performance, and to encourage them to adopt responsible practices. | | | ✓ | ✓ |
| 8.3 Sustainability Reporting | | | | |
| a. The Board should provide sustainability reporting to reflect the complexities inherent in the organisation. Sustainability reporting should support and enhance the information in the financial statements and help stakeholders to form an assessment of the organisation's performance and its impact on the wider community. | | | ✓ | ✓ |
| b. The NFPO's sustainability reporting should: <ul style="list-style-type: none"> i. be linked to the organisation's purpose, associated risks and opportunities; ii. be accessible and appropriately integrated with financial information; iii. explain key performance indicators to measure progress towards achieving sustainability related targets; iv. draw from external standards to allow for comparisons between organisations or apply evidence-based estimates where external metrics do not exist; and v. be strengthened where possible by audit or independent assurance that is carried out annually having regard to established disclosure standards. | | | ✓ | ✓ |

Fundraising and Reserve Management

Principle 9: *The NFPO should make sure that all its fundraising activities are transparent and ethical. It should explain to its funders how, when, and for what purposes the funds will be used. The NFPO should also be prudent in engaging third party fundraisers.*

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| 9.1 Conduct of Fundraising | | | | |
| a. The NFPO should ensure that its fundraising activities are performed in a way that preserves the integrity and transparency of the organisation. | ✓ | ✓ | ✓ | ✓ |
| 9.2 Accountability to Funders | | | | |
| a. The NFPO should ensure that funders receive accurate and ethical advice about the organisation, and the intended use, value, and tax implications of donations. | ✓ | ✓ | ✓ | ✓ |
| b. All collections received (solicited or unsolicited) should be properly accounted for by the NFPO | ✓ | ✓ | ✓ | ✓ |
| c. All donations-in-kind received should be properly recorded and accounted for by the NFPO | ✓ | ✓ | ✓ | ✓ |
| d. NFPOs should respect funders' confidentiality. The identity of funders or information on funders should not be disclosed without prior permission from the funders. | ✓ | ✓ | ✓ | ✓ |
| 9.3 Use of Third-party Fundraisers | | | | |
| a. The NFPO should exercise due care in engaging third party fundraisers. It should consider how the public may view its use of third-party fundraisers | ✓ | ✓ | ✓ | ✓ |
| b. The use of a third-party fundraiser, its rationale and fee arrangements should be approved by the Board and disclosed to potential funders. | | | ✓ | ✓ |
| c. Fundraising targets should be set based on the NFPOs needs and disclosed to funders | ✓ | ✓ | ✓ | ✓ |
| 9.4 Reserve Management | | | | |
| a. The Organisation should maintain some level of reserves to ensure its long-term financial sustainability. | ✓ | ✓ | ✓ | ✓ |
| a. The NFPO should develop a reserves policy and disclose its reserves policy in its annual report. | | | ✓ | ✓ |
| b. If the NFPO invests its reserves, it should obtain the Boards approval for such investment. It should also obtain advice from qualified professional advisors if deemed necessary. | | | ✓ | ✓ |

Financial Management

Principle 10: *The assets and finances of the NFPO should be managed in accordance with statutory requirements, established policies and procedures, and with the highest standards of care and diligence. Appropriate checks and balances should be in place to ensure that assets and financial transactions are properly monitored and managed.*

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| 10.1 Financial Statements | | | | |
| a. The NFPO should comply with the statutory financial reporting requirements under which the NFPO is set up. | ✓ | ✓ | ✓ | ✓ |
| b. The Board will ensure proper and adequate recording of all the financial transactions of the NFPO. | ✓ | ✓ | ✓ | ✓ |
| c. The Board will ensure the annual financial statement of the NFPO is prepared in accordance with approved framework of accounting and financial reporting issued by the Financial Reporting Council of Nigeria. | ✓ | ✓ | ✓ | ✓ |
| d. The audited annual financial statements of the NFPO will be published after review and approval by the Board. | ✓ | ✓ | ✓ | ✓ |
| e. The Board may commission and produce quarterly and half year financial statements. | | | | ✓ |
| 10.2 Organisations Assets | | | | |
| a. The Board should ensure complete inventory of all the assets of the organisation is verified frequently. | ✓ | ✓ | ✓ | ✓ |
| b. The Board should ensure the assets of the NFPO are not being used for purposes other than the intended objective of the organisation. | ✓ | ✓ | ✓ | ✓ |
| c. The Board should ensure proper delineation and separation of its proprietary assets from that of its directors, officers or members in its books. See Case studies in Appendix 2 for reference. | ✓ | ✓ | ✓ | ✓ |
| d. The Board should ensure that all assets are registered in the name of the incorporated or registered NFPO. See Case studies in Appendix 2 for reference. | ✓ | ✓ | ✓ | ✓ |
| e. The NFPO should ensure that assets (land, buildings, vehicles and other assets the NFPO may deem fit) are adequately insured. All potential risks should be identified and assessed to determine the appropriate level of insurance coverage. | | | ✓ | ✓ |
| f. Where deemed necessary the NFPO should make use of appropriate professional advice in technical matters regarding asset management. | | ✓ | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| g. The NFPO, upon winding-up or dissolution will distribute the entire net value of the organisation to NFPOs having similar objectives and registered with the CAC. No past or present member or director is entitled to any part of the net value of the organisation after its obligations and liabilities have been satisfied | ✓ | ✓ | ✓ | ✓ |
| 10.3 Commercial Activities | | | | |
| b. Where an NFPO is involved in a profit venture, the Board should ensure that the transactions are adequately recorded in the books of the NFPO net of applicable taxes | ✓ | ✓ | ✓ | ✓ |

Assurance

Principle 11: NFPOs should develop adequate and effective assurance mechanisms that will enhance the safety and security of its assets and improve its ability to meet its mission and objectives.

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| 11.1 Internal Control and Risk Management | | | | |
| a. The Board will ensure that adequate controls are in place to ensure safety of its assets and reliability of its records. | ✓ | ✓ | ✓ | ✓ |
| b. The Board should ensure independent and objective mechanism for continually obtaining assurance on the adequacy of its system of controls. | ✓ | ✓ | ✓ | ✓ |
| c. The Board should ensure the establishment of a risk management framework in order to manage the organisation's exposure to significant risks. | | | | ✓ |
| d. The Board should obtain and review relevant reports periodically to ensure the ongoing effectiveness of the Company's risk management framework. | ✓ | ✓ | ✓ | ✓ |
| e. The Board should ensure key policies and procedures are documented to support the delivery of the organisations objectives. This includes policies and procedures dealing with Board strategies, functions and responsibilities, finances (including reserves), service or quality standards, good employment practices, sustainability, project implementation, remuneration of Board members and key management executives as well as key areas of activity such as fundraising, investment and data protection. | ✓ | ✓ | ✓ | ✓ |
| f. Whenever there may be a significant risk to the organisation or a potential duty violation by the directors, the Board may seek counsel from professionals or other experts. | ✓ | ✓ | ✓ | ✓ |
| 11.2 Internal Audit | | | | |
| a. The Board should ensure a periodic audit of the NFPOs processes and systems are performed to provide assurance on the effectiveness and efficiency of its internal control systems and make recommendations for enhancement or improvement. | | | ✓ | ✓ |
| b. The audit can be performed internally or outsourced to an independent party; however, the Board should obtain adequate assurance on the effectiveness and objectivity of the internal audit processes | | | ✓ | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| 11.3 Whistle Blowing framework | | | | |
| a. The Board of every NFPO may establish a whistle-blowing policy that encourages individuals to report credible information on illegal or unethical practices, breaches to laws and regulations and violations of policies of the organisation. The policy should guaranty the anonymity of the whistle-blower. | | ✓ | ✓ | ✓ |
| b. The Board should ensure that no whistle-blower suffers any negative consequences as a result of making a disclosure in line with the whistleblowing policy. | | ✓ | ✓ | ✓ |
| c. The whistle-blowing policy should be known to employees and other stakeholders such as contractors, service providers and the public | | ✓ | ✓ | ✓ |
| d. The Board should ensure arrangements are in place for appropriate and independent investigation and follow-up action on concerns raised using the whistle blowing mechanism | | ✓ | ✓ | ✓ |
| 11.4 Role of the External Auditor | | | | |
| a. The financial statements of the NFPO should be audited by an independent auditor annually | | | | ✓ |
| b. Smaller NFPOs should require a party who is independent of its Board, management and the NFPO's financial transactions to audit the books. | ✓ | ✓ | ✓ | |
| c. The audit and risk management committee should have the primary responsibility for making recommendation to the Governing Board on the appointment, re-appointment and removal of external auditors. | | | | ✓ |
| d. External audit firms should be retained for no longer than ten years continuously. External audit firms disengaged after a continuous service to the NFPO for ten years should only be reconsidered for appointment seven years after their disengagement. | | | | ✓ |
| e. An external auditor may provide to the NFPO only such other services as are approved by the Governing Board on the recommendation of the audit and risk management committee, and such as does not create a self-review threat in line with the provisions of international auditing standards. | | | | ✓ |
| f. NFPOs should require external audit firms to rotate the audit partners assigned to undertake the external audit of the NFPO every five years. | | | | ✓ |
| g. No ex-employee of an audit firm should be employed by the NFPO which the audit firm has audited until a period of three years has elapsed since the person ceased to be a partner or staff of the audit firm. | | | | ✓ |

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|---|-------------|-------------|--------------|-------------|
| h. No ex-partner of an audit firm should be appointed as a director of any NFPO that has been, or still being audited or investigated by the firm, until three years after the disengagement of the firm from such audit or investigation and/or the disengagement of the partner from the firm | | | | ✓ |
| i. No regulator should be appointed as a director of any NFPO that has been closely supervised or investigated by him/her until three years after the disengagement of such regulator from the regulatory Institution | ✓ | ✓ | ✓ | ✓ |
| j. Where an audit is conducted and information comes to light that suggests that an indictable offence may have been committed under CAMA or any other statute, this must be reported to the Regulator, whether or not such matter is or will be included in the Management Letter. | ✓ | ✓ | ✓ | ✓ |

Leading people

Principle 12: NFPOs should be responsible for providing leadership to volunteers, employees and contractors as their most essential resource and ensure that this resource feel valued having clarity around their own roles and the roles of others. This includes taking their duty of care towards these people seriously and promoting a culture of respect.

| Recommended Guidelines | Micro NFPOs | Small NFPOs | Medium NFPOs | Large NFPOs |
|--|-------------|-------------|--------------|-------------|
| 12.1 Core standards for leading people | | | | |
| a. Be clear about the roles of everyone working in and for your charity, both on a voluntary and paid basis. | ✓ | ✓ | ✓ | ✓ |
| b. Make sure there are arrangements in place for the effective involvement of any volunteers, including what to do if any problems arise. | ✓ | ✓ | ✓ | ✓ |
| c. Make sure there are arrangements in place that comply with employment legislation for all paid staff including: | | | | |
| i. recruitment; | ✓ | ✓ | ✓ | ✓ |
| ii. training and development; | | | | |
| iii. support, supervision and appraisal; | | | | |
| iv. remuneration (money paid for work) and dismissal | | | | |
| d. Agree operational policies where necessary, to guide the actions of everyone involved in your NFPO. | ✓ | ✓ | ✓ | ✓ |
| 12.2 Additional Standards | | | | |
| a. Make sure to document the roles, legal duties and delegated responsibility for decision-making of: | | | | |
| i. individual charity trustees and the board as a whole; | | | ✓ | ✓ |
| ii. any sub-committees or working groups; | | | | |
| iii. staff and volunteers. | | | | |
| b. Make sure that there are written procedures in place which set out how volunteers are: | | | | |
| i. recruited, supported and supervised while within your charity; and | ✓ | ✓ | ✓ | ✓ |
| ii. the conditions under which they exit. | | | | |
| h. Decide how you will develop operational policy in your charity. You also need to decide how your charity trustees will make sure that the policy is put in place and kept up to date. | | | ✓ | ✓ |

Appendix 1

LIST OF STAKEHOLDERS

Generally speaking, stakeholders that have one interest or the other and affect /or are affected by the non-profit sector include, but are not limited to the following:

- i. Members of the Non-profit organisations/groups
- ii. Board members of the Non-profit organisations
- iii. Employees of the NFPOs
- iv. Volunteers of the NFPOs
- v. Beneficiaries of the NFPOs
- vi. Government (regulatory agencies/other MDAs, legislature, judiciary) at local and international levels
- vii. Funders (local and international donors, creditors, etc)
- viii. Non-Financial Resource providers (such as those donating materials, facilities, etc)
- ix. Local and international communities (including community rulership structures)
- x. Fellow non-profit organisations
- xi. Partnering organisations of NFPOs
- xii. Private sector (for-profit) organisations
- xiii. The Media
- xiv. Multi-lateral agencies
- xv. General public (citizenry)

Appendix 2

CASE STUDIES

Case Study 1:

KYC Women Association - Registration with State Government

KYC is a community-based organization formed by a group of community women in Mbiase in Imo State. The group had no need to register with CAC at the federal level since it was only operating within Imo State serving vulnerable women in its communities and also being involved in policy advocacy on issues affecting women. Rather than registering with the CAC it chose, in 1997, to register with the Imo State Ministry of Women Affairs. The Association is governed by a constitution that provides for five (5) members of the Executive Committee and three (3) key officers including the President, Secretary, and Treasurer.

In 2001 the Association raised funds from its membership dues and donations to purchase a piece of land in the village which was used to cultivate crops as part of strategies to generate income for the association. The land purchase agreement was made between the seller (Mr Igboko Nkem) and KYC Women Association. Things went well until late 2020 when the son of the seller disputed the sale on the grounds that his father did not sell the land outrightly to the Association but was only leased for five (5) years which has since elapsed, and he ordered the Association to vacate the land. When attempts to resolve the dispute were unsuccessful, the KYC Women's Association filed a case in the magistrate court between the Association and Mr. Igboko Nkem.

The magistrate in trying to determine the legal standing of the parties to the case made two observations:

- That the plaintiff, the KYC Women Association filed the case and entered into the land sale agreement with the name of the group rather than the names of the authorized officers of the Association. The magistrate noted that KYC Women Association is not a corporate body that can sue and be sued, as its registration with the Ministry of Women Affairs does not incorporate the body into a corporate entity. The registration merely recognizes their right to operate as an unincorporated entity.
- Also, considering the Association is not a legal entity, the name of the buyer in the said land sale agreement should not have read KYC Women Association but the personal names of the authorized officers (President, Secretary and Treasure) on behalf of KYC Women Association.

For these reasons the court could not mediate the dispute, and the Association was at risk of losing the land, but was able to reach an out of court agreement with the seller's son by providing additional compensation.

A number of key lessons can be drawn from this case study. One of such key lessons is that the commonly held assumption that registration of an entity is one and the same thing as incorporation of an entity (and the follow-on assumption that all NGOs registered with State governments are legal entities that can sue or be sued, hold titles and enter into contracts in their own names) is not true.

For the time being, one would do well to be guided by the provision of Item 32 Part 1 of the 2nd Schedule to the 1999 Constitution which has places within the exclusive jurisdiction of the Federal Government (under the exclusive legislative list) the *“Incorporation, regulation and winding up of bodies corporate, other than co-operative societies, local government councils and bodies corporate established directly by any Law enacted by a House of Assembly of a State”*. While promoters of an association has the freedom to register the association with only a mandated Ministry, Department and Agency (MDA) agency of a State government (or even local government), such an association should, however, understand that for it to be able to hold titles (such as land title) in its own name, sue and be sued or enter into contracts in its own name it would be best for it to consider the incorporation options available under Companies and Allied Matters Act (CAMA), Cooperative societies Act, or other such laws Nigerian laws that have the effect of creating appropriate legal entities.

Case Study 2:

Temper Temper Initiative – Registration with Incorporated Trustees

Temper Temper Initiative (TTI) was established in 2018 to advocate for good governance and policy implementation for improved service delivery in the health and education sectors of Nigeria. It is based in Bauchi State but operates nationally. In February 2021 TTI decided to register with CAC and consulted a lawyer who advised its members that under CAMA 2020 they can either register as Company Limited by Guarantee or have their trustees incorporated under Part F. The lawyer drew the attention of TTI to the fact that majority of NGOs in Nigeria are registered under Part F of CAMA. With this information, TTI decided to pursue the option of registering under Part F. By the end of 2021 the registration process was completed, and the Incorporation of the Trustees was completed with a certificate received from CAC bearing Incorporated Trustees of Temper Temper Initiative and the names of the trustees listed as well. Unfortunately for TTI within a few months of successfully registering with CAC a new member joined the initiative and was only interested in holding leadership position irrespective of what the constitution of the Initiative says. He started causing troubles and disharmony among membership of TTI to the extent of seizing the common seal and using properties of the initiative for its personal benefit without the approval of the Board. At the meeting of the Board on 20th April 2022 the membership of Mr. Ggedi Gbedi was terminated in accordance with the provision of the constitution of TTI. Nevertheless, he continued to parade himself as a member of TTI and refused to return the seal and other properties of TTI. Having had enough of the conducts of this Mr. Ggedi Gbedi, the Board of the initiative decided to go to court and seek for this person to be made to return the seal and properties of the association. The case was filed as Temper Temper Initiative Vs Mr. Ggedi Gbedi Tim. In considering the case the Judge raised an important observation that Temper Temper Initiative does not exist and is not registered with CAC. The Board and members of TTI were shocked and their lawyers argued that TTI is registered with CAC, and they even tendered the certificate of registration to prove their case. The judge ended striking off the case on the basis that Temper Temper Initiative is not a legal person and therefore lacks the capacity to sue and be sued. The Judge further provided the clarification that under Part F of CAMA 2020 it is only the trustees of the organization (in this case TTI) that is incorporated by CAC and not the organization (TTI) itself.

One notable lesson drawn from this case study is the fact the TTI's court case should have been filed as Incorporated Trustees of Temper Temper Initiative vs Mr. Ggedi Gbedi and not as Temper Temper Initiative vs Mr. Ggedi Gbedi. This is because incorporation of trustees of an association under Part F of CAMA does not have the effect of making that association itself a registered or incorporated entity. If one of the reasons for seeking registration with CAC is for the organization to have the capacity to sue and be sued, hold titles and enter into contracts in its own corporate name the organization should consider the option of registering and incorporating as Company Limited by Guarantee under Part B of CAMA rather than under Part F.