Chapter - One

1. Introduction

1.1 Introduction

Situated in the lap of Himalaya, Nepal is located in between the latitude 260 22' N to 300 27' North and longitude 800 4' E to 880 12' East and elevation ranges from 90 to 8848 meters. The average length being 885 km. east to west and average breadth is about 193 km. north to south. The country is bordering between the two most populous countries of the world, India in the east, south, west and China in the north. Nepal is a land locked country and home place of natural beauty with traces of artifacts. The northern range (Himalaya) is covered with snow over the year where the highest peak of the world, the Mount Everest, stands. The middle range (Hill) is captured by gorgeous mountains, high peaks, hills, valleys and lakes. The Southern range (Terai) is the agnatic plain of alluvial soil and consists of dense forest area, national parks, wildlife reserves and conservation areas. The temperature and rainfall differ from place to place. In the geographic diversity and varied climatic conditions census 2001 enumerated more than 100 caste/ethnic groups.

Population projected for the year 2006 is 25.8 million. Nepal presents an example of being united in diversity over the history and has maintained its pride to be an independent and sovereign state. Geographically, the country is divided in three regions: Mountain, Hill and Terai accommodating 7.3, 44.3 and 48.4 percent of the population respectively in 2001. Based on area of districts these regions comprise 35, 42 and 23 percent respectively of the total land area of the kingdom. There are 5 development regions - Eastern Development Region, Central Development Region, Western Development Region, Mid-Western Development Region and Far-Western Development Region accommodation 23.1, 34.7, 19.7, 13.0, 9.5 percent of population respectively.

In 2001, there are 75 administrative districts. Districts are further divided into smaller units, called Village Development Committee (VDC) and Municipality. Currently, there are 3,915 VDCs and 58 Municipalities in the country. Each VDC is composed of 9 wards, Municipality ward ranges from 9 to 35. Kathmandu is the capital city. There are number of peaks, rivers and lakes in the country. Major peaks are - Mount Everest (8848 m.) the highest peak of the world, Mt. Kanchanjangha (8586 m.) the third highest peak of the world and the second highest in the country, and Mt. Lhotse (8516 m.). Major rivers are - Koshi, Gandaki and Karnali. Major keas are - Rara, She-Foksundo, Phewa, Tilicho etc. Economic growth of the country has not improved substantially time to overtake population growth. As the current population growth is 2.25 percent per annum, the achieved by development activities has been overshadowed by rowing population. Little over half (58.2%) of the population of working age reported usually economically active in 2001. According to population Census 2001 reports those 53.1 percent populations of age 10 years & over are employed and 5.1 percent are unemployed. Contribution of non agricultural activities is gradually increasing in the GDP. The preliminary estimates of per capita GDP and per capita GNI in terms of US dollar are 315 and 322 at a current price respectively for the year 2005/06. 31 percent of the population is below the absolute poverty line. The currency is Nepalese Rupee.

Nepal is bounded on the North by the Tibetan Autonomous Region of the People's Republic of China, the East-West and South by India. Nepal covers an area of 147181square kilometer, which accounts 0.3% area of Asia and 0.03% area of the world map. The length of the kingdom is 885 kilometers East-West and its breath vary from 145-241 kilometers North-South and average breath is 193 kilometers. An average population density is 157/square kilometer. According to CBS 2001 report population growth rate is 2.27%. The country can be divided into three main

geographical regions. They are Himalayan region, Hill region and Terai region. The Terai is the densely populated region than other two. Region wise population density of Terai, Hill and Himalayan are 330, 167, and 33/square kilometers respectively.

I)   Himalayan region: It has occupied 15% of the total land of Nepal. It is 4877 to 8848 meters from sea level. 7.3% of the total population live in this region.

II)   Hill region: It begins 600 meters and ends at 4877 meters from sea level. It has covered large portion of total land and 44.3% of the total population inhabit here.

III)   Terai region: This land is very fertile for the purpose of agriculture. This region is plain and low level from sea level, which starts from 70 meters to 600 meters from sea level. 48.4 % of the total population live here.

Table No. 1

Geographical Population Distribution

SN.	Geographical region	Area covered in Sq.Km	Population density	HH	Average family size	Population
1	Himalayan	51,879 (15%)	33	319,875	5.28	1,687,859 (7.29%)
2	Hill	61,345	167	1,982,753	5.17	10,251,111

		(68%)				(44.28%)
3	Terai	34,019 (17%)	330	1,950,580	5.75	11,212,453 (48.43%)

Sources: CBS 2001

Nepal has diverse ethnic, linguistic, and religious communities. Of the total population of 25 million

୨ 37% are indigenous peoples (called Janajati in the hills and Terai Plains)

୨ 12% are Dalits (Hindu low caste groups in the hills and Terai Plains)

୨ 33% are Brahmins and Chhetris

୨ 13 % are Terai 'middle class' Madhesis residing in the plains.

୨ 5% are religious minorities/others

In political context, after years of autocratic rule through the party-less Panchayat System, a people's movement in 1990 restored a multi-party democratic system. However, the democratic system did not adequately address the structural issues, such as the continuing legacy of feudalistic class, caste and ethnic discriminitation, imbalanced ethnic representation in power structure, and regional disparities in access to development resources continue to exit. The continued discrimination and inequitable distribution of resources, and the failure of appropriate participatory development initiatives to reach the real poor at the

right time in the right place contributed to the instigation of the Maoist movement in 1996.

In the post 1990 period, the political infighting in ruling parties and between different faction in the parliament has led to frequent change of government in the centre, dissolution of parliament and local government bodies. After 12 years conflict, a historical agreement has been made between Maoist and Nepal government. Now, Nepal does not have elected government body and the 8 political parties has been formed government for constitution election.

Nepal ranks 140th in the UN human development index with an average annual per capita income of $230. Of the total population, about 85% lives in village and more then 86% depend on agriculture as their main livelihood, even though it contribution only 38% of the Gross Domestic Product (GDP)
National-agriculture sectors, especially tourism and manufacturing, are not performing well because the economy has stagnated (-0.06%) per annum in 2001-2002, due to the political conflict and violence in the country for the past decade.
(Ref-UN human development index)

According to a survey carried out in 2003/2004, 31% of total population was living below the poverty line. This was 11% less than a similar estimate of 42% in 199/96. The decline in the rate of poverty is attributed mainly to increasing remittances from Nepalis working abroad. However, this seemingly positive view of poverty at the macro level dose not reflects the negative effect of the conflict on the well-being of poorer and marginalized people. For instance, the survey also revealed that the gap in living standards has widened and that the rural-urban differential

has further increased. In rural areas, 35% of the population is living below the poverty line, while it is only 10% in urban areas.

In Nepal poverty is more than simply a phenomenon of low income. It has regional, gender and ethnic dimensions and is highest among children, women, and deprived, excluded ethnic groups. These dimensions are manifested in indebtedness, marginalization, a lack of opportunities, insecurity, vulnerability to natural disasters, a legacy of exploitation, and continuous poor governance.

Though, Nepal government has purposed 5 years development plan, couldn't completed all targeted plan. Different type's obstacles are in counter which should have solved as soon as possible. So government has opened to all countries to support for development. All INGOs should have register with SWC. They have to transparent their resource and program as well.

1.2 Background of the study

Plan is an international humanitarian, child centered, development organization, without religious, political or governmental affiliation. Plan was founded in 1937 by British journalist John Langdon-Davies and refugee worker Eric Muggeridge. Originally named 'Foster Parents Plan for Children in Spain', the aim was to provide food, accommodation and education to children whose lives had been disrupted by the Spanish Civil War.

During the Second World War, Plan expanded to work with displaced children throughout war-torn Europe. In the 1950s, as Europe recovered, it became increasingly evident that children in countries further field were also in need of critical help. Plan gradually began working with deprived children throughout Africa, Asia, Latin America and the Caribbean. Plan organization was renamed Plan

International to reflect its aim of bringing lasting improvement to the lives of children in need wherever they live, whatever their circumstances

Today, Plan is one of the world's largest development organizations. Plan work in 49 developing countries, and raise over US$501 million a year to plan and implement its program work on health, education, livelihood, housing, water and sanitation projects, and cross-cultural learning.

Child sponsorship is the foundation of Plan. Plan has about one million sponsors from 17 donor countries helping over one million children all over the world, together with their families and communities

From its roots in 1937 to date, Plan has evolved into a global organization working with 1,300,000 children and impacting the lives of 13,000,000 people in 49 developing countries.

Nearly 7500 staff and 60000 volunteers are working in 60 countries to support children, their families and communities to bring about lasting and positive change. (Ref- World wide annual review 2005)

Child centered community development is the foundation of Plan's approach. Across the world, millions of children live in abject poverty and are denied the services and support, such as education, health care, clean water and safe homes that are theirs by right.

Plan has years of experiences of successfully working to address the causes and mitigated the consequences of poverty. This means operating at every level of society, from the individual child and their family to the global political scene.

At the grassroots, Plan aim to empower and enable all members of a community, including the children, to invest in their own development through an integrated program of projects designed to address their identified priorities and to claim their

rights from those responsible for fulfilling them. Plan work in cooperation with local and national governments to help respect the commitments they have made to children. Plan also work with national and international organizations present in the country.

At the same time, staff and volunteers in Plan's national organizations raise awareness of, and support for, Plan's work; they also design and implement development education and advocacy program that complement and support Plan's program in developing countries. By this, they are highlighting the causes of child poverty and the means by which these can and must be tackled. The aim is to develop a global conscience and awareness of our common responsibility that can create a powerful movement for change.

Empowering individuals and groups to demand and work for change is important. Learning and experiences are shared across every level of the organization, with community-based and other organizations.

Through, among others, the Convention on the Rights of the child and the Millennium Development Goals, world leaders have committed to encourage and enable that change. Plan's aim is to ensure that the global promises are transformed into local, regional, national and international action.

Since 1978, Plan International has been working in the poorer and marginalized areas of Nepal and has grown to reach out to as many girls and boys as possible. Plan Nepal started its program in Kathmandu district initially. Nearly,25 years latter, Plan Nepal now supports development program that benefit a large number of socially and economically deprived children, their families and communities in 8 district of Nepal. Currently, Plan Nepal works intensively in 8 districts (Morang, Sunsari, Bara, Rautahat, Makawanpur, Banke, Bardiya and Dang) with a high density of vulnerable, disadvantaged and excluded population groups, and the lowest ranked districts in the HDI of the Nepal Human Development Report 2004.

Previously Plan has worked in Bajhang, Salyan and Bhojpur district also. But due to worse political situation Plan has phased out its program from respective district. While Plan reach out to 35 districts on issue based programs through its national partner NGOs.

Plan Nepal has expanded its programs to include child rights and critical areas of the girl-child, child labor and women. The program area specific and national level endeavors to address these issues are actively implemented in many districts of the country through NGO partners. Plan Nepal has shifted from delivering services to promoting child-centered community development. Presently, Plan is transforming its approach to practice even more participatory development led by communities and children, and guided by its Strategic Directions and Principles, government's sector policies, poverty reduction strategy paper and the National Plan of Action for Children based on child rights.

Plan Nepal is working with following strategic direction in Nepal.

〕 <u>Being a child centered community development organization.</u>
Plan practices a child-centered approach to community development, which address the issues that prevent children from realizing their potential. Child centered community development respects the rights and dignity of children, their families and communities. It is based on the Plan Program Principles and integrates child rights, children's participation, and the building of relationship.

〕 <u>Making long-term commitments to children living in poverty.</u>
Plan continues to focus on working in developing countries and poor areas within other countries. Plan makes long-term commitment to working with the greatest number of deprived children in each country. They include children living in urban areas and those in difficult circumstances, as indicated by the Country Strategic Plan.

〕 <u>Assisting as many children as possible.</u>
Plan mobilizes as many resources as possible to assist children, consistent with program quality, and will enhance the capacity of communities and

partners to access and manage resources locally. A global resource mobilization strategy and growth plan will enable Plan to make effective ling-term investment and recognize risk. Individual child sponsorship remains the core to fund raising mechanism, while other funding sources are developing.

♩ Building relationships.

Plan strives to enable children and adults across the world to communicate, to develop mutual understanding, and to work together to address the needs and right of children living in poverty and difficult circumstance.

♩ Working in partnerships and alliances.

Plan actively participates in and promotes partnerships and alliance at local, national and international levels. These are formed with government and other stakeholders in program and donor countries to optimize the capacity of al participants to work in issues that prevent children form realizing their potential.

♩ Being a recognized voice.

Plan ensures that the voices of children are heard at the policy table, and will itself influence policy at local, national and international levels, on issues that prevent children from realizing their potential, and on which Plan and its partners have grassroots knowledge and experience.

Plan is a learning organization. Plan is helping poorer children, women and communities through learning by doing approach too. So Plan has been changing its logo and name gradually, which is given as below.

Table 2

History of Plan

Year	Action
1937	In 1937, Plan was founded as 'Foster Parents Plan for Children in Spain' to help children whose lives were disrupted by the Spanish Civil War
1940	During World War II, the organization became known as 'Foster Parents

	Plan for War Children' and worked in England, helping displaced children from all over Europe. After the war, the organization extended aid to children in France, Belgium, Italy, the Netherlands, Germany, Greece and briefly in Poland, Czechoslovakia and China.
1950	As Europe recovered, Plan gradually moved out of these countries and opened new programs in less developed countries. The organization removed the reference to war children and became 'Foster Parents Plan Inc.' to reflect the goal of bringing lasting change to the lives of children in need, whatever their circumstances.
1950	Plan expanded its work to countries in South America and Asia. Plan's programs were designed to promote long-term, sustainable development for children and their families. In 1962, US First Lady Jacqueline Kennedy was honorary chairwoman during Plan's Silver Jubilee.
1970	The global name became 'Plan International' as programs now spanned South America, Asia and Africa.
1980	Belgium, Germany, Japan and the UK joined Canada, the US, Australia and the Netherlands as donor countries. Plan was recognized by the Economic and Social Council of the United Nations.
1990	Plan marked its 60th anniversary of helping children. Offices opened in France, Norway, Finland, Denmark, Sweden and the Republic of Korea.
2000	Plan's donor countries increased to 17 as offices opened in Ireland, Spain and Switzerland. The name Plan International evolved to simply 'Plan' and a unified global identity was created to help make the organization more easily recognized around the world. The new logo was shown to sponsored children in all the regions where Plan works, and they loved the playing child and the warm sun. This image is consistent with Plan's approach to put the child at the centre of what we do.

Plan's Core Program

- Infant and child health

-Basic learning and life skills

-Potable water and hygiene

1.3 Statement of the problem

 As we know that Nepal is known as one of the developing country in world. Nepal government has 5 years strategic development plan for overall development of nation.The government has purposed its budget which is base on tax, remittance, foreign aid and loan as well. But government has feel that it is not enough to address people's need. So others means also applied by government.

Government has opened the door for lateral/bi-lateral and multi-lateral organizations and encouraged to open NGOs. Basically, most of NGOs are depended on INGOs fund and some of NGOs are raised their own fund themselves and working on different issues. Huge amount has been expending name of development in Nepal each year. Some of the NGO/INGOs are trying to transparent their budget in different forum but most of INGOs are not transparent. So, some people of Nepal are feeling that, INGOs are kickback all their money in the name of employment salary and other benefit. All foreign aids are donor driven, their priority based conditional.

Nepal government also couldn't monitor and no any systems are develop for monitor the program as well as the fund. How much money is expending by INGOs in each year and what is their control system? Either this money used in proper way as per planned or not, it is not clear. So we people as Nepali citizenship, necessary to understand the fund control mechanism of INGOs.

1.4 Objectives

It is not necessary to describe about the objective here. Every report, thesis, proposal, and like same other research complete with fixed objective. So many funds have been used for research and it is on going process because of to find certain result. Probably this study is a new initiative for Nepal. So many organizations are working in Nepal in different thematic. But up to now nobody has try to find out budgetary control system of INGOs. So the objective of this study are as follow:

To understand the budget control system of Plan (INGO)
To find out and analysis strength and ill area of Plan Nepal on financial system.
To know the priority program of Plan in Nepal

1.5 Conceptual framework

The concept of the study is shown as below.   **Table-3**

1.6 Rationale of the study

This 21st century is known as electronic business age. Many multi-national, regional base national and local level business and development organizations, entrepreneurship have been mushrooming and operation their business. Many industries have been growing fastly and supplying its production worldwide. In this context, every nation, profit making and non-making public and private organizations need budget (Fund), budget planning system and an effective budget control system to run their business smoothly and achieve objectives and set targets.

Budget planning and budget control system is the most important factor of an organization. It is the heart of an organization. Even families also plan its budget and adopt a good budget control system to run its family. Different institutions apply different budget planning and control system. We can see many organizations fail to achieve its goals and objective due to its poor budgetary control system.

This study will focus, on budget control system of Plan Nepal (an international non-governmental development organization). This study will attempt to analysis budget control system and find out its strength and weakness of Plan Nepal. This is a new initiative (Study) in Nepal. So, the study is a unique itself for Plan Nepal and like – minded organization, budget planner, policy maker and other researcher. The following points justify the rational of the study.

- ﾉ This study will try to analyze budget control system of Plan Nepal, find out ill and good practice and recommend for further improvement. So, the study will be useful for Plan Nepal and like minded organizations.
- ﾉ This study will be a reference for budget planner, financial policy makers and other researcher.
- ﾉ This study will help for correction and improvement of budget control system
- ﾉ This study will find the major invested sector of Plan Nepal.

1.7 Hypothesis.

Null hypothesis (Ho)

This study will not help to other for review of literature and real sense may not given by this study.

Alternative hypothesis (H1)

This study will be helpful to further coming researcher. It will give meaningful information to government regarding the using foreign aid.

Chapter-Two

2. Literature Review

This is totally new initiation for research. So many fund has been using by INGOs in Nepal for development and human rights. Up to now nobody has research on budgetary control system of International Non-government organization. There is some reasons i.e

) Most of organizations do not have budgetary control system.

) Most of organizations do not have any financial procedures.

) Most of organization does not want to show financial data with public as well as government.

So it is hard to collect previous review of literature. For completed this study, following documents has used as a literature.

2.1 Plan Nepal annual report 2007

Plan Nepal is a sponsorship organization. In world, 17 countries have been supported by sponsor. Those countries are Australia, Belgium, Brazil, Canada, Denmark, France, Germany, Japan, the Netherlands, Republic of Korea, Norway, Sweden, the United Kingdom, Spain and the United States of America. Plan has over 1.2 million sponsored children in over 44 countries around the world.

Most of funds of Plan have been collected through sponsorship. Those sponsorship people are from labor, student, government staffs, Doctor, Engineer etc. So those people want to know how fund has been using to their supported child and country. Plan Nepal has practice to prepare and submit yearly financial report and program report as well. Each year such types of report has been preparing and sent it to its Head quarter (London). So for completed this study, audit report of FY 2007 was selected. This is given briefly in below.

This report describes what programmers Plan Nepal helped deliver in the fiscal year (FY) 2007 (July 2006 to June 2007) and how they benefited various communities. Plan's beneficiaries, who extend right across the country, form east to west, witnessed tremendous changes during this period despite the challenges posed by pervasive civil unrest, especially in the southern plains, and Plan Nepal renewed its basic country and project agreements with the government of Nepal (GoN) for the next five years.

2.1.1 General background of report.
 What Plan do and how?

Plan Nepal's Country Strategic Plan (CSP-2) covers the period from FY 2006 to FY 2010 and was designed using inputs from children, families and communities as well as what Plan learned from its first CSP. The goals are aligned with the UN's millennium development goals (MDGs) and the GoN's poverty reduction strategy paper (10th National Plan) and interim development plan for next 3 years.

Where Plan work and for whom?

Plan Nepal works in 146 village development committees (VDCs) in eight of Nepal's 75 district-Banke, Bardiya, Sunsari, Morang, Bara, Rauthat and Dang. Plan, through its partners NGOs and government agencies, has itself expanded its reach to VDCs in 35 districts and aims to make a nation-wide impact through programme and policy influence. Plan focuses on children, especially child labors, sexually exploited and trafficked children, and conflict-affected children: women, especially those heading household: the differently-able: janajati and the so-called "untouchables," or Dalits.

Key Issues

Poverty is pervasive in Nepal, especially among the socially excluded and marginalized segments of population and people living in inaccessible remote areas. Women, children, and socially excluded groups like Janajati and Dalits constitute the great proportion of the poor.

Child poverty or its impact is manifested in alarming nation statistics. Of the total 8.5 million children in Nepal, 84% live in rural areas, 40% belong to extremely poor families, 47% are malnourished, and 60-90% anemic, depending on their age. Infant mortality is 48% (of every 1000 infants): under-five mortality, 92. Almost one third of children fewer than five die of two preventable diseases: pneumonia and diarrhea. Nepal's maternal mortality rate-281 of every 100,000 mothers-is one of all newborns are underweight and that 78% of deliveries are unattended by trained personnel are equally worrying.

In Plan's working areas, just 48% of families have access to safe drinking water and only 24% to basic sanitation facilities: these percentages compare unfavorably with the national averages of 72% and 40% respectively. Poor hygiene exacerbates the

problem; only 14% wash with soap and water at critical times and open defecation is common.

Only one fifth of children in Plan areas have access to early child care and development opportunities and one quarter do not go to school. Of those who do go, only one-third completes primary education.

More than half of all families in Plan areas do not have enough food and two-third do not have sufficient income. The children who live I such households-households without a sustainable livelihood-suffer from a catalogue of ills; malnutrition, withdrawal from school, child labor, forced migration, trafficking.

Many Nepali children are denied their rights to protection and participation. About 5000 Nepali children live on the street and another 127,000 are engaged in worst forms of child labor. About 12,000 children, three-quarter of who are girls, are trafficked each year. Children are almost never given the opportunity to express theirs views on decisions that directly affect their lives. Whether at the family, community of national level, children are denied the right o participation.

To address the above issued, Plan has used its six programs, which is given as below.

2.1.2- Health and Nutrition:

Plan support the GoN's integrated management of childhood illness programme in partnership with the Nepal Family Health Programme (NFHP), in particular by helping to monitor and supervises integrated management of childhood illness and to mange the community drug programme. Plan's child survival project was completed in Bara/Rauthat Programme Unit (PU) in September 2007. In Banke district, Plan has helped bring about much improvement on HIV/AIDS control program. It has helped manage STI cases among high-risk groups, including

migrants, through outreach programmes, including voluntary counseling and testing and providing information and education.

Maternal and child mortality and under-nutrition

Table-4

Mortality rate-per 1000 live births	National average		Eastern Region		Central Region		Mid-Western Region	
	1996	**2006**	**1996**	**2006**	**1996**	**2006**	**1996**	**2006**
Neonatal	58.2	33	58	33	56	35	63	57
Post-neonatal	34.8	15	22	12	30	17	51	40
Infant	93	48	79	45	86	52	115	97
Child	50.9	14	36	15	56	17	71	28
Under five	139.2	61	113	60	138	68	178	122
Maternal Under-nutrition (MBI under 18.5)	28.3	24.4	32.7	25.4	32	23.6	20.4	22.1
Child under nutrition-underweight	63	49.2	49.4	40.8	65.7	49.6	65.1	54.7
Child under nutrition-Stunting	68.6	69.5	58.5	56	72.9	70	73.2	85.1

2.1.3- Water and environmental Sanitation:

During the FY 2007, Plan Nepal has play vital role to improvement the water sanitation and environment program. Community received support for construction four new gravity-flow piped water supply systems in Makawanpur. Total 207 new tube wells with hand pump have been installed and rehabilitating 254 tube wells. In addition, 368 new tube wells with hand pumps were installed in schools and ECCD centers. The installation of 1080 household rein water harvesting system has increased access to a year-round supply of potable water. With partial subsidies from Plan, 2674 families built sanitary latrine and have now stopped practicing open defection, thereby increasing the dignity and safety of women and girls.

Plan Nepal helped build the capacity of water and sanitation user groups (WSUGs) to prepare plans of action and implement programmes accordingly, and WSU committee members got the chance to participate in water management training. To increase sanitation coverage, Plan Nepal has continued to use the CLTS approach, an approach which ignites a sense of disgust and shame in people which practice open defection when they relies that they actually ingest each other's faces. Eleven communities with 894 household have declared their village free from open defection. Parsenipur village of Banke district also one of the free from open defection.

2.1.4- Child development and learning:

Plan's work in ECCD and primary education focuses on involving parents and communities in all stages of project development and implementation, right from identifying which children are marginalized and vulnerable. The numbers of centers where 30571 children enjoy development right remained the same as it was last year-800, but 302 new parent-to-early child stimulation (PECS) home based ECCD programmes were implemented. Plan's school improvement programme (SIP) was

introduced to all areas where Plan works and build into DEO plans. Plan has supported this year GoN's primary and secondary education system b providing training ton SMCs by offering scholarship primarily to girls from marginalized communities studying at the primary, secondary and tertiary levels. One of Plan Nepal's priority areas is female literacy, which it promoted by conducting female literacy and out-of-school classes and by establishing community reading centers.

In this FY, the Kamalari Abolition Project (KAP) was accelerated; a total of 1113 Kamalari and 6254 children from freed Kamaiya (Bonded labour) families received scholarship in Dang and Bardiya district respectively. Dalit and differently-abled children were supported in Sunsari and Morang district through a separate grant.
A total of 43 schools were constructed and 13 were rehabilitated in the FY 2007. Through its partner's organizations, it helped construct new classrooms in 264 schools and repair classrooms and install water and sanitation facilities in 132 schools.

2.1.5-Household Economic Security:

Plan focuses in increase food production at the household level so that the families have sufficient food to eat. Its priority areas include commercial vegetable production either on a family's own land or on leased land, along riverbanks or in degraded forests as well as a home gardening scheme. Progress in the FY 2007 was as follows.

Progress on economic security

Table-5

S.N	Activity	Unit	Achievement

1	Home gardens	No. of families	2204
2	Semi-Commercial cultivation	No. of families	7083
3	Leasehold vegetable cultivation	No. of families	2948
4	Riverbank vegetable cultivation	No. of families	204
5	Agriculture training	No. of families	12960
6	Mushroom cultivation	No. of families	225
7	Irrigation pumps	No. of Unit	1157
8	Surface irrigating schemes	No of scheme	2
9	Rainwater harvesting scheme	No of scheme	56
10	Community fishery		348
11	Fish farm integrated with ECCD	No of ECCD	13
12	Individual fish ponds	No. of families	291
13	Goat-raising	No. of families	831
14	Breeding bucks	No of bucks	56
15	Pig support	No. of families	466
16	Veterinary and VAHW training	No. of families	98
17	Veterinary services	No. of families	3700
18	Farm forestry	No. of families	1045
19	Multipurpose nursery	No of nursery	30
20	Trees nursery	No of nursery	4
21	Bio-gas units	No of units	20
22	Improved cooking stoves	No. of families	955
23	Agro-vets	No of shop	32
24	Collection centers fir vegetables	No of centre	2
25	Collection centers for milk	No of centre	4
26	Financial services	No. of families	82734
27	Marketing groups supported	No of groups	64
28	Support for agriculture roads	No of scheme	1
29	Skill training for women	No. of families	257
30	Skill training for men	No. of families	108

| 31 | Business skill development | No. of families | 483 |

2.1.6 Children Protection and Participation:

Plan has been working child rights and participation, Universal birth registration, Anti-human trafficking, Psycho-social counseling, Gender and social inclusion and child labor. During the FY 2007, Plan has make significance achievement on those issues.

Child rights and participation: Plan works with 862 child clubs with about 30,000 members, of which 32% are girls and between six and 18% are Dalit. The proportion of girls and child club governance has increased to about 35%. The number of Dalit members and executives is also increasing. Altogether, 122 VDC-level federations of child clubs were formed in this fiscal year.

Universal birth registration: Altogether 127,776 birth, 59,894 girls and 67,882 boys, were registered this fiscal year. Campaigns for universal birth registration (UBR) were successfully conducted in five VDCs in Sunsari and Morang districts and Plan is collaborating with the Ministry of Local Development, DDCs and VDCs to make UBR a national-level campaign.

Anti-human trafficking: Plan works to prevent trafficking and to promote safe migration. A total of 146 community protection groups were strengthened and 188 survivors were rehabilitated and reintegrated into their communities.

Psycho-social counseling: Altogether 163 new community-Level psycho-social workers were trained and 1037 persons were provided in the specialist.

Gender and social inclusion: In this FY altogether 278 Better Life Option Program (BLOP) centre were established and 7,326 adolescents, 5,015 or whom were girls,

participated. Behavioral Change Communication (BCC) was facilitated in 1,021 centers and reached 54,904 women and 9,146 men.

Children at risk and children affected by conflict: This program includes policy advocacy, preventive activities, and protection measures such as rescue, rehabilitation and reintegration for children at risk and those affected by conflict. More then 810 children at risk, 80 of whom were girls, were rescued and rehabilitated through contact centers and transit homes.

Child labor: A total of 81 child clubs of child laborers were formed, and 530 working children (291 girls) in non-formal schools, 268 (148 girls) in flexible saving and credit schemes. Child labors were also provided with access to information technology.

Plan is also implementing a project which rescues **Kamalari** In Deukhuri, Dang District. Over 1200 girls have been rescued (236 in the FY 2007) and enrolled in formal or alternative schools. Families were trained and supported in vegetable cultivation, Mehandi production and goat-rearing.

2.1.7 Building relationship and Development Education

By building relationship, Plan ensures that all key players, including sponsors, develop a common view of what child-friendly program entails. The main area of intervention is capacity building for youth and community groups, new sponsorship communication package, Children events, Development education. To strengthen and build the capacity of youth organization and CBOs, Plan offered trainings in many areas, including leadership development, financial procedures, advocacy, youth club facilitation and networking, social auditing, community development planning,

report and proposal writing, accounting and the integrated approach. Children and school management comities organized various sports, educational and recreational activities as well as community- district-and regional-level competitions to give children, a chance to exhibit their talents, skills, and knowledge in front of an audience.

2.1.8 Financial highlights of the fiscal year 2007

During the fiscal year 2007 total Rs.,71,74,25,325.00 has expended out of Rs. 73,32,86,325.00 which is 81% for program expenditure and 19% for administration, management and supervision expenditure.

Budget Vs/Actual for FY 2007

Table-6

Domain	Name of Domain	Total Budget	Total expenditure	Expenditure %
1	Growing up healthy	95262300.00	102823050.00	108
2	Learning	183398925.00	177404625.00	97
3	Habitat	110210325.00	89927400.00	82
4	Livelihood	93638100.00	98819925.00	106
5	Building relationship	120160050.00	112991850.00	94
6	Program management, supervision and support	82043700.00	78976575.00	96
7	Administration	48572925.00	56481900.00	116
	Total Rs.	**73,32,86,325.00**	**71,74,25,325.00**	**98**

Source of grants expenditure by country

Table-7

S.N	Donor country	Total budget	Total Coverage of annual budget	Re-marks
1	Canada	16155300.00	2%	
2	US	39382200.00	5%	
3	UK	13319625.00	2%	
4	Germany	21948375.00	3%	
5	Japan	21898125.00	3%	
6	Korea	4750500.00	1%	Lowest donor
7	Netherlands	79062825.00	11%	Highest donor
8	Norway	26365875.00	4%	
	Total	**22,28,82,825.00**	**31%**	

Sponsorship Caseload as of June 2007

Table-8

S.N	Sponsorship country	Total sponsor	% coverage
1	International Headquarter	2405	6%

2	USA	2003	5%
3	Canada	3608	9%
4	UK	2806	7%
5	Australia	1603	4%
6	Netherlands	4008	10%
7	Belgium	802	2%
8	Japan	2805	7%
9	Germany	10019	25%
10	France	1202	3%
11	Korea	802	2%
12	Norway	2805	7%
13	Denmark	802	2%
14	Sweden	2805	7%
15	Finland	802	2%
16	Spain	401	1%
17	Ireland	400	1%
	Total	**40078**	

2.2 External Audit report.

Plans has adopted different level audit for better control. An audit department has been functioning in International Headquarter. It is called price water house. Plan has been conducting external audit by each 3 years. Plan was adopted separate audit for program and financial up to 3 years ago. Basically

it was rating base. But latter Plan has left this practice and now risk base audit system has been adopting. It covers both program and financial audit.

2.2.1 Audit report of FY 2005

Plan had done risk base audit in FY 2005 for Mid and Far West region on April 9 to 14, 2005. Auditor was Mr. David Addison, Debashis Gupta form International Head quarter. Major audit findings and recommendation was as below mention.

2.2.2 Audit report of FY 2007

Plan Nepal has doing different sort of audit to control its mechanism and measurement its efficiency. In FY 2005, Plan was made risk based audit which was covered all area like, operational, financial, program and HR as well. In FY 2007, Plan has done global assurance audit and it has covered HR (Human Resource and partnership audit. I have gone through this audit and also discuss with Finance Coordinator of Banke Program for detail. Measure findings and recommendation of this audit was as below given.

Global Assurance Audit findings related to finance and required actions to be taken

Table-9

S.N.	Audit Observation	Action to be taken
1	Partnership Agreement Risk There is no evidence that partnership agreement have been reviewed by finance department before approval.	PUMs and PSM (Program Support Manager) are requested to forward all agreements to finance department for review of adequacy of financial terms and conditions before put to table for approval to CD or delegated respective authority. *Finance controller and finance Coordinators are advised to go through partnership agreement properly in regards to authority limit of singing authority, budget availability, schedule of fund transfer, submission of plan*

		of action and other financial obligation to transfer funds.(Refer recent audit observation)
2	Bank Reconciliation not prepared properly. ∫ Bank reconciliation statement have not been prepared on monthly and regular basis by Partners and submitted to Plan Nepal. ∫ Bank reconciliation does not have cross reference with bank/ cash book. ∫ Bank reconciliation has not been signed by authorized NGO staffs.	∫ Finance coordinators are advised to make basic accounting training to Partner NGO (Local NGO) ASAP **(before February 2007**). (I think National NGOs have adequate capacity to comply with agreement conditions and our system, procedures, so they do not need training) ∫ Please make clear rule and check list for financial documents requirement and put condition and educate partners before hand that no further installments will be transferred unless and until all required financial documents are submitted to PUs (ICO verification) (e.g. Proper monthly bank reconciliation statements, financial statements, adequate supporting documents for expenditure, tax compliances, brief progress report etc.)
3	Blank cheque singed at one of the PU.	Finance Coordinators are categorically advised that in no circumstances there will be blank cheque are signed in future. It is pure evidence of violation of basic financial rule. I do not see there is any urgency and need to sign blank cheque as we have enough bank signatory at PU level and country level in Plan Nepal. This applies to NGOs/ partners also. **IT SHOULD NOT BE REPEATED IN FUTURE**.
4	Procurement policy not complied with	Please educate to NGO/ Partner, all procurement with violation of procurement policy will not be reimbursed in future and all of you are instructed not to settle those cost which violate financial policies. If required, please help NGO/ partner to make them understand the required condition to be

		fulfilled for procurement. Do you need my help, it please let me know.
5	Audit action list not prepared by NGO	Please follow up to prepare AAL with NGO/Partners and respective Plan Nepal authority.

Ref- Global Assurance Audit-2007

2.3 <u>Internal Audit Report.</u>

Plan has regular internal audit system. Up to FY 2007, Plan has regular internal auditor and they were conducting Plan Nepal audit and partners' audit. This audit was conducting on the base of given framework. From FY 2007 onward Plan has no more internal auditor. Plan has changed it globally structure on finance department. Now Plan has appointed Internal Control Officer in each Program Unit (PU) and Head office as well. Those people are responsible for audit and provide financial training.

During the study, discussion was made with the Finance Manager of Banke Program Unit and Makawanpur Program Unit. They have given a audit report of FY 2007 which was last audit. This audit has covered 1 year period for Mid & Far-west region and the auditor was Mr. Hira Bahadur Barahi. After analysis this audit report I have found two sections, which are;

Section 1: Compliance

Table-10

Findings	Recommendation
Without the proper approval, weighted average of daily balance increase.	Country Director approval must be obtained.

Expenses charge in wrong account line.	Correct accounting line must be used so as to make reflect the true and correct picture from the reports being generated based on the transaction.
Some payment has made which was not in original plan.	Payment must be made as per approved plan.
Some community projects request missing in file.	All documents must be file.
Some project has been completed but not yet Project Completion Report (PCR) not generated.	PCR must be prepared on time to comply with Plan Nepal Operation Manuals.
4 CBOs risk assessment form absent in file.	Risk assessment form must be prepared before the project agreement.

Section 2: Operational

Findings	Recommendation
Over-left money refunded partially.	Over-left money of advance must be refunded on time and in full.
Evidence of receipt and duly recording of equipments supplied to GO/NGOs are absent.	Good supplied to GO/NGOs are required to ensure that they are properly recorded in the assets record of their system.
Community agreement fully not fill-up	Being a legal document, agreement must be completely prepared.
Book keeping training are not yet provided to 3 CBOs	Book keeping training is required to be provided to CBOs before releasing the fund to them.
Technical drawing inclusive of quantity & cost estimation for the fencing work	Funding to CBO should be made only after ensuring that the CBO

absent in file and community not aware on it.	representatives are aware about the technical drawing.

Ref- Internal Audit report FY 07

The study shows that such types of audit knock to staffs for fulfill requirement. Plan has also practice to give management comment and prepared Audit Action List (AAL) with time frame. This AAL also one of the audit area for next audit period.

Chapter-Three

3. Research Methods

Research methodology is the overall framework for when/how to conduct process analysis and present data on the tables and diagram to find answer of this research problem/question and objectives. Due to lack of previous review of literature concerning budgetary control system, it is basically regarded as theoretical type of study and also based on the experience of work.

The basic objectives of this study are to find out the budgetary control mechanism and its analysis. So suitable research methodology as demanded by the study will be followed. In order to accomplish the objectives the basis of primary and secondary data will use. For completed this study descriptive method has used. This chapter explains about the research design, source of data, data collection procedure, methods of analysis of data and tools for analysis data. Both primary and secondary date will used in the study. During the study period necessary questioner will prepared and following table will used for summarized.

Sample of Table

Total no of interviewer	Total questions	Weighted of strength%	Weighted of weakness %	Weighted of moderate%

3.1 Research Design

The study is based on certain research design keeping as the objective of the study in mind. Generally, research design means definite procedure and techniques which guideline profound way for research, ability. This research study mainly focused

towards budgetary control system of Plan Nepal. For this purpose the research design of this study has been used for descriptive method of collection data. Most of the materials of this study are concerned with past phenomena of performance in numerical or theoretical term.

World wide annual review, annual report of Plan Nepal, Field Operation books (FOB) of Plan Nepal, audit report (Program and financial) and other different guideline will be focused.

3.1.1) Descriptive research

Descriptive research includes survey and fact-findings enquiry of different kinds. It is concerned with finding of fact relation to the subject matter, obtaining important data and getting new areas of knowledgement.   Descriptive research will carry out during the study to find out strength and weakness of budgetary control system.

3.1.2) Empirical investigation

Direct field visit will make in selected district and focuses group discussion (FGD) will be made with finance person. Some fact and reality will find after the FGD. It will help to complete the study.

To achieve the stated objective of the study following action will be made.
- Banke District will be select.
- Opinion of 8 responded will collect from different program district
- Questionnaires will send to responded.
- Opinion of at least two program implementer groups (NGO's, CBOs,) will be collect

3.2 Data Collection Procedure

Primary as well as secondary sources of data are used to fulfill the objective of the study. Procedure of collects data have been given below.

3.2.1 Primary Data collection

The major tools used for the collection of primary data are the administration of a questionnaire to a responsive sample of person. A set of questionnaire was developed and distributed to the selected respondents in order to get accurate and actual information. Personal as well as telephone interviews will also conduct to collect more information on the subject.

3.2.2 Secondary Data Collection

Secondary source of descriptive analysis have been received from books, different adopted manual, different types of report. The major source of secondary descriptive analysis is:

Budget Vs/Actual report of Plan Nepal
Different time audit report by Plan Nepal and Social welfare council.
Annual performance of Plan Nepal
Different guideline.

3.3 Universe and sampling

Plan Nepal has two types of fund. Mainly Plan is a sponsorship organization. It's main funding resource is sponsor. In Nepal 37921 sponsor families. It is regular fund. Grant fund is another resource. It is non regular fund. Grant fund is coming for issue base program only and after completion of this issue this source too close. Plan

Nepal has been working in 8 districts in Nepal. It covers 150 VDCs. Which can see in Annex-1

Now funding ratio of one child equal to $ 125 per year. This means from 37921 sponsor families $ 4740125.00 has been using in Nepal. This amount may be fluctuation due to $ rate and some time sponsor also left to deliver their funding.

Plan Nepal has been working in 8 districts directly and 35 districts indirectly. But the fund is releasing from 3 cost centre. Those are from Nepalgunj for mid and far west region, from Makawanpur for center region, from Sunsari for Eastern region and from Head office Kathmandu. Basket fund is collected in NCO (National Country Office) on the base of request from other region and fund transfer accordingly. So to complete this study, 3 regional finance department office and 1 NCO finance department will be selected.

3.4 Data Collection Techniques

This study was carried out under descriptive research design. So, the flexible unstructured and open-ended questionnaire were developed and used rather than structured, close-ended and inflexible questionnaire will be developed and used. In this study following data collection methods were applied to collect the qualitative information and quantitative data

3.4.1 Interview Schedule

This is an exploratory as well descriptive study. So, in this study some structured/unstructured questionnaire were developed in consultation with the dissertation supervisor for collecting qualitative information and quantitative data such as working area, budget volume, quarterly/annually report, using corporate and incorporate guideline. The interview with respondent was taken by researcher self visiting them.

3.4.2 Key Informant Interview

Each Program Unit head and the each finance coordinator and the command personalities in the organization such as Accountants, Finance Managers, ex-support center Managers were consulted and obtained qualitative data using unstructured interview. The necessary information has been taken during the organization audit period, quarterly report period.

3.5 Observation

Most of the qualitative information will collected through non-participant observations such as Development coordinator (DCs), Technical coordinator (TCs), internal controllers (ICOs) admin coordinators and 3 partners. This technique helped to observe their experience to apply different control system of Plan and its significant. Researcher visited the study site during program lunching time, program as well as budget planning time.

3.5.1 Focus Group Discussion

Some focus group's discussions have been conducted with CBOs (Community Base Organization), NGOs (Non-government organizations), Plan staffs participation of the key informants to collect qualitative and quantitative information. In this discussion chair person of CBOs, NGOs, field staffs of Plan and other respected personality will participate. **3.6 Reliability and validity of the data**

The reliability and validity of the data depends primarily upon the data collection technique and respondents. In this study, structured and unstructured and clear and short questionnaire will have developed and asked to the respondents by researcher self and via email/telephone. The collected data/information through different methods/techniques, both from primary and secondary sources will have verified by crosschecking and triangulation each other. An organization, where the researcher himself has been working for eight years as an accountant. So, in this research this is the strength of the study regarding the reliability and validity of the data/information.

3.7 Data Processing and Analysis

The qualitative information   that collected from primary and secondary sources have been

Processed, arranged and analyzed by using descriptive method. Quantitative data have been analyzed using statistical tools like simple tables, average, percent,

ranking and ratios. The findings of the observation have been presented for the analysis purpose.

3.8 Period cover

Actually this type of reaches in new initiation. So time will be taken for documentation collection and systemize it. Program area also scattered and the key informant may not meet in my time. So this thesis will completed by June 08. This thesis will cover 5 years financial Vs. actual data for analysis.

3.9 Limitation of the study

All research study has been done to solve a particular research problem. It requires various kinds of data. Material and other relevant information which may not sufficient to the researcher. This study also cannot escape from the frame of limitations. This study is mainly based on secondary data on the base previous records which may not sufficient for the good research study. Such types of study have not been made in Nepal. So enough review of literature may not possible.

In fact their is so many obstacle to study it. So many organizations have different vision. They do not want to show their financial date to outsider and the study framework also narrow. So defiantly I have to face challenge to complete this study.

The following are the some limitation of the study.

i) This study is mainly based on secondary data. So the limitation of secondary data may exit.

ii) Limitation of time frame and resources (Materials and cost) are also constraint for this study.

iii) Question responded person may not give satisfactory answer due to lack of knowledge and authority. So next responded may select during study time.

Chapter - Four

4. Data Presentation and Analysis

4.1 Back ground of the Study Area

Plan was established in 1937 which has been mentioned above. When it was started in Nepal, its name was Plan International. Letter on, it has been changed. Organization has though that Plan is a child focuses organization. So it's name should be the cover of child friendly. So now people have known it as a Plan Nepal. Plan Nepal has kept a slogan. That is **" Plan be a part of it"** . This means Plan is a part of children.

 Budgetary control system has two components "First is control expenses through preparation of budget "and "Second is monitor expenses against approved budget". Budget is prepared on estimate base considering the data available on the date of preparation with inclusion of foreseen changes likely to affect budget estimate on the date of implementation and use.

Control represents the process to monitor the utilization of budget as per limit set out for it and follow up for deviation if any at right time for revision and modification considering the objectives for which it was prepared.

System represents a control mechanism or procedures established for incurring expenses as per determined estimate to obtain specific objectives in accordance with the guidelines provided by the donor agencies. This is also used to monitor the

progress of the expenditure at regular intervals. Following given procedures, guidelines and budget Vs/actual are in function-able in Plan.

4.1.1 Program Control System

4.1.1A (PPM Ndugu)

Program Control System was applied by Plan on 2002. Before apply this system, no any particular format for program planning, monitoring and evaluation. Three key areas are covered by this system for better control the program. Those are Planning, Monitoring and Evaluation. Plan (International Headquarter) IH has developed a corporate system and world wide this PPM system has applied. Plan IH can monitor their project for all countries through this system. No one can hide and loops truth or no one country can manipulate it.

This system has working in Nepal for each Program Unit (PU). One CPME (Corporate planning, monitoring and evaluation coordinator) is full responsible to monitor it and all PU staffs are accountable for collection data from field.

4.1.1.a

Planning

Planning is main base of development. Firstly, Plan was known as a given organization. Those people who are came to request any project, and then Plan had given money. Latter on Plan has changed its working modality and started planning before program lunch. During the study period, it was found that when Plan has

started to right based approach, it has developed as a democratize organization itself.

Proposed of Planning-:

) Design long term country and program strategies.

) Design actual projects and operations (activities)

) Promote community participation.

) Set targets for measuring progress.

) Communicate throughout the organization

Uses types of planning

) *Strategic planning.*

In this strategic planning, organization has determining following process

i) What should be done by an organization in a particular country over the long term.

ii) How it should be done.

iii) How progress will be measured.

) Operational planning

The process where strategic planning is "made real" through the short to medium term projects (actual activities)

ʃ Community planning.

In community planning, community have themselves process as following.

i)   Determine their own needs and requirements

ii)   Determine how these needs will be met (Who should support the projects)

iii)   Plan these projects.

Relationship between types of planning

Plan has finalized key characteristics of planning as following.

ʃ Ownership of the planning process

-) The central role of negotiation.

-) Corporate planning forms (Plan)

-) Planning forms (Communities)

-) Defined relationship between planning phases.

-) Clear links with other components of CPME

-) Integrated with child links software.

The CPME planning process is designed to help field staff implement better projects and local partners. Therefore (Within the corporate boundaries set by the organization) the main users of the CPME planning process are:

-) The country field staffs

-) The plan communities

The study shows that Plan has its own goal/objective or Plan strategic Plans and others side community has their own goal/objectives or community strategic plan. Then after studies this guideline (CPME Overview Technical Guides) and discussion with CPME it was found that their negation process which is as below.

Plan Strategic Plan

Community strategic Plan

Program & Project Outlines

Corporate Planning Documents (PLAN)

ノ Country Strategic Plan (CSP)

CSP is a country strategic Plan. This is revised/approved for each six year. CSP is prepared on the base of community strategic plan, base line survey, and poverty statistical data of Nepal government. This CSP should be approved by IH.

ノ Country Program Outline (CPO).

Plan has adopted seven CPO for work division. This is revised/approved for each 3 years. Each sector wise adviser working in Nepal Country Office (NCO) and sector wise technical coordinator has been appointed in each PU for program monitoring. Previously Plan has 1 to 7 CPO but latter on (after 2003) it has changed it and started 8 to 14 CPO. Those are:

    a) <u>CPO 8</u>-: CPO 8 is related with health nutrition. All health related activities has been guided by this CPO. If community has demanded any activities out of this CPO, Plan can't assist on it. Mainly this CPO has covered growing up healthy outputs (Training on IEC, Medical materials and supplies, Recurrent cost, Infrastructure, Equipment support, Treatment) , Management supervision and support, Health related research and policy and practice development, Institutional

Development and support for health partner organization, special support to under 5 year's children, prevention and control of malnutrition, Support to school age children, Health for children in special circumstances, Health and development of adolescents, Reproductive health Sage motherhood, Family planning Prevention and control of HIV/AIDS/STDs Prevention and control of infectious diseases.

b) CPO 9-: CPO 9 is related with Water, sanitation and environment. All environment related activities guided by this CPO. Mainly this CPO has been working under general community management training, management and supervision, research and policy and practice development, Institutional development support for partner organization, home and neighborhood construction and improvement, potable water, hygiene and waste disposal, natural resource management including erosion control, forest management, natural resource rights, flood control, urban streets, rural roads, bridge, electrification and street lighting, disaster reconstruction activities.

c) CPO-10: CPO 10 is related with education and learning. This CPO guided to implement the education related activities. Mainly this CPO is working under learning in general, learning management and support, learning related research/policy and practice development, Institutional development support of partner organization in learning, Pre school

support, Education for children in special circumstances, Non-formal education, Support to primary student, Support to secondary school student, Infrastructure support, learning related equipment support, Adult education, Recreation, culture and counsel ling activities.

d) <u>CPO 11-:</u> This CPO is related with food security and micro finance. This CPO is guided to implement the livelihood related activities. Mainly this CPO has been working under livelihood general support, livelihood intervention management supervision support, research and policy and practice development on livelihood, institutional development support for partner organization in livelihood, agriculture, horticulture and fruit trees, irrigation, livestock and poultry, fisheries, food processing, food storage and food security, saving and credit through "third party" financial institutions, vocational training and small business promotion and marketing activities.

e) <u>CPO 12-:</u> This CPO is related with building relationships development and development education.

f) <u>CPO 13:</u> This CPO is related with building relationship.

g) <u>CPO 14:</u> This CPO is related with program management, supervision and support. Generally it covered the program training, other research, CPME activities. (Ref- Natural code list version: 3rd June,1999 by Plan International.)

） Project Outline (PO)

Project outline is a guideline for activities completed. Before fund release to communities, PO should be prepared by concern TCs. Without PO Plan can't release fund. PO is prepared on the base of community request and available budget.

Planning documents (Community)

Above mention documents is planning documents of Plan. This is corporate. This is also planning documents from community. On the base of communities planning documents, Plan has prepared POs, budget. Mainly Plan has request from communities following documents for planning.

） Community Development Outline (CDO)

Community development outline is prepared by community. All communities are gathering one place and they prepared necessary development work as a priority base. This is preparing for each 3 years.

） Community Project Request (CPR)

On the base of CDO community has request project which is called CPR. PO is prepared on the base of CPR. Detail information are fill-up on CPR like, name of beneficiaries, location, tentative estimate including community part, possible risk etc.

4.1.1.B

Monitoring

PPM has adopted monitoring toll. The continuous measurement and interpretation of key aspects of the implementation process is monitoring. All Plan office must ensure that an adequate project cost control system exists that can track all project payments, including advances made to communities. Usually each month, managers responsible for projects need to see how the trend of actual expenditures compares to the approved project budget. This will include details of any outstanding commitments. If appropriate, the PO budget should be revised. **(Ref- Field Operational Book, section 1- financial control & reporting**).

Function of monitoring

- ﹚ Assess performance
- ﹚ Provide feedback to key people
- ﹚ Act to improve performance.

The monitoring system should:

- ﹚ Allow the regular tracking of project implementation to take place.
- ﹚ Allow the tracking of project outputs and financial expenditure (all mandatory items are included as part of the PO file).
- ﹚ Allow the regular tracking of benefits accruing to the target population

）Be based on visit and other feedback (e.g. Visit reports prepared by the staff from different department (Not just program staff (internal audits, international audits, international, government officials, donors, foster parent and beneficiaries.

Main users of monitoring information is project/program manager and other users are target beneficiaries, project/program staff, auditors, other organizations, national organizations, sponsors, evaluator, other stakeholders. Plan has defined four types of monitoring. Those are,

）Project implementation tracking.

）Financial and output tracking.

）Benefit tracking.

）Program monitoring

First three types focus on project monitoring but can scale result up to program. Final type addresses program monitoring as 'Separate' activities. It monitors all programs as package.

4.1.1.C

Evaluation

Evaluation is a process for determining systematically and objectively the relevance, efficiency, effectiveness and impact of activities in the light of their objectives. It is an organizational process for improving activities still in progress and for aiding management in future planning, programming and decision-making. Evaluation is

using to project and program mangers. A mechanism for learning to feed into subsequent planning and contribute to improvements program quality.

Program cycle

Elements of evaluation

Subject-: Specific project evaluation, program or thematic evaluation.

Plan has two types' evaluations. Plan itself doing specific project evaluation using its different form and formula. It is doing for know how the project has given impact in community. Another side plan has thematic (CPO) evaluation too. Due to child centered community development depends on continues innovation to respond to changing needs of target groups, changing program/schemes, changing policies and socio-economic and political environments in which we operate. Innovation depends on our ability to continuously learn and support policy design and implements in providing experience and recommendations at the highest level of aggregation. These:

) Help Plan become a "recognized voice"

) Support developing and designing future programmers and projects

) Bring learning to a strategic level for policy makers.

) Improve our understanding of the conceptual aspects and intervention logic

) Provide feedback on programme management and programme design

) Improve competitiveness of program by integrating innovations

) Create process and platforms for exchange across sectors

) Support our 'advocacy' campaigns.

(Source – Thematic evaluation on Danida website at www.um.dk on 2000

What are themes?

Themes are selected aspect in development. They cut across sectors, target groups, countries and aid forms. In Plan context, they are identifying four types of themes:

a) Across geographical entities: region, countries, provinces and program areas.

b) Across Plan domains such as health, learning, habitat and livelihood.

c) Across Plan principles such as child-centeredness, gender and environment.

d) Across cross-cutting processes such as child participation.

Location: Plan has doing evaluation in community, PU level, country or regional evaluation. During the evaluation time Plan has been using the possible sources for information from baseline/APR/FAMP data, CSP/CPO and GAD evaluation reports, PPM data on indicators/output codes, publication/reports from United Nation and other NGOs/INGOs, ISAID survey date, Internet search PWW and network drives.

Timing: Plan has doing evaluation in final stage, ex-post, phase out, mid term evaluation. If other possible reasons are found, at that time also Plan has been doing evaluation e.g. exploring a theme that the office invested in for long, framework funding requirement, explore a new area, that the office wants to get into in a 'big way'.

This PPM NduGu is playing vital role to improvement the program quality. We can monitor budget Vs/Actual in weekly. After discussed with CPME Coordinator and the response of questioner, this is very new system for Plan Nepal. All staffs have not yet full understand the significance of this system. So all necessary data couldn't collect and entered in time. This system can't monitor Grant amount separately.

4.1.1B (Child Centered Community Development Approach (CCCDA)

CCCDA is a term that Plan use to describe how Plan aim to do Plan's development work. It encapsulates very simply where people in development: Plan support communities to develop the structures and skills they need to provided a safe and healthy environment in which children are able to realize their full potential. It is Plan belief, based on many years of experience; this can be achieved only if children's best interests are at the heart of everything and if children themselves actively participate in the process.

Child centered community development is a right based approach in which children, families and communities are active and leading participants in their own development. It enhances their capacity and opportunity to work together with others to address the structural causes and consequences of poverty at all levels. Child centered community development is a way of working that place the emphasis firmly on the child. It provides the foundation for the future development of aspect of our work; development that will be necessary if we are to reach as many children as possible.

The child centered community development approach is base on three foundations:

a) Civil society

Plan's work is based on the reality that people living in poverty are often unable, or have fewer opportunities, to raise issue affecting their lives with those institutions, decision-makers and authorities able to support change. This is true in the

community setting and in regional, national and international setting. They can only truly participate in development if they are able to do so. This is why Plan works with families and children, particularly those who are most marginalized and supports their inclusion in community groups.

b) Rights and principle

All Plan's work is based on the human being society and to access opportunities that their full potential. Plan is also staying true to its program;

）Child centeredness
）Gender equity
）Empowerment and sustainability
）Integration
）Environment and sustainability
）Cooperation
）Institutional learning.

c) Scaling up

Development work that is confined to an individual community will only ever address the problems that cause poverty and restrict children form releasing their true potential in a limited way. This is why Plan is always looking at the wider picture, taking successful initiatives and both replicating them in our own work and suing the lessons learned to strengthen the services provided by other organizations and governments.
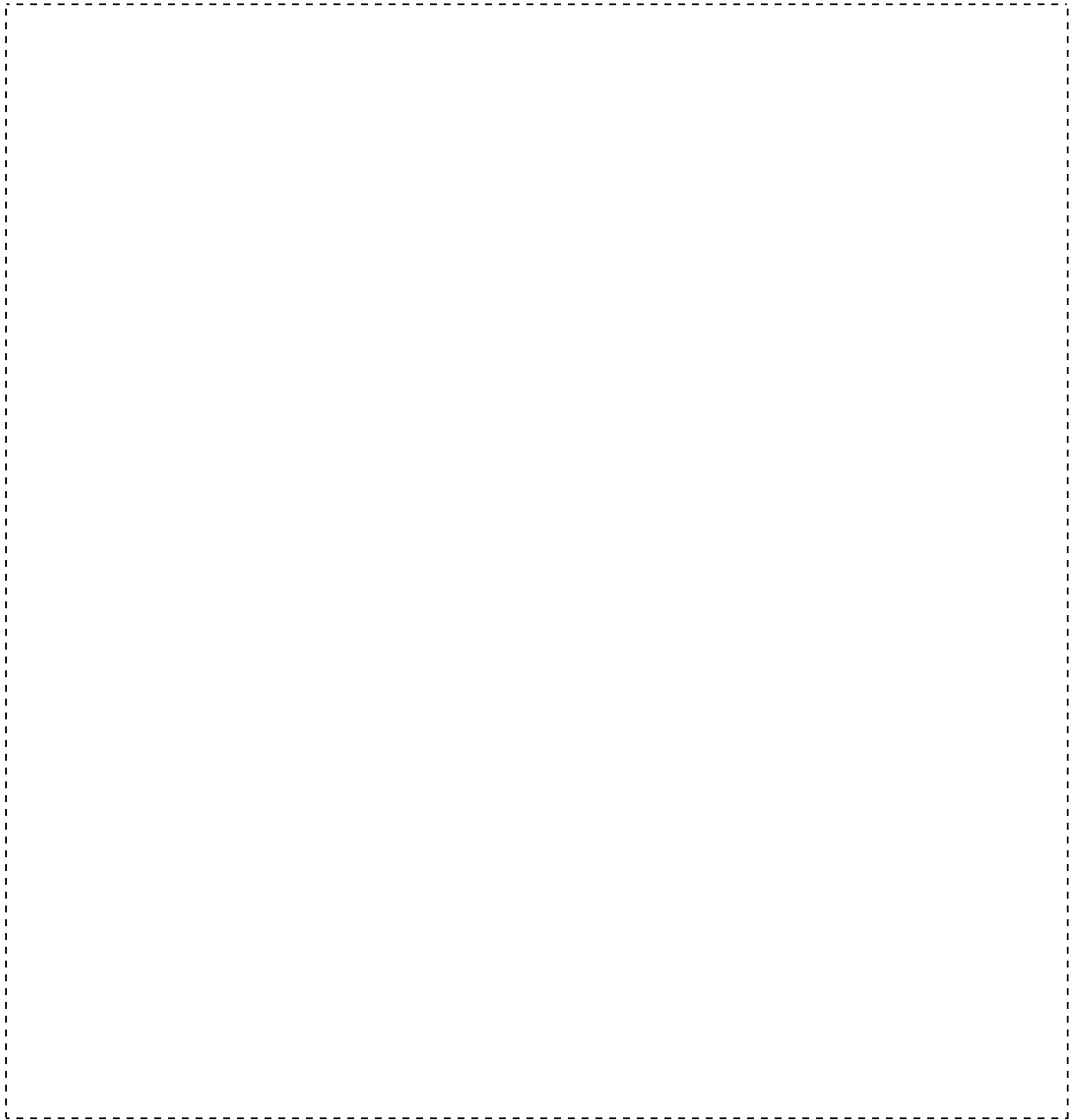
The CCCDA approach has four cornerstone components.

）Partnership, networking and relationship building
）Child centered program
）Facilitating participatory process
）Supporting groups and organizations.

J CCCD Stages and Process

CCCD is a participatory learning and action process that encourages and engages children, their families and other stakeholders through all stages of participatory children-centered development process to analyze the condition of children and their lives, plan and act to improve their situation. The following process is followed to carry on the development programmes.

Table-12
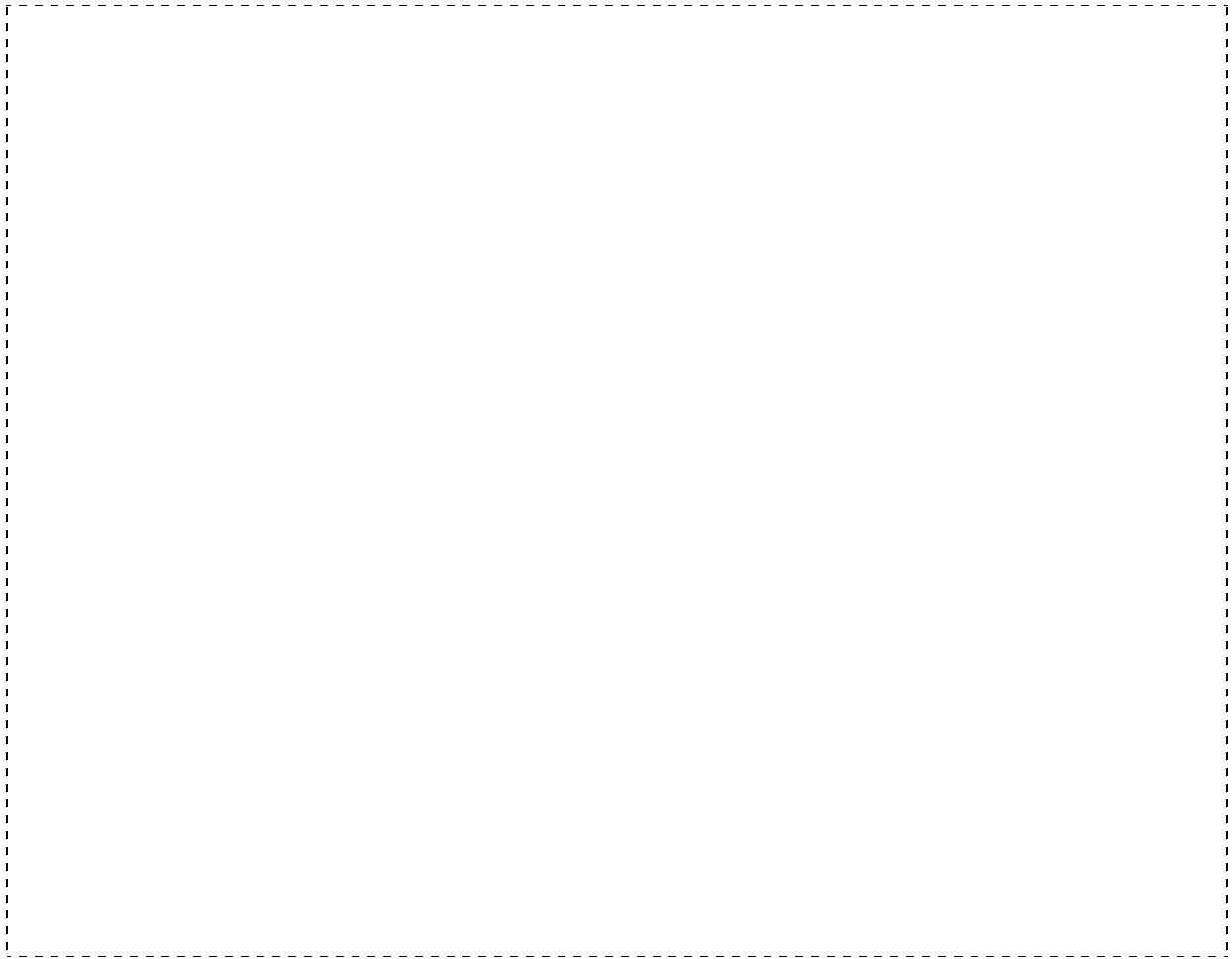
As result of questioner, 100% (3 NGO and 4 CBOs) has given their positive view in this model. They also told me that this system had to apply before start work in Banke. Some of participants (2 person out of 7) has told that system is very good and the implementation method also good. But Plan has not followed the suggestion of community when the program going to start. So in future, Plan should cover the committed things with community.

4.1.1C Risk Based Audit

For internal control, Plan Nepal has different types of audit system. As we discussed in above, Plan had done internal and external audit in previous. It was base on rating system and only focusing in financial transaction. But latter on, in considering country's situation and global strategy, Plan has started risk based audit system. It is base on program and financial audit. It is not for rating but for risk analysis and recommendation for further improvement. Such types of audit made by IH office within each 3 years. First audit was held on FY 2004 in Plan Nepal. At that time risk based audit has recommended following things to Plan Nepal management.

﹞ Low morality of staffs towards work.

﹞ Unfavorable political situation.

﹞ Week monitoring of project due to worse political situation.

﹞ All staffs are not aware on FOB and OM

Plan has practice to prepare audit action list (AAL) to capture the findings. Out of 10 participants on Focuses Group Discussion (FGD) 8 persons responded still Plan has not success to discard the low morality of staffs.

4.1.1D Child data System (CDS)

Child data system is one of the main systems of Plan. It was function able in Plan Nepal when program was lunched. Sponsor is main heart of Plan and main funding resource also. The study has already shows that Plan has so many sponsors families

and individual sponsor support to individual children of Nepal. So the CDS system kept all donors record as well as families' record. Sometime donors want to know about current improvement of his supported children immediately and sometime donor himself wants to field visit. At that time CDS system help to donor. This system also can produce report for benefit tracking system. Each donor can see detail of supported program to his/her selected children from CDS. Each and everybody can see in IH, NCO.

Mainly building relationship part is handling by this system. Letter cross pendent from Sponsor Child (SC) to Sponsor Families, situation update of country, situation update of family is the major role of CSD.

4.1.2 Financial Control System

4.1.2A Field Operation Book (FOB)

Field Operation Book (FOB) is a main program and financial control mechanism of Plan. All types of manual, policy, and program are guided by FOB. Some time it is called that FOB is a Bibal of Plan. The purpose of FOB is to provide

⌡ Policies

⌡ Parameters

⌡ Guideline

⌡ Procedure for the implementation of PLAN's program in field.

Plan's program has been defined by the International Board of Directors. The board has approved Plan's direction and program goals. For complete this approved direction and program Plan need to prepared develop program objectives, decided upon areas of program intervention, select project interventions, carry out project activities. So FOB has been prepared and Plan has been following up-to now. Other hand Plan is sponsor an organization. Plan is accountable to it's donor for fund spent and projects implemented with efficieiently, effectively and economically as possible. So FOB has prepared.

This policy had applied in Plan world on July 1997. FOB is divided into 6 chapters. Those   are:

a) Program Policy-:

Programs are designed to enable children, their families and communities to achieve lasting improvement in quality of life. Plan is trying in all ways to promote the relations between children, families and communities in the developed and developing world, and structured in a way so as to get a maximum knowledge about each other's way of life. In promoting, relationship between the Foster Parents and Foster Children, there are three important elements 1) Awareness on the part of the child that others care.

2) Awareness on the part of the Foster Parents as to the development process

3) Foster Parent/Foster children reinforcement of the Foster Parent/Foster Child relationship.

Plan encourages communication between Foster Parents and Foster Children even in societies where alternatives to letters are necessary. An optimum number of communications from Foster Child and Foster Parent has maintained Foster Parent communications are encouraged. Plan programs take into account local culture. Program tools include: Direct financial assistance, Technical assistance, Services delivery, Self-help projects and Institutional assistance. Some time Foster parent has given cash/gift to foster children. This program policy has been devided into five (5) sub chapter. Those are

1) PROGRAM QUALITY

Plan is a committed to growth, providing that quality is maintained as program grow, knowledge of the sustainable development of Plan programme areas, qualified and experienced staff, active participation of beneficiaries, linkage with ongoing development process, design, implementation new development activities, logistic support, financial accountability and program accountability through monitoring with particular emphasis on sustainability and impact.

The quality of Plan has defined by the key elements that constitute Plan's integrated development program, which include

- Meeting the goals and objectives agreed to by Plan and its beneficiaries through identification of needs, implementation of program and periodic review of progress.

- Implementing programmers based on self-help principles, with the active participation of beneficiaries at all stages.

- Ensuring that program supported by Plan.

- Meeting the communication needs Plan in order to, promote mutual caring and support between Foster Parents and Foster Children and ensure that donor's services are performed timely and well.

2) Plan's Program Direction

There are five program domains recognized by Plan.

Growing-up healthy (GHU)

The growing-up healthy domain is concerned with the physical, mental, emotional and social well-being of all children living in Plan program communities. It also focuses on the well-being of the adults who care for them. Particularly women of child-bearing years. Primary health care is the overall strategy used to guide the

development of program in the GHU domain. Plan assist the development of system of community heath management and financing to promote community ownership and sustainability.

Learning

Plan has assumed that Early childhood care and development (ECCD) gives children a fair start in life and positively influences readiness for primary school. Early childhood years are critical for children further social, physical and intellectual development. Primary education for at least six years is a vitally important element in improving the level of human development in the poorest countries: therefore it is the main focus of the learning domain. Other non-formal education, adult education, secondary or post-primary education opportunity also covered by this domain.

HABITAT-

Habitat comprises the physical and social dimensions of human settlements. Its conditions bear directly upon the healthy development of the children living in it. Plan's habitat strategy will enhance the long term capacity of families and communities to organize theme self, assess their habitat, and access technical and financial resources. This habitat covered the security of tenure, housing quality, affordable and accessible resources, effective management of shared natural resources, access to essential facilities, protection from hazards and pollutants.

BUILDING RELATIONSHIP-

Plan's building relationship domain creates opportunities for children to be   the primary participants in the development of their communities. This is accomplished through their active engagement in the process of communicating about their program and daily realties. This strengthens relationship through communication between sponsor and children and actively calls upon sponsors children and communities. This domain mainly played in affiliation of children, Communication between sponsor and children, achievement and closure & renewal.

LIVELIHOOD

Plan is focusing its work on poorer communities, giving special attention to poorer household within communities. Plan aims to help its partners to become self reliant and self sufficient, by attacking the root cause of poverty and ensuring that the family's improved economic position leads to positive social benefits for children. By helping to improve the financial and managerial capacity of communities, Plan is ensuring that investment by other domains can be sustained. Plan has an assuming that children, family and community's economical status should be raised for development.

Plan has 6 Program Principle for program control. Those are:

) Child centeredness

) Learning

) Integration

) Gender equity

) Environmental sustainability

) Empowerment and sustainability

) Co-opretion

3) Plan's Strategic Direction

Plan Nepal is working with following strategic direction in Nepal.

) <u>Being a child centered community development organization.</u>
Plan practices a child-centered approach to community development, which address the issues that prevent children from realizing their potential. Child centered community development respects the rights and dignity of children, their families and communities. It is based on the Plan Program Principles and integrates child rights, children's participation, and the building of relationship.

) <u>Making long-term commitments to children living in poverty.</u>
Plan continues to focus on working in developing countries and poor areas within other countries. Plan makes long-term commitment to working with the greatest number of deprived children in each country. They include children living in urban areas and those in difficult circumstances, as indicated by the Country Strategic Plan.

) <u>Assisting as many children as possible.</u>
Plan mobilizes as many resources as possible to assist children, consistent with program quality, and will enhance the capacity of communities and partners to access and manage resources locally. A global resource mobilization strategy and growth plan will enable Plan to make effective ling-term investment and recognize risk. Individual child sponsorship remains the core to fund raising mechanism, while other funding sources are developing.

) <u>Building relationships.</u>

Plan strives to enable children and adults across the world to communicate, to develop mutual understanding, and to work together to address the needs and right of children living in poverty and difficult circumstance.

） <u>Working in partnerships and alliances.</u>
Plan actively participates in and promotes partnerships and alliance at local, national and international levels. These are formed with government and other stakeholders in program and donor countries to optimize the capacity of al participants to work in issues that prevent children form realizing their potential.

） <u>Being a recognized voice.</u>
Plan ensures that the voices of children are heard at the policy table, and will itself influence policy at local, national and international levels, on issues that prevent children from realizing their potential, and on which Plan and its partners have grassroots knowledge and experience.

4) Family Planning

Plan recognizes that the unmet need for family planning services is a key factor in the persistence of high rates of fertility and rapid population growth in many countries. This, in turn, is linked to high rates of maternal and child mortality, to poverty, and to increasing human pressure on the environment. Millions of women who want to space their pregnancies of limit the size of their families cannot do so because family planning services are not available to them. So the FOB has clearly guide to assist for reduce the high birth rate.

5) Children affected by HIV/AIDS

 This FOB has recognizes the severe impact of HIV/AIDS on children around the Nepal. In order to achieve its vision, Plan is helping prevent the further spread of the

disease through education, clinical and social program and is working to reduce the negative personal and social impact of the epidemic. Plan is supporting children in AIDS-affected families. Plan is working in this issue coordination with national AIDS control program, WHO, UNICEF, other relevant UN agencies, concerned local and international non-governmental organization.

B) Planning, monitoring & Evaluation

After study in this document (FOB) and feedback from interviewer, it was noticed that all Plan had to develop a Situation Assessment and Goal Establishment (SAGE) report to serve as the basis for planning its program operation. But now SAGE has been replaced by CSP and CPME.

C) PROGRAM OPERATION

Program operation part is a main program control system of Plan. After study this guideline, it was noticed that how Plan has to entered into new community? What is its process and what will be the relationship with other stakeholders? Mainly this chapter has covered following areas for control.

1) Locating Project

Before implement of project, Plan has to assignment families. It has own process for family selection. After apply this process, Plan has doing category of poor families. Plan begin its working after the Family Profiles (FAMPs) submitted. Regardless of the number of assignments, since the relationship between Plan and a community is " formalized" with the submission of FAMPs.

2) Rural-Urban Foster Children

For strategic Planning Pupose, Plan has assume as a guideline that on a global basis, the ratio of opposed to Foster Children enrolled in rural Program. The ration is 40% urban program and 60% is rural program. The purpose of this policy is to achieve a proportionate distribution of Plan's worldwide caseload that reflect the global population distribution.

3) Community/Village History

Before implement of project Plan need to prepare community history. This history used to document and monitor Plan's intervention efforts, including:

丿 Project undertaken and/or are in process

丿 Projects which benefit individuals and families.

丿 Projects that benefit the community as a whole

Plan has prepare community history in mind keeping with the socioeconomic, sociopolitical, culture and economic realities of your community, community demographics (Population, ethnic groups, formal and informal leaders, language,

religion), existing community and household facilities, socio-cultural activities and traditional practice prevalent in the community.

4) Basic country agreement

It is the policies of Plan have a formal agreement signed and recognized valid by the host government before program activities can start. The basic country agreement activities formal document signed by Plan and the host government that contain the recognized and valid agreement for Plan entry and operation in a country. This guideline clearly mentions that its country office will be located in or close to the capital of each program country. This agreement is renewal for each 5 years. Now Plan has agreement for 2010 in Nepal.

5) Starting and ending of field operation

First of all Plan board selection the country on the base of Physical Quality Life Index (PQLI) below 80%, GNP $ 1700 per person or less and have an infant mortality rate of more than 25% per 1000 live birth. Then Plan board made a selection country. Once the decision has been made to start Plan operation in a new country, the Plan Manager needs to survey possible sites for the program. To choose a site, the Plan Manager should identify a community that has:

﹜ Sufficient potential foster families.

﹜ Potential for development of local leadership

﹜ A recognized need for increased services.

﹜ Potential for eventual self-sustained improvement.

丿 Potential for staff recruitment

丿 Accessible communication.

丿 A local government that accepts and supports Plan's programme goals

丿 Acceptable living conditions and logistics.

There is no any limitation that, what time is working period in one place. After the program review and reflection report (Which give the real achievement against the original goal) Plan has to decide to left this place. Before leaving this place, Plan has fulfilled the all legal process.

6) Cooperatives

Plan is committed to the development of cooperatives among the families and communities where Plan works. Cooperatives are recognized by Plan as one means by which projects are managed by communities.

7) Cooperating with other development organization.

Plan realizes that other organizations and government bodies have relevant technical and culture knowledge that can enrich Plan's program. In line with the principle of empowerment and sustainability, and the principle of cooperation, and to achieve its mission, Plan will work with other:

丿 Community Based Organization (CBOs)

丿 Government bodies

丿 NGOs

） Indigenous organization.

Work has been made based on mutual respect, with specific rights and obligation assigned to each party. Plan has appointment government recognized lawyer. In assistance and guidance of lawyer Plan has develop different agreement form for financial control.

8) Special services

Plan International provides Plan office with special services funds to meet the emergency needs of foster children and family members living with them. Purpose of special services funds is easily accessible in order to meet emergency needs quickly. The limit of special services payments to $ 100 per Plan family per year, except under special circumstances and with the approval of the Plan Manager.

D) Finance and administration (Budget control and reporting system.)

Budget (Financial) control and reporting system is a main part of this guideline. All the financial control system is guided by this FOB. Sub financial control system also developed in local level on the base of this guideline. This chapter has covered following areas:

1) Authorization

Plan board of Directors confers upon the international executive director the power to delegate authority and responsibility to Plan management for the approval of Plan project and program and commitment and expenditure of Plan resources. Plan manager's authority to make commitments and approve expenditure is subject to certain limitations and threshold. Plan managers should not exceed these limits. Plan delegates to specific Plan employees its power of attorney, so that they may act on Plan's behalf when dealing with outside parties, such as entering into an agreement or transaction where the power of attorney is required. Plan Nepal has five levels of authorizations, those are:

） Authorization of program approach and budget.

） Authorization of projects

） Authorization of commitments.

） Authorization of payments voucher and

） Authorization of signing the cheque with limit.

2) Budgeting

In Plan, Program country has to prepare tentative budget an annually basic. Plan has two types of budget. First one is core budget which is regular resource from sponsor families and another is grant budget which is available in issues base, need base or special request base. Program planning and operating requirements are calculated for a three-year

period. However, only next fiscal year budget will approved. Plan has practice to prepare next year budget in January and February for next year.

3) Month End Reporting

Plan has practice to prepare month-end report. Each field office needs to submit Country office no latter then 1st week of coming month. Plan has used Monthly Financial Statements (MFSs) for the purpose to make decision on spending and determine cash requirement for the future. Plan has closed every month before starting next month. Plan has practice to prepare bank reconciliation, cash register (bank wise), and Trail balance. After collecting the month end report from every field office, Plan country offices compile it and forward in IH for approval.

4) Year-End Report

Previously, Plan has used its account in cash basic. But from this FY 08, it has started both cash and accrual base. Year-End report is prepared on every July. One month time has granted to prepare year end report.

5) Grant Funding

Grant funding is an integral part of Plan's funding base. Plan offices, National organizations and IH need to work in partnership to create a grant-friendly culture and increase non-sponsorship funding to a maximum of 30% of the

revenues of each national organization. Grant funding is raised from governments, international or national agencies, corporations, associations, groups (Such as youth, schools, companies, communities and clubs) or individuals.

Such funds expand sponsorship funding to help more children, their families and communities, both directly and indirectly, and enable program activities and/or areas to be extended beyond the scope of sponsorship funds: they therefore reinforce the financial stability and security of Plan through diversification of its funding base.

6) Internal Audit.

Plan has two doing two types of audit. One is external and another is internal audit. Main objectives of audit is to

〕 Identify weaknesses in the administration of Plan office and execution of program operation that create the risk of errors, irregularities and mismanagement.

〕 Assess the implication of such weakness

〕 Make recommendations to minimize risk

〕 Provide support to offices as they implement these recommendations

For internal audit, Plan has board of auditor in IH. They are organized audit in routing base. Some time Plan has doing separate audit program exits for Plan office, country office and regional office too and some time special audits may

also be doing for new types of program, large expenditure for unusual items, suspected fraud, donor requirements or requests, control weaknesses identified in previous audits. All audits conclude with an audit report and follow the procedure. Audit rating is given for financial and program audit but no audit rating given for internal control reviews. Plan has conduct audit plan based on the risk analysis. The audit plan should include a list of offices that will be audited at least once every three year. Within 3 weeks of the end of the audit, the manager of the office being audited needs to prepare an audit action list to bring the office audit compliance with Plan policies and procedure, improve existing system and control distribute the audit action list.

Another side Plan country office has organized external audit for expenditure below Rs. 18, 00,000.00 for program. Such types of audit organized annually base. Each Program Unite (PU) has to organize it. Such types of auditor hired in after competition.

6) Fraud

Fraud is an action, an intentional omission joined with the element of deception that enables someone to receive benefit. That may directly or indirectly, financial or non-financial at the expenses of Plan and others involved with Plan. Plan has identified that when responsible person doing knowingly or unknowingly following work, will be fraud.

) Cash disbursement made without proper authorization.

- ）Missing documentation for cash disbursements.

- ）Altered documents with poor supporting explanations

- ）Lack of proper fair-price documentation for purchases

- ）Excessive voided cheques of refunds

- ）Poor internal controls

- ）Individuals who have close associations with suppliers and key personnel.

- ）Private work done by Plan contractors for individuals connected with Plan

- ）An individual living beyond their apparent means.

- ）Failure by employees to take annual leave.

Plan has segregate employee duties properly, ensure that all employee comply with Plan's administrative policies and procedure that are designed to detect errors and misappropriation of funds and property, maintain string internal controls that reduce the opportunity for fraud, carefully check employee references upon application for employment, and educate employees about Plan's code of conduct to prevention possible fraud. The general services head resigned when confronted with the fraud investigation result.

7) Segregation of duties.

Plan manager need to establish and maintain a system to carry out program in an efficient and effective manner, ensure adherence to Plan policies and procedures, safeguard assets and ensure that duties-financial and otherwise are complete and accurate.

8) Project Cost Control

A system of procedure used by Plan to ensure the adequate justification for execution, continuation, modification, cancellation, to ensure monitor is a project cost control. Plan seeks to increase a sense of ownership and responsibility among Plan families and groups in the resources made available to them and the achievement of desired result. Plan is responsible to its donors to ensure that all projects are properly implemented, are cost-effective, properly account for all funds expended, and meet the requirement outlined in the program section. The project cost control section has covered main 3 areas:

 -Plan for project for execution, continuation, modification and cancellation.

- Monitor program for expenditure, uses of material and status

- Evaluate the result generated by expenditure and lessons learned.

9) Classification an account

Plan has classified their expenditure in order to properly account for, manage and report spending. The importance of classification of account is to gives Plan donors a clear and objective way to asses how their money is being spent, allows Plan managers to track expenses for financial administration, budgeting and reporting purpose and provides information that managers can use to manage program implementation. Plan has opened 6 different account line for money expenditure and control. Those are:

ﺟ Program expenditure-: Program accounts has record how Plan spend money that donors have given Plan to support program. Spending on program is broken down into seven distinct categories for maximum accountability. Each spending category is assigned a sector number for book keeping purpose. Spending recorded under each category also is classified into either a project cost account or a program support account. Program expenditure includes directly family assistance, social services health services education, community development, resources and skills development and sponsorship initiatives.

ﺟ Expenditure from non-sponsorship funding: Use this category to record how Plan spends money on program that comes from miscellaneous sources other than donors.

ﺟ The children's fund: Use this category to record how Plan spends contribution to the children's fund. The children's fund consists of contribution from Plan national organization and cash gifts received by the Plan office from individual donors.

ﺟ Operating expenditure: Use this category to record spending that supports Plan day to day operations. Such spending does not directly benefit foster children or directly support program or projects.

ﺟ Non-budget expenditure-: Use this account to record expenses that are not included in your annual budget but which are included in an annual budget of another Plan office, This can include such unanticipated expenses as

separation payments, interoffice cash transfers, and expenses that Plan office incurs on behalf of another Plan office.

ر Receipt of cash-: Use this account to record any cash received in Plan office.

Plan has defined natural code and output code for fund transfer. It is helping to prepare budget Vs/Actual. Plan has defined 302 output code and 78 natural codes for financial control. Within an output code different natural code may use. **See-Annex-2**

E) Asset Management

1) Advance Payment

Advance payments include all payments made on the condition that the money paid will be liquidated within a certain period. Advance payments are considered liquidated when they are returned, refunded and offset by receipts that document Plan-approved expenditures. Plan can make an advance to Plan suppliers, employees and beneficiaries. All advance need to be made in accordance with local business practices. Agreements between Plan and the recipient should clearly spell out the repayment terms of that advance. Plan has an internal control system in place to protect Plan assets, records and accounts related to advances. Normally Plan has practice to given an advances as following:

ر Travel advances

Travel advances are used to pay the travel expenses of employees on official Plan business. Travel advances should not be given for any other use, Employee need to settle the advance within one week of returning to the office.

）Salary advance.

Plan managers can give a salary advance to employees who need cash for an emergency or for a specific personal need. An employee can take salary advance 2 month equal within a year. Account department will settled this advance from same month salary.

）Advance to supplier

Plan can make advances to companies that supply goods or services to Plan organization. Advance payment terms should be detailed in Plan purchase order or contract with the supplier.

）Advance to community/Partners.

Plan has practice to give an advance to community groups, NGOs and GOs for program implementation after the both parties agreement. Such types of advance should be settled within the 90 days after advance booked date. Plan can't give next advance before the settle previous one.

2) Cash Balance

Plan has practice to payment any parties or for advance through cheque or bank transfer. Under local circumstance, payments may need to be made in cash.

However, Plan should make clear to suppliers of goods and services that Plan's preferred payment method is by cheque. Plan has been instructed by Plan's donors with the appropriate management of cash resource including: receipt, recording, transmittal, safe-keeping, exchanging and reporting. Plan need to maintain a book of account (General Ledger) to record all bank transactions. Before make a fund transaction, Plan should open the bank account for the name of Plan. Authorized signatories (4 signatories for per PU) can sign on cheque with their limit. Two authorized signatures are necessary when writing cheques or making bank transfers. Plan can use this account for receive fund from IH and make a direct transfer to name of payee/ account.

Beside bank accounts, there are two other cash funds that Plan office can draw upon. Every Plan office is authorized to establish and maintain:

) A cash fund for operating expenses. This fund is used to disburse cash-sometimes in large amounts-when payment by cheques is not acceptable due to local conditions.

) Plan has petty cash fund system. It's maximum limits is Rs. 50,000.00 for per PU for properly run day to day operation expenses.

3) Cash receipt

Assuring Plan donors that their money is being managed and spent appropriately requires careful oversight of all cash that is received in Plan office. Plan managers need to ensure that all cash receipts are properly recorded, deposited and

accounted for. Plan has practice to complete official receipts for all cash received, make cash deposited within the 3 day of cash received, prepared journal vouchers to record cash receipts and report cash transfers from other Plan offices.

4) Purchasing and Payments

Plan manager are authorized to make purchases and payments. Purchasing decision should be justified and documented and based on arm's length negotiations with independent and bona-fide (Authentic) suppliers that provide Plan with goods and services at a fair price. Plan is very sensitive for value for money. The system for payments for goods and services should be based on proper authorization and documentation, provide proper recording and accounting for financial transactions and have proper segregation of duties. Plan has adopted following process for goods/services purchased:

- ﹚ Make requisition for purchases.
- ﹚ Get the best value for Plan Money.
- ﹚ Choose a supplier by purchasing committee
- ﹚ Prepare canvas sheet and recommendation to manager for approval.
- ﹚ Issued purchased order to selected vendor
- ﹚ Make a purchase
- ﹚ Make payment through account payee cheque to vendor.

5) Fixed assets

A fixed assets is a piece of tangible property which is worth of US$250 or more, has a potential useful life of one year or more when it is acquired and is owned by Plan. Plan office has authorized by the International Board of directors to acquire and dispose of fixed assets. Fixed assets can be acquired for use by Plan office or for use by Plan beneficiaries or in Plan projects. They can be disposed of through transfers' sale of destruction-both voluntary and involuntary. Plan mangers need to approve the acquisition and disposal of fixed assets. Plan should not lend fixed assets to beneficiaries, community members of employees for personal use. Individual Plan employee and beneficiaries are assigned custody for fixed assets. By signing for fixed assets, users acknowledge their responsibility for the security, maintenance and proper use of the fixed assets.

6) Inventory control and management

Plan office should maintain an inventory of supplies needed for the office and projects and program especially when suppliers or other Plan office. Plan office should not lend inventory items to beneficiaries, community members, and employee for their personal use. Plan has inventory control system which is handling by Administrative coordinator. All fixed assets has written inventory record and a software develop for monitor it. Plan has practice to physical verification by authorized team to know the status of assets.

F) Administrative Matters

1) Business insurance

Plan IH provides third party business insurance to protect Plan assets from damage. Losses and certain business risks. Liability, worker's compensation and commercial crime insurance cover all Plan office worldwide. Plan office need to obtain their own third-party liability insurance for vehicles and property that they own, lease and maintain. They also may need to acquire their own fire insurance. All losses and insurance claims need to be documented and reported to country office.

2) Conflict of interest

Plan employees and their immediate relatives should not carry out business on behalf of Plan with any business of person with whom they have a direct relationship. Plan, while respecting employees' rights to privacy in their personal business, requires that employees and their immediate relatives be free of outside interests that may influence their business dealings on behalf of Plan and lead to a conflict of interest situation.

3) Obtaining Legal Services

Plan office need to stand for by the laws of the host country in all respects. Plan managers need to engage legal counsel in order to:

ﾉ protect Plan's interests

ﾉ Enable the local office to comply with host country laws.

Plan Nepal has been selected legal counsel after consider competence, experience, reputation and cost.

4) Criteria for meetings with International Participation.

All Plan meetings with international participation need to be properly planned and achieved efficient and effective use of Plan's funds.

FOB has covered all of project control as well as budget control system. Initially it was very good. Project planning, budget planning, budget monitoring, reporting, duty segregation, asset management, advance tracking systems are its light. But this FOB has not revised from starting to date. It was prepared on the base of initial stage. It should be revised time to time. Other hand every and any guideline should be prepared in the base of local situation. If we use the other countries guideline, may not match with local context. So if possible Plan has to prepare this in the base of Nepal's situation.

This guideline was prepared in IH. So nobody can change small things in Nepal. During the field visit time (Nepal Country Office) one of the higher personalities has shared me that each and every staffs have to follow this guideline. No one can escape from it. If everybody can understand and realize it, Plan can meet its vision and mission soon. If any staffs do not understand or do not try to apply during his tenure time, he/she couldn't support to organization. We can understand from above saying, FOB has given to much opportunity and to much risk also. But when I have tried to cross check it during FGD time with lower level staffs, nobody has study it deeply except finance personalities. So Plan has to organize a workshop and encourage to each staffs in future.

4.1.2B NGO guideline

Purpose of the NGO guidelines

Plan has been working with community in-coordination with community, local/national level NGOs and GOs. Plan has developed clear admin and financial policy to implement program. Plan has NGO guideline and CBO procedure for guided to partners. But Plan does not have policy for government partners.

The objective of these NGO Guidelines is to provide guidance to partner NGO and Plan staff of the processes and procedures in all financial and administrative related matters throughout the implementation period of Plan funded projects.

These Guidelines apply to Cooperatives as well.

Definition of an NGO

NGOs are registered Nepali non-profit, non-governmental organizations.NGOs should

have a shared vision and commitment with Plan to coordinate effort with complementary

collaboration in the pursuit of common goals for the benefit of Plan Sponsored children,

their families and their communities.   This guideline applies to Cooperatives as well.

Responsibilities of the NGO:

- Maintain an independent Executive Board, and Committees that have segregation of duties for project implementation, financial management and operations. This should be documented and filed for record purposes.
- Resolve any disputes or conflicts related to the NGO's organizational/community level issues, that rise during the project.
- Submit written Quarterly (or as per Agreement) Progress Reports as per Appendix 1
- Submit Quarterly Expenditure Statements as per Appendix 2.
- Be responsible for the coordination, management and supervision of the project and also the audit of finances and programs, as per the Agreement with Plan.
- Allow Plan officials or designees to visit, inspect, monitor, and supervise the project, as when and needed.
- Maintain adequate financial and administrative controls guidline

Project Implementation and Progress Reporting

. **Detailed Implementation Plan (DIP)**

The NGO shall submit:
- the detailed implementation plan within the project proposal
- Budget breakdown
- Cash flow for the duration of the project

Quarterly Progress Report

The NGO should submit written quarterly (or as per Agreement) progress reports during the project period. These reports should describe progress towards meeting project objectives, activities undertaken in the last quarter,

and any problems encountered in implementing the project plan, (including any measures taken or plan for taking to mitigate/eliminate the problem).

One copy of these reports should be submitted directly to Plan Office no later than 5 calendar days after the completion of each quarter. Plan will then review these reports and send written comments to the NGO within a month. NGOs should keep copies of these reports in their office for their use and record.

The NGO shall provide, with the report, some project photos (taken at different intervals such as before, during and after implementation) with negatives and captions.

B3. **Project End / Final Report**

When the project is completed, the NGO needs to produce and submit the Project Completion Report (PCR) to Plan within a month after the completion of project. See Appendix 9 for the format.

The Plan Manager should sign and date the PCR, confirm that the project is complete, the output has been delivered, and that the explanation for variance is satisfactory.

Internal audits

An internal audit shall be carried out by Plan staff or assignee for the review of operations. It is a systematic and independent examination of operations and activities carried out. The findings and opinions are expressed through a documented report.

The NGO will have its regular external audit conducted as per the government regulations and submit a copy to Plan.

Financial and Administrative Guidelines

The NGO should ensure that the no single staff / member has control over all phases of the transaction. The NGO should develop a segregation-of-duties matrix for all job functions carried out in key areas, to be reviewed and agreed with Plan. The areas to be covered are:

- cash receipts
- cash funds
- inventory
- cash disbursements
- other accounting duties
- purchasing
- project cost control (expenditures)

Fund Disbursements from Plan

Funds will be remitted to NGO's bank account in one or more installments as stated in the NGO agreement. The basis of these installments will be based on Timelines of activities, and Cash flow forecasts. This is required to be submitted prior to the Agreement being entered into. The NGO should submit the fund request to the concerned Program Unit. The first installment of the fund will be provided as an advance. Subsequent installments will be made only on

satisfactory receipt of project progress and expenditure reports, and liquidation

with submitted original bills. These original bills shall be returned to the NGO

after review by Plan

Purchasing & obtaining value for money

Control Mechanism	Procedure	Documentation
Persons assigned will review on the quality and the price paid regarding the purchases.	∫ A committee of two or more members assigned by the committee, will collectively do the purchasing for amounts exceeding NRs15,000 ∫ The assigned members will buy the items at the best available price obtaining three written quotations where available, if not, documented justification should be made for the selection.	The procedures adopted for purchasing the materials will be minute for the purchasing of materials.

Receipt of Materials

Control Mechanism	Procedure	Documentation
The receipt of materials will be certified by the designated receiver(s) on the back of the invoice	∫ The Committee will fix the persons assigned in receiving the goods	Receiving certification on the invoices.

Disbursements

Control Mechanism	Procedure	Documentation
The Person assigned will handle disbursements	∫ Cheques are to issued in preference to cash. ∫ Payment exceeding NRs 2,000 should be made by cheque. Payments should be directly made to payee. ∫ Cash payments in excess of NRs. 2,000 must have a written justification attached to the payment voucher stating why the payment was paid in cash. ∫ A minimum of two cheque signatories must sign.	Cash Book Bank Book

Basic Records

Control mechanism	Procedure	Documentation
The Person assigned for financial monitoring will check the maintenance of the basic records	∫ Filing of bills, receipt and invoices ∫ All supporting documents must be stamped – **'PAID-Plan'**. ∫ The transactions relating to; cash, bank, advance, income & expenditures	∫ Income & expenditure statement ∫ Cash book ∫ Bank book ∫ Advance book ∫ Stock book ∫ Fixed asset list

	will be documented	
	ʃ Projectwise income & expenditure record will be maintained if the NGO is handling multiple projects	
	ʃ Stock book for major construction material will be maintained for the amount exceeding NRs 10,000.00	
	ʃ All goods purchased of a permanent nature must be entered into a Fixed Asset List; Identification number, quantity purchased, cost of the item, and location of the item will be recorded.	
	ʃ Ownership of the fixed asset will be entitled as agreed in the NGO Agreement.	

Bank Reconciliation

Control Mechanism	Procedure	Documentation
Bank pass book/statement agrees with NGOs bank book	- Cheque signatories will also sign on the counterfoil of cheques - The signature of cheque	- Cheque book counterfoils - Bank deposit slips - Bank book - Bank pass book/statement

	receivers will also be obtained on the backside of cheque book counterfoils.	- Bank reconciliation statement
	- Bank transactions will be recorded in the NGOs bank book	
	- Amount of deviation between the balances shown in bank pass book, or statement, and NGO's bank book will be reconciled in the bank reconciliation statement.	
	- Bank reconciliation must be regularly prepared, then signed and dated	

See annex-3 for form and format

NGO guideline is prepared on the base of FOB. Plan has same policy, form format to CBOs, NGOs and GOs. 100% (Out of 10 sample) CBOs and NGOs has received book keeping training. Normally such types of training organizing before program lunch. Total 80% responded has response that they can do easily this guideline. They also shared; this guideline is prepared very simple. 20% responded has response that still they have to improve.

Plan also agreed the partner's financial policy, but such decision should make during the agreement time. If no any mutual understanding made in written, all partners should submit their report on above given format. Same question was asked to Plan

staffs and they also accepted that every partners are submitting their report in given format with apply the given rule. But they commented that the advance settlement time (90 day) is very short.

After FGD with the partners and Plan staffs, it was noticed that NGO guideline is vital supporting guideline to NGOs. Especially local NGOs have felt easy to understand and apply it practical. There is no any different guideline between local and national NGOs. Each and every NGOs should follow-up this guideline after the agreement with Plan. Plan has practice to discontinue with NGOs, who are not capable to apply this guideline in practical.

The objective of study was to understand the strength and weakness of Plan for budget control system. This guideline has supported to Plan for timely an advance settlement with correct documents. One of the partner has asked that, there may be option to accept the partner's system. Other wise we can't say this is real partnership.

4.1.2C CBO Procedure

As earlier mentioned, Plan Nepal has CBO (Community Based Organization) procedure to guide community for project implement and financial control. Plan has assigned separate staff (Internal Control Officer) for coach them and build-up capacity. All of reporting format is same like NGO guideline. After study those two guideline, it was found that CBO has not necessary to submit quarterly financial and program report.

On the base of previous experience, program implementation capacity and prepare financial report, Plan has categorized all of CBOs into 3 categories, which are given below:

Guideline for CBO

Table-13

S.N	Description	"A" categorize	"B" categorize	"C" categorize
1	CBO has to submit the decision of meeting	√	√	√
2	Income and expenditure account	√	√	
3	Listing of bills/invoices			√
4	Cash book	√	√	√
5	Bank book	√	√	
6	Advance book	√	√	
7	Stock book	√		
8	Filing of bills/invoices			√
9	Bank reconciliation	√		

Those CBOs who are defined on " A" category, Plan can released fund above $5000.00 from one agreement. Those CBOs who are defined on "B" category, plan can released fund $ 3000 to & 5000. Those CBOs who are defined "C" category, Plan can released fund up-to $3000 only.

Other purchasing, good receipt, billing, value for money ensure, duty segregation, project monitoring, evaluation process is same like NGO guideline. Additional of this guideline, Plan has developed a format to give CBOs which can help to CBOs for entry in ledger.

Check list for books of account

<div align="right">Table-14</div>

S.N	Description	Cash book		Bank book		Advance book		Income & expenditure
		Received	Gone	Deposited	Withdraw	Given	Settled	
1	Fund deposited into bank			√				√
2	Withdraw from Bank	√			√			
3	Cash		√					√

	expenses							
4	Payment through cheque			√				√
5	Advance through cheque				√	√		
6	All advance settled through bills						√	√
7	Advance settled through cash and bills	√					√	√
8	Advance settled through bank deposit slip and bills			√			√	√

Monitoring system (Checklist) of budget and program

Plan has prepared a check list to monitor. It has helped to all account related or non related staffs. These documents are fill-up after review the books of account and ongoing project of CBOs. CBO procedure has clearly guided that at least two times project should be monitor during the agreement period.

Sample of checklist

S.N	Te be verify	Applied/not applied
1	Properly duty segregation has made in starting time	
2	Properly duty segregation has made during project implement time	
3	Materials purchase as per the value of money	
4	Payment made after the goods/materials received	
5	Evidence of goods received	
6	Expenditure made after the approval of authorized person	
7	"Plan-paid" stamp has stamped on all expenses bills/invoices	
8	All transaction has recorded in ledger	
9	All transaction has properly recorded in related ledger.	
10	Bank reconciliation has made in time	
11	All project related materials has been kept seftly.	

12	Decision of meeting other process in place	
13	Community access on all expenses bills/invoices	
14	Project status in place	
15	Project completed in determine time	
16	Bank account has been opened name of community group	
17	Make a reflection and conclusion on time, cash flow and project by community	

Ref-: Direction and process for community base organization.

After the questioner collection, it was found that CBO do not have any policy before the Plan worked in Banke. They were not trained how to develop planning, monitoring and project as well as budget expenditure evaluation. <u>Mainly the study shows following strength of this procedure</u>.

ﾉ This is community friendly guideline and very easy to understand.

ﾉ Very easy to do in practical.

ﾉ Every CBO has accepted and apply same policy in Nepal.

ﾉ Guideline itself transparent.

ﾉ It helps to organize community people through meeting, training and social work.

ﾉ Other INGOs also recognize this procedure.

） It helps to make sharpness in book keeping, purchasing process, and monitoring process.

） It helps to coordinate with bank and other vendors as well.

Weakness of the procedure.

） Plan has applied same process and recording system between NGOs and CBOs.

） There is no any overhead support option.

） At least one person salary paid staff should support to update all requirements.

） Project advance period is too short (90 days).

4.1.2 D Advance Tracking System (ATS).

Advance tracking system was developed in 1995. Previously it was called Project Development Outline (PDO) monitoring system. As per the working modality of Plan, it has different kinds of program. Plan is trust in partnership modality. All kinds of project has been implementing through partners (NGOs, CBOs). Plan provides the project fund after the community request. Plan has funding its fund in installment basic. As per the ATS, maximum 90 days is advance period. If some partner couldn't settle the taken amount within 90 days, it is called overdue advance. We can see following given information in ATS.

Payments/Settlement (Ref-ATS- See annex)

    a) Agreement no.

    b) Payment date.

c) Voucher No.

d) Description

e) GL code

f) Dr. amount

g) Cr. amount

Due report

Plan has to submit due report to head office end of each month. If the projects are over due, reliable justifications also submit to head office. We can see flowing given in report.

a) Name of partners.

b) Payment code

c) Nature of fund (Grant or Core)

d) Expected liquidation date.

e) Current outstanding

f) Over due amount for 3-4 month

g) Over due amount for 5-7 month

h) Over due amount for above 8 month

i) Agreement no.

After discussed with concern finance and senior level staffs of Plan, it was found that if some project falls overdue by any reason, it is not good symptom for Plan.

Bad reputation represent of country in Head Quarter. So critically each and every staffs should follow-up their project and settle in time. This is locally developed system by Plan Nepal Only. One of the accountants has told me that this is very good system to monitor the project advance. But the data entry point of view, it is very hard.

4.1.2E Salary Advance tracking system.

Plan has own salary tracking software. After discussion with concern finance staffs during the study, it was fund that Plan has transfer staffs salary direct into staff's bank account instead of cash distribution and Plan has maintained confidentiality regarding the salary part. Last month of each month salary transfer into bank. Plan has flow-up government tax rule hardly and meet time frame too. Any staff does not have access in this software expect accountant and Information and Technology Manager.

4.1.2 F General Ledger (GL)

General Ledger (GL) is main software for financial control. All types of payment related transaction, settlement, advance tracking of communities/staffs, different types of report can generated by GL. Plan has practice for payment after the full document compilation and approved as well. After discussion with Finance

Coordinator of Plan Banke, it was found that following reports are can see easily from GL.

 i) Transaction

    √ Cash disbursement

    √ Cash receipt

    √ Journal entry

    √Series posting

    √ Expert to PPM

ii) Enquiry

    √ Summary of expenditure

    √ Budget Vs/Actual

    √ Find Journal

    √ Community Enquiry

iii) Report

    √Trail Balance

    √ Plan report

    √ Budget Report

    √ Community report

    √ GAD Report

iv) CARD

    √ Count create

√ Community detail

v) Routine

√ Period end

√ Import

√ Define bank account

√ Community expert

vi) Smart list

 Smart list is a main menu of GL. From this menu all types of financial report can see easily. After discussion with Finance Manager of Plan Head office (KTM) and analyze 5 year's budget Vs/Actual of Plan, following facts are found.

Budget Vs/Actual for FY 2003

Budget in '000 and currency in $

Table-15

S.N	Name of Domain	Budget	Expenditure	Variance
1	Growing up healthy	1292	1048	244
2	Learning	2205	1875	330
3	Habitat	1462	1438	24
4	Livelihood	1117	938	179
5	Building relationship	963	863	100
6	Program management, supervision and support	665	537	128

7	Administration	624	544	80
	Total	**8328**	**7243**	**1085**

Budget Vs/Actual for FY 2004

Budget in '000 and currency in $

Table-16

S.N	Name of Domain	Budget	Expenditure	Variance
1	Growing up healthy	1140	1209	-69
2	Learning	1552	1724	-172
3	Habitat	1114	1377	-263
4	Livelihood	944	1040	-96
5	Building relationship	1068	1249	-181
6	Program management, supervision and support	554	688	-134
7	Administration	437	625	-188
	Total	**6809**	**7912**	**-1103**

Budget Vs/Actual for FY 2005

Budget in '000 and currency in $

Table-17

S.N	Name of Domain	Budget	Expenditure	Variance

1	Growing up healthy	1353	1278	75
2	Learning	2065	1908	157
3	Habitat	1343	1357	-14
4	Livelihood	1221	1224	-3
5	Building relationship	1700	1497	203
6	Program management, supervision and support	1067	1078	-11
7	Administration	620	675	-55
	Total	**9369**	**9017**	**352**

Budget Vs/Actual for FY 2006

Budget in '000 and currency in $

Table-18

S.N	Name of Domain	Budget	Expenditure	Variance
1	Growing up healthy	1725	1769	-44
2	Learning	2993	2999	-6
3	Habitat	1530	1620	-90
4	Livelihood	1509	1435	74
5	Building relationship	1790	1726	64
6	Program management, supervision and support	1061	1117	-56
7	Administration	649	612	37
	Total	**11257**	**11278**	**-21**

Budget Vs/Actual for FY 2007

Budget in '000 and currency in $

Table-19

S.N	Name of Domain	Budget	Expenditure	Variance
1	Growing up healthy	1270	1371	-101
2	Learning	2446	2365	81
3	Habitat	1469	1199	270
4	Livelihood	1249	1318	-69
5	Building relationship	1602	1507	95
6	Program management, supervision and support	1094	1053	41
7	Administration	648	753	-105
	Total	**9778**	**9566**	**212**

‗ Note-: We can see the 5 year's budget Vs/Actual in Annex-4 attached herewith

In the result of above mention data of 5 years, Plan has invested $ 45016000 in different sector. During the five years, Plan can success to invest 98.5% against the original plan. This expended percentage can define that, Plan has good planning system. In other word we can say that Plan has good planning process. Some domain has negative balance too. But it is very rare . As we mention on above, Plan has two funding resource. Sponsor is its main resource and grant funding is another one. Slowly Plan is focusing towards grant funding. It's major program is launching through grant funding. Sometime it becomes success to received huge grant and sometime small grant.

 Sponsor also is regular resource but sometime some sponsor left and sometime increases. So the budget of Plan also some time low and sometime high. We can

see in above data too. The planned budget ratio of 5 years is 18.29%, 14.95%, 20.57%, 24.72%, 21.47% respectively in FY 2003, 04, 05, 06 & 07. Higher budget was planned in FY 2006. At that time Plan has two biggest grant funds. One is micro finance in Banke and another is girls trafficking in hill district of Nepal.

The expenditure ratio of 5 years is 16.09%, 17.58%, 20.03%, 25.05% & 21.25% respectively in FY 03, 04, 05, 06 & 07. 7.13% expenditure covered in operating out of total expenditure. This means Plan has invested 92.87% in program. In sum of five year's data Plan has negative balance in Habitat domain program management domain and admin. Discussion was made with Finance manager of Plan Nepal for reason of negative balance. He share me habitat domain is related to water sanitation & environment. they do not have any more Information and we can't say that what types of issues will encounter. I.e. when & how many families will suffer by fire disaster, flood victim. So, their budget planning is normal way in the experience of previous years. For example in FY 2004, they had to support for many families of Rautahat district who were suffered by fire disaster. In FY 2006, they had to support so many families of Banke who were suffered by flood victim.

In the case of program management & supervision, sometime lot of money and effort expense to prepare different policies & system as well. In the same way if additional grant funding received in middle of year, at that time they have to hire additional staffs. So, admin cost also always fluctuation.

During the study, discussion was made about the surplus money & I found that Plan has to return the surplus money in IH end of each FY. Plan can't re-adjust this saving money for coming years. After analysis of above data, it came to know that Plan has focusing in education then other areas. It has invested 24.15% amount out of total expenditure during five years. Normally, the budget is also increasing way each year in learning sector. In FGD, Plan staffs were shared that following activities are focusing in education.

- Early care childhood development program to below 5 years children
- Girls scholarship
- Boys scholarship
- College fee
- Adult literacy classes
- Out of school program
- Better life option program
- Business literacy to micro finance groups
- Support to national policy
- Primary school building construction
- Furniture support to primary school
- School rehab
- Teacher support
- Children event program

） School Improvement Program (SIP)

The output of investment is also progressive way. In FGD, Development coordinator has shared that; graduated children of FGD are differing then other children in school. They are very clever & healthy as well. Plan success to increase awareness to community for important of education. Significant changes are starting. Peoples started to enrollment son & daughter in school.

After analysis the above data & FGD, it was noticed that Plan need to increase it's found in livelihood sector too. Livelihood is major sector of Nepal. If families are success to manage basic needs, changes will automatic show. Those peoples, who have neither land nor enough money, need to support lease process. Some skill development program also focusable for prepare independen*t.*

4.1.3 Admin Control System

Plan Nepal has develop different types of procedures for admin control. Each and every staffs are well known on all procedure. After discussion with Human Resource Officer (HRO) of Plan Nepal, it was found that Plan has practice to conduct training when new procedure developed by country. Those staffs, who are joining later on, separated training conduct to them. Basically, Operation Manual (OM), Human Resource Policy (HRP) and Personal Policy (PP) are functioning for admin control. Beside them other small types (Need base) documents also functioning for short or long period.

4.1.3A Operational Manual

Plan Nepal has developed Operational Manual (OM) for better financial control. It is a part of FBO. Different kinds of agreement, form, format, policies are guided by it. As per last revised version-2005 September, 6 chapters are included in OM. This is given below in brief.

◊**Finance**-: In this chapter authorization, budgeting and classification of accounts are included. After study of those documents and discussed with Program Unit Manger (PUM) of Banke. It was found that Plan has authorization delegation system. It is under certain limit. If the given limit is going to over, it should be go upper-level. Actually Plan has system to given authorization for project approval, PO approval, agreement approval, account line approval.

Plan has practice to prepare budget in each year. Two year budget should forecast during budgeting time. It is prepared on the base of community request; need to meet the CSP, CPO objectives. The original budget called Current Approved Budget (CAB) and plan has practice to review the approved budget in end of each quarter, which called Current Approved Budget (CAT).

When make a payment, Plan has also coding system like government. For ex. If plan is going to payment for school building construction, following given code should used.

2322-2H22-1400-00-10-6056

2322= This means approved PO

2H22= This means project output code (Which is given in annex)

1400= This is user defined code (Which is given in annex)

00   = This is default code

 10   = This is CPO defined code

6056= This is Program Unit area defined code.

◊ **Reporting-:**

  Plan has different reporting system. But in this OM three types report given like month end report, year end report, and quarterly report. Normally Plan has to closed each month and open next month for financial transaction. Each Program Unit office need to prepare month end report within the 5th working day of next month and sent it to head office. The Nepal Country Office (NCO) need to compile all PU's month end report and sent it to ARO/IH within 7th day of next month.
Another side Plan has practice to prepare quarterly report in each quarter. Such types of report covered budget Vs/Actual, Output Vs/actual. The time frame is same as month end report.

At the end of FY, Plan has to prepare year-end-report and sent it to IH within the one month of next FY.

◊ **Internal Control-:**

Plan is very much careful organization for internal control. Basically, OM has covered fraud and segregation of duty for internal control.

Fraud is often detected when employees come across minor discrepancies and irregularities that they bring to the attention of their supervisor. Plan has defined the fraud means:

⌡ Cash disbursements made without proper authorization.

⌡ Missing documentation or cash disbursements

⌡ Altered documents with poor supporting explanation

⌡ Lack of proper fair-prices documentation for purchases

⌡ Excessive voided cheques or refunds

⌡ Poor internal control and cheque.

⌡ Individuals who have close associations with suppliers

⌡ Private work done by Plan contractors for individuals connected with Plan

⌡ An individual living beyond their apparent means.

Plan has system to investigation fraud and reporting system. Step wise punishment also defined by OM, if the fraud is proof after investigation.

Plan Nepal need to ensure that no single employee has control over all phases of a transaction. Verification and cross-checking by other Plan Nepal employee is essential. So Plan Nepal has developed segregation of duty for all Plan Nepal staffs and job description also prepare in line of OM's duty segregation.

◊ **Asset Management-:**

This chapter has covered advance, cash balance, cash receipt, and purchasing and payment procedure.

Advance-:

Plan has practice to given an advance to staffs, vendor and other reliable groups. Such types of advance should be settled within the time frame. Plan has avoided multi advance system. If some one request and advance, he/she should be settled previous one. In the case of travel advance, should be settled within 7th day after returning from destination and travel advance will give Rs. 2000 per day. In the case of salary advance, staffs can withdraw salary advance only two time within the FY and such types of advance deducted form same month salary. Plan has practice to given an advance third party too in reliable case.

Cash Balance-:

Plan is one of the organizations that work done through partners. Plan doesn't work directly and doesn't handle cash by its staffs. Only banking transaction is accepted in OM. Plan head office (IH) transfer the requested money to selected bank and Plan Nepal (NCO) transfer it in field office's bank as requested. The PU office also transfer

this money to partners/vendors account directly as per requested. Plan may payment < Nrs 2000.00 in cash through petty cash.

Cash receipt-:

  Plan has prepared cash receipt form with three copies. If some partners, staffs, or other parties return money to Plan, Plan should issued the Office Receipt Form (ORF). First copy needs to give payer, 2nd copy for finance and third copy for record. Payer signature need to obtain on 1st and 2nd copy. The return amount should deposit into bank within the 3 working days, if the amount return in PU, NCO and 4th working day if the money return at Branch Office (BO).

Purchasing and payment-:

Plan has good policy for purchasing and payment. Any person/organization has to fill-up required materials, services form and forward to finance for review. After approval of authentic authority, Office Coordinator (OC) will collect at least 3 quotations and forward it to selection committee. Plan has developed permanent selection committee. If the amount exceeds $500, quotation needs to collect. Otherwise payment make directly. When the selection committee selected vendor, OC will issued purchase order (PO) to selected vendor. After receiving the materials, requested person need to sign on bill for ensure he/she has received the materials. Then OC process it for payment with necessary documents and finance make a payment through account payee check.

◊ **Fixed Asset -:**

Plan has accepted that asset whose life is more then one year and value is more the$250. Such type's asset called fixed asset. Plan Finance Coordinator (FC) will have physical verification in each quarter and record as per given manual. Such types of asset, which has to disposal, should be authorization taken from upper level if the value of asset >#25000. Other wise each PU can disposal it within same office and income from such types disposal items should be deposit in Plan's account.

◊ **Administration -:**

Plan Nepal has provides third party business insurance to protect Plan Nepal assets from damage, losses and certain business risk. Worker's compensation/employers liability insurance also covered by Plan Nepal. Plan has policy that Plan's vehicles are strictly for Plan business and not for personal use. Only authorized passengers are allowed to ride in Plan vehicles and motorcycles.

This procedure has made easy to work for admin staffs. Duty segregation, firing policy to staffs, value for money ensured, approval and authorization process is it's charming points. After discussion in FGD, it was fund that it was monitor and recommended properly and by each quarter in previous. But now Plan does not have regular auditors. So there is confuse that who will be the watchdog person and how its applicable measurement? Procedure itself very good, but if the effectiveness point of view, monitor should be made in future. Plan may hired internal control officer or outsider auditor for monitor the procedure.

4.1.3.B Human Resource (HR) Policy

Plan Nepal has developed a Human Resource Policy (HRP) hand-book on February 2004 for Nepal. Plan has nominated a Senior Advocate to finalize it. Plan Nepal, under its agreement with the Social Welfare Council, Ministry of Women and Social Welfare and as defined in the Power of attorney issued to its Legal Representative, Country Director, constitutes an autonomous employer in Nepal. This Human Resource Policy Hand-Book is subject to the principles and rules and laws of HMG-Nepal. All Policy related documents will be verified obtaining legal opinions to ensure that Plan Nepal's policies are in compliance with the Nepalese laws. Following given guideline has submit on HRP.

i) Recruitment

- Procedure of recruitment

-Appointment

- Orientation

- Probation

- Personal file

ii) Transfer

-Approval

- Procedure

iii) Working environment

- Working Hours

- Employees attendance

- National Holidays

- Employee Security

- Women Specific

iv) Disciplinary Action

- Minor misconduct

- Major Misconduct

v) Grievance policy

vi) Separation

viii) Salary increment

ix) Allowance

- Dashain Bonus

- Salary Advance

- Taxes

- Acting allowances

- Location allowance

- Overtime (OT)

x) Benefits

- Annual Leave

- Sick Leave

- Maternity leave

- Lave for lactating mothers

- Paternity leave

- Compassionate leave

- Unpaid leave/Leave without pay (LWP)

xi) Travel

xii) Entitlement

xiii) Performance Management System (PMS)

During the study, it was found that all of staffs are well familiar with HR policy. It was noticed that some staffs were fired in previous due to major misconduct and some staffs were applied grievances policy in upper level while the organization had phase out the position. All interviewer were shared me that HR policy has covered most of thing toward staffs benefit and every benefit process guided by this policy. The do not have any comment on it. But after review this policy and individual discuss with staffs, it was found that, this policy need to revise time to time. Conflict was raised-up in Nepal while this policy was developed. Now post conflict period and slowly Nepal is going to peace process. So understand the situation, policy need to revise.

Chapter-5

Summary ,Conclusion and Recommendation of this study

5.1 Summary of the study

Plan Nepal has been working in Nepal since 1978 AD. Now Plan Nepal is working directly in 8 districts. Bajhang, Salyan and Bhojpur are phase out districts of Plan due to worse political situation. From this FY Plan Nepal is going to expand its working area in hill side. Parbat, Baglung, Manag are going to implement this year. Plan Nepal has phase in and phase out plan also. Plan Nepal can working upto 10 years in one VDC. Plan Nepal has been working in 152 VDC along with 8 Districts. As we discussed in chapter 2, sponsor is a main funding source of Plan Nepal. Plan always trying to increase sponsor families. Total sponsor families are 37921. This means total $ 4740125.00 invested in Nepal each year. Grant funding is another resource of Plan. Most of biggest projects are lunching through grant funding.   Plan Nepal has good budget control system. Internal and external audit is its main control system. PPM NduGu, NGO guideline, CBO procedure, CCDA guideline, FOB, Operation Manual are main guidelines. If any staff couldn't success to meet the said guideline or couldn't success to meet the given task, Plan Nepal may dismiss his/her job immediately. So each and every staffs are committed and aware for his/her responsibility.

For budget control, PPM NduGu is playing vital role to improvement the program quality. We can monitor budget Vs/Actual in weekly. After discussed with CPME Coordinator and the response of questioner, this is very new system for Plan Nepal. All staffs have not yet full understand the significance of this system. As discussed in Chapter 4, Plan Nepal can monitor the given benefit of individual family in PPM. Plan IH can see the picture in system for the individual family progress report of Nepal. So nobody can manipulate in progress report. This system can't monitor Grant amount separately.

Child centered community development should not be viewed as simply a program-based approach. Rather, it should guide all of our work, wherever that work is done. We cannot yet claim to be a child centered community development organization. It will take time, effort and honest self-examination on the part of all staff to understand what it means both in relation to how we undertake our individual roles and the implication for the organization as a whole.

As result of questioner, 100% (3 NGO and 4 CBOs) has given their positive view in CCDA model. They also told that this system had to apply before start work in Banke. Some of participants (2 person out of 7) has told that system is very good and the implementation method also good. But Plan has not followed the suggestion of community when the program going to start. So in future, Plan should cover the committed things with community.

As discussed in Chapter 3 and 4, Plan Nepal has two types of audit system. Financial audit and risk based audit is main budget and program control indicators.

Plan has practice to prepare audit action list (AAL) to capture the findings. Out of 10 participants on Focuses Group Discussion (FGD) 8 persons responded still Plan has not success to discard the low morality of staffs.

FOB has covered all of project control as well as budget control system. Initially it was very good. Project planning, budget planning, budget monitoring, reporting, duty segregation, asset management, advance tracking systems are its light. But this FOB has not revised from starting to date. It was prepared in the base of initial stage. It should be revised time to time. Other hand every and any guideline should be prepared in the base of local situation. If we use the other countries guideline, may not match with local context. So if possible Plan has to prepare this in the base of Nepal's situation.

This guideline was prepared in IH. So nobody can change small things in Nepal. During the field visit time (Nepal Country Office) one of the higher personalities has shared that each and every staffs have to follow this guideline. No one can escape from it. If everybody can understand and realize it, Plan can meet its vision and mission soon. If any staffs do not understand or do not try to apply during his tenure time, he/she couldn't support to organization as well as marginalized families. We can understand from above saying, FOB has given to much opportunity and to much risk also. During the study period, cross check was done on FGD with lower level staffs and found nobody has study it deeply except finance personalities. FOB has clearly guided to finance person. For budget expenses, Plan Nepal has 302

Output code and 78 Natural codes defined. Full 20 digit code to be mention on voucher for payment. So we can say that Plan has good budget control system.

NGO guideline is prepared on the base of FOB. Plan has same policy, form format to CBOs, NGOs and GOs. 100% (Out of 10 sample) CBOs and NGOs has received book keeping training. Normally, such types of training organize before program lunch. Total 80% responded has response that they can do easily this guideline. They also shared me; this guideline is prepared very simple. 20% responded are fail to apply this guideline in practical.

Plan also agreed the partner's proposal including financial policy, but such decision should be made during the agreement time. If no any mutual understanding made in written, each partner should submit their report as per agreement. Same question was asked to Plan staffs and they also accepted that every partner has submitting their report in given format by applying the given rule. But most of partners make delay for report submission.

After FGD with the partners and Plan staffs, it was found that NGO guideline is vital supporting guideline to NGOs. Especially local NGOs have felt easy to understand and apply it practical. There is no any different guideline between local and national NGOs. Each and every NGOs should follow-up this guideline after the agreement entered with Plan.

Plan has practice to discontinue with NGOs, who are failed to apply this guideline in practical.

One of the objectives of this study was to understand the strengths and weakness of Plan for budget control system. The study shows that, this guideline has supported to Plan for timely an advance settlement with correct documents. One of the partners told that mutual understanding need to increase on real partnership.

CBO procedure is another control system of Plan. The result of questioner collection shows that, that CBO do not have any policy before the Plan worked in Banke. They were not trained and unknown how to develop planning, monitoring and project as well as budget expenditure evaluation. Following strengths are shown in study of this procedure.

) This is community friendly guideline and very easy to understand.

) Very easy to do in practical.

) Every CBO has to accept and apply same policy in Nepal.

) Guideline itself transparent.

) It helps to organize community people through meeting, training and social work.

) Other INGOs also recognize this procedure.

) It helps to make sharpness in book keeping, purchasing process, and monitoring process.

) It helps to coordinate with bank and other vendors as well.

Weakness of the procedure.

) Plan has applied same process and recording system between NGOs and CBOs.

) There is no any overhead support option.

) At least one person salary paid staff should support to update all requirements.

) Project advance period is too short (90 days).

Advance tracking system is another financial control system. Outstanding advance of community monitor by ATS. After discussed with concern finance and senior level staffs of Plan, it was that if some project falls overdue due to any reason, it is not good symptom for Plan. Bad reputation represent of country in Head Quarter. So critically each and every staffs should follow-up their project and settle in time. This is locally developed system of Plan Nepal. One of the accountants has told that this is very good system to monitor the project advance. But the data entry point of view, it is very hard.

General Ledger system is most important budget control system of Plan. Plan can monitor the current year budget Vs/Actual in every time. As discussed in chapter 4, in the result of mentioned data of 5 years, Plan has invested $ 45016000 in different sector. During the five years, Plan cans success to invest 98.5% against the original plan. This expenses percentage can shows that, Plan has good planning system. In other word we can say that Plan has good planning process. Some domain has negative balance too. But it is very rare. As mentioned on chapter 4, Plan has two funding resource. Sponsor is its main resource and grant funding is another one. Slowly Plan is focusing towards grant funding. Its major program is launching through grant funding. Sometime it becomes success to received huge grant and sometime small grant.

Sponsor also is regular resource but sometime some sponsor left and sometime increases. So the budget of Plan also some time low and sometime high. We can see in above data too. Higher budget was planned in FY 2006. At that time Plan has two biggest grant funds. One is micro finance in Banke and another is girls trafficking in hill district of Nepal.

In sum of five year's data Plan has negative balance in Habitat domain program management domain. Discussion was made with Finance manager of Plan Nepal for reason of negative balance. He share me habitat domain is related to water sanitation & environment. They do not have any more Information and they can't say that what types of issues will encounter. i.e. when & how many families will suffer by fire disaster, flood victim. So, our budget planning is normal way in the experience of previous years. For example in FY 2004, they had to support for many families of Rautahat district who were suffered by fire disaster. In FY 2006, they had to support so many families of Banke who were suffered by flood victim.

In the case of program management & supervision, sometime lot of our money and effort expense to prepare different policies & system as well. In the same way if additional grant funding received in middle of year, at that time they have to hire additional staffs. So, admin cost also always fluctuation.

The study shows, Plan has to return the surplus money return in IH end of each FY. Plan can't re-adjust this saving money for coming years. After analysis of data, Plan has focusing in education then other areas. It has invested 24.15% amount out of total expenditure during five years. Normally, the budget is also increasing way each year in learning sector. In FGD, Plan staffs were shared that following activities are focusing in education.

) Early care childhood development program to below 5 years children

) Girls scholarship

) Boys scholarship

) College fee

) Adult literacy classes

) Out of school program

) Better life option program

) Business literacy to micro finance groups

) Support to national policy

) Primary school building construction

) Furniture support to primary school

) School rehab

) Teacher support

) Children event program

The output of investment in education is progressive way. In FGD, Development coordinator has shared that; graduated children of ECCD are differ than other children in school. They are very clever & healthy as well. Plan success to increase awareness to particular community for important of education. Significant changes seem in society. Peoples started to enrollment their children in school.

After analysis above data & FGD, it was found that Plan need to increase it's found in livelihood sector. Livelihood is major sector of Nepal. If families are success to manage basic needs, changes will automatic appear. Those peoples, who have neither land nor enough money, need to support lease process. Some skill development program also focusable for prepare independent

Human resource policy is playing vital role in admin control. It came to know that all of staffs are well familiar with HR policy. Some staffs were fired in previous due to major misconduct and some staffs were applied grievances policy in upper level while the organization had phase out the position. All interviewer were shared me that HR policy has covered most of thing toward staffs benefit and every benefit process guided by this policy. The do not have any comment on it. But after review these policies and individual discuss with staffs, it came to know that this policy needs to revise time to time. Conflict was raised-up in Nepal while this policy was developed. Now post conflict period and slowly Nepal is going to peace process. So understand the situation, policy need to revise.

5.2 Conclusion of the study

Plan has been working in Nepal for 31st year (From 1978) and in world for 71 year (From 1937). From its starting, Plan has been focusing towards poor and marginalized children. Now Plan has been working in 49 developing countries including Nepal. It has 17 sponsor countries. Plan has been supporting around 13,00,000 children in world.

In Nepal, 37921 children are directly benefited in 8 districts (Banke, Bardiya, Dang, Makawanpur, Rautahat, Bara, Sunsari and Morong). Plan has two types of funding resource i.e. sponsor funding and grant funding. Germany is the biggest sponsor country in FY 2007. It has covered 25% fund in total grant. Grant fund is increasing way in Nepal.

Plan has been investing its fund into 7 sectors in Nepal. Growing up health, Learning, Habitat, Livelihood, Building relationship, Program Management supervision and support and Administration is a main investing sector. Total $ 4,50,16,000 has been invested in five years in Nepal (FY 2003 to FY 2007). 24.14% of total investment has covered by education and learning sector within 5 years. In this study, it is found that Plan's main focused sector is education and learning.

Plan has developed different policies and guidelines for financial and program control. Plan has FOB, CBO procedure, NGO guideline, ATS, GL, SATS for financial control system. PPM NduGu, Risk based audit, Child data system, CCCDA approach are program control system and Operation manual, HR policy, Personal policy are for administration control system. Comparative with other organization, Plan is community based and transparent organization. Right based (CCCDA) working modality is Plan's main approach. Plan has developed different policies and guidelines for financial, program and admin control. Main focuses sector of Plan is education in terms of fund investment. Plan has different issues base program with regular program. Some policies are developed in IH, which is not match with local

situation. In some cases, it was noticed that Plan has top to bottom approach for major decision.

During the study period different policies, guidelines and other related materials were collected. Relevant questionnaires were developed as objective. Interview and FGD was done with selected key person of CBOs, NGOs, and front line Plan staffs to identify the strengths and weaknesses of Plan for budget control system. Descriptive research method was used to complete this study.

In conclusion, it was found that Plan is learning by doing organization. Plan is a child focused organization. Children are heart of organization. Plan is guided by its approved policies and guidelines. No anyone staffs, partners are excused, who can't follow policies and contribute organization to meet objectives. All types of policies, guidelines prepared in IH/country office and most of decisions are made in center, which is weakness of Plan's.

5.3 Recommendation-:

I'm very much pleasure toward all Plan's staffs, NGOs, CBOs, who were supported me for completed the study. After study in all area, it was found that Plan Nepal has good budgetary control system. Plan has been trying to control in each area through different forms and guidelines. From starting, Plan has expended and supports to meet government commitment in education. Huge amount of yearly budget has been expended in education.

In spite of good budgetary control system, there is some recommendation to Plan for improve in future.

1) Plan does not have Grant Fund monitoring system, which implication may be wrong reporting to donor. So GAD monitoring system should develop and active it in PPM NduGu or GL system.

2) Plan has good project planning system. But during project implementation time, Plan do not followed the committed things with community. So, Plan should develop budget and program as per community need and request in future.

3) Plan staff has low morality toward its benefit. So, Plan should analysis other organization pay-roll system and applies it in Plan. Other wise staffs may not support with full encouragement to meet the organization goals.

4) Field operation book need to revise on the base and need of present country situation and there should be authority in field level (CO) for change/add/revise, where necessary. All plan associate person (Staffs) need to understand on it. So, a macro level training should organize to all staffs to make common understand.

5) Plan should work its program with real partnership instead of contractor type's partners. Long –terms agreement should enter with selected partners and discontinues with this partner after achieve output.

6) Plan does not have clear guideline for government partners. Plan should develop different guideline for NGOs, CBOs and GOs as well for better budget control in future.

7) Plan should think toward strengthen and institulization to local NGOs and CBOs.

8) Plan has good community advance monitoring system. But the given timeframe for settlement (90 days) is too short and Plan do not have any policy that, what action will taken if the given advance couldn't settle in time. So, Plan should have prepared clear guideline and follow-up accordingly.

9) 25% budget covered by education domain out of total budget. Plan should increase and focused on income generation program in community and awareness should increase of marginalized groups. Only focuses on education couldn't meet overall objective.

10) Plan's HR policy should revise in the context of post conflict situation of country. HR policy should guided by Nepal Labor Law.

11) Plan is recognize in community as paper work organization. So Plan should minimize unnecessary paper work and should develop trust with community and partners.

12) In the name of control system, Plan has applied for complete all financial guidelines by community. But it is not practical. For example, all partners (Who have agreement enter above 500000.00 Nrs) should have prepared bank reconciliation in each month. Those people who are literate up to 4 or 5 classes, couldn't do bank reconciliation. So, keep in mind of literacy level of people, guideline should develop.

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5. Evaluation on Danida website at www.um.dk on 2000

6. Field Operation Book (FOB) latest version- 1996- by Plan IH

7. Plan international natural code guideline: version-3rd June 1999

8. NGO Guideline-Version July 2003 by Plan Nepal

9. CBO procedure- version June 2002 by Plan Nepal

10. Internal Audit report for FY 07 of Plan Nepal
11. Annual program and financial report_2007 by Plan Nepal
12. Risk Base Audit Report by Plan Nepal-2005
13. Global Assurance Audit by Plan Nepal-2007
14. Child Centered Community Development Guideline by Plan Nepal
15. Human Resource Policy Hand-Book- Version-February 2004 by Plan Nepal
16. Operations Manual-September 2005 ob Plan Nepal
17. Financial Year-end report for 5 years by Plan Nepal

Interview Schedule (CBOs, NGOs)

Budgetary Control System of Plan Nepal

a) General Information

Interview date: Name of organization:

Working Location:

1. Name of the Interviewee:

   Ethnicity/Caste: Sex: Age:

   Qualification: Marital status:

Language:

   Main occupation:

2. How long have you been living in this organization?

3. In which responsibility do you perform in this organization?

4. How many donors are supporting to your organization?

5. In which area that your organization have been performing?

   a) Health   b) Education   c) Micro-finance d) Livelihood

   E) Advocacy and lobbing   F) Awareness rising

6) Is there any expert member/Staffs of your organization for your performing area?

 Yes   (   )

 No   (   )

b) Organization structure.

1. When your organization was set-up?

Year------------------ Month-------------------------Date

2) What is the ratio of cast in executive board?

a) % of Dalit----------B)% of Janajati---------- C) % of Bramhin/Thakuri/Chhetri-------

D)% of other-

3) What is the ratio of gender in executive board?

a) % of male-----------------   B) % of Female------------

4) How many your existing members in executive board?

5) What is your selection process for executive board members? Pls tick (√)

A) By election   B) By nomination   C) Rotation wise

6) Is your organization registered in District Administrative Office (DAO) and Social Welfare Council regular?

 A (   ) Yes

B (   ) No

C) Organizational policies

1) How long you have been holding your existing position in the organization?

2) Do you have own constitution?

 a) (   )Yes
 b) (   ) No

3) Do you have own financial policy?

a) (   ) Yes
b) (   ) No

4) Do you have own administrative guideline?
a) (   ) Yes
b) (   ) No

5) Does your organization have own Human Resource (HR) policy?
a) (   ) Yes
b) (   ) No

6) Does your organization have any other policies rather then above said?
If yes, 1.
         2.
         3.
         4.
         5.

D) Financial aspect

1) If you have your own financial policies, when it has been revised last time?

2) All your members (Executive board members and project staffs) are aware in this

policy?

a. (   ) Yes

b (　　　) No

3) Do you think that this policy is enough and updated to meet different donors requirement?

4) If not in question no 3, how you managing all donors requirement?

5) How many donor (funding partners, sponsor organization) do you have now?

a)   b)   c)   d)

e)   F)   g)

6) All donors are accepting your financial policy or your organization accepting different organization policy?

7) If you accepting different donor financial and control policy, which donor's policy is easy and meaningful?

8) From how long you have been partnering with Plan Nepal?

 a) 1-3 year   b)4-7 Year   C) Above 7Year

9) Do you have received any training on finance and project management from Plan?

10) If yes in question no 9, how many members are aware on it?

11) What types of training do you have received from Plan?

 a)

b)

c)

d)

12) Which training did you help to increase your and your organization profile?

13) What types of operational manual provided by Plan to your organization?

a)   b)   c)

14) Which one you feel more effective and useful for day to day work?

E) Outcome/impact aspect.

1) Do you have felling any change in your organization after working with Plan?

2) Do you feel over burden during program Implementation time due to different manual, format and requirement of Plan?

3) How you community has been taken your work?

4) Dose your community and yourself satisfy in your work with guided by Plan manual?

5) How you make try to transparency in-terms of budget and program in community?

6) How you can say that the Plan fund is properly used in community in right place?

7) What do you fell on Plan's financial system

a) Complex   b) Easy   c)Simple

If you fell complex, Why?

If you fell simple, why?

Thanks for your valuable time

Major Questions to the Key Informants (Plan Staffs-Admin and Finance)

Budgetary Control System of Plan Nepal

a) General Information

Interview date: Working location

Position.   From (Date)   Working

area

1. Name of the Interviewee:

   Ethnicity/Caste: Sex: Age:

   Qualification: Marital status:

Language:

   Main occupation:

2. How long have you been living in this organization?

3. Have you worked in other organization before join Plan?

4. If yes in question no 3, where do you feel comfort to work and why?

5. In which department you belong to in your organization?

 A) Finance

 B) Program

 C) Admin

6. If you belong to no A of question 5, what are your main responsibilities?

1. During the fulfill your task, what types of guideline, manual do you have to use?

   a)

   b)

   C)

   D)

7. Do you think, those available guideline/manuals are enough for financial operation and control ? If not, what you suggest to Plan for further improvement.

8. If you belong to No B of question 5, what is your main responsibility?

9 . What types of system, manual, guideline do you have to use in daily?

9. Are you familiar with all systems? If no, which system do you feel uneasy and why?

10. Are those all manuals developed in Nepal or out of Nepal?

11. If you belong to no C of question no 5, do you have to use any system, guideline or manual?

12. If yes in question no 11, could you pls. provided name of manual?

a)   b)   c)

13. Are you satisfied in your responsibility? If no, which guideline do you fell as an obstacle?

14. In your opinion, any rooms are empty for improving Plan Nepal in admin sector?

15. What is the process for develop different manual, guideline of Plan?

              a. Participatory approach

              b.   Bottom to top approach

              c. Top to bottom approach

16. How many no of staffs in Plan Nepal in policy maker level and policy implementation level?

17. What are Plan's particular approaches for transparency in terms of finance and program?

18. Could you say, what is the percentage that Plan has got success to apply it manual/guideline in practical.

19. Where is the room that Plan has to improve to cover 100% applying its guideline?

20. How you proud that Plan have good budget control system?

21. If you finance related person, what is major reason of yearly budget deviation with original plan?

22. Do you want to any suggest to Plan for development or revision existing guidelines for future strengthening its financial control system?

Thanks for your valuable time and information with suggestion.

Focuses group discussion (Finance staff of Plan and front line staff's of Plan)

Budgetary Control System of Plan Nepal

 Name of participant:

Position in organization:

Date of FGD:

Location of FGD:

   1) How long do you have holding this position in Plan?

   2) What is main responsibility in Plan?

   a)

   B)

     C)

     D)

     E)

   3) Do you feel confident and comfortable in your given task?

   4) You can finish your day to day task in same day?

a) Yes   b) No

5) If no in question no 4, what is the main problem?

6) What types of financial manual, guideline do you have to follow in your department and are they sufficient to carry out daily financial transactions and control financial activities?

a)

b)

c)

7) Are all staffs are aware (Basic) on that guideline in your office?

8) What types of books of account do you have to prepare?

a)   b)   c)   d)

9) Which books of account do you have to prepare manually and which are given by your software?

10) Can all types of report can produced by your system which your supervisor want to verify or further report?

11) Are you feel that your financial experience of Plan will assist to you another organization?

12) Are you feeling that existing manual; systems are enough for financial control?

13) If not, what types of system to be adopted by Plan for better budget control?

14) Finally, What do you want to suggest me for making my research better and Plan to improve in future in-terms of finance?

15) Do you feel Plan's financial control system is sufficient? If no, what should be added?

16) What do you suggest to Plan to make its financial control system stronger?

17) What are the strength and weakness of Plan's financial control system?

Thanks for your valuable time.

VDC wise sponsor families' situation analysis from

District	VDC	Sponsor families	Funding types
Banke (28 VDC and 1 Municipality)	Piprahawa	114	Sponsor
	Hirminiya	321	Sponsor
	Udayapur	217	Sponsor
	Bhawaiyapur	177	Sponsor
	Puraina	126	Sponsor
	Puraini	142	Sponsor
	Holiya	282	Sponsor
	Betahani	303	Sponsor
	Bankatti	302	Sponsor
	Kamdi	479	Sponsor
	Nepalgunj Municipality	228	Sponsor

	Bashudevpur	337	Sponsor
	Manikapur	349	Sponsor
	Paraspur	105	Sponsor
	Saigaun	104	Sponsor
	Jaispur		Sponsor
	Belbhar	92	Sponsor
	Indrapur		Sponsor
	Bageshowri	163	Sponsor
	Udharapur	0	Sponsor
	Ganapur	307	Sponsor
	Shamsergunj	277	Sponsor
	Kohalpur	645	Sponsor
	Rajhena	460	Sponsor
	Chisapani	274	Sponsor
	Naubasta	569	Sponsor
	Bankatwa	458	Sponsor
	Titihiriya	391	Sponsor
	Khaskarndo	47	Sponsor
Bardiya (5 VDC and 1	Gulariya Municipality	0	Sponsor+ Grant

municipality)	Deudakala	0	Grant
	Dhadhwar	413	Sponsor+ Grant
	Baniyabhar	356	Sponsor+ Grant
	Suryapatuwa	298	Sponsor+ Grant
	Bhimmapur	289	Sponsor+ Grant
Dang	Satbariya	0	Issue base program (Kamalari Abolition program)
	Chailahi		
	Sonpur		
	Sisniya		
	Lalmatiya		
	Rajpur		
	Tistung	618	
	Markhu	274	
	Fakhel	731	
	Kulekhani	290	
Makawanpur	Sisneri	310	

	Agra	158	
	Gogane	107	
	Bajrabarahi	283	
	Chitlang	267	
	Churiyamai	731	
	Padampokhari	597	
	Hadikhola	121	
	Basamadi	299	
	Sarikhet	203	
	Raksirang	26	
	Manahari	303	
	Bhimphedi	462	
	Kogate	155	
	Nibuwatar	336	
	Budhichaur	165	
	Ipa panchakanya	208	
	Bhainse	495	
	Thingan	357	
	Sukaura	273	
	Makawanpur	781	

	Gadhi		
	Am Bhanjyang	665	
Bara	Karaiya	288	
	Chatapipra	289	
	Narahi	345	
	Gadhal	232	
	Haraiya	583	
	Sihorwa	222	
	Utterjhitkaiya	378	
	Dahiyar	312	
	Prastoka	284	
	Bhodaha	237	
	Banjariya	297	
	Dohari	310	
	Inarwa	282	
	Maheshpur	224	
	B. Bharbaliya	278	
	Batra	200	
	Bareniya	204	
	Purainiya	232	

	Raghunathpur	242	
Rautahat	Dipahi	272	
	Pothiyahi	381	
	Sakhuwa	283	
	Khesraiya	192	
	Dharhari	201	
	Jingarwa	328	
	Bhediyahi	221	
	Mithuwa	251	
	Tejpakad	282	
	Dewahi	211	
	Jethraiya	209	
	Gonahi	215	
	Basantapatti	202	
	Laukaha	187	
	Dharmapur	188	
	Madhopur	275	
	Bariyarpur	217	
	Gedaiguthi	329	
	Samanpur	512	

	Madanpur	176	
	Santapur	447	
	Judibela	235	
	Paurahi	430	
	Jaynagar	273	
	Dumariya	180	
	Simra Bhawnipur	170	
Morang	Sorabagh	188	
	Babiya Birta	253	
	Dadar Bairiya	136	
	Kadmaha	181	
	Jahada Sisbani	94	
	Nocha	137	
	Pokhariya	128	
	Majhare	124	
	Bhatigachha	121	
	Budhnagar	137	
	Amahi Bariyati	134	
	Sidharaha	390	
	Tetariya	468	

	Thalaha	604	
	Motipur	347	
	Banigama	464	
	Kaseni	390	
	Hasandaha	595	
	Rajghat	230	
	Urlabari	181	
	Pathri	149	
	Sanischare	184	
Sunsari	Harinagara	463	
	Madheharshahi	354	
	Dewanganj	440	
	Rajganj Sinwari	489	
	Gautampur	211	
	Jalpapur	316	
	Amahibela	333	
	Ramganj Belga	553	
	Chimdi	418	
	Chhitaha	416	
	Purba Kusha	327	

	Bhaluwa	189	
	Simariya	288	
	Tanmuna	341	
	Aurbani	327	
	Babiya	353	
	Total	37921	

Plan's account code detail (Output Codes)

S.N	Output Code	Description	Remarks
1	1A10	Health IEC	
2	1A11	Professional health worker training	
3	1A12	Community health centre management training and support	
4	1A13	Community health workers management training and support	
5	1A14	Child to child health	
6	1A15	IEC on harmful practices.	
7	1A16	IEC materials	

8	1A17	Radio TV on health	
9	1A18	Medicines and consumables	
10	1A19	Professional health workers	
11	1A20	Other recurrent support	
12	1A21	Health centre/Unit-construction	
13	1A22	Health centre/unit-rehabilitation/up-grading	
14	1A23	Operating theatre construction/rehabilitation	
15	1A24	Audio/Visual equipment	
16	1A25	Computer equipment	
17	1A26	Health laboratory equipment	
18	1A27	Health centre/Unit furniture and equipment	
19	1A28	Vehicles/Motorcycle/bicycle	
20	1A29	Medical or surgical treatment	
21	1A30	Eye camp	
22	1B10	GHU-related program management supervision and support	
23	1B11	GHU feasibility	
24	1B12	GHU evaluation	
25	1C10	Health research	
26	1C11	Health policy and practice	

27	1D10	GHU institutional development	
28	1E10	IEC under-5 health	
29	1E11	Health worker training under-5 health	
30	1E12	Community health workers:under-5 health	
31	1E13	Immunization	
32	1E14	Supplementary feeding	
33	1E15	Micro-nutrients	
34	1F10	Health school promotion	
35	1F11	School hygiene IEC	
36	1F12	Child to child health	
37	1F13	Dental checks and treatment	
38	1F14	Detection and treatment of visual and hearing defects	
39	1F15	De-warming treatment	
40	1F16	School meals	
41	1F17	School gardens	
42	1G10	Street children health services	
43	1G11	Prevention and detection of disability	
44	1G12	Community based rehabilitation	
45	1G13	Specialist care and treatment for disability	

46	1G14	Children affected by AIDs	
47	1H10	Life skills IEC	
48	1H11	Adolescent reproductive health IEC	
49	1H12	Substance abuse IEC	
50	1J10	General reproductive health IEC	
51	1J11	Safe motherhood IEC	
52	1J12	Professional health worker training	
53	1J13	Traditional birth attendants	
54	1J14	Pre-natal check-ups	
55	1J15	IEC on family planning/child spacing	
56	1J16	Professional health worker training on family planning	
57	1J17	Community health worker training on family planning	
58	1J18	Social marketing: reproductive health materials	
59	1J19	Screening: reproductive cancers	
60	1J20	Treatment: reproductive cancers	
61	1J21	HIV-AIDS/STDs: IEC	
62	1J22	Health worker training: HIV/AIDS/STDs	
63	1J23	Community health workers: HIV-AIDS/STDs	

64	1J24	Peer education on HIV-AIDS/STDs	
65	1J25	People living with AIDs self-help group/organization	
66	1J26	JIV-testing/counseling	
67	1J27	STD testing/treatment	
68	1K10	IEC on infecticus diseases	
69	1K11	Professional health worker training	
70	1K12	Community health worker training committees infectious diseases	
71	1K13	Mosquito nets/Curtains	
72	1K14	Parasite eradication	
73	1K15	Community parasite diagnosis/treatment	
74	2A16	Community awareness: education	
75	2A11	Community awareness: female education	
76	2A12	Dormitory construction/rehabilitation	
77	2A13	School kitchen construction/rehabilitation	
78	2A14	Sports field/sport centre construction	
79	2A15	Playground Construction	
80	2A16	Sport equipment	
81	2A17	Play equipment	

82	2A18	Audio/visual equipment education	
83	2A19	School vehicle provision	
84	2B10	Learning-related program management, supervision and support	
85	2B11	Learning feasibility study	
86	2B12	Learning evaluation	
87	2C10	Learning research	
88	2C11	Learning policy and practice	
89	2D10	Learning institutional development	
90	2E10	Pre-school committee training	
91	2E11	Pre-school volunteer training	
92	2E12	School supplies for pre-school	
93	2E13	Play arts materials	
94	2E14	Recurrent cost	
95	2E15	Professional pre-school teacher services	
96	2E16	Pre school recurrent support	
97	2E17	Pre school construction or rehabilitation	
98	2E18	Pre-school furniture and equipment	
99	2F10	Special education committee training	
100	2F11	Special education teacher training	

101	2F12	Special education volunteer training	
102	2F13	Special education child to child	
103	2F14	Educational integration	
104	2F15	Materials and books: special education	
105	2F16	Play/arts materials: special education	
106	2F17	Scholarship/school fees for special education	
107	2F18	Professional special education teaching	
108	2F19	Special education: recurrent	
109	2G10	Non-formal school committee	
110	2G11	Teacher training: non-formal education	
111	2G12	Non-formal volunteer training	
112	2G13	Non-formal child to child	
113	2G14	Text books: non-formal	
114	2G15	School supplies: non-formal	
115	2G16	Play/arts materials: non-formal	
116	2G17	Professional non formal teaching	
117	2G18	Non-formal: other recurrent	
118	2G19	Non- formal school construction	
119	2G20	Non-formal school rehabilitation	
120	2G21	Furniture and equipment: non formal education	

121	2H10	Primary school committee training	
122	2H11	Primary teacher training	
123	2H12	Primary child to child	
124	2H13	Text books: primary education	
125	2H14	School supplies: primary education	
126	2H15	Play/arts materials: Primary education	
127	2H16	Library books: primary school	
128	2H17	Girl's scholarship: primary	
129	2H18	Boy's scholarship: primary	
130	2H19	Uniform: primary	
131	2H20	Professional primary teaching	
132	2H21	Primary school: other recurrent	
133	2H22	Primary school construction	
134	2H23	Primary school rehabilitation	
135	2H24	Furniture and equipment :primary	
136	2J10	Secondary committee training	
137	2J11	Secondary teacher training	
138	2J12	Secondary child to child	
139	2J13	Text books: secondary	
140	2J14	School supplies: secondary	

141	2J15	Play/arts materials for secondary education	
142	2J16	Library books for secondary school	
143	2J17	Girl's Scholarship: secondary	
144	2J18	Boy's scholarship: secondary	
145	2J19	Uniform: secondary education	
146	2J20	Professional secondary teaching	
147	2J21	Secondary school other recurrent	
148	2J22	Secondary school construction	
149	2J23	Secondary school rehabilitation	
150	2J24	Furniture and equipment: secondary	
151	2J25	Laboratory equipment	
152	2K10	Community adult education committee training	
153	2K11	Adult education teacher training on	
154	2K12	Training for adult education volunteers	
155	2K13	Adult education course	
156	2K14	Adult education text books/training materials	
157	2K15	Continuing literacy	
158	2K16	Adult education school supplies	
159	2K17	Adult fees: young women	
160	2K18	College fees: young man	

161	2K19	Professional adult education teacher services	
162	2K20	Adult education: other recurrent	
163	2K21	Adult education centre-construction	
164	2K22	Adult education centre-rehabilitation	
165	2K23	Furniture and equipment: adult education	
166	2L10	Children's/youth organization support	
167	2L11	Children's event	
168	2L12	Family counseling/family life orientation	
169	2L13	Radio/TV for children	
170	2L14	Educational radio/TV broadcast/series for adults	
171	2L15	Community newspaper/magazine	
172	2L16	Children's newspaper/magazine	
173	2L17	Children's fund activities	
174	3A10	Community Centre	
175	3A11	Community managed project training	
176	3A12	Community development Plans	
177	3A13	Legal assistance	
178	3A14	Gender Awareness	
179	3B10	Habitat-related Program Management, supervision and support	

180	3B11	Habitat feasibility study	
181	3B12	Habitat evaluation	
182	3C10	Habitat research	
183	3C11	Habitat policy and practice	
184	3D10	Habitat Institutional development	
185	3E10	Home land tenure	
186	3E11	Home construction/improvement	
187	3E12	Solidarity groups for home saving and credit.	
188	3E13	Home land funds	
189	3E14	Home institutional development	
190	3F10	Open well construction/improvement	
191	3F11	Shallow well protection	
192	3F12	Tank construction/upgrading	
193	3F13	Spring protection	
194	3F14	Rainwater catchments	
195	3F15	New tube well/borehole with hand pump	
196	3F16	Rehabilitation/upgrading of tube well/borehole with hand pump	
197	3F17	Borehole with powered pump	
198	3F18	Pump/water system spare parts	

199	3F19	New community water system	
200	3F20	Upgrading/extension of community water system	
201	3F21	Connection to existing water system	
202	3F22	Dam construction/upgrading	
203	3F23	Water training materials	
204	3F24	Water training management	
205	3G10	IEC on hygiene and water	
206	3G11	Domestic latrine construction/upgrading	
207	3G12	School latrine construction/upgrading	
208	3G13	Latrines for other public buildings	
209	3G14	Community bathroom and toilet block construction/upgrading	
210	3G15	Sewage system	
211	3G16	Waste/rubbish disposal and recycling	
212	3H10	Integrated natural resource management	
213	3H11	Erosion control	
214	3H12	Land reclamation	
215	3H13	Flood control	
216	3H14	Forest/woodland management	
217	3H15	Tree nurseries	

218	3H16	Provision of tree seedlings	
219	3H17	Land tenure and natural resource rights	
220	3H18	Bio-gas units	
221	3J10	Rural access road construction/Upgrading	
222	3J11	Urban street construction/upgrading	
223	3J12	Bridge construction	
224	3K10	Electricity installation	
225	3K11	Street lighting installation	
226	3L10	Assistance for disaster reconstruction	
227	4B10	Livelihood related program management, supervision and support	
228	4B11	Livelihood feasibility study	
229	4B12	Livelihood evaluation	
230	4C10	Livelihood research	
231	4C11	Livelihood policy and practice	
232	4D10	Livelihood institutional development	
233	4E10	Agriculture extension worker training	
234	4E11	Volunteer extension worker training	
235	4E12	Agriculture training for farmers	
236	4E13	Compost promotion and training for farms	

237	4E14	Demonstration plots/model farms	
238	4E15	Hand implements for agriculture	
239	4E16	Animal drawn implements	
240	4E17	Mechanized implements	
241	4E18	Seed provision	
242	4E19	Pesticides and equipment provision	
243	4E20	Fertilizer provision	
244	4F10	Horticulture workers training	
245	4F11	Volunteer horticulture extension workers training	
246	4F12	Horticulture and fruit tree training for farmers	
247	4F13	Compost promotion and training for vegetable gardens	
248	4F14	Hand implements for horticulture	
249	4F15	Garden inputs	
250	4F16	Provision of fruits tree seedling	
251	4G10	Irrigation extensions training	
252	4G11	Irrigation volunteer extension training	
253	4G12	Irrigation farmer/gardener training	
254	4G13	New irrigation scheme/system	
255	4G14	Irrigation scheme rehabilitation	

256	4G15	Irrigation dam construction	
257	4G16	Irrigation canal construction	
258	4G17	Irrigation pump	
259	4G18	Well for irrigation	
260	4H10	Training for veterinary workers	
261	4H11	Training livestock/poultry owners	
262	4H12	Provision of animal/poultry	
263	4H13	Bee keeping	
264	4H14	Veterinary services	
265	4J10	Training for fisheries workers	
266	4J11	Fish farming	
267	4J12	Fishing equipment	
268	4K10	Grain mill	
269	4K11	Vegetable oil mill/press	
270	4K12	Improved grain/staple stories	
271	4K13	Community grain bank	
272	4L10	Solidarity groups: livelihood(third party)	
273	4L11	Loan fund: livelihood solidarity groups	
274	4L12	Financial institutional development	
275	4M10	Solidarity groups: livelihood (Plan)	

276	4M11	Loan funds: livelihood solidarity groups (Plan)	
277	4M12	Family loan	
278	4M13	Support for cooperatives	
279	4N10	Construction/rehabilitation of vocational training centre	
280	4N11	Vocational training: female	
281	4N12	Vocational training: Male	
282	4P10	Business skill training	
283	4P11	Start-up grant	
284	4P12	Marketing development	
285	5A10	FC/FP communication	
286	5A11	Non-FP program/ project information and reports	
287	5A12	Public/community information about Plan	
288	5A13	Communication volunteers training and support	
289	5B10	Building relation management, supervision, support	
290	5C10	Awareness raising for children, parents and communities on ROC	
291	5C11	Training for professional on ROC	
292	5C12	Support for national policy and practice on ROC	

293	6A10	General program management, supervision and support	
294	6B10	CMPE base line	
295	6B11	CMPE monitoring	
296	6B12	CMPE evaluation	
297	6B13	CPME other	
298	6C10	Other research	
299	6D10	Program training	
300	7A10	Administration	
301	7B10	Non-budget expenses	
302	7C10	Program budget forecast adjustment	

Plan's Account code detail (Natural)

Annex 3 (C_4)

S.N	Natural code	Description	Remarks
1	1000	Program/output budget unknown	
2	1100	Direct payment to communities	
3	1200	Direct payment to families	
4	1300	Payment to NGO partners	

5	1400	Payment to government partner	
6	1500	Contractor payment	
7	1600	Equipment purchase	
8	1700	Materials purchases	
9	1800	Contribution from community/partners	
10	1900	Repayment from community/partners	
11	1901	Other project expenses	
12	2100	Full time program/project consultant	
13	2150	Other full time consultant	
14	2200	Program/project consultant: part time	
15	2250	Other consultant: part time	
16	2300	Photographer fees	
17	2400	Translator fees	
18	2600	Audit fees	
19	2700	Plan staff recruitment	
20	2800	Plan staff training	
21	3100	Telephone	
22	3101	Fax/telex/cable	
23	3103	Email/internet	
24	3201	Postage	

25	3202	Courier	
26	3300	Other shipping charge	
27	3400	Supplies for FP/FC communication	
28	3401	Film and processing: FP/FC communication	
29	3500	Printing	
30	3501	Advertising	
31	3502	Publication by Plan	
32	3504	Film/VDO production by Plan	
33	3600	Purchase of published materials	
34	3700	Membership fees	
35	4100	Vehicle purchase	
36	4101	Vehicle/M-bike purchase	
37	4102	Vehicle/M-bike: repair, spare part and maintenance	
38	4103	Vehicle/M-bike fuel and oil	
39	4104	Vehicle rental	
40	4105	Vehicle insurance payment	
41	4106	Vehicle insurance claim	
42	4107	Vehicle insurance receipts	
43	4200	Computer hardware purchase	

44	4201	Computer hardware purchase	
45	4202	Computer repair, spare part and maintenance	
46	4203	Computer software and licenses	
47	4205	Computer software development	
48	4206	Computer software development	
49	4300	Office equipment purchase	
50	4301	Office equipment purchase	
51	4310	Office equipment repair, maintenance and service	
52	4400	Program/Project equipment purchase	
53	4401	Program/Project equipment purchase	
54	4402	Program/Project equipment repair, maintenance	
55	4500	Camera and adv.	
56	4501	Office and general supplies	
57	5100	Rent	
58	5200	Utilities	
59	5300	Building repairs, maintenance and services	
60	5400	Insurance	
61	5410	Insurance claim	

62	5411	Insurance received	
63	5900	Other occupancy cost	
64	6100	Air travel	
65	6200	Train/Bus/Taxi/Boat travel	
66	6300	Accommodation and meal	
67	6400	Other travel related cost	
68	6500	Conferences/meeting	
69	7100	Local hire staffs salary	
70	7200	Local hire staffs salary related benefit	
71	7500	Statutory severance payment	
72	7600	Termination payment	
73	8100	Bank charges	
74	8201	Bank interest paid	
75	8301	Other miscellaneous	
76	8400	Gain/loss on monthly translation	
77	8401	Other exchange rate gain/loss	
78	8500	Cancellation account	

Resource-: GL guideline book

Annex-4 (C_4)

Quarterly Progress Report

Project Name:

Project Outline Number (PO#)   Grant Agreement Number (GAD#):

Name of NGO:

Date of Report:

Reporting Period: from -------------- to---------------------

_____

1. **Context (reasons for the project/ local situations, etc) less than half a page**

2. **General aims, specific objectives and target groups of the project under the terms of agreement/project proposal and project outline (less than half a page).**

3. **Activities planned for this quarter/ period, as per the Quarterly/ Periodic Plan (Briefly described major planned activities)**

4. **Activities and progress of programs carried out during the quarter/ period (Major achievements)**
   - **# of activities carried out**
   - **# of outcomes produced**
   - **Outcomes**
   - **# Of activities not achieved or variance if, reasons in brief.**
   - **Problems encountered and identification of problems and plans for overcoming them.**

Activities	Planned for this Quarter	Achievements	Variance/ Reasons for not achieved

5. **Any suggestions for Plan (1 page).**

6. **Lessons learned in this quarter (if any).**

7. **Attach a copy of the Work Plan for the next quarter.**

Prepared by:

Date:

[Back](#)

Quarterly Expenditure Statement

Name of NGO ---------------------   **Address**------------------

PO/ CPR No. -------------------   **GAD #**------------------

Project Name-----------------

From-----------------**to**-----------------

Quarter/ Installment: [1] [2]   [3]   [4] (please circle)

	Particulars	Output code	Total budget for the Year	Amount Expended this period	Total amount expended till this period	Budget Balance	Expenditure planned for the next period/ Installment
1.	**Program Delivery:**						
	Activities:						
	i)						
	ii)						
	iii)						
	Sub total						
2.	**Operating Cost:** (Item-wise breakdown**)**						
	i)						
	ii)						
	iii)						
	iv)						

	Sub total					
	Grand total					

Fund Received	Fund Balance
1st Installment NRs.	Bank balance
2nd Installment NRs.	NRs
3rd Installment NRs.	Cash balance
4th Installment NRs.	NRs.
	Advance given by the NGO (attach list) NRs.
Total Fund received NRs.	**Total Fund Balance NRs.**

Prepared by: Approved by:

Date: Date:

Annex-6 (C_4)

INCOME AND EXPENDITURE STATEMENT

PERIOD: From _____ To:_____

Project Name: _____

Project #_____

Project Location:_____

Name of NGO: _____Approved project Budget:_____

DATE	PARTICULARS	REF	RECEIVED	SPENT	BALANCE

TOTAL					

Amount returned to Plan:

Prepared by:_____   **Approved by:_____**

CASH BOOK

PROJECT NAME: _____

PROJECT #_____

DATE	PARTICULAR	REF.	IN	OUT	BALANCE

Prepared by:_____   Approved by: :_____

ADVANCE BOOK

NAME:_____   TITLE:_____

Date	Description	Ref	ADVANCE		
			Given	Settled	Balance
	TOTAL				

Prepared by:_____   Approved by:_____

STOCK BOOK

Name of the Item: _____   Unit:_____

DATE	DESCRIPTION	Ref. No.	QUANTITY			
			RECEIVED	CONSUMED	BALANCE	SIGNATURE

Total					

Prepared by:_____   Approved by:_____

LIST OF BILLS/INVOICES

Project Name: _____

Project #_____

Project Location:_____

Name of NGO:_____

SN	DATE	PARTICULAR	AMOUNT

TOTAL SPENT			
TOTAL RECEIVED			
BALANCE			

Prepared by-:   Approved by-:

BANK RECONCILIATION STATEMENT

Name of Bank _____

A/C Type _____   A/C # _____

1.	Bank balance as per NGOs Bank book as on:			
2	**Add :** a) Cheques issued but not cashed from the bank b) Cheques dishonored but not adjusted in NGOs ledger			

		CHEQUE #	**DATE**	**AMOUNT**	
	c) Interest deposited by Bank but not recorded in NGOs ledger d) Deposits recorded by bank but not entered in NGOs ledger				

3	Sub Total (1+2)	
4	**Deduct** a) Cheques deposited into Bank but not credited by Bank b) Deposits not recorded by Bank but entered in the NGOs ledger	

	c) Expenditures charged by Bank but not recorded in NGOs ledger	
	d) Cheques cashed from bank but not recorded in NGOs ledger	
5	Balance as per Bank Statement / Pass Book as on: (3-4)	

Prepared by: _____   Approved by: _____

Date: Date:

<u>Project Completion Report</u>

Project Name: ……………………….

Project Number: ……………………….

	Planned	**Actual**
Total Budget		
Outputs: ………………... ………………... ………………..….		
Beneficiaries **(by output if necessary)**		
Completion date(s)		

Comments/ Explanation for any variances (use additional sheets if necessary):

Completed by ………………………………………………………………………
(Name and Signature of Plan Supervisor - NGO/CBO representative who has certified the project complete).

Date   ………………

Approved by   ……….………………………………...
(Name and Signature of Plan Manager)
Date

Advances

Date	Voucher	Description	GL Code		Dr Amount	Cr Amount
NGO-005/07						**(NRs Account)**
18/10/2006	010829	CB/BLOP/AEP/HA	2341-1E10-1300-00-08-	153,846.00	0.00	153,846.00
18/10/2006	010829	CB/BLOP/AEP/HA	2336-2L12-1300-00-12-	912,725.00	0.00	1,066,571.00
18/10/2006	010829	CB/BLOP/AEP/HA	2341-1J15-1300-00-08-	136,640.00	0.00	1,203,211.00
18/10/2006	010829	CB/BLOP/AEP/HA	2339-3A11-1300-00-13-	206,760.00	0.00	1,409,971.00
18/10/2006	010829	CB/BLOP/AEP/HA	2336-2D10-1300-00-10-	28,000.00	0.00	1,437,971.00
18/10/2006	010829	CB/BLOP/AEP/HA	2336-2G14-1300-00-10-	25,500.00	0.00	1,463,471.00
18/10/2006	010829	CB/BLOP/AEP/HA	2347-2L12-1300-00-12-	173,334.00	0.00	1,636,805.00
18/10/2006	010829	CB/BLOP/AEP/HA	2336-2G15-1300-00-10-	54,989.00	0.00	1,691,794.00
18/10/2006	010829	CB/BLOP/AEP/HA	2336-2G11-1300-00-10-	99,232.00	0.00	1,791,026.00
18/10/2006	010829	CB/BLOP/AEP/HA	2336-2G11-1300-00-10-	99,232.00	0.00	1,890,258.00
18/10/2006	010829	CB/BLOP/AEP/HA	2336-3D10-1300-00-12-	55,900.00	0.00	1,946,158.00
18/10/2006	010829	CB/BLOP/AEP/HA	2336-2G15-1300-00-10-	54,989.00	0.00	2,001,147.00
19/01/2007	010829	Bill/voucher submitted	2336-2G15-1300-00-10-	0.00	54,597.00	1,946,550.00
19/01/2007	010829	Bill/voucher submitted	2336-2G15-1300-00-10-	0.00	54,597.00	1,891,953.00
19/01/2007	010829	Bill/voucher submitted	2336-2G14-1300-00-10-	0.00	25,500.00	1,866,453.00
19/01/2007	010829	Bill/voucher submitted	2336-2D10-1300-00-10-	0.00	28,000.00	1,838,453.00
19/01/2007	010829	Bill/voucher submitted	2339-3A11-1300-00-13-	0.00	188,536.00	1,649,917.00
19/01/2007	010829	Bill/voucher submitted	2336-2G11-1300-00-10-	(3,003.00)	0.00	1,646,914.00
19/01/2007	010829	Bill/voucher submitted	2341-1J15-1300-00-08-	0.00	136,269.00	1,510,645.00
19/01/2007	010829	Bill/voucher submitted	2336-2G11-1300-00-10-	0.00	96,229.00	1,414,416.00
19/01/2007	011149	Learning	2336-2L12-1300-00-12-	272,453.00	0.00	1,686,869.00
19/01/2007	010829	Bill/voucher submitted	2341-1E10-1300-00-08-	0.00	152,771.00	1,534,098.00
19/01/2007	010829	Bill/voucher submitted	2336-2G11-1300-00-10-	0.00	96,229.00	1,437,869.00
19/01/2007	010829	Bill/voucher submitted	2336-3D10-1300-00-12-	0.00	54,540.00	1,383,329.00
19/01/2007	010829	Bill/voucher submitted	2347-2L12-1300-00-12-	0.00	173,334.00	1,209,995.00
19/01/2007	010829	Bill/voucher submitted	2336-2L12-1300-00-12-	0.00	817,677.00	392,318.00
19/01/2007	010829	Bill/voucher submitted	2336-2G15-1300-00-10-	(392.00)	0.00	391,926.00
19/01/2007	011149	Training	2339-3A11-1300-00-13-	496,300.00	0.00	888,226.00
19/01/2007	010829	Bill/voucher submitted	2336-2G11-1300-00-10-	(3,003.00)	0.00	885,223.00
19/01/2007	011149	Learning	2336-2G17-1300-00-10-	49,500.00	0.00	934,723.00
19/01/2007	011149	Learning	2336-2D10-1300-00-10-	21,000.00	0.00	955,723.00
19/01/2007	011149	Health Awareness	2341-1J15-1300-00-08-	478,743.00	0.00	1,434,466.00
19/01/2007	011149	Training	2336-3D10-1300-00-12-	44,540.00	0.00	1,479,006.00
19/01/2007	010829	Bill/voucher submitted	2336-2G15-1300-00-10-	(392.00)	0.00	1,478,614.00
09/04/2007	011149	Bill/voucher submitted	2336-2L12-1300-00-12-	0.00	172,452.00	1,306,162.00
09/04/2007	011506	BLOP	2366-2L12-1300-00-12-	288,422.00	0.00	1,594,584.00
09/04/2007	011506	Education	2336-2D10-1300-00-10-	21,000.00	0.00	1,615,584.00
09/04/2007	011506	Education	2336-2G17-1300-00-10-	33,000.00	0.00	1,648,584.00
09/04/2007	011149	Bill/voucher submitted	2336-3D10-1300-00-12-	0.00	42,232.00	1,606,352.00

Date	Voucher	Description	GL Code	Dr Amount	Cr Amount
09/04/2007	010829	Bill/voucher submitted	2336-3D10-1300-00-12-	0.00	1,360.00	1,604,992.00
09/04/2007	010829	Bill/voucher submitted	2339-3A11-1300-00-13-	0.00	18,224.00	1,586,768.00
09/04/2007	011149	Bill/voucher submitted	2336-2L12-1300-00-12-	0.00	58,915.00	1,527,853.00
09/04/2007	010829	Bill/voucher submitted	2336-2L12-1300-00-12-	0.00	95,048.00	1,432,805.00
09/04/2007	011149	Bill/voucher submitted	2336-2G17-1300-00-10-	0.00	33,000.00	1,399,805.00

09/04/2007	011149	Bill/voucher submitted	2336-2D10-1300-00-10-	0.00	21,000.00	1,378,805.00
09/04/2007	011506	Education	2336-2L12-1300-00-12-	279,915.00	0.00	1,658,720.00
09/04/2007	011506	BLOP	2336-3D10-1300-00-12-	43,592.00	0.00	1,702,312.00
09/04/2007	011506	BLOP	2339-3A11-1300-00-13-	15,706.00	0.00	1,718,018.00
09/04/2007	011506	Health	2341-1J15-1300-00-08-	(22,069.00)	0.00	1,695,949.00
09/04/2007	011149	Bill/voucher submitted	2341-1J15-1300-00-08-	0.00	457,749.00	1,238,200.00
09/04/2007	010829	Bill/voucher submitted	2341-1J15-1300-00-08-	0.00	371.00	1,237,829.00
09/04/2007	011149	Bill/voucher submitted	2339-3A11-1300-00-13-	0.00	452,006.00	785,823.00
11/06/2007	011506	Bill/voucher submitted	2339-3A11-1300-00-13-	0.00	14,706.00	771,117.00
11/06/2007	011506	Bill/voucher submitted	2336-2D10-1300-00-10-	0.00	21,000.00	750,117.00
11/06/2007	011506	Bill/voucher submitted	2336-2G17-1300-00-10-	0.00	33,000.00	717,117.00
11/06/2007	011506	Bill/voucher submitted	2336-3D10-1300-00-12-	0.00	42,465.00	674,652.00
11/06/2007	011149	Bill/voucher submitted	2336-3D10-1300-00-12-	0.00	2,308.00	672,344.00
11/06/2007	011149	Bill/voucher submitted	2339-3A11-1300-00-13-	0.00	44,294.00	628,050.00
11/06/2007	011506	Bill/voucher submitted	2366-2L12-1300-00-12-	0.00	283,789.00	344,261.00
11/06/2007	011149	Bill/voucher submitted	2336-2L12-1300-00-12-	0.00	41,086.00	303,175.00
11/06/2007	011149	Bill/voucher submitted	2336-2G17-1300-00-10-	0.00	16,500.00	286,675.00
11/06/2007	011506	Bill/voucher submitted	2336-2L12-1300-00-12-	0.00	279,915.00	6,760.00
20/07/2007	011932	Bill/voucher submitted	2336-2D10-1300-00-12-	0.00	21,000.00	(14,240.00)
20/07/2007	011932	BLOP	2366-2L12-1300-00-12-	315,367.00	0.00	301,127.00
20/07/2007	011932	BLOP	2339-3A11-1300-00-12-	(1,000.00)	0.00	300,127.00
20/07/2007	011932	BLOP	2336-3D10-1300-00-12-	22,628.00	0.00	322,755.00
20/07/2007	011932	BLOP	2336-2D10-1300-00-12-	21,000.00	0.00	343,755.00
20/07/2007	011506	Bill/voucher submitted	2366-2L12-1300-00-12-	0.00	4,633.00	339,122.00
20/07/2007	011932	Bill/voucher submitted	2366-2L12-1300-00-12-	0.00	315,367.00	23,755.00
20/07/2007	011506	Bill/voucher submitted	2336-3D10-1300-00-12-	0.00	1,127.00	22,628.00
20/07/2007	011932	Bill/voucher submitted	2336-3D10-1300-00-12-	0.00	22,628.00	0.00
				4,374,454.00	4,374,454.00	0.00

| **Grand Total** | | | | **4,374,454.00** | **4,374,454.00** | **0.00** |