

BUDGETARY CONTROL SYSTEM OF PLAN (INGO): A STUDY OF PLAN NEPAL

A

Thesis

SUBMITTED BY:

RAMESH KUMAR KHATRI

Mahendra Multiple Campus, Nepalgunj

T.U. Regd. No.: 14650-89

MBS Exam Roll No.:

SUBMITTED TO

Office of the Dean

Faculty of Management

Tribhuvan University

Kirtipur

In partial fulfillment for the requirements for the degree of
Master of Business Studies (MBS)

Nepalgunj, Nepal

2008

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT
Mahendra Multiple Campus
Nepalgunj

Ref.....

Date:.....

VIVA- VOCE SHEET

We have conducted the viva-voce examination of the thesis presented by

RAMESH KUMAR KHATRI

Entitled

**BUDGETARY CONTROL SYSTEM OF PLAN (INGO):
A STUDY OF PLAN NEPAL**

And found the thesis to be the original work of the student written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for Master of Business Studies (MBS)

VIVA-VOCE COMMITTEE

Chairman of Research Department

Member (Thesis Supervisor).....

Member (External Expert).....

Member (External Expert).....

Date: -

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT
Mahendra Multiple Campus
Nepalgunj

Ref.....

Date.....

RECOMMENDATION

This is to certify that the thesis:

SUBMITTED BY

RAMESH KUMAR KHATRI

Entitled

**BUDGETARY CONTROL SYSTEM OF PLAN (INGO):
A STUDY OF PLAN NEPAL**

has been prepared as approved by this Department in the prescribed format of Faculty of Management. This thesis is forwarded for examination.

Mr. Amar Raj Regmi (Lecturer)
(Thesis Supervisor)

Mr. Bhairab Bahadur Bista
(Head of Research Department)

Mr. Laxman Pokhrel
(Assistant Campus Chief)

Date:

DECLARATION

I hereby declare that the work reported in this thesis entitled " Budgetary Control System of Plan (INGO): A Study of Plan Nepal" submitted to Office of Dean, Faculty of Management, Tribhuvan University is my original work done in the form of partial fulfillment of the requirement of Master's Degree in Business Studies (M.B.S.) under the guidance and supervision of Mr. Amar Raj Regmi, (Lecturer) of Mahendra Multiple Campus, Nepalgunj.

.....
Ramesh Kumar Khatri

Mahendra Multiple Campus, Nepalgunj

T.U. Regd. No.: 14650-89

ACKNOWLEDGEMENT

Firstly, I am grateful to my dissertation Supervisor Mr Amar Raj Regmi, Lecturer of Mahendra Multiple Campus, Faculty of Management for guiding me to write this dissertation and providing valuable advice in spite of his busy time. I would like to express my sincere gratitude to the Faculty of Management, where I have completed my study and Mr. Mukesh Agrawal Coordinator of the Faculty of Management, for his constructive guidance.

I am indebted to Mr. Resham Thakuri, Sudha Gurung, Nooma Dhakal and Rajendra Chaudhary, who fully supported me during the fieldwork. I would like to express my sincere thanks to the community people and the respondents of NGOs for their kind cooperation and support during field study.

My cordial thanks goes to my colleague, Nita Sharma Dahal, Madhuri Shakya, Sujit Karki who helped me in data collecting, tabulating and computing while preparing and complete my study.

Finally, my sincere thanks go to my friends of Plan Nepal, who helped me for provide all guideline, necessary data, and support for FGD of this Thesis.

Ramesh Kumar Khatri
Chisapani#1, Banke
Mid-Far western region

Table of Content

<u>Contents</u>	<u>Page</u>
Acknowledgement	
List of table	
List of abbreviation	
Chapter 1, Introduction	1-10
1.1 Introduction	1-4
1.2 Background	4-8
1.3 Statement of problem	8
1.4 Objective	8
1.5 Conceptual Framework	9
1.6 Rational of the study	9
1.7 Hypothesis	9-10
Chapter 2, Literature Review	11-22
2.1 Plan Nepal Annual Report 2007	11-19
2.2 External Audit	19-21
2.3 Internal Audit	21-22
Chapter 3, Research Method	22-27
3.1 Research design	23-24
3.2 Data Collection	24
3.3 Universal and Sampling	24-25
3.4 Data Collection techniques	25
3.5 Observation	25-226
3.6 Focus Group Discussion	26
3.7 Data process and analysis	26
3.8 Period cover	26
3.9 Limitation of the study	27
Chapter 4, Data Presentation and Analysis	27-81
4.1 Background of study	28
4.1.1 Program Control System	28
• PPM NduGU	28-37
• Child Center Community Development Approach	37-40
• Risk Base Audit	40
4.1.2 Financial Control System	
• Field Operation Book	41-57
• NGO Guideline	58-63
• CBO Procedure	63-67
• Advance Tracking System	67-68
• Salary Advance System	68
• General Ledger	69-74
4.1.3 Admin Control System	
• Operational Manual	75-79
• Human Resource Policy	79-81
Chapter 5, Summary, Conclusion and Recommendation	82-130
5.1 summary of this study	82-87

5.2 Conclusion of the study	87-88
5.2 Recommendation	88-89
Reference	90
Questioner	91-99
Annex	100-130

List of table

S.N	Table No.	Table description	Page No.
1	1	Geographical Population Distribution	2
2	2	History of Plan	7
3	3	Concept of Study	9
4	4	Maternal & Child Mortality & Under Nitration	13
5	5	Progress on economy security	15
6	6	Budget V/S actual for FY 2007	17
7	7	Source of grants expenditure by Country	18
8	8	Sponsorship Caseload as of June 07	18
9	9	Audit Findings	18
10	10	Compliance on Program	22
11	11	Compliance on Finance	21
12	12	CCDA Stage & Process	39
13	13	Guideline for CBOs	64
14	14	Check List for Books of Account	65
15	15	Budget V/S Actual of FY 2003	70
16	16	Budget V/S Actual of FY 2004	70
17	17	Budget V/S Actual of FY 2005	71
18	18	Budget V/S Actual of FY 2006	71
19	19	Budget V/S Actual of FY 2007	72

Abbreviation

S.N	Short form	Detail of short form
1	GDP	Gross Domestic Product
2	SWC	Social Welfare Council
3	NGO	Non- Government Organization
4	CBO	Community Base Organization
5	GO	Government
6	FOB	Field Operation Book
7	GL	General Ledger
8	SATS	Salary Advance Tracking System
9	PPM NduGu	PPM NduGu
10	RBA	Risk Base Audit
11	CDS	Child Data System
12	CCCD	Child Centered Community Development Approach
13	OM	Operational Manual
14	HRP	Human Resource Policy
15	GON	Government
16	MDG	Millennium Development Goal
17	VDC	Village Development Committee
18	PU	Program Unit
19	PUM	Program Unit Manager
20	NFHP	Nepal Family Health Program
21	ECCD	Early Care Childhood Development
22	WSUG	Water & Sanitation User Groups
23	PCES	Parenting education
24	DEO	District Education Office
25	SMC	School Management Committee
26	DDC	District Development Committee
27	BCC	Behavioral Change Communication
28	BLOP	Better Life Option Program
29	CD	Country Director

30	ICO	Internal Control Officer
31	AAL	Audit Action List
32	FGD	Focuses Group Discussion
33	NCO	National Country Office
34	DC	Development Coordinator
35	TC	Technical Coordinator
36	CPMEPC	Corporate Planning, Monitoring and Evaluation Coordinator
37	IH	International Headquarter
38	CPO	Country Program Outline
39	CDO	Community Development Outline
40	CPR	Community Project Request
41	PO	Project Outline
42	APR	Annual Progress Report
43	FAMP	Family Profile
44	FY	Fiscal Year
45	OM	Operational Manual
46	SC	Sponsor Child
47	GHU	Growing up Healthy
48	SAGE	Situation assessment and global establishment
49	DIP	Detail Implementation Plan
50	PCR	Project Completion Report
51	ATS	Advance Tracking System
52	PDO	Project Development Outline
53	PP	Personal Policy
54	CAB	Current Approved Budget
55	CAT	Current Approved Total
56	OT	Over Time
57	LWP	Leave Without Pay
58	PMS	Performance Management System.
59	FC	Finance Coordinator

60	FAB	Forecast Annual Budget
61	CO	Country Office