Strengthening Accountability and Governance in Nepal (SAGON)

Work Force Diversity
and
Internal Control System in NGOs
Survey Report 2017

Prepared by

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Acknowledgement

Improvement of institutional governance and management of NGOs has been a priority agenda of NGO Federation of Nepal (NFN) and we have been continuously working on this agenda since 2003. In the beginning improvement of accountability and transparency of our members was the main focused area of working and we introduced Code of Conduct first time in our history. From 2006, we launched a campaign on institutional good governance primarily targeting to the district chapters and member organisations. Popularizing and implementation of Code of Conduct were the focused activities under that campaign. We revised the Code of Conduct in 2010 and tried to incorporate feedback and learnings of its implementation. Another initiative *Promoting NGOs' Governance and Management in Nepal (NGMP)* was remained a turning point to explore a new horizon to work on improvement of governance in NGOs and NFN started to promote Istanbul Principles of CSO Development Effectiveness very first time in Nepal.

Lessons of previous initiatives are incorporated in the SAGON programme, which was started from November 2014. SAGON project helped us to reach more than two thousand NGOs of 75 districts. Activities of SAGON programme played important role to increase awareness on institutional good governance including internal control system. Survey on Workforce Diversity and Internal Control System is very important effort under the SAGON programme. I believe this survey report is very successful to expose the situation of inclusiveness and internal control practices in NGOs. The results of the survey are very encouraging and they give positive sign to improve the credibility and pubic trusts in society.

We have been able to produce this report in this form with continuous supports from our district chapters and regional offices. So, I would like to thank to all our district chapters and regional offices. Efforts of Regional Programme Coordinators are very appreciative as they were able to support districts to undertake this survey and compilation of survey data. Special thanks goes to Mr. Krishna Chandra Neupane and Mr. Daya Sagar Shrestha, who were directly involved in processing of data and preparation of this report. We are credited with Programme Officer Mr. Binod Gautam who coordinated the regional offices and district chapters for this survey. I am grateful to entire programme management team of SAGON project and central executive board.

I would like to thank Embassy of Switzerland, who has provided financial supports to undertake this study. I take this opportunity to extend my special thanks to Mr. Rajesh Hamal and Ms. Sangita Yadav of SDC, who continuously inspired us to carry on project activities and this survey.

I thank all the readers and request for constructive feedback in order to improve future undertakings in an improved manner.

Thank you,

Gopal Lamsal
President

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Abbreviation

AGM	:	Annual General Meeting
CSO	:	Civil Society Organization
DAO	:	District Administration Office
DONOGO	:	Donor induced NGOs
FANGO	:	Family NGO
FGD	:	Focus Group Discussion
GONGO	:	Government induced NGOs
ICS	:	Internal Control System
JD	:	Job Description
NFN	:	NGO Federation of Nepal
NGO	:	Non-Governmental Organization
PAN	:	Personal Account Number
PONGO	:	Political NGOs
RTI	:	Right to Information
SAGON	:	Strengthening Accountability and Governance of NGOs in Nepal
SDGs	:	Sustainable Development Goals
SWC	:	Social Welfare Council
TOR	:	Terms of Reference
UN	:	United Nations
VAT	:	Value Added Tax

1. Background

The rise of NGOs as international actors as well as shapers of national policy is one of the most important trends in international relations. NGOs encompass the entire range of civil society: from advocacy for better health, protection of the environment, and advancement of education for all; to delivering humanitarian relief and securing and protecting basic civil and political rights. NGOs continue to have an enormous impact in countries across the globe, pushing for governmental transparency and accountability which in turn can fuel on policy reform. Together with the increasing worldwide demand for greater personal and political freedom often reflected in the work of these NGOs. It is the growing recognition that democracy is the form of government that can best meet the demands of citizens for dignity, liberty, and equality. NGOs are helping to establish and strengthen democracy in three key ways: First, NGOs are working to establish awareness of and respect for the right of individuals to exercise freedoms of expression, assembly and association, which is crucial to participatory democracy. Second, NGOs are working to ensure that there is a level playing field upon which candidates for elective office can compete and that the entire elections process is free and fair. Third, NGOs are working to build and strengthen the rule of just laws and responsive and accountable institutions of government so that the rights of individuals are protected regardless of which persons or parties may be in office at any given time *(Barry F. Lowenkron, US Assistant Secretary for Democracy, Human Rights, and Labor, 2006).*

NGO Federation of Nepal (NFN) is the umbrella organization of 6157 NGOs working throughout the country. NFN has district chapters in all 75 districts (new two district structure will be added soon), regional committees in all five development regions (structures will be transformed as per the restructuring of state at province level) and central executive committee. NGOs need to ensure availability of quality human resources; execution of need based/demand driven projects by the Government or donor partners. NFN is watchdog, advocator, and safeguard for the service users (demand-side). It is facilitating and mentoring district chapters for awareness building, strengthening CSOS, institutionalizing services providing CSOs and other local units. NFN has been coordinating CSOs to achieve the SDGs adopted by UN in 2015. All such tangible works of NFN strengthen the relationship between NGOs as development partner, facilitator and communities as service users and thereby creating enabling environment. NFN is contributing in promoting good governance, human rights and functional democratic societies, and to increase downward accountability.

NFN is implementing "Strengthening Accountability and Governance of NGOs in Nepal (SAGON)" project. SAGON is a three-year project funded by Embassy of Switzerland to Nepal started from 15 November 2014 and ending officially by December 2017. The project aims to enhance roles of NGOs in development sector by improving their accountability, internal control system and institutional governance, and management capacity. During these three years period, various activities were implemented throughout the country. It was expected that, after the support from SAGON project the NGOs/CSOs will become more transparent, accountable and well governed. They will increase their engagement in key issues of public policies, governance and also increase their representation in government induced mechanisms such as thematic committees and forums.

Workforce diversity is the strategy of using best practices with proven results to find and create diverse and inclusive organizations. On the other hand, data related with internal control system (ICS) and institutional good governance of NGOs is important to monitor the situations in NGOs. Therefore, NFN conducted surveys on workforce diversity and internal control system among members and this report has been prepared to present the findings.

2. Objective

The main objective of the survey was to analyze situation of workforce diversity and practices of internal control systems in the NGOs.

3. Methodology

NFN had developed a survey guideline for the purpose of survey, targeting to the NFN district chapters and its users. The guideline had included a data collection survey format for the purpose of collection of data. During the regional level TOTs, the local resource persons were given orientation about the survey process. Survey format had included information checklist based on key areas of information collection such as workforce diversity and internal control system. District chapters of NFN were made responsible to collect the data at district level. Survey forms were dis-

tributed to the NGOs and the filled-up survey forms were collected by the district chapters. So, the local NGOs were the main source of data for this survey and district chapters compiled the collected data at district level. District level compiled data were compiled at regional level as well and then after they were compiled at national level. For the purpose of compilation a simple XL format was developed. Survey was taken place annually, in 2015, 2016 and 2017. Survey was carried out in 29 districts, 72 districts and 50 districts in those years respectively as given in table below:

Table 1: Districts and NGOs covered by survey					
Region	Year I 2015		Year II 2016		Year III 2017	
	Districts	NGOs	Districts	NGOs	Districts	NGOs
Eastern	6	185	15	415	10	142
Central	0	0	18	485	12	170
Western	11	251	15	334	13	149
Mid-Western	7	119	15	257	10	174
Far-Western	5	175	9	275	5	100
Total	29	730	72	1766	50	735

All available data in three consecutive years were reviewed by NFN at centre by using standard indicators that verified the quantitative results achieved on workforce diversity and internal control system. Second, qualitative information and views were collected through Focus Group Discussion (FGDs) in some district chapters (Kavre, Lalitpur and Bhaktapur) and center executive committee of NFN. Findings were analyzed for conclusion and recommendation. The data analysis focused on workforce diversity in NGOs' members, executive committees and working staffs. Focus Group Discussions held were helpful for verification and validation of the data and conclusions. Report has included qualitative information and has tried to analyze internal control practices within NGOs, which are required to institutionalize the NGOs and strengthen their governance and accountability.

4. Limitations

The survey was remained very ambitious as it tried to cover maximum districts in each year. Quantitative data were collected from the NGOs by using survey formats. Qualitative data were not collected from NGOs in all the survey districts. Data has been collected in random basis and some new member NGOs also participated in the survey. Number of districts and NGOs participated in the survey each year were different that has limited to compare the data year-wise. Self-assessment method was used for data collection as NGOs were asked to fill up survey forms, but it was not possible to verify the data/information provided by the NGOs. NFN tried to verify findings and conclusions by Focus Groups Discussions, but it was limited in very few districts.

5. Key Findings

First survey was started after the implementation of SAGON project in 2015. The data collection assessed the incremental trend of ICS practices and institutionalization process of members NGOs. A survey was in two parts. First, there was information on workforce diversity in NGOs, composition of the executive committees and inclusiveness in staffs working with NGOs. Second, status of the internal control system being practiced by them. 3221 member NGOs were involved for this survey which is more than 50 percent of the total members of NFN.

5.1 Workforce Diversity in NGOs

Nepal is a diverse country in terms of social, cultural, religions and ecological regions. Social exclusion is one of the major issues of the country. Constitution of the country has given emphasis on social inclusion. Government of Nepal is trying to address this issue by different means including policy reforms and practices. NFN has been trying to promote diversity in its organizational structure and within its member organizations. Practicing diversities within organizations contribute in social cohesion. So, under the survey, assessment of workforce diversity was remained an important component and compositions of general members, executive boards, vital positions and staffs were analyzed.

5.1.1 Composition of General members

Right of association has been guaranteed by the constitution of Nepal. Number of NGOs is continuously increasing in the country since people are showing their interest to be associated in organizations for various purposes. District Administration Offices are made responsible to register, renew and monitor the NGOs. Similarly, number of members of NGO Federation of Nepal is increasing every year. NGOs are public entities, so their membership policy should be open and transparent. Whatever the intention of the formation of NGOs, they are supposed to be inclusive in terms of gender and social diversity.

The survey collected data about the diversity of its members in terms of caste and ethnicity (social identities) categorized into Hill Brahmin, Chhetri, Thakuri and Dasnami (Sanysi), Hill Indigenous Peoples (Janajati), Hill Dalits, Madhesi, Tarai Dalits, Tarai Indigenous Peoples (Janajatis), Madeshi Dalits, Muslims and others. Interestingly, number of Tarai Janajatis (54.29 percent) people was high in 2015, but number of Hill Brahmin, Chhetri, Thakuri and Dasnami people (48.77 percent) is found highest in 2017.

Table 2: Composition of members by Social Identities (in percent)			
Social Identities	Year 2015	Year 2016	Year 2017
1.Hill Brahmin, Chhetri, Thakuri and Dasnami (Sanyasi)	23.34	51.73	48.77
2. Hill Indigenous Peoples (Janajati)	8.05	23.03	26.1
3. Hill Dalits	2.41	11.6	12.54
4. Madhesi (Except Madhesi Dalits and Janajatis)	0.26	5.44	6.41
5. Tarai Indigenous Peoples (Janajati)	54.29	2.75	1.98
6. Madhesi Dalits	0.27	1.55	1.93
7. Muslims	0.77	0.67	0.7
8. Others	10.61	3.23	1.57
Total	100	100	100

Even though it is difficult to compare the data year-wise but the diversity of members in NGOs is remarkable. Female members in NGO are increasing every year and data of year 2017 showed 50.92 percent general members are women. So, it can be concluded that presence of women in NGOs is found good. Even the number of members of third gender is very negligible, it is very encouraging that they have been organized to increase their collective voices to secure their rights.

Figure 1: Diversity of Members by Gender in 2017
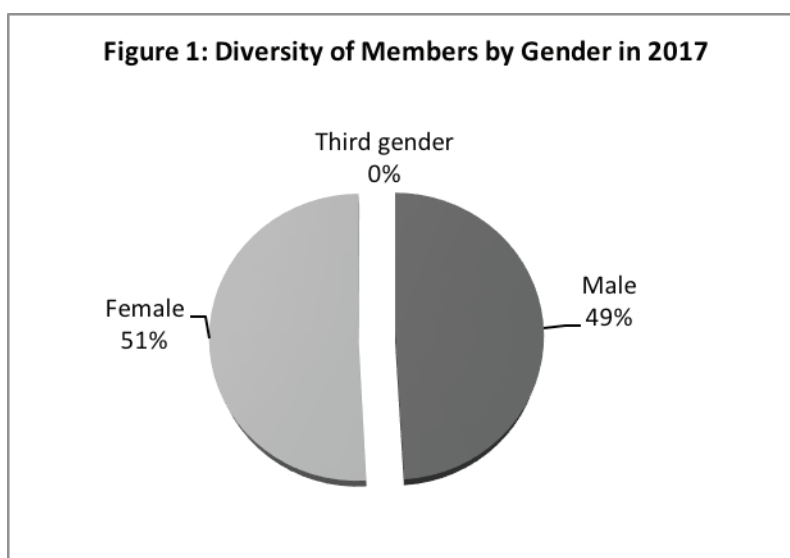
5.1.2. Composition of Executive Boards

In order undertake day to day activities of an organization, there is a practice of formation of executive boards in democratic process and exert leadership within the organization. But, they are supposed to be accountable to the Annual General Meeting (AGM) and General Assemblies and they are expected be inclusive as well. As mention above the NGOs' leadership is composite of different categories of the social stratum in Nepal's anthropological landscape. As data collected in eight different segments that represent people, Hill Brahmin, Chhetri and Hill Indigenous Peoples are in higher size (45.23 and 19.87 percent), but Madheis Dalits and Muslims (1.84 and 0.89 percent) are in lower size in executive boards of NGOs. Findings show that composition of members in NGOs are reflected in the composition of executive boards as well. Comparing to the first year data, percentage of Hill Brahmin, Chhetri, Thakuri and Dasnami, Hill Janajati and Hill Dalits have been decreased in third year.

Table 3: Composition of Executive Committees of NGOs (in percent)			
Social Identities	Year 2015	Year 2016	Year 2017
1.Hill Bramin, Chhetri, Thakuri and Dasnami (Sanyasi)	46.88	42.77	45.23
2. Hill Indigenous peoples (Janajati)	25.27	21.79	19.87
3. Hill Dalits	20.32	13.43	18.24
4. Madhesi (Except Madhesi Dalits and Janajatis)	1.21	7	4.72
5. Tarai Indigenous peoples (Janajati)	2.31	4.43	3.4
6. Madhesi Dalits	0.97	2.22	1.84
7. Muslims	0.71	0.8	0.89
8. Others	2.39	7.56	5.8
Total	100	100	100

Origination of executive board is based on the performance of each eligible member who likes to be candidate for executive role. On the other hand, analyzing the composition of executive boards in terms of gender, it was found that 53 percent were male and 47 percent were female. This means this doesn't reflect the composition of members; even this situation is satisfactory and it is slightly increased than that of 2015.

It was found that AGMs and General Assemblies elect the executive boards and all the board members are serving there voluntarily. Sometimes, size of the organization, recognition and volume of fund they handle determine intensity of competition among the members to be in board.

Figure 2: Composition of Executive Boards by Gender in Year 2017
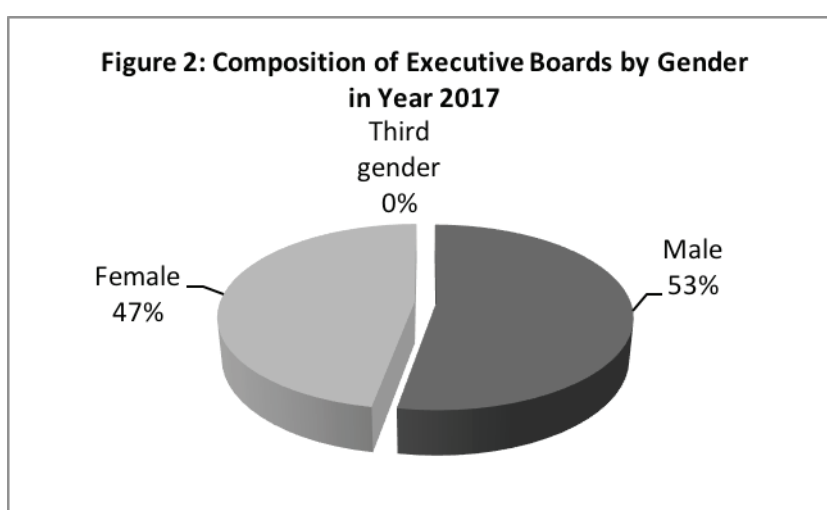
5.1.3 Diversity in Vital Positions

The inclusiveness both in leadership position and action is encouraging according to the analysis of survey data. The following table illustrates the actual result of NGOs' inclusiveness in vital positions of executive boards. Composition of members of NGOs is explicitly reflected in vital positions. Comparing the data between 2015 and 2017, percentage of Hill Brahmin, Chhetri, Thakuri and Dasnami has been decreased in 2017. This indicates various caste/ethnic groups are reaching in vital positions in recent years.

Table 4: Diversity in vital post of the executive committees (in percent)			
Social Identities	Year 2015	Year 2016	Year 2017
1.Hill Brahmin, Chhetri, Thakuri and Dasnami (Sanyasi)	50.26	48.3	47.66
2. Hill Indigenous Peoples (Janajati)	25.59	25.32	25.32
3. Hill Dalits	16.32	12.64	15.11
4. Madhesi (Except Madhesi Dalits and Janajatis)	0.52	4.33	3.5
5. Tarai Indigenous Peoples (Janajati)	1.36	4.55	4.45
6. Madhesi Dalits	0.7	1.26	1.52
7. Muslims	0.7	1.7	0.98
8. Others	4.54	1.9	1.46
Total	100	100	100

5.1.4 Composition of Staffs

All NGOs do not have staffs, but those which are running projects and handling money have staffs to manage their organizational and project works. But, NGOs are not in position to offer permanent jobs to their employees, so turnover of staffs in NGOs is very high. There is tendency of NGO staffs going to INGOs or other services. Ideally, composition of staffs is expected to be inclusive that reflects the diversity of society. Analyzing the survey data, it was found that percentage of Hill Brahmin, Chhetri, Thakuri and Dasnami was 51.69 percent in 2015, whereas it has become 46.02 percent in 2017. In general the composition of staffs in NGOs is mixed in terms of caste/ethnicity and gender. Percentage of Hill Dalits is found increased to 15.33 percent in 2017, which was 12.46 percent in 2015. But, increasing inclusiveness is dependent on their regulatory policies and attitude of leadership. But, sometimes nature of works and locations also determine the diversity.

Table 5: Composition of Staffs by Social Identities (in percent)			
Social Identities	Year 2015	Year 2016	Year 2017
1.Hill Brahmin, Chhetri, Thakuri and Dasnami (Sanyasi)	51.69	49.22	46.02
2. Hill Indigenous Peoples (Janajati)	29.31	22.82	22.88
3. Hill Dalits	12.46	13.06	15.33
4. Madhesi (Except Madhesi Dalits and Janajatis)	1.66	5.55	4.54
5. Tarai Indigenous Peoples (Janajati)	1.89	4.35	6.54
6. Madhesi Dalits	0.83	2.08	2.19
7. Muslims	0.43	1.28	1.02
8. Others	1.72	1.63	1.47
Total	100	100	100

Data on staff composition by gender was also collected. In the base year 2015 the male and female staff percentage was 53 percent and 46 percent respectively. In year 2016 (Year II) the composition of male staff was 56.62 percent female staff was 43.33 percent and there were 8 third gender staffs. But, situation is found different in 2017. There are male staffs about 50.46 percent and female staffs 49.42 percent in 2017. In third year, the percentage of women staffs has been increased than 2015 and 2016.

Figure 3: Composition of Staffs in NGOs in Year 2017
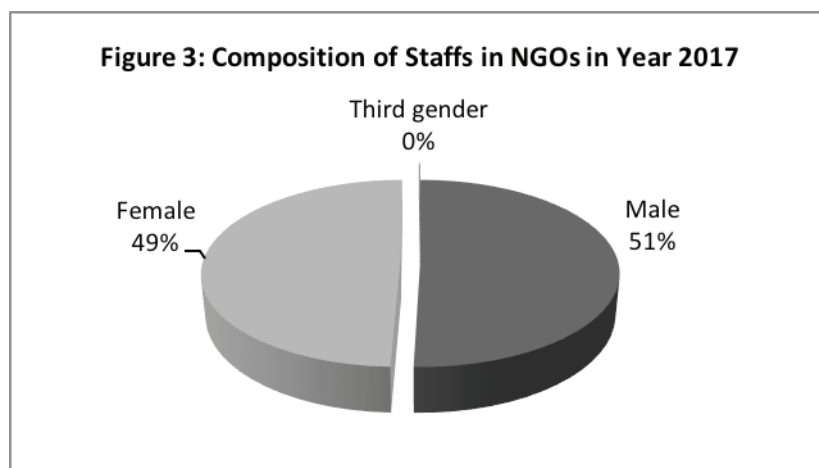
5.2 Internal Control System of the NGOs

Credibility of NGOs depends on their effectiveness and accountability. Practice of institutional good governance is prerequisite for improvement of effectiveness of NGOs. NGOs need to practice internal control system to improve their governance and management, and to minimize fiduciary risks and conflict of interest. Modern management system demands evidence based operational practices. Organizations become strong when they have written documents to regulate their organizations and they need to develop basic policies and guidelines to improve internal control practices. The survey results show that many policies and plans are in place and NGOs have started to introduce innovative ideas as well. They are helping to enhance knowledge and skills within NGOs. So, NGOs require strong and workable internal control system.

5.2.1 Internal Control Environment

a) Strategic Management

Each NGO has set its organizational objectives in their statutes when they are formed. Strategic management is the way to achieve its objectives and it helps an organization to move forward in right direction to reach in destination. Under strategic management, the survey tried to find the status of formulation of strategic plans and its knowledge with executive board and staff members in case they are in place in particular organization. In 2017 it was found that 84.15 percent of NGOs have tried to formulate or formulated strategic plans in their organizations including their vision, mission and goals. Similarly, level of their knowledge on strategic plan is found increased within their NGOs. 81.78 percent surveyed NGOs have tried to make their organizational structures to some extent. Increased in percentage indicates that NGOs are becoming aware about the importance of strategic plans and organograms to run their organizations. Answer "Yes" in survey denotes that the outlined situation is existing in such percentage.

Table 6: Strategic Management (data presented in percent)			
Indicators	Year 2015	Year 2016	Year 2017
Presence of strategic plan with vision, mission and goals	75.48	80.25	84.15
Executives and staffs are oriented about the provisions of organizational statue and vision, mission and goals	80.41	81.14	86.67
Presence of organogram of structural position of General Assembly, executive committee, department, director, staffs, projects and their linkages	71.92	73.99	81.78

b) Institutional Management

The institutional management capacity enables the optimum use of resources through meticulous planning and control at the workplace. Organization management gives a sense of direction to the executive board and employees that individuals be well aware on roles and responsibilities and knows what they are supposed to do in the organization. Employees accomplish their tasks within the stipulated timeframe, and they stay loyal towards their job and do not treat work as a burden. NFN is well understood about the need of institutionalization of its members that assured better coordination among various stakeholders.

There were ten indicators/questions including regular meetings of the executive committee, Annual General Meeting and General Convention for the election of new leadership in stipulated time. Compliance of the existing rules and laws of the country, participation in development process, and promotion of good governance and strengthening internal control mechanism within the organization are very important.

All NGOs are registered in District Administration Offices, and most of them are affiliated in Social Welfare Council as well. But, NGOs are facing a problem of multiple affiliations as they are forced to affiliate in District Coordination Committees and municipalities. According to the survey data, institutional management aspects are found in progressive trend and status of fulfilling regulatory obligation is improved. Percentage of NGOs practicing renewal process is annually increased. But, many NGOs are facing problem at the time of renewal as Government agencies are imposing unnecessary burdens to the NGOs by asking to submit unnecessary documents.

As legal stand point NGOs are non-profit making organizations and they work for social welfare and development. Because of procurement act of the Government NGOs are forced to register in VAT to participate in any project called by Government. Many organizations are not registered in VAT, but they have obtained PAN. Following is the actual database scenario of NGOs regarding institutional management.

Table 7: Institutional Management (data presented in percent)			
Indicators	Year 2015	Year 2016	Year 2017
Executive committee meets regularly (as per provision of statue)	69.59	85.67	88.82
Organize Annual General Meeting every year	65.75	89.51	89.99
Regularly organize convention and election of new committee	63.97	83.94	87.96
Annual audit from registered auditor is regular	81.64	86.39	91.67
Renewal of the organization registration is on time	81.51	87.41	91.38
Submission of income statement and taxes is regular as per regulation	87.40	89.77	94.25
Submission of the progress report and audit report to the concern Government authority	74.11	86.48	86.16
Organization has registered PAN number	73.56	87.43	91.55
Every member have received the copy of the organization statue	53.42	67.15	73.52
Organization has registered on VAT	3.01	6.44	7.46

The above table reflects the progressive changes happening in NGOs. NGOs have sincerely partnering with Government and making strong network with donors for the implementation of demand driven projects, disaster response and addressing contextual issue. NGOs are complying existing rules and regulations of Government, but they are bothered by directives issued by Social Welfare Council, which are not NGO friendly indeed.

c) Self Regulation Policies

NGOs are engaged in human rights, inclusive approach and capacity building to address the social challenges emerging in changing context. They are adapting new technologies to improve their organizational efficiencies. But, their works should be evidence based and result based. Presence and adoption of organizational' policies, guidelines and code of conduct lead to improve in internal control practices in any organization. NGO Federation of Nepal has been focusing its activities to improve self-regulating policies and guidelines of its members. The survey has assessed the availability of operational policies, guidelines and directives in NGOs.

During survey it was found that NGOs have developed around 20 policies and guidelines. According to the survey NGOs are drafting policies and practicing them based on nature of their organizations and conditions of the funding agencies even in the usual context. Somehow policies are developed by many organizations, for instance administrative and finance policies. Survey data showed NGOs are most likely to develop operation manual, financial policy, and administrative policy. But, old and more projects handling NGOs have more policies, directives and project based guidelines in comparison to the newly started NGOs. Some NGOs are improving their policies as per the direction of their donors or to fulfill the conditions induced by their donors. But, small and community based NGOs, who are not receiving funds from outer sources; they may not have more self-regulatory policies. So, existence and enforcement of self-regulation policies, regulation and directives are contributing to improve internal control practices in NGOs.

Table 8: Organization operation policies, guideline and directives (data presented in percent)			
Type	Year 2015	Year 2016	Year 2017
Organization operation manual	60.27	66.74	70.55
Organizational financial policies	52.60	68.33	73.54
Organizational administrative policy	54.11	69.24	69.69
Policy on inclusiveness (membership distribution and staff recruitment)	50.00	60.44	61.56
Human resource management policy	34.38	42.02	46.84
Insurance policy (insurance of vital equipment and staffs)	17.53	27.83	28.98
Policy on travelling (DSA and travelling allowances)	21.64	35,31	41.01
Staff carrier development policy (training, promotion, study etc.)	18.63	24.54	33.26
Code of conduct (all members of the organization, executives and staff)	17.95	35.07	37.00
Policy on accepting donation and gifts	3.56	24.64	27.59
Procurement and storing policy of goods and services	30.55	46.19	54.93
Goods and services distribution policy	32.74	48.16	54.51
Storage policy	18.90	44.66	46.84
Policy on vehicle use and maintenance	10.41	25.30	33.84
Organization's property sales and auction policy	13.56	35.15	37.89
Policy on handling of commission and discount received	13.01	30.89	31.08
Policy on operating petty cash	18.36	55.45	41.66
Policy and procedure for audit (internal and external)	58.36	69.87	76.17
Policy on limitation of cash payment	38.36	56.21	60.80
Cash account and regular record keeping	52.60	66.02	67.98

Human resource management policy is developing by those organizations handling multi-year projects with big number of staffs. Those NGOs which are specializing their works has to think about the skilled and capacitated staff's retention where human resource management policy should be in place for the annual incremental, exposure and other opportunities for motivation as well as to update/acquiring new knowledge and skills to apply advance technology in workplace. It is good information that some NGOs started drafting specific policies and guidelines to improve their institutional governance and management.

5.2.2. Internal Control System

a) Executive Committee

The survey questions have tried to assess the existence of family relations, responsibility distribution, Conflict of Interests, and rotation of leadership in NGOs. Very personal questions asked to answer to the respondent NGOs. According to the survey, members in organizations from same family are significantly decreased with respect to the baseline data of year 2015 (from 38.22 to 19.26). Appointment of Executive Directors have family relationship with executive members are also decreasing from 16.71 of Year 2015 to 11.71 percent in year 2017. On the other hand it is very positive indication that 71 percent organizations have appointed separate executive directors according to the data of third year, which was only 27 percent in base year 2015.

Table 9: Control System in Executive Committee (data presented in percent)			
Indicators	Year 2015	Year 2016	Year 2017
Number of members from same family in executive committee	38.22	17.16	19.26
Number of members from same family in general members	27.53	27.95	26.91
Practice of power delegation/authorization	37.26	65.89	73.45
Practice of development of alternative leadership and rotation of leadership	32.88	68.96	69.26
Number of staff member who are also in executive committee	17.67	13.36	2.09
Executive Director has any family relationship with board members	16.71	16.43	11.71

b) Personnel Management

Survey asked eleven questions and assessed personnel management practices in NGOs. They were mainly about the awareness of executive members and staffs about the human resource policy, system of separate record keeping of the individual staff member, attendance system, performance evaluation system and reward and punishment, orientation on code of conduct to the both executive members and staffs etc. Percent of NGOs practicing TOR is increased to 78.72 percent in 2017. Similarly, the progress is observed in other indicators as well. Following table gives the details on this in three different years.

Table 10: Personnel management (data presented in percent)			
Indicators	Year 2015	Year 2016	Year 2017
Executive members and staffs are aware about the human resource policy and regulation	44.93	59.89	65.15
There is practice of providing ToR along with appointment letter to the staff	70.96	77.15	78.72
There is a system of separate recoding keeping of the individual staff members	47.12	71.10	74.49
There is attendance system for the staff members	80.55	82.51	92.63

There are separated roles and responsibilities of executive members and staffs (clearly defined in ToR/JD)	46.85	72.76	75.20
There is regular salary payment to the staff after deducting the tax as per slap	79.73	81.73	89.92
There is performance evaluation system of the staff member	61.51	68.46	81.28
There is performance based reward and punishment system	48.63	53.81	63.93
There is a practice of power delegation to the staff unions in writing as and when required	62.88	56.85	64.59
There is code of conduct and oriented to the executives and staff members	44.52	58.48	72.71
There is code of conduct compliance monitoring system	34.38	50.68	61.26

c) Financial Management

NGOs are mobilizing financial resources from various sources. But, almost all NGOs rely on international organizations and individual donors including INGOs for resource mobilization. National laws and their own statute guide to NGOs for financial management and book keeping. Proper financial management is precondition for institutionalizing and strengthening internal control system in any organization. Budget preparation and assignment of expenditure, operation of bank account, advance taking and settlement, account keeping, auditing management of goods and service procurement, assets and store management were assessed under the survey. As per survey data there is practice of budget preparation and expenditure assignment for the planned activities. The trend of NGOs approving annual plan and budget through AGM was 62.60 percent in year 2015, but this practice reached to around 84.04 percent in 2017. Likewise compliance of existing laws and regulation including guideline of Social Welfare Council (SWC) is also increased from 59.04 percent of the baseline to 81.05 percent in 2017 as they have been practicing to receive prior approval from SWC. Keeping financial discipline is not only depending on self-regulatory policies, it is also dependent on funders. It is found, that a single NGO is compelled to follow multiple guidelines of various donor agencies.

Table 11: Financial management (data presented in percent)			
Indictors	Year 2015	Year 2016	Year 2017
System of approving annual budget through Annual general assembly	62.60	79.89	84.04
Practice of making expenditure as per approved budget	59.04	77.71	83.86
Practice of pre-approval if approved budget differ than actual expenditure	50.82	71.96	77.62
There is updated recordkeeping of receive and payment amount	62.33	83.21	85.52
There is system of inspection of cash in hand/balance	39.18	61.86	68.51
Practice of taking foreign assistance with prior approval of SWC	59.04	64.08	81.05

d) Assets and store management

Assets management in NGO sector is the new practice even though they have been practicing by many organizations and they acquire many fixed and other assets as donation, assistance and being purchased for the effective service delivery. The trend of such record keeping and valuation their assets by NGOs have increased as they are sincere for the adaptation of modern management system. Practice of physical examination of the goods and property by competent auditor is increased from 53.42 percent (2015) to 75.58 percent (2017)

Table 12: Assets and store management (data presented in percent)			
Indicators	Year 2015	Year 2016	Year 2017
All fixed and fictitious assets purchased for office use or constructed or received from transfer has recorded and managed	52.6	73.56	76.38
All purchased goods kept record update in ledger book along with all related documents i,e, purchase order, received log that signed by the authority	43.29	68.29	68.26
Every year at least once there will be physical examination of the goods and property and prepare an updated statement that certify by the competent auditor.	53.42	73.56	75.58
Any tools and equipment used for asset handling and storing:			
• Maintained goods received ledger	59.86	68.01	69.5
• Maintained balance ledger for daily useable goods	43.84	56.48	68.55
• Maintained ledger for all property/ Assets (fixed assets)	44.52	56.68	67.61

e) Vehicle Management Policy

In Nepalese NGOs and vehicle use have no history and was not the concern for the management of the organization because they have no vehicle in the past. However, those who have two-wheel or four-wheel vehicles have started to develop vehicle management policies. In survey vehicle management aspect was added with some questions. Percent of NGOs maintaining log book was 20.55 percent in 2015, but it is reached to 42.99 percent in 2017. Similarly practice of prior approval is increased from 32.60 percent to 42.27 percent.

Table 13: Policy for the vehicle movement/use (data presented in percent)			
Indicators	Year 2015	Year 2016	Year 2017
Maintaining log book	20.55	37.15	42.99
Limits for using fuels	39.73	37.15	39.71
System of getting written approval for vehicle use	32.60	37.15	42.27

f) Filing, Documentation and Information Technology

Any growing organization has to face complexity in day to day operation. Mobilization of resources including human and materials are linked with performance. Therefore, result based planning and applications of available technologies are in demand. Member based organizations like NGOs and their federations have to keep records and information as references for advocacy, watchdog and effective governance. During survey some questions were asked with respondent NGOs about their practices of filing documents and adaptation of information technology and the responses are follows:

Table 14: Filing, documentation and information technology (data presented in percent)			
Indicators	Year 2015	Year 2016	Year 2017
Access to the concern staffs up to necessary files	47.26	62.34	79.13
System of digital filing and recording	36.58	39.98	57.03
Registration system of incoming mails and letters	66.16	68.01	79.84
Arrangement of security of digital data and information	36.85	39.98	55.75
Compliance of RTI provision of regular publishing classified information to the public	52.05	62.34	64.67

g) Project Management

Project management is comprehensive task. Project manager should be aware about the stages of project cycle that includes from identification to evaluation and feedback/suggestions. For internal control purpose the survey was on planning process and participation of target groups and effective monitoring system designed and different level of monitoring and evaluation has emphasized. The questions were valid for the assessment of the organization on their project management skills and priorities. About the project selection of planning approach and identification of target group only 51.78 percent of NGOs were sincere as baseline in the year 2015 and reached 73.30 percent in 2017.

Table 15: Project Management (data presented in percent)			
Indicators	Year 2015	Year 2016	Year 2017
Applied participatory planning approach and system of participation of the target groups in planning process	51.78	68.01	73.3
There is monitoring schedules and indicators prepared	38.49	68.29	71.12
System of project evaluation by executives based on indicators	39.45	68.12	67.85
Submission of monitoring reports on time	55.21	62.46	71.93
Practice of Activities based budgeting and expenditure	72.88	73.78	76.84
Over expenses on the budget allocation has endorsed from the competent authority	62.05	68.12	72.39
Preparation and submission of progress and financial reports as given template in due time	72.19	73.39	76.77
Practice of joint interactive meeting between executive and staffs	59.18	62.68	61.52
Practice of periodic review of the projects	71.23	73.67	74.62
Practice of internal and external evaluation of the project	69.73	56.91	72.03
Practice of reviewing internal and external evaluation reports and preparation of necessary work plan	54.93	59.74	68.9

6. Conclusions

NGOs in Nepal were mostly involved in social welfare and charity works before 1990. But, after restoration of democracy in 1991, roles of NGOs have been diversified. Nowadays NGOs are involving in policy advocacies, defending human rights and democracy, peace building, service delivery and research in partnering with Government, local governments and other stakeholders. Most of the NGOs are found being involved in multiple works.

NGOs are registered under District Administration Office, but they are also regulated by Social Welfare Council. Legitimacy, transparency and accountability of NGOs are having been questioned for last few years. In this context, NFN has run SAGON project for improving governance and accountability. Survey on workforce diversity and internal control system, which was a part of the project, was remained very important to analyze the status of workforce diversity, and internal control system and practices in three consecutive years. Even baseline data were not available when the project was started, but the survey data served as baseline data, which was collected in 2015.

SAGON project was remained successful to organize various trainings and orientations throughout in its project period. NGOs were made aware about the internal control system and institutional good governance. NGOs have started to improve their policies and self-regulatory system in proactive manner.

This survey has helped to generate the data to monitor the progress in logical framework of the project. Findings of

survey are very encouraging as workforce diversity is continuously improving in the NGOs in terms of gender balance and inclusion of diverse communities. Membership, executive boards, staffs' compositions and representation in vital positions of NGOs are becoming more inclusive in terms of gender and social identities.

On the other hand, positive changes are being observed in many indicators of internal control environment and system. Percentages of NGOs who hold regular meetings, AGM and General Assemblies have been increased. These attempts contribute in institutional governance improvement in NGOs. Similarly, positive increment is observed in indicators of financial management, personnel management and project management as well.

Positive changes in the indicators indicate the SAGON project was remained successful to improve the governance and management of NGOs. Self-regulation practices are improved in NGOs. All these results help to improve the public image of the NGOs community.

Besides improving in self-governance and self-regulation practices, governance of NGOs also depends in laws and regulations of Government, political environment, social values and effectiveness of oversight agencies like SWC and DAOs. How NGOs are formed, who are forming the NGOs and who are inspiring to form them also determine the situation of internal governance in NGOs. Different types of NGOs are identified such as GONGO, DONOGO, PONGO, FANGO etc. Works of NGOs who are formed in ill intentions and only for financial interest have impacted in those NGOs who are seriously and consistently working for social transformation.

Since the number of districts and number of NGOs covered by the survey in different years constrained the comparability of the survey findings, this effort has been important to analyze the situation. One can conclude the governance practices of NGOs through this report.

7. Recommendations

Despite inclusivity and internal governance practices are improving within NGOs, following points are recommended for further improvement in both components:

*   NGOs should be encouraged to share good practices and exemplary works regarding good governance and accountability. Peer learning and sharing of experiences among the NGOs could be a way to improve the governance.

*   Dialogues and interactions with Government agencies, media and development partners and local communities should be carried out to understand each other views and opinions. Roles of NGOs should be reviewed in changing political context in the country.

*   Presence of women and marginalized communities is increasing in NGOs, but they should be reached in executive positions and their deceive roles should be promoted further.

*   Every NGO should specify its priority work rather than to involve in multiple works. NGOs should increase their interactions with grassroots people because gap between NGOs and grassroots people is increasing.

*   Even though NGOs are not profit-making organizations, they should start to involve in social enterprises or income generation activities for their financial sustainability.

*   The report exposed the scenario of national picture regarding workforce diversity and internal control system, but it is suggested to analyze the data at district and province level as well, so that NFN could be able to design district specific strategies for interventions.

*   Capacity of oversight bodies such SWC, DAO etc. should be increased, so that they could be able to support the NGOs to improve their internal governance.

*   Policies and working modality of some INGOs and international development partners should be improved because it is observed they are compelling the NGOs to undertake bad practices.

*   NFN should work to improve institutional good governance of NGOs to improve their public image. Improving public image increases public trust and they can protect political spaces for their operation.

- Initiatives of NGO Federation of Nepal such as Monitoring of Code of Conduct, Indicator Based Monitoring System, Hotline Service System, Certification to the NGOs etc. should be continued. Istanbul Principles of CSO Development Effectiveness should be promoted among the NGOs. On the other hand, simply training to the NGOs is not sufficient; they should be supported to improve their governance and management practices as per their needs and demands. NFN district chapters should be developed as service providers to its members to do so.

Annex I

Districts covered by survey

Regions	Year 2015	Year 2016	Year 2017
Eastern region	Sunsari, Panchthar, Dhankuta, Jhapa, Udaypur, Taplejung	Taplejung, Panchthar, Ilam, Jhapa, Sankhuwasbha, Terhathum, Dhankuta, Sunsari, Morang, Khotang, Bhojpur, Okhaldhunga, Udaypur, Siraha, Saptari	Taplejung, Ilam, Jhapa, Morang, Sunsari, Dhankuta, Terhathum, Siraha, Udayapur, Sankhuwsava
Central region		Kathmandu, Bhaktapur, Lalitpur, Sindhuplachok, Dolakha, Ramechhap, Sindhuli, Dhanusha, Mahottari, Kavre, Nuwakot, Rasuwa, Dhading, Chitawan, Rautahat, Parsa, Dolakha, Sarlahi	Kathmandu, Bhaktapur, Lalitpur, Kavre, Sindhupalchowk, Makawanpur, Mahottari, Dhanusha, Sarlahi, Dhading, Ramechhap, Rasuwa
Western region	Gorkha, Syangja, Tanahu, Manang, Lamjung, Baglung, Parvat, Myagdi, Palpa, Rupandehi, Gulmi	Gorkha, Syangja, Tanahu, Manang, Lamjung, Baglung, Parvat, Myagdi, Palpa, Rupandehi, Gulmi, Argakhachi, Kapilvastu	Myagdi, Baglung, Parvat, Kaski, Tanahun, Gorkha, Syangja, Papla, Gulmi, Mustang, Rupandehi, Kapilvastu, Nawalparsi
Mid-western region	Banke, Dang, Humla, Mugu, Jumla, Kalikot, Salyan	Banke, Dang, Humla, Mugi, Jumla, Kalikot, Salyan, Bardiya, Dailekh, Dolpa, Jajarkot, Surkhet, Rukum, Mugu, Pyuthan, Rolpa	Banke, Bardiya, Dang, Surkhet, Ropla, Kalikot, Salyan, Jajarkot, Dailekh, Humla
Far-western region	Kailali, Achham, Kanchanpur, Dadeldhura, Baitadi	Kailali, Achham, Kanchanpur, Dadeldhura, Baitadi, Bajhang, Bajura, Darchula, Doti	Kailali, Kanchanpur, Dadeldhura, Doti, and Bajhang

Annex II

Aggregated Survey Data

Part One: Workforce Diversity in NGOs

1.1 Composition diversity of the membership in NGOs

Contents	Unit	Year One 2015					Year Two 2016					Year Three 2017				
Caste/Ethnicity		Male	Female	Third gender	Total	Percent	Male	Female	Third gender	Total	Percent	Male	Female	Third gender	Total	Percent
Hill Brahmin, Chhetri, Thakuri and Dasmani (Sanyasi)	No.	52576	34299	0	86875	23.34	29590	30786	16	60392	51.73	12857	13992	3	26849	48.77
Hill Indigenous people	No.	17528	12443	0	29971	8.05	14608	12264	9	26881	23.03	7040	7329	0	14369	26.10
Hill Dalits	No.	5420	3540	0	8960	2.41	6919	6532	96	13547	11.60	3302	3602	1	6904	12.54
Madhesi (Except Madhesi Dalits and Janajatis)	No.	347	603	0	950	0.26	3822	2526	2	6350	5.44	2022	1507	3	3529	6.41
Terai Indigenous people/Janajati	No.	120692	81351	0	202043	54.29	1550	1646	10	3206	2.75	537	555	11	1092	1.98
Madhesi Dalits	No.	363	657	0	1020	0.27	878	934	0	1812	1.55	499	563	1	1062	1.93
Muslims	No.	435	2429	0	2864	0.77	433	347	0	780	0.67	199	185	1	384	0.70
Others	No.	30679	8790	19	39488	10.61	2386	1389	0	3775	3.23	563	303	1	866	1.57
Total	No.	228040	144112	19	372171		60186	56424	133	116743		27019	28036	21	55055	
Percent	Percent	61.27	38.72	0.01	100.00		51.55	48.33	0.11	100.00		49.08	50.92	0.04	100.00	

1.2 Composition of Executive Committees of Organisations

Caste/Ethnicity		Male	Female	Third gender	Total	Percent	Male	Female	Third gender	Total	Percent	Male	Female	Third gender	Total	Percent
Hill Brahmin, Chhetri, Thakuri and Dasmani (Sanyasi)	No.	2106	1330	0	3436	46.88	4390	3451	5	7846	42.77	2162	1692	0	3854	45.23
Hill Indigenous people	No.	963	889	0	1852	25.27	2076	1917	4	3997	21.79	798	895	0	1693	19.87
Hill Dalits	No.	780	709	0	1489	20.32	1287	1177	0	2464	13.43	764	790	0	1554	18.24
Madhesi (Except madhesi Dalits and janajatis)	No.	59	30	0	89	1.21	793	492	0	1285	7.00	252	150	0	402	4.72
Terai Indigenous people/Janajati	No.	62	107	0	169	2.31	434	378	0	812	4.43	144	146	0	290	3.40
Madhesi Dalits	No.	27	40	0	67	0.91	223	185	0	408	2.22	101	56	0	157	1.84
Muslims	No.	32	20	0	52	0.71	93	53	0	146	0.80	40	36	0	76	0.89
Others	No.	110	65	0	175	2.39	800	587	0	1387	7.56	240	254	0	494	5.80
Total	No.	4139	3190	0	7329		10096	8240	9	18345		4501	4019	0	8520	
Percent	Percent	56.47	43.53	0.00	100.00		55.03	44.92	0.05	100.00		52.8	47.2	0.0	100.0	

1.3 Context of inclusion in vital post of the executive committees (chair, vice chair, secretary and treasurer)

Caste/Ethnicity		Total	Percent	Male	Female	Third gender	Total	Percent	Total	Percent	Total	Percent
Hill Brahmin, Chhetri, Thakuri and Dasmani (Sanyasi)	No.	1438	50.26	1839	1519	2	3360	51.69	3134	48.30	1662	47.66
Hill Indigenous people	No.	732	25.59	1018	887	0	1905	29.31	1643	25.32	883	25.32
Hill Dalits	No.	467	16.32	396	414	0	810	12.46	820	12.64	527	15.11
Madhesi (Except madhesi Dalits and janajatis)	No.	15	0.52	54	54	0	108	1.66	281	4.33	122	3.50
Terai Indigenous people/Janajatis	No.	39	1.36	54	69	0	123	1.89	295	4.55	155	4.45
Madhesi Dalits	No.	20	0.70	31	23	0	54	0.83	82	1.26	53	1.52
Muslims	No.	20	0.70	18	10	0	28	0.43	110	1.70	34	0.98
Others	No.	130	4.54	59	53	0	112	1.72	123	1.90	51	1.46
Total	No.	2861		3469	3029	2	6500		6488		3487	
Percent		100.00		53.37	46.60	0.03	100.00		100.00		100.00	

1.4 Staff composition in organisations

Caste/Ethnicity		Male	Female	Third gender	Total	Percent	Male	Female	Third gender	Total	Percent
Hill Brahmin, Chhetri, Thakuri and Dasmani (Sanyasi)	No.	4728	3894	5	8627	49.22	2530	2480	5	5015	46.02
Hill Indigenous people	No.	2248	1750	1	3999	22.82	1170	1322	1	2493	22.88
Hill Dalits	No.	1187	1102	0	2289	13.06	833	837	1	1671	15.33
Madhesi (Except madhesi Dalits and janajatis)	No.	749	224	0	973	5.55	345	149	1	495	4.54
Terai Indigenous people/Janajatis	No.	466	294	2	762	4.35	318	394	1	713	6.54
Madhesi Dalits	No.	231	134	0	365	2.08	141	96	2	239	2.19
Muslims	No.	137	88	0	225	1.28	56	54	1	111	1.02
Others	No.	178	108	0	286	1.63	106	53	1	160	1.47
Total	No.	9924	7594	8	17526		5499	5385	13	10897	
Percent		56.62	43.33	0.05	100.00		50.46	49.42	0.12	100.00	

Part two: Internal Control System

2.1 Strategic Management

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Pesence of strategic plan with vision, mission and goals	No.	551	179	730	1386	341	1727	616	116	732
	Percent	75.48	24.52	100.00	80.25	19.75	100.00	84.15	15.85	100.00
Executives and staffs are oriented about the provisions of organisational statue and vision, mission and goals	No.	587	143	730	1407	327	1734	637	98	735
	Percent	80.41	19.59	100.00	81.14	18.86	100.00	86.67	13.33	100.00

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Pesence of organogram of structural position of General Assembly, executive committee, department, director, staffs, projects and their linkages	No.	525	205	730	1277	449	1726	588	131	719
	Percent	71.92	28.08	100.00	73.99	26.01	100.00	81.78	18.22	100.00

2.2 Institutional Management

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Executive committee meets regularly (as per provision of statue)	No.	508	222	730	1500	251	1751	683	86	769
	Percent	69.59	30.41	100.00	85.67	14.33	100.00	88.82	11.18	100.00
Organise Annual General Meeting every year	No.	480	250	730	1579	185	1764	683	76	759
	Percent	65.75	34.25	100.00	89.51	10.49	100.00	89.99	10.01	100.00
Regularly organise General Convention and election of new committee	No.	467	263	730	1464	280	1744	672	92	764
	Percent	63.97	36.03	100.00	83.94	16.06	100.00	87.96	12.04	100.00
Annual audit from registered auditor is regular	No.	596	134	730	1511	238	1749	695	63	758
	Percent	81.64	18.36	100.00	86.39	13.61	100.00	91.69	8.31	100.00
Renewal of organisation registration is on time	No.	595	135	730	1535	221	1756	689	65	754
	Percent	81.51	18.49	100.00	87.41	12.59	100.00	91.38	8.62	100.00
Submission of income statement and taxes is regular as per regulation	No.	638	92	730	1562	178	1740	689	42	731
	Percent	87.40	12.60	100.00	89.77	10.23	100.00	94.25	5.75	100.00
Submission of progress report and audit report to the concern Government authority	No.	541	189	730	1503	235	1738	666	107	773
	Percent	74.11	25.89	100.00	86.48	13.52	100.00	86.16	13.84	100.00
Organisation has registered PAN number	No.	537	193	730	1530	220	1750	672	62	734
	Percent	73.56	26.44	100.00	87.43	12.57	100.00	91.55	8.45	100.00
Every member has received the copy of the organisation statue	No.	390	340	730	1165	570	1735	533	192	725
	Percent	53.42	46.58	100.00	67.15	32.85	100.00	73.52	26.48	100.00
Organisation has registered on VAT	No.	22	708	730	108	1568	1676	66	819	885
	Percent	3.01	96.99	100.00	6.44	93.56	100.00	7.46	92.54	100.00

2. 3 Directives, Policies, Regulations for Organizational Operation

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Organisation operation guideline	No.	440	290	730	1158	577	1735	551	230	781
	Percent	60.27	39.73	100.00	66.74	33.26	100.00	70.55	29.45	100.00

Policy		Block 1			Block 2			Block 3		
Organisational financial policies	No.	384	346	730	1206	559	1765	581	209	790
	Percent	52.60	47.40	100.00	68.33	31.67	100.00	73.54	26.46	100.00
Organisational administratione policy	No.	395	335	730	1191	529	1720	568	247	815
	Percent	54.11	45.89	100.00	69.24	30.76	100.00	69.69	30.31	100.00
Policy on inclusiveness (membership distribution and staff recruitment)	No.	365	365	730	1051	688	1739	490	306	796
	Percent	50.00	50.00	100.00	60.44	39.56	100.00	61.56	38.44	100.00
Human resource management policy	No.	251	479	730	729	1006	1735	407	462	869
	Percent	34.38	65.62	100.00	42.02	57.98	100.00	46.84	53.16	100.00
Insurance policy (insurance oif vital equipment and staffs)	No.	128	602	730	487	1263	1750	253	620	873
	Percent	17.53	82.47	100.00	27.83	72.17	100.00	28.98	71.02	100.00
Policy on travelling (DSA and travelling allowances)	No.	158	572	730	601	1101	1702	374	538	912
	Percent	21.64	78.36	100.00	35.31	64.69	100.00	41.01	58.99	100.00
Staff carreer development policy (training, promotion, study etc.)	No.	136	594	730	423	1301	1724	286	574	860
	Percent	18.63	81.37	100.00	24.54	75.46	100.00	33.26	66.74	100.00
Code of conduct (all members of the organization, executives and staff)	No.	131	599	730	607	1124	1731	299	509	808
	Percent	17.95	82.05	100.00	35.07	64.93	100.00	37.00	63.00	100.00
Policy on accepting donation and gifts	No.	26	704	730	394	1205	1599	218	572	790
	Percent	3.56	96.44	100.00	24.64	75.36	100.00	27.59	72.41	100.00
Procurement and storing policy of goods and services	No.	223	507	730	775	903	1678	429	352	781
	Percent	30.55	69.45	100.00	46.19	53.81	100.00	54.93	45.07	100.00
Goods and service distribution policy	No.	239	491	730	771	830	1601	423	353	776
	Percent	32.74	67.26	100.00	48.16	51.84	100.00	54.51	45.49	100.00
Storage Policy	No.	138	592	730	748	927	1675	385	437	822
	Percent	18.90	81.10	100.00	44.66	55.34	100.00	46.84	53.16	100.00
Policy on vehicle use and maintenance	No.	76	654	730	421	1243	1664	290	567	857
	Percent	10.41	89.59	100.00	25.30	74.70	100.00	33.84	66.16	100.00
Organization's property sales and auction policy	No.	99	631	730	587	1083	1670	305	500	805
	Percent	13.56	86.44	100.00	35.15	64.85	100.00	37.89	62.11	100.00
Policy on handling of commission received and discount received	No.	95	635	730	514	1150	1664	257	570	827
	Percent	13.01	86.99	100.00	30.89	69.11	100.00	31.08	68.92	100.00

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Policy on operating petty cash	No.	134	596	730	962	773	1735	472	337	809
	Percent	18.36	81.64	100.00	55.45	44.55	100.00	58.34	41.66	100.00
Policy and procedure for audit (internal and external)	No.	426	204	730	1213	523	1736	592	185	777
	Percent	58.36	27.95	100.00	69.87	30.13	100.00	76.19	23.81	100.00
Policy on limitation of cash payment	No.	280	450	730	973	758	1731	484	312	796
	Percent	38.36	61.64	100.00	56.21	43.79	100.00	60.80	39.20	100.00
Cash account and regular record keeping	No.	384	346	730	1117	575	1692	516	243	759
	Percent	52.60	47.40	100.00	66.02	33.98	100.00	67.98	32.02	100.00
Part three: Internal Control System										
Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
There is trained executive member/ staff on organisational internal control system and management	No.	200	530	730	1129	617	1746	591	234	825
	Percent	27.40	72.60	100.00	64.66	35.34	100.00	71.64	28.36	100.00
3.1 Executive Committee										
Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Number of members from same family in executive committee	No.	279	451	730	293	1414	1707	141	591	732
	Percent	38.22	61.78	100.00	17.16	82.84	100.00	19.26	80.74	100.00
Number of members from same family in general members	No.	201	529	730	492	1268	1760	197	535	732
	Percent	27.53	72.47	100.00	27.95	72.05	100.00	26.91	73.09	100.00
Practice of power delegation/authorization	No.	272	458	730	1103	571	1674	520	188	708
	Percent	37.26	62.74	100.00	65.89	34.11	100.00	73.45	26.55	100.00
Practice of development of alternative leadership and rotation of leadership	No.	240	490	730	1135	511	1646	489	217	706
	Percent	32.88	67.12	100.00	68.96	31.04	100.00	69.26	30.74	100.00
Number of staff member who are also in executive committee	No.	129	601	730	229	1485	1714	15	702	717
	Percent	17.67	82.33	100.00	13.36	86.64	100.00	2.09	97.91	100.00
Executive Director has any family relationship with board members	No.	122	608	730	271	1378	1649	81	611	692
	Percent	16.71	83.29	100.00	16.43	83.57	100.00	11.71	88.29	100.00

3.2 staff management

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Executive members and staffs are aware about the human resource policy and regulation	No.	328	402	730	1020	683	1703	471	252	723
	Percent	44.93	55.07	100.00	59.89	40.11	100.00	65.15	34.85	100.00
There is practice of providing ToR along with appointment letter to the staff.	No.	518	212	730	1317	390	1707	577	156	733
	Percent	70.96	29.04	100.00	77.15	22.85	100.00	78.72	21.28	100.00
There is a system of separate recoding keeping of the individual staff members	No.	344	386	730	1208	491	1699	546	187	733
	Percent	47.12	52.88	100.00	71.10	28.90	100.00	74.49	25.51	100.00
There is attendance system for the staff members	No.	588	142	730	1406	298	1704	679	54	733
	Percent	80.55	19.45	100.00	82.51	17.49	100.00	92.63	7.37	100.00
There are separated roles and responsibilities of executive members and staffs (clearly defined in ToR/JD)	No.	342	388	730	1245	466	1711	552	182	734
	Percent	46.85	53.15	100.00	72.76	27.24	100.00	75.20	24.80	100.00
There is regular salary payment to the staff after deducting the tax as per slap	No.	582	148	730	1396	312	1708	660	74	734
	Percent	79.73	20.27	100.00	81.73	18.27	100.00	89.92	10.08	100.00
There is performance evaluation system of the staff member	No.	449	281	730	1157	533	1690	595	137	732
	Percent	61.51	38.49	100.00	68.46	31.54	100.00	81.28	18.72	100.00
There is system of reward and punishment based on performance.	No.	355	375	730	875	751	1626	452	255	707
	Percent	48.63	51.37	100.00	53.81	46.19	100.00	63.93	36.07	100.00
There is a practice of power delegation to the staff unions in writing as and when required.	No.	459	271	730	925	702	1627	456	250	706
	Percent	62.88	37.12	100.00	56.85	43.15	100.00	64.59	35.41	100.00
There is code of conduct and has oriented to the executives and staff members	No.	325	405	730	983	698	1681	533	200	733
	Percent	44.52	55.48	100.00	58.48	41.52	100.00	72.71	27.29	100.00
There have system of monitoring of compliance of code of conduct	No.	251	479	730	863	840	1703	457	289	746
	Percent	34.38	65.62	100.00	50.68	49.32	100.00	61.26	38.74	100.00

3.3 Financial management

3.3.1 budget preparation and expenditure

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
System of approving annual budget through Annual General Meeting	No.	457	273	730	1398	352	1750	611	116	727
	Percent	62.60	37.40	100.00	79.89	20.11	100.00	84.04	15.96	100.00

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
There is practice of making expenditure as per approved budget	No.	431	299	730	1349	387	1736	613	118	731
	Percent	59.04	40.96	100.00	77.71	22.29	100.00	83.86	16.14	100.00
There is practice of pre-approval if approved budget differ than actual expenditure	No.	371	359	730	1209	471	1680	555	160	715
	Percent	50.82	49.18	100.00	71.96	28.04	100.00	77.62	22.38	100.00
There is update recordkeeping of receive and payment amount	No.	455	275	730	1442	291	1733	620	105	725
	Percent	62.33	37.67	100.00	83.21	16.79	100.00	85.52	14.48	100.00
There is system of inspection of cash in hand/balance	No.	286	444	730	1020	629	1649	483	222	705
	Percent	39.18	60.82	100.00	61.86	38.14	100.00	68.51	31.49	100.00
There is practice of taking foreign assistance with prior approval of SWC	No.	431	299	730	1040	583	1623	569	133	702
	Percent	59.04	40.96	100.00	64.08	35.92	100.00	81.05	18.95	100.00

3.3.2 operation of Bank Account

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Bank account in operation	No.	590	140	730	1637	129	1766	688	37	725
	Percent	80.82	19.18	100.00	92.70	7.30	100.00	94.90	5.10	100.00
According to the statue the bank account operation with 2 persons' signature	No.	601	129	730	1636	130	1766	685	39	724
	Percent	82.33	17.67	100.00	92.64	7.36	100.00	94.61	5.39	100.00
There is practice of bank reconciliation in every month	No.	253	477	730	1090	676	1766	480	245	725
	Percent	34.66	65.34	100.00	61.72	38.28	100.00	66.21	33.79	100.00
There is practice of signature in blank cheques (if yes define the condition in remarks)	No.	268	462	730	543	1023	1766	163	554	717
	Percent	36.71	63.29	100.00	30.75	57.93	100.00	22.73	77.27	100.00
There is a practice of organisational transaction from private account	No.	130	600	730	328	1438	1766	124	592	716
	Percent	17.81	82.19	100.00	18.57	81.43	100.00	17.32	82.68	100.00
There are cheque writing and inspection officers	No.	440	290	730	1238	528	1766	545	172	717
	Percent	60.27	39.73	100.00	70.10	29.90	100.00	76.01	23.99	100.00

3.3.3 Advance and settlement of advance

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
System in written for releasing advance and settlement in due time	No.	389	341	730	1201	565	1766	555	177	732
	Percent	53.29	46.71	100.00	68.01	31.99	100.00	75.82	24.18	100.00

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
There is system of making request, check the request and approval for granting advance	No.	413	317	730	1220	346	1766	570	162	732
	Percent	56.58	43.42	100.00	69.08	19.59	100.00	77.87	22.13	100.00
There is practice of preparing statement on advance account (including purpose, amount and duration etc.)	No.	367	363	730	1219	547	1766	547	185	732
	Percent	50.27	49.73	100.00	69.03	30.97	100.00	74.73	25.27	100.00

3.3.4. Account keeping

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
There is system of account keeping	No.	359	371	730	1166	600	1766	500	233	733
	Percent	49.18	50.82	100.00	66.02	33.98	100.00	68.21	31.79	100.00
There is computerized account keeping	No.	105	625	730	866	900	1766	364	369	733
	Percent	14.38	85.62	100.00	49.04	50.96	100.00	49.66	50.34	100.00
Practice of preparation of account statement (monthly, trimester or any other explain in remarks)	No.	278	452	730	1201	565	1766	597	136	733
	Percent	38.08	61.92	100.00	68.01	31.99	100.00	81.45	18.55	100.00
Practice of wide discussion on account statement and feedback sharing	No.	396	334	730	1202	564	1766	572	160	732
	Percent	54.25	45.75	100.00	68.06	31.94	100.00	78.14	21.86	100.00
System of preparing and attaching relevant bills and papers with general voucher.	No.	579	151	730	1430	336	1766	600	133	733
	Percent	79.32	20.68	100.00	80.97	19.03	100.00	81.86	18.14	100.00
Practice of preparation of other financial statements like balance sheet, trail balance, income and expenditure statement and cash flow etc.)	No.	509	221	730	1347	419	1766	560	148	708
	Percent	69.73	30.27	100.00	76.27	23.73	100.00	79.10	20.90	100.00

3.3.5 Auditing

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Practice of appointing auditor by general assembly of the organisation	No.	534	196	730	1367	399	1766	597	135	732
	Percent	73.15	26.85	100.00	77.41	22.59	100.00	81.56	18.44	100.00
Arrangement for the discussion on the audit report	No.	353	377	730	1167	599	1766	597	135	732
	Percent	48.36	51.64	100.00	66.08	33.92	100.00	81.56	18.44	100.00

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Practice of management responses on the issues and concern raised by the auditor to correct the situation and attention in future to rectify any error and occurrence of mistakes	No.	496	234	730	1267	499	1766	565	142	707
	Percent	67.95	32.05	100.00	71.74	28.26	100.00	79.92	20.08	100.00
There is social audit. If yes, mention the period of audit	No.	373	357	730	1045	721	1766	479	249	728
	Percent	51.10	48.90	100.00	59.17	40.83	100.00	65.80	34.20	100.00

3.4. Management of goods and services procurement

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Practice of listing suppliers	No.	242	488	730	1001	765	1766	401	310	711
	Percent	33.15	66.85	100.00	56.68	43.32	100.00	56.40	43.60	100.00
There is procurement plan in written	No.	134	596	730	801	965	1766	351	355	706
	Percent	18.36	81.64	100.00	45.36	54.64	100.00	49.72	50.28	100.00
Practice of developing specific ToR for the service providers to procure the services	No.	303	427	730	766	1000	1766	425	309	734
	Percent	41.51	58.49	100.00	43.37	56.63	100.00	57.90	42.10	100.00
There are criteria developed for the selection of suppliers	No.	309	421	730	1001	765	1766	403	306	709
	Percent	42.33	57.67	100.00	56.68	43.32	100.00	56.84	43.16	100.00
Process of procurement (demand from, quotation/tender, authorization for the purchase, certification of purchase and storing statement)	No.	409	321	730	1107	659	1766	447	262	709
	Percent	56.03	43.97	100.00	62.68	37.32	100.00	63.05	36.95	100.00

3.5. Assets and store management

Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
All fixed and fictitious assets purchased for office use or constructed or received from transfer has recorded and managed	No.	384	346	730	1299	467	1766	553	171	724
	Percent	52.60	47.40	100.00	73.56	26.44	100.00	76.38	23.62	100.00
All purchased goods kept record update in ledger book along with all related documents i,e, purchase order, received log that signed by the authority.	No.	316	414	730	1206	560	1766	501	233	734
	Percent	43.29	56.71	100.00	68.29	31.71	100.00	68.26	31.74	100.00
Every year at least once there will be physical examination of the goods and property and prepare a updated statement that certify by the competent auditor.	No.	390	340	730	1299	467	1766	554	179	733
	Percent	53.42	46.58	100.00	73.56	26.44	100.00	75.58	24.42	100.00
Any tools and equipment used for asset handling and storing.		Yes	No	Total	Yes	No	Total	Yes	No	Total

		Yes	No	Total	Yes	No	Total	Yes	No	Total
Maintained goods received ledger	No.	437	293	730	1201	565	1766	442	194	636
	Percent	59.86	40.14	100.00	68.01	31.99	100.00	69.50	30.50	100.00
Maintained balance ledger for daily useable goods	No.	320	410	730	1001	765	1766	436	200	636
	Percent	43.84	56.16	100.00	56.68	43.32	100.00	68.55	31.45	100.00
Maintained ledger for all property/ Assets (fixed assets)	No.	325	405	730	1001	765	1766	430	206	636
	Percent	44.52	55.48	100.00	56.68	43.32	100.00	67.61	32.39	100.00
3.6 Policy for the vehicle movement/use										
Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Maintaining log book	No.	150	580	730	656	1110	1766	325	431	756
	Percent	20.55	79.45	100.00	37.15	62.85	100.00	42.99	57.01	100.00
Limits for using fuels	No.	290	440	730	656	1110	1766	299	454	753
	Percent	39.73	60.27	100.00	37.15	62.85	100.00	39.71	60.29	100.00
System of getting written approval for vehicle use	No.	238	492	730	656	1110	1766	298	407	705
	Percent	32.60	67.40	100.00	37.15	62.85	100.00	42.27	57.73	100.00
3.7 filing, documentation and information technology										
Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total
Access to the concern staffs up to necessary files	No.	345	385	730	1101	665	1766	580	153	733
	Percent	47.26	52.74	100.00	62.34	37.66	100.00	79.13	20.87	100.00
System of digital filing and recording	No.	267	463	730	710	1066	1776	418	315	733
	Percent	36.58	63.42	100.00	39.98	60.02	100.00	57.03	42.97	100.00
Registration system of incoming mails and letters	No.	483	247	730	1201	565	1766	586	148	734
	Percent	66.16	33.84	100.00	68.01	31.99	100.00	79.84	20.16	100.00
Arrangement of security of digital data and information	No.	269	461	730	710	1066	1776	407	323	730
	Percent	36.85	63.15	100.00	39.98	60.02	100.00	55.75	44.25	100.00
Compliance of RTI provision of regular publishing classified information to the public	No.	380	350	730	1101	665	1766	474	259	733
	Percent	52.05	47.95	100.00	62.34	37.66	100.00	64.67	35.33	100.00
3.8 Project Management										
Description /statement		Yes	No	Total	Yes	No	Total	Yes	No	Total

Statement		Col1	Col2	Total	Col4	Col5	Total	Col7	Col8	Total
Applied participatory planning approach and system of participation of the target groups in planning process	No.	378	352	730	1201	565	1766	538	196	734
	Percent	51.78	48.22	100.00	68.01	31.99	100.00	73.30	26.70	100.00
There is monitoring schedules and indicators prepared	No.	281	449	730	1206	560	1766	522	212	734
	Percent	38.49	61.51	100.00	68.29	31.71	100.00	71.12	28.88	100.00
System of project evaluation by executives based on indicators	No.	288	442	730	1203	563	1766	498	236	734
	Percent	39.45	60.55	100.00	68.12	31.88	100.00	67.85	32.15	100.00
Submission of monitoring reports on time	No.	403	327	730	1103	663	1766	528	206	734
	Percent	55.21	44.79	100.00	62.46	37.54	100.00	71.93	28.07	100.00
Practice of Activities based budgeting and expenditure	No.	532	198	730	1303	463	1766	564	170	734
	Percent	72.88	27.12	100.00	73.78	26.22	100.00	76.84	23.16	100.00
Over expenses on the budget allocation has realized from the competent authority	No.	453	277	730	1203	563	1766	514	196	710
	Percent	62.05	37.95	100.00	68.12	31.88	100.00	72.39	27.61	100.00
Preparation and submission of progress and financial reports as given template in due time	No.	527	203	730	1103	400	1503	565	171	736
	Percent	72.19	27.81	100.00	73.39	26.61	100.00	76.77	23.23	100.00
Practice of joint interactive meeting between executive and staffs	No.	432	298	730	1107	659	1766	454	284	738
	Percent	59.18	40.82	100.00	62.68	37.32	100.00	61.52	38.48	100.00
Practice of periodic review of the projects	No.	520	210	730	1301	465	1766	547	186	733
	Percent	71.23	28.77	100.00	73.67	26.33	100.00	74.62	25.38	100.00
Practice of internal and external evaluation of the project	No.	509	221	730	1005	761	1766	528	205	733
	Percent	69.73	30.27	100.00	56.91	43.09	100.00	72.03	27.97	100.00
Practice of reviewing internal and external evaluation reports and preparation of necessary work plan	No.	401	329	730	1055	711	1766	494	223	717
	Percent	54.93	45.07	100.00	59.74	40.26	100.00	68.90	31.10	100.00