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PERFORMANCE IMPROVEMENT OF NON-GOVERNMENTAL ORGANISATIONS THROUGH FINANCIAL MANAGEMENT. A CASESTUDY OF YOUNG MEN'S CHRISTIAN ASSOCIATION OF GHANA

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Abstract

Non-governmental organizations (NGOs) in Ghana have a history of being short-lived. However, Young Men's Christian Association (YMCA) Ghana, on the other hand has achieved notable success by impacting millions of lives over 50 years of working in Ghana. Apparently, this research investigates into the key financial management practices of NGOs in Ghana using the case of YMCA Ghana. The study revealed that, the quality of Financial Management staff and their responsibility is the most effective financial management indicator in YMCA Ghana amongst all the other well-functioning indicators. Nevertheless, it is evident in the study that the challenge YMCA Ghana faces in its financial management practice is irregular external audit review of financial and accounting information. Therefore, it is recommended that frequent subscription for external audit services should be established in NGOs and also, cost effective monitoring, evaluation, accountability and learning (MEAL) programme management framework should be adopted by NGOs in Ghana.

Keywords: *Financial Management; Performance; NGOs; YMCA Ghana.*

1. Introduction

The nonprofit sector has experienced unprecedented growth over the past two decades, specifically among organizations that render human services. These organizations are rarely judged solely by their financial performance; instead, their worth is measured by the effectiveness of services rendered and how successful they are able to achieve their mission. And yet finances do matter. In most organizations, the ability to deliver effective services is not only dependent on solid funding for those services, but also on sound management practices, of which financial management is an essential piece (Christine W., Ryan & Grossman, 1999). Indeed, as public demand for more effective, efficient and accountable services has increased, good financial management has become more important. Increasingly, nonprofit organizations such as NGOs are expected to make creative use of scarce resources and take fiscal realities into account as they make programmatic decisions (Jerome B, 2004)

Allis, et al, 2004 asserts that financial resource is considered as an essential resource to almost every institution and establishment. Therefore, it must be effectively and efficiently managed to bring about the needed change and results from the activity for which the funds have been made available. On the contrary, sometimes this important resource is mismanaged and misappropriated by those put in charge (Rosen & Gayer, 2010). Proper management of an organization's finance provides quality fuel and regular service to ensure efficient functioning. If finances are not properly dealt with, an organization will experience challenges that may have severe repercussions on its growth and development. Financial Management is an essential managerial activity in any organization. Financial management, as defined by Khushi 2017, is the process of planning, organizing, controlling and monitoring financial resources with the objective of achieving organizational goals and stated objectives. The control of financial activities of an organization such as procurement of funds, utilization of funds, accounting, payments, risk assessment and every other thing related to money is an ideal practice. Financial management is highly indispensable for every successful organization, whether it's a private, government or non-government. Successful enterprises have the record of haven watched their finances very keenly and taking the right decisions at the right time hence the success of the organization. Most businesses have organized finance division responsible for looking after the accounts and finances of the company. Contrary to this, NGOs most often do not consider financial management to be a priority and lack adequate financial knowledge. This is often characterized by poor financial planning and inadequate financial systems in place.

Non-governmental organizations (NGOs) have been widely criticized for failing to transform the lives of poor neighborhoods in Ghana: the very objective for which these organizations were set up for. Critics have variously attributed the failure of most NGO activities in the country to issues of insufficient funding support from external sources, inappropriate donor control, competition among recipient/agent NGOs, and an inability to sustain collective action in beneficiary communities (Stephen & Francis, 2015). Naturally, efforts at addressing the challenge of NGO's poor performance have often emphasized a need for external donors to increase funding support, reduce control over NGO activities, and ensure collaboration rather than competition among agent NGOs while overlooking at the poor management of the limited financial resources.

The importance and sensitivity of financial management to an entity's quest for growth has in recent times brought the issue of financial governance and accountability to the forefront of stakeholder issues (Zadek, 2003). This emphasis became even more pronounced in the wake of the collapse of world giants like Enron, Tyco and WorldCom among others and during the financial crisis of 2007-2009. For the NGO donor community, the concerns raised in the wake of the collapses of organizations due to weak financial governance and accountability as per financial management are not new to them. In fact, apart from the core issues that may elicit funding from such donor entities, another very important framework required by donors is a system of good governance and accountability of donor funds (Kihato and Rapoo, 1999) which is generally embodied in a comprehensive financial management system.

The collapse of Enron, WorldCom and a host of other companies in the past and recent times has heightened the demand for sound accountability practices on regular and timely basis. Financial control which is one of the effective internal control systems has become very important in modern business in the rise of fraudulent financial reporting in many countries around the globe. Additionally, the rapidly changing business environment of Not-for-Profit Organization is compelling corporate leaders to ensure sound and effective internal control system to achieve organizational objectives. It is noted that the implementation of sound and effective financial management and controls will significantly ensure the achievement of objectives especially in the profit-making businesses due to the profit maximizing motive. NGOs on the other hand had previously depended on traditional and informal procedures to sustain their social agenda of impacting lives. Quite unfortunately, looking at the recent spate of financial malfeasance recorded among NGOs, it appears this is not yielding the desired results.

Accountability has been of major challenge for NGOs. It was observed by Ayom (2013) that despite donor's support, many NGOs are not performing well as expected. The Management Sciences for Health (MSH); an NGO in Sudan, could not account for $17,788 proposed for vulnerable people of South Sudan because of indication of fraudulent activities. A key observation was that most of donor funds to NGOs for project implementation lacked accountability. Ayom (2013) mentioned that a report conducted by MSH between 2001-2013 showed credible evidence of fraudulent activities particularly inflated workshop activities/expenses, forged receipts and insufficient support documentations. It was further reported that management ignore its responsibility and control measures were ineffectively executed within the organization.

Many NGOs in Ghana are faced with poor financial management practices which in extreme cases has led to the collapse of some of them, despite having the necessary resources and funds to run them (Boachie-Mensah & Marfo-Yiadom, 2005). It is not weird to hear of NGOs funds being diverted to cater for other activities outside the scope and work plans of donors. For some, billing for non-existence events and inflating of invoices, inflation of operational costs, inflation of invoices produced internally for activities completed by own staff, billing for own contributions, and submission of forge receipts to cover expenditures are common forms of financial malpractices of NGOs in the region (Alhassan Musah et al 2018). The situation has led to a number of NGOs inability to carry out their constructive work objectives and hence poor performance. The study, therefore, strived to examine the persistent poor performance of NGOs in Ghana from the perspective of financial management which had hitherto been ignored.

2. Literature Review

This section reviews related literature of the study that was written by other researchers. This was in respect to the variables and keywords of the study which are NGOs, Performance, and Financial Management from which specific objectives were framed for this research.

2.1 Overview of NGOs in Ghana

NGO is a non-profit organization that operates independently of any government, typically one whose purpose is to address a social or political issue. The origin of NGOs in Ghana is dated back into time where through mutual assistance of the traditional Ghanaian idea of self-support under the "nnoboa" system led to the invention of faith-based NGOs by the missionaries. The formation and growth of NGOs in Ghana was slow that as at 1930 only three of them had been officially registered. The number of NGOs increased systematic in the 1960s and 1970s and by December 1996, over 320 NGOs; both foreign and local were operating in Ghana. It is quite impossible to quote how many NGOs are operating in the country because the literature on NGOs in Ghana is inadequate. Notwithstanding, estimate number of NGOs both local and foreign operating in Ghana as of 2005 was between 900 - 1500 (ghanaweb.com). Currently, as of 2014, the number of registered NGOs from the statistics of the Department of Social Welfare database since registration started over two decades ago is five thousand nine hundred and eight (5298) and cumulating yearly.

The pre-independent era saw the rise of missionary activities that led in the establishment of religious groups mostly in rural communities (Amanor et al., 1993; Atingdui et al., 1997 Grischow, 2008). With help from the colonial administration and minimal resistance from government, these groups setup their own hospitals; schools and other institutions to assist rural communities within the country for their welfare (Atingdui et al., 1997). Katsriku (1996) asserts that the pre-independent era of Ghana also saw the formation of foreign NGOs such as the Red Cross Society and the Society for the Prevention of Tuberculosis to help the vulnerable people in urban cities in Ghana. The formation of NGOs further intensified after the Second World Ward due to the desire and determination of the inhabitants to obtain independence from colonial rule and to resist racial discrimination (Mohan, 2002). It is further argued that NGOs were very instrumental in the struggle for independence (Abdul-Gafaru and Quantson, 2008). The activities of these foreign NGOs were extended to rural areas of the country during post- independence.

In this current day modern Ghana, there are two main processes for registration as an NGO in Ghana: Firstly, NGOs are expected to get a certificate to commence business and incorporation at the Registrar General's Department under the Ministry of Justice and Attorney General. Secondly, register as a local or international NGO at the Department of Social Welfare under the Ministry of Employment and Social Welfare (Japan International Cooperation Agency (JICA), 2011). Likewise, under the NGO policy regulation of Ghana (2007), an NGO organization is expected to renew its registration every year. Failure to renew amounts to termination of operations and will lead to the declaration of the organization as non-entity/invalid.

NGOs in Ghana are not homogenous actors, they differ in activities, structure, organisation, resources, leadership, membership, ideology and aspiration yet they all possess some level of financial resources that need to be effectively managed to achieve their various objectives for which the organizations were established. NGOs in Ghana exist to provide services to mostly deprived communities in areas such as education, sanitation, health, research and development, water development, agriculture, environmental protection, vocational skills, food security, capacity building and poverty reduction programmes such as micro-credit (Porter 2003). NGOs in Ghana may be national as well as international; secular as well as faith based; and membership or non-membership based.

2.2. Financial Management of Not-for-Profit (NGOs)

McMenamin (1999) defines financial management as 'the ways and means of managing money'. Financial management is technically considered as the determination, acquisition, allocation, and utilization of financial resource, with the objective of achieving precise set goals or objectives. Financial management is viewed as one of the essential areas in business activities due to the fact that the survival, growth and expansion of the business can only be achieved where sound financial management practices employed are in line with the overall business objectives (Attom & Mbroh, 2012).

Financial management of not-for-profit organizations is not so different from financial management in the commercial in several respects; yet, some key differences shift the attention of a not-for-profit organization's financial manager. While the Profit focus enterprises concentrate on profitability and maximizing organization's shareholders value, the not-for-profit organizations' focus is not to increase shareholders value but instead, to provide some humanitarian services. NGOs financial management is more than just keeping accurate accounting records. It also involves planning, controlling and monitoring financial resources to achieve organizational objectives. However, Not-for-profit organizations mostly lack the financial flexibility of a commercial enterprise because it depends on resource providers that are not engaging in an exchange transaction (Blackbaud 2011). The resources provided are directed towards providing goods or services to a client other than the actual resource providers/donors. A not-for-profit must demonstrate its stewardship of donated resources — money and other material resources donated for a specific purpose must be used for that purpose. A purpose which is generally either specified by the donor or implied in the not-for-profit's specified mission, vision or objectives. The management precepts and reporting activities of a not-for-profit must ensure that these activities strongly geared towards the stewardship for every donated resource.

Budgeting and cash management are two areas of financial management that are very vital practices for not-for-profit organizations such as NGOs. It is expedient that these organization ensure at all year round, whether it has adequate cash reserve to continue to render its services to its beneficiaries. Cash flow in not-for-profits such as NGOs can be extremely challenging to predict, because such organization depends on revenue from resource providers: donors, that, which cannot guarantee their services (Blackbaud, 2011). Generally, an increase in demand for a not-for-profit's services is more likely to lead to a management crisis since forecasting contribution revenue in a reliable manner from year to year is difficult and uncertain. For this reason, the control of expenses is an issue of increased emphasis hence budgeting becomes a critical activity for a not-for-profit such as NGOs (Blackbaud, 2011). More often than not, NGOs financial management is overlooked and this has often led to abrupt liquidation of most of the NGOs. As such according to Stephenson (2003), NGOs currently must design an effective financial management tools that will ensure massive accountability to donors and other stakeholders, gain the respect and confidence of funding agencies and above all help them prepare for long-term financial sustainability. Although no one model of financial management fits every organization, a well-organized NGOs financial management is a key to the organization's sustainability (Mango, 2006).

2.3. Performance Measurement and Management of Non-profit-Organizations: (NGOs)

Goodwin (2003) states that performance comprises of the actual output or results of an organization as measured against its intended outputs or objectives. Speckbacher 2003 and Taylor et al. 2009 ascribe that the non-profit organizations are different from other organizations in the public and private sectors in the sense that there is no profit maximization and no strict measure against which performance can be measured. However, managers of non-profit organizations have the duty to efficiently manage donors' resources, act as overseers for these resources and also ensure successful overall performance organizations such as NGOs. Therefore, it is necessary that the managers of these organizations assess whether the organization is using the donated money effectively and efficiently and also ethically to achieve its mission and vision.

Senior executives, financial professionals and board members of not-for-profit organizations face the challenge as to what are the relevant indicators of performance, and how should they be measured. However the primary interest of a funder, a donor, a board member, the community, or any other stakeholder should be whether the not-for-profit (NGO) has achieved its mission (Marc & Adriana, 2009). To be able to measure that achievement requires a clearly defined mission and strategy which the research setting for this study has in place. The leading practices in comprehensive not-for-profit performance measurement have shown that organizations can develop performance measurement systems that include social impact-focused measures, member-focused measures, and other non-financial measures, along with the financial ones. Not-for-profit organizations need a common framework (model) that not only counts the inputs, outputs, and outcomes of their programs and activities, but also (a) provides information on their success in generating positive social changes and/or member benefits (impacts), and (b) gives insight into the drivers of these changes (Marc & Adriana, 2009); on this basis the performance of the case setting (YMCA) of this study was measured.

Several authors have provided a number of descriptions of performance measurement. Lindblad 2006 sees measurement of NGOs performance as the application of objectives, indicators and information to assess these organizations interventions and services. It is treated as the mechanism for evaluating employees, teams and the entire organization (Ferreira and Otley, 2009). Miller 2007 also puts NGOs performance measurement as an approach of assessment that evaluates a program's impact in terms of efficiency and effectiveness. Carmon (2007) asserts that measuring performance involves a systematic approach of evaluating a programme's outputs, inputs and impacts. Access to resources to ensure survival should not be the sole dimension for measuring NGOs performance. Also, Kareithi and Lund (2012) states that the fundamental objective of NGOs is targeted at the desired goals by their total beneficiaries reached and the improvement in their various communities. Therefore, the assessment of NGOs should mainly be measured on how productive they have been in achieving their targeted social objectives. Usually, NGOs evaluate their performance by setting performance models and then proceed to gather information related to the established indicators. The common performance indicators mostly used by NGOs cover effectiveness, fundraising, costs, satisfaction of beneficiaries as well as efficiency (Carman, 2007). Likewise, Teelken (2008) determined four (4) performance dimensions which are: efficacy, economy, efficiency and effectiveness to be used to evaluate the operation of NGOs. Also, Benjamin and Misra (2006) added that, in assessing NGOs performance, the focus should be on four main indicators which are inputs, outputs, outcomes and impacts.

These various above mentioned expert opinions on NGOs performance measurement are not different from the Program Logical Model introduced by W.K. Kellogg Foundation in 1998 (W.K. Kellogg Foundation, 2004) and the Input-Impact Model by Marc & Adriana, 2009 on nonprofit performance measurement which states that not just resources (services the program provides, the clients it serves or the cases it treats, its intended results, and the logic behind how the use of resources in the program activities is expected to produce results) but also putting the mission and vision statements of the organization at the core, and also places strategy, organizational structure, systems and also internal environment among the inputs: theories from which the conceptual framework of performance measurement for this study was couched.

2.4. Relationship between NGOs Performance and Financial Management

Efficient financial management is the backbone of any entity's growth drive or attainment of high performance. When well-executed, the financial management function forms the bedrock for growth, development and sustainability (high performance) (Aldaba, 2002). According to Easterly and Rebelo (1993), growth and development discussions would be incomplete without the mention of fiscal management, which, encapsulated on the macro level as the sourcing for and uses of financial resources in line with development agendas, is captured as the financial management function on the micro level.

It is more certain that financial management systems continue to be of much significance to business success; either for profit or otherwise. Previous research by Raymond and Magnenat-Thalman (1982),Holmes and Nicholls (1989), Nayak and Greenfield(1994) and Lybaert (1998) have revealed that the quality of management accounting information employed within the small business sector and other resourced managed organizations such as NGOs has a positive relationship with an entity's performance. According to Padilla et al (2012) in their study on financial sustainability for non-profit organizations, effective financial management practices is essential in enhancing transparency, efficiency, accuracy, accountability; these which are performance indicators, which enable an organization to achieve its objectives.

The success of a business depends on how well it harnesses everyone to work to the common end, and as expected the financial manager must appreciate the conflicting objectives often encountered in financial management (Brealey & Myers, 2003). Clark, (1991) affirms that one of the major drivers of efficiency is the manner of utilization of the capital and the funds that the NGO sector accumulates through various sources for carrying out its work. Statistics show that out of more than 1.2 million NGOs operating in India, only 3% are being able to carry out constructive grass-root level work (ICONGO, 2002 survey) hence poor performance. Also, NGO establishments typically tend to have high administrative costs of nearly 60% and above. Thus, only 10-20% of the funds are utilized for effective developmental work (Abraham, 2013). These performance threatening practices could be associated to lack of stringent financial management norms/practices. This, again, shows how devastating an organization will be when its financial management systems, controls or regulations are compromised.

3. Research Methodology

This study employed a case study design. The target population for the study was the YMCA Ghana organization's staff drawn from different departments of its headquarters. 48 respondents were sampled from the accounting and finance, internal audit, Human resource, procurement, Management including Field officers and administration using a purposive non-probability sampling technique. The study employed both primary and secondary data using questionnaires and interviews, and organisational records respectively. A blend of quantitative and qualitative techniques of data analyses was used. Quantitative analysis was applied on the quantitative data to give meaning to them while qualitative analysis was applied on non-quantitative questions and variables. Data was analysed using SPSS Statistics Version 21 and Microsoft Excel for graphs and figures.

4. Data Presentation, Analysis and Discussion

This section summarizes the data collected and the statistical method of analysis, using the methodology adopted in the prior chapter. The 48 respondents engaged in this study were: one (1) Finance Director; one (1) Directors at the Internal Audit Unit; one (1) Director (Management); one (1) manager (HR); three (3) staff of the Internal Audit Unit; seven (7) from Accounting and Finance Department; four (4) staff from the Human Resource Department; three (3) from general administration; nine (9) staff from the Procurement and Logistics Department; and eighteen (18) Field officers.

4.1. Demographical Background of the Respondents

The demographic characteristics of the respondents were examined according to gender, age, Educational background and years of service of the respondents. The results from the survey are shown in Table 1 below.

Table 1 Demographical characteristics of the sample

Variables	Type	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	32	66.7	66.7	66.7
	Female	16	33.3	33.3	100
Total		48	100	100	
Age (years)	20-25	2	4.2	4.2	4.2
	25-30	14	29.2	29.2	33.3
	35-40	24	50.0	50.0	83.3
	40 and Over	8	16.7	16.7	100.0
Total		48	100.0	100.0	
Education	High School	1	2.1	2.1	2.1
	Diploma	7	14.6	14.6	16.7
	Undergraduate	14	29.2	29.2	45.8
	Professional	13	27.1	27.1	72.9
	Masters	13	27.1	27.1	100.0
Total		48	100.0	100.0	
Years of Service	Less than 2 years	1	2.1	2.1	2.1
	2-5 years	29	60.4	60.4	62.5
	6-10 years	17	35.4	35.4	97.9
	Over 10 years	1	2.1	2.1	100.0
Total		48	100.0	100.0	

Table 1 shows that more males 32 (66.7%) than females 16 (33.3%) partook in this study which could also mean more males are engaged in the operations of YMCA Ghana than females which might be due to tough nature of the job. The table also indicate that majority of the respondents engaged in this study were those in the 35–40 age group representing as much as 24(50.0%) of the total response rate. Followed by those in the age bracket of 25–30 years who were also represented by14 (29.2%). Respondents who were above the age of 40 years were represented by 8 (16.7%) while those from 20 to 25 years were also represented by 2 (4.2%). The table also shows that that majority 14(29.2%) of the respondents have Undergraduate (Bachelor's) Degree as their highest educational qualifications. This was followed by those with Professional qualification and master's degree who had the same number of respondents of 13 (27.1%). The respondents who had Diploma as their highest educational qualification were represented by 7(14.6%) while only 1 respondent had high school qualification representing 2.1% of the total response rate. Based on the analysis of Table 4.1.3, it could be inferred that YMCA Ghana is dominated by Bachelor's Degree Holders with a substantial majority haven professional and master qualification. With regards to years of service, majority 29(60.4%) of the respondents in this study have worked with YMCA Ghana for 2-5 years. Those who have worked there for 6-10 years were 17 representing 35.4% whiles those who have worked there for more than 10 years and those who have worked there for less than 2 years had the same number of respondents 1(2.1%). This indicates that most of the respondent engaged in this study were experienced about the operations of YMCA Ghana and therefore could provide valid and reliable data for this study.

4.2. Functionality of Financial Management Systems

To examine the functionality of financial management systems of YMCA Ghana, data were gathered on the following indicators: Funding Agreement (FA); Bank Account, Cash Handling and Transaction (BCT); Stock and Inventory Management (SIM); Financial Management Staff/Responsibility (FMSR); Financial Planning and Budgeting (FPB). The respondents were asked to indicate the extent to which they agree or disagree to financial management functionality measures using a 5-point Likert scale interpreted as: 1- strongly agree, 2- agree, 3- neutral, 4- disagree, and 5- strongly disagree.

Funding Agreement (FA)

Table 2 illustrates the frequencies and means of the responses received on the level of agreement and disagreement on the Funding Agreement variables used in this study. The table gives the mean or average view of respondents on each of the seven variables used to assess the views of respondents on Funding Agreement at YMCA Ghana. They are 1.44, 1.40, 1.58, 1.71, 1.60, 1.83 and 1.79 for the statements in FA-1, FA-2, FA-3, FA-4, FA-5, FA-6 and FA-7 respectively. This gives a total average mean of 1.62, approximately 2. This implies that, on the average, majority of respondents "agree" that: Agreement outlines funding of project(s); Agreement outlines activities to achieve deliverables; Agreement clearly mentions management of funds and procurement of goods; Agreement clearly mentions reporting procedures: Monthly, quarterly, annually; Agreement clearly specifies funds allocated for individual activities; Agreement clearly mentions all deadlines; Agreement clearly mentions funds release schedule.
Again, the standard deviation of the individual measures of Financial Agreement in Table 4.2.1 shows that among the seven (7) statements used to measure clarity of Financial Agreement, the most important statement is that: agreement outlines activities to achieve deliverables with mean of 1.40 and standard deviation of 0.610 even though all the statements are important according to the respondents. These findings are in line with Theunis & Erika, 2011 and FUNDSFORNGOs effective practices of NGOs funding to ensure sustainability. They mentioned that, one of the most important elements of an effective funding agreement is the ability to naturally and precisely mention all deliverables: quantifiable and qualitative, agreed between the donor and the NGO.

Key to Table 2

FA -1: Agreement outlines funding of project(s)
FA-2: Agreement outlines activities to achieve deliverables
FA-3: Agreement clearly mentions management of funds and procurement of goods
FA-4: Agreement clearly mentions reporting procedures: Monthly, quarterly, annually
FA-5: Agreement clearly specifies funds allocated for individual activities

FA-6: Agreement clearly mentions all deadlines
FA-7: Agreement clearly mentions funds release schedule

Table 2 Funding Agreement (FA)

Funding Agreement Variables	Frequency					Total	Mean	Standard Deviation
	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5			
FA-1	28	19	1	-	-	48	1.44	.542
FA-2	32	13	3	-	-	48	1.40	.610
FA-3	23	22	3	-	-	48	1.58	.613
FA-4	22	18	5	3	-	48	1.71	.743
FA-5	22	23	3	-	-	48	1.60	.610
FA-6	17	22	9	-	-	48	1.83	.724
FA-7	21	16	9	2	-	48	1.79	.798
Total							11.35	
Total average mean score (=Total/7)							1.62	

Source: Field Survey, January 2019

Bank Account, Cash Handling and Transaction (BCT)
Table 3 presents the frequencies and means of variables used to assess Bank Account, Cash Handling and Transactions at YMCA Ghana. The table gives the mean or average of opinions of respondents on each of the eleven variables on Bank Account, Cash Handling and Transactions. They are 1.13, 1.27, 1.40, 2.00, 1.98, 1.73, 1.60, 1.81, 1.65, 1.81 and 1.58 for the statements in BCT-1, BCT-2, BCT-3, BCT-4, BCT-5, BCT-6, BCT-7, BCT-8, BCT-9, BCT-10 and BCT-11 respectively. This gives a total average mean of 1.63, approximately 2. This implies that, on the average, majority of respondents "agree" that the authoritative dimensions of Bank Account, Cash Handling and Transactions mechanisms/frameworks by Theunis & Erika (2011), Mango (2006) and FUNDSFORNGOs for NGOs and other not-for-profit organizations are properly upheld at YMCA Ghana hence denoting that the current FM practices/systems of YMCA Ghana is worthy.

Key to Table 3
BCT-1: Bank accounts are opened in nationally recognized banks for all project funds
BCT-2: There is clearly stated authorized signatory(ies) for all banking instruments
BCT-3: Finance management policy clearly states who is/are responsible for managing bank transactions
BCT-4: Cash transactions are resorted in case of small expenses and when/where banking services are not available
BCT-5: Closing balance cash are entered under the daily cash balance section and signed by accountant
BCT-6: A staff responsible for handling cash dully filled up and sign cash withdrawal form to be used to withdraw cash from bank when there is the need
BCT-7: Payment voucher is used to make cash payments and approved by responsible authority(ies) before payment
BCT-8: It is mandatory to verify the cash balance at the end of every month and any discrepancy noticed is recorded and reported to person concerned
BCT-9: For payouts form petty cash, a petty cash request form is completed and recipient sign request form upon receipt of cash

Table 3: Bank Account, Cash Handling and Transaction (BCT)

Bank, Cash and Transaction Variables	Frequency					Total	Mean	Standard Deviation
	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5			
BCT-1	42	6	-	-	-	48	1.13	.334
BCT-2	35	13	-	-	-	48	1.27	.449
BCT-3	29	19	-	-	-	48	1.40	.494
BCT-4	12	24	12	-	-	48	2.00	.715
BCT-5	13	22	11	2	-	48	1.98	.737
BCT-6	18	25	5	-	-	48	1.73	.644
BCT-7	22	23	3	-	-	48	1.60	.610
BCT-8	19	19	8	2	-	48	1.81	.762
BCT-9	19	27	2	-	-	48	1.65	.565
BCT-10	15	27	6	-	-	48	1.81	.641
BCT-11	22	24	2	-	2	48	1.58	.577
Total							17.96	
Total average mean score (=Total/11)							1.63	

Source: Field Survey, January 2019

Stock and Inventory Management (SIM)

Table 4 in the next page presents the frequencies and means of responses received on Stock and Inventory Management. For each of the statement or variables under Stock and Inventory Management: SIM-1, SIM-2, SIM-4 and SIM-5, respondents indicated the extent to which they agree or disagree. The table shows that for each of the statements, majority "Agree" that there is efficient stock and Inventory Management at YMCA Ghana. The total average mean of 1.70, which is approximately 2 for all the five statements, confirms that on the average, respondents "agree" to the fact that stock and Inventory are managed well at YMCA Ghana. This implies that, the standard NGO and other non-profit dimensions for Stock and Inventory Management mechanisms/frameworks established by Theunis & Erika (2011), Mango (2006) and FUNDSFORNGOs are properly upheld at YMCA Ghana hence denoting that the current FM practices/systems of YMCA Ghana is good enough to improve on the organizations' performance.

Key to Table 4

SIM-1: Maintains stock register by recording all goods purchased and stored to prevent excess purchases and wastage
SIM-2: Stock & inventory register is audited and monitored periodically
SIM-3: Quotations are obtained from 3-4 suppliers before finalizing on supplier for purchase based on quote and reliability
SIM-4: Past performance, reputation and availability are emphasized when selecting supplier
SIM-5: Authorize person(s) is/are dully assigned to manage all stock records and its aligned function

Table 4 Stock and Inventory Management (SIM)

Stock and Inventory Management Variables	Frequency					Total	Mean	Standard Deviation
	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5			
SIM-1	35	13	-	-	-	48	1.27	.449
SIM-2	23	23	2	-	-	48	1.56	.580
SIM-3	13	20	12	3	-	48	2.04	.771
SIM-4	10	26	11	-	1	48	2.08	.794
SIM-5	23	23	`2	-	-	48	1.56	.580
Total							8.51	
Total average mean score (=Total/5)							1.70	

Source: Field Survey, January 2019

Financial Management Staff and Responsibilities (FMSR)

Table 5 presents the frequencies and means of responses received on Financial Management staff and their responsibility as an indicator of financial management functionality at YMCA Ghana. For each of the statement or variables FMSR-1, FMSR-2, FMSR-3, FMSR-4, FMSR-5, FMSR-6, and FMSR-7, respondents indicated the extent to which they agree or disagree. The total average mean of 1.57, approximately 2 for all the seven statements indicates that on the average, respondents “agree” to the fact that financial management staff are of high quality and responsible which could in turn enhance financial management functionality at YMCA Ghana. This is, again, an implication that the quality and responsibility of financial management staff in YMCA Ghana is of high standard, efficient and conforms to Theunis & Erika (2011), Mango (2006) and FUNDSFORNGOs’ elements of NGOs and non-profit making organizations’ financial management frameworks for NGOs financial management staff and their responsibilities.

Key to Table 5

FMSR-1: There is governing body/executive board which comprises members from different committees of the organization such as finance, public relations and project and plays a lead role in financial department.

FMSR-2: There is board of members who are ultimately responsible for the financial aspects of the organization to ensures that everything is undertaken in proper order

FMSR-3: A finance manager whose is the head of the finance committee and plays supervisory functions and monitoring responsibilities

FMSR-4: The finance manager assists and guides the board by providing relevant financial information during budgeting, accounts to donors and other decision-making activities.

FMSR-5: There is financial assistants whose main responsibility is to report to the finance manager and implement work, as and when directed

FMSR-6: Administrative manager(s) who is/are experienced and take overview and control of the hiring, inventories, stocks, and all other non-specific activities

FMSR-7: Administrative/cash assistant whose responsibilities spread across various spectrums of duties, finance being one.

Table 5 Financial Management Staff and Responsibilities (FMSR)

FMSR Variables	Frequency					Total	Mean	Standard Deviation
	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5			
FMSR-1	37	11	-	-	-	48	1.23	.425
FMSR-2	32	15	1	-	-	48	1.35	.526
FMSR-3	26	21	1	-	-	48	2.08	4.438
FMSR-4	27	19	2	-	-	48	1.48	.583
FMSR-5	23	24	1	-	-	48	1.54	.544
FMSR-6	21	24	-	-	3	48	1.56	.501
FMSR-7	19	24	4	1	-	48	1.73	.707
Total							10.97	
Total average mean score (=Total/7)							1.56	

Source: Field Survey, January 2019

Financial Planning and Budgeting (FPB)

Table 6 displays the frequencies and means expectations of respondents with regards to the nine variables used to assess Financial Planning and Budgeting: FPB-1, FPB-2, FPB-3, FPB-4, FPB-5, FPB-6, FPB-7, FPB-8 and FPB-9. The overall average of responses on Financial Planning and budgeting is 1.85, approximately 2. That is, the respondents “agree” that there is functional financial planning and budgeting system at work in the organization. This implies that, there are structured policies and mechanisms on financial planning and budgeting which effectively affects the financial management practices at YMCA Ghana. This well-structured financial planning and budgeting frameworks recorded at YMCA Ghana are not different from Theunis & Erika’s (2011) prescribed NGOs’ financial planning and budgeting as a component of NGOs’ financial management mechanisms.

Key to Table 6

FPB-1: Budget is prepared for each activity giving break up of sub-activities and related costs
FPB-2: Budgets capture all the required costs for specific activities only.
FPB-3: Budgets are approved before incorporation into financial Plans
FPB-4: Program objectives along with activity plans are completed before budgeting
FPB-5: Whole project/departmental team are involved in budgeting process
FPB-6: All expenses are reviewed against the budget on a monthly basis
FPB-7: Project management verifies quarterly reports against budget, analyze causes for variance and take appropriate action.
FPB-8: Project management verifies quarterly reports against budget analyze causes for variance and take appropriate action.
FP9-9: Budgets for subsequent year(s) take into consideration cost increases due to inflation, exchange rates, etc.

Table 6 Financial Planning and Budgeting (FPB)

Financial Planning and Budgeting Variables	Frequency					Total	Mean	Standard Deviation
	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5			
FPB-1	31	15	2	-	-	48	1.40	.574
FPB-2	32	15	1	-	-	48	1.35	.526
FPB-3	15	26	6	-	1	48	1.88	.789
FPB-4	17	20	8	3	-	48	1.88	.761
FPB-5	22	18	8	-	-	48	1.71	.743
FPB-6	29	17	-	2	-	48	1.42	.539
FPB-7	23	18	7	-	-	48	1.67	.724
FPB-8	19	24	5	-	-	48	1.71	.651
FPB-9	20	19	7	-	2	48	1.77	.751
Total							14.79	
Total average mean score (=Total/9)							1.64	

Source: Field Survey, January 2019

Figure 1 below summarizes respondents' mean/averages of the five indicators of functionality of financial management and control systems at YMCA Ghana namely: Funding Agreement (FA); Bank Account, Cash Handling and Transaction (BCT); Stock and Inventory Management (SIM); Financial Management Staff/Responsibility (FMSR); Financial Planning and Budgeting (FPB). The figure shows pictorial view of mean for each dimension and the score thereof. It is glaring from the bar chart that the quality of Financial Management staff and their responsibility is the most effective financial management indicator at YMCA Ghana even though all the indicators function well in the organization. The average of the responses for all the five indicators of financial management systems is 1.67 (given by the mean of the average for all the five indicators of financial management). This means that the respondents "agree" that the functional financial management and control system at YMCA Ghana is effective.

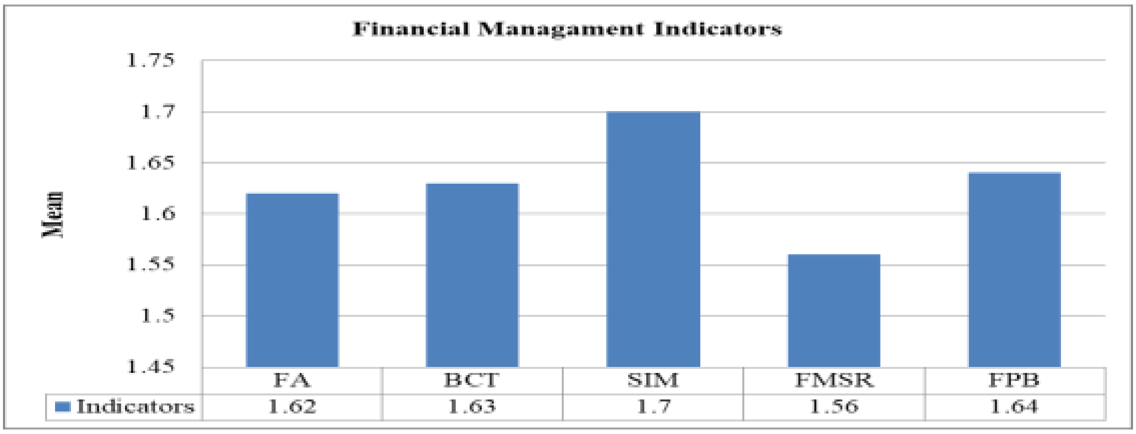

Figure 1 Summaries of Financial Management Indicators (Source: Field Survey, January 2019).

Performance Review of YMCA Ghana

To assess the performance at YMCA Ghana, the respondents were presented with ten (10) key not for profit organizations': NGOs performance indicators to indicate the extent to which they agree or disagree to the performance indicators using a 5-point Likert scale interpreted as: 1- strongly agree, 2- agree, 3- neutral, 4- disagree, and 5- strongly disagree. The responses have been analysed in Table 9 below.

Table 9 presents the frequencies and means of responses received on ten (10) Non-profit: NGOs' performance measures when they were employed as performance review of YMCA Ghana. For each of the statement or variables PR-1, PR-2, PR-3, PR-4, PR-5, PR-6, PR-7, PR-8, PR-9 and PR-10, respondents indicated the extent to which they agree or disagree. The total average mean of 1.53, approximately 2 for all the ten statements indicates that on the average, respondents "agree" to the fact that the current financial management system/controls being practiced at YMCA Ghana have significantly contributed to the various commendable successes/accomplishments that the organization has been credited with for the past years. Samuel Manu Kofi: a professor at the University of Cape Coast, Ghana expressed a sentiment that "NGOs have a reputation for being short-lived when they come to Ghana, do something helpful and leave again. While longevity is not always necessary, having a substantial impact is." Although many NGOs have come to Ghana and they have left, but YMCA Ghana is still alive and active for more than 30 years of operation and still impacting lives and societies. This achievement, which can be said, among other things, that it's as a result of the organizations good financial management and controls framework being practiced. This results also conforms to Padilla et al (2012) in their study on financial sustainability for non-profit organizations which they mentioned that effective financial management practices is essential in enhancing transparency, efficiency, accuracy, accountability; these which are performance indicators, which enable an organization to achieve its objectives such as growth, development and sustainability to impact on needy lives and impoverished and neglected societies.

Table 7 Performance of YMCA Ghana

Performance Review Variables	Frequency					Total	Mean	Standard Deviation
	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5			
PR-1	23	22	1	2	-	48	1.50	.546
PR-2	27	20	1	-	-	48	1.46	.544
PR-3	21	27	-	-	-	48	1.50	.505
PR-4	25	20	3	-	-	48	1.54	.617
PR-5	20	26	2	-	-	48	1.63	.570
PR-6	19	25	2	2	-	48	1.60	.574
PR-7	28	19	1	-	-	48	1.44	.542
PR-8	30	17	1	-	-	48	1.40	.536
PR-9	23	25	-	-	-	48	1.56	.580
PR-10	21	20	4	2	1	48	1.65	.729
Total							15.28	
Total average mean score (=Total/10)							1.53	

Source: Field Survey, January 2019

Key to Table 7

PR-1: Existing financial management controls are capable of increasing fundraising efficiency and funds growth
PR-2: Existing Financial management controls have the ability to ensure financial transparency to Stakeholders
PR-3: Current Financial management controls could have led to increase in quality of services Provided
PR-4: The Financial management regulations have positively influenced the level of satisfaction of beneficiaries and stakeholders of YMCA Ghana's projects/programs
PR-5: Financial management controls have ensured increased in projects/programs finance efficiency (financial resources are best used to achieve required planned outputs)
PR-6: Financial management regulations have ensured projects/programs non- financial efficiency (non-financial resources such as time, staff and expertise are best used to achieve planned outputs)
PR-7: There has been increase in networking, relevance and satisfaction among partners (Local Government, bilateral organizations, etc.) due to the current financial management controls Practiced
PR-8: The current financial management controls ensure that financial information needed for Management decision making and stakeholders' perusal are quality
PR-9: Existing Financial management controls are capable of ensuring prevention, if not, decrease in fraudulent financial reporting systems.
PR-10: Financial management controls have contributed to increase in Impact performance (The Long-term positive effects/consequences of YMCA Ghana's programs /activities)

Figure 2 below summarizes respondents' mean/averages of the probability that the five indicators of functionality of the current financial management and control systems at YMCA Ghana has been an influential factor of the organization's current remarkable performance standard. The figure shows pictorial view of mean for each dimension and the score thereof. It is glaring from the bar chart that the ability of the current financial management control systems to ensure quality information needed for management decision making and stakeholders perusal is the most obvious performance review indicator at YMCA Ghana followed closely by, also, the ability of the current financial management controls in YMCA Ghana to have increased its networking, relevance and satisfaction among its partners and the realization of projects/programs non-financial efficiency coming next even though all the indicators are being recorded in the organization. The average of the responses for all the ten dimensions of performance review is 1.53 (given by the mean of the average for all the ten measures of performance). This means that the respondents "agree" that the current financial management and control system being practiced at YMCA Ghana is effective enough to have improved on and contributed to the organization's remarkable achievements.

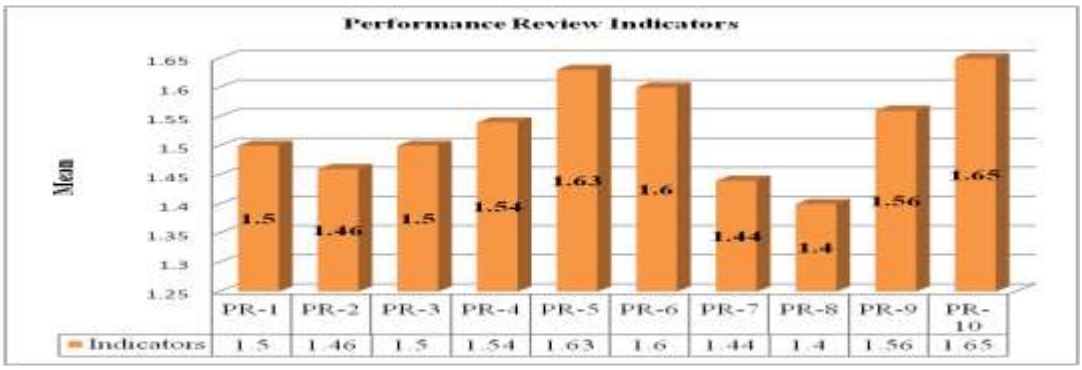

Figure 2 Summaries of Performance Review Indicators (Source: Field Survey, January 2019).

5. Conclusion and Recommendations

The study sought to investigate into how to improve performance of NGOs in Ghana by sound financial management systems and practices using the case of YMCA Ghana. A sample of 48 respondents was used for the study. The following objectives were set for the study; to examine the functionality of financial management control systems in YMCA Ghana, to identify any possible challenges that hinders the implementation of sound financial management control systems, to review the performance of YMCA Ghana. To achieve the set objectives, SPSS tool and Microsoft excel were employed on the dataset for the analysis.

The study revealed that, the quality of Financial Management staff and their responsibility is the most effective financial management indicator at YMCA Ghana even though all the other indicators which are Funding Agreement, Bank, Cash handling and Transactions, Stock inventory and management and financial planning and budgeting function well in the organization. The average of the responses for all the five indicators of financial management systems was 1.67 signifying that the respondents "agreed" that the current financial management and control system at YMCA Ghana is effective.

The study also established that the ability of the current financial management control systems to ensure quality information needed for management decision making and stakeholders perusal which subsequently build trust is the most obvious performance review indicator at YMCA Ghana followed closely by, the influential role of the current financial management controls in YMCA performance improvement via increase in its networking, relevance and satisfaction among its partners and the realization of projects/programs non-financial efficiency. The average of the responses for all the ten dimensions of performance review was 1.53 implying that the respondents "agree" that the functional financial management and control system at YMCA Ghana is effective enough to have improved on and contributed to the organization's ability to achieve its objectives of impacting children's lives and their families. However, it is also evident in this study that YMCA Ghana faces some shortcomings in its financial management practices: all paper and pen (traditional) ways of accounting, record keeping and reporting; irregular external audit review of financial and accounting statements/records.

Despite the few outline challenges in YMCA financial management framework, YMCA's financial management and control mechanisms is still worthy to be recommended to and emulated by other NGOs (local and international) in Ghana. NGOs play an imperative role in economic development of struggling economies. It is critical to be aware of the impact of NGOs in the growth of the economy, which includes creation of jobs, improving of standard of living, easing poverty and attaining of sustainable development goals. However, for NGOs to succeed, effective financial management practices should be employed. This includes quality of financial information and the medium of reporting to ensure accountability, periodic external auditing to control the tendency of preparing fraudulent financial information, employing the services of qualified and ethical personnel's to man operations. NGOs should also adopt internal control measure that emphasize on cost effective monitoring, evaluation, accountability and learning(MEAL) systems that effectively plans and tracks results in a timely manner for further action planning. The researchers are certain of the fact that when the above recommendations are well executed, it will help improve the performance of NGOs not only in Ghana but across the world. Hence, achieve the sustainable development goals for a world without hunger and malnutrition, poverty, lack of education and health facilities, child exploitation and right abuse among others.

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