People’s Alliance for Trust And Transparency for CSOs

> “ Vision: How can we make trust & transparency tools accessible to all CSOs regardless of their size, capacity & location

Please note that this is a work in progress which will evolve based on inputs from various stakeholders.

Key Stakeholders

Key Stakeholders	Examples
Finance Teams in CSOs esp Leaders	Participants of the Fin & Compliance ses
Admin & Operations Teams in CSOs esp Managers	
CA Firms, Accounting Firms	Saathi
Capacity Building Teams of Orgs, Coalitions	GRI, Climate Asia, Guidestar India, etc
Technologists	
Students looking for Internships	Yaashvi
Funders with a focus on ecosystem building	RNP, Rainmatter, *Co-Impact, Porticus*
Govt Departments	*TBD*

Insights from speaking with around 35 of them directly and through partners:

OD Aspects	Description	Sub Aspects
Board and Governance	Organisation has policies and processes to build a governance structure that includes a diverse board membership with the experience and expertise to provide strategic direction and guidance to the organisation.	• Composition of Board • Experience of Board • Roles and Responsibilities • Governance • Contribution • Employment • Diversity
Legal and Compliance	Organisation has the ability to follow and comply with legal and regulatory requirements and adapt to changes/amendments brought into the regulatory framework.	• Obligations • Compliance
Monitoring	Organisation has techniques, processes, tools and technology designed and deployed to track progress, partnerships, and growth.	• Strategy Process • Data collection-digital Infrastructure • Data Collection-process • Data protection • Donor Data
Financial Management	Organisation uses financial tools and policies to ensure proper financial tracking, authority, and control systems.	• Tally/Book keeping software • Financial manual/policy exists and defines authorities and control systems

Organization has the following registers:

- Salary Employees
- Leaves
- Assets
- Petty Cash
- Cheques/Payments

There are clear formats/templates for handling: • financial transactions • advances • reimbursement • payments and loans
Reconciliation with the bank accounts
Form10B
FCRA filings
Limits on cash transactions
Grant Management Cycles
Auditing on time

OD Aspects	**Average Maturity Score**
Financial Management	95.96%
Legal and Compliance	75.76%
Communications	63.64%
Organisation Programme Strategy	60.23%
Community	59.85%
Leadership Development	57.71%
Board and Governance	53.98%
Talent Acquisition, Talent Development, Staff wellbeing, Organisational Culture and Organisational structures	40.32%
Strategic planning, Vision Building and Mission	36.36%
Monitoring	24.24%
Learning and Evaluation	24.24%
Use of Technology	11.69%
HR processes, Policies and Procedures	11.16%

Key insights:

1. **Board & Governance:**
    - Board members are aware of their roles and responsibilities and take part in meetings regularly.
    - Their contribution to day to day affairs of the organisations are minimum.
    - While meetings are conducted as per the constitution, records of notices and intimation of changes to statutory authorities are lacking.
2. **Legal & Compliance:**
    - Most NGOs have basic legal compliances done. However, they face challenges in keeping up to date with the changing rules.
    - Organizations need to review and update their financial policies, especially regarding transaction limits and foreign funding.
    - Staff need more training to track updated rules and regulations, as well as carry on compliance work inside their own organisation.
    - Absence of comprehensive staff records and approval of HR policies by the board. Organizations struggle with legal compliances, such as filing returns with the Registrar of Societies and maintaining necessary payroll records.
3. **Monitoring:**
    - Monitoring systems in most NGOs are very basic (physical registers, xerox copies, notebooks, etc.). Some of them use excel sheets to keep track, but there is a risk of data loss as it is manually put from sources like whatsapp, messages or physical registers.
    - The NGOs have expressed their need of knowledge and handholding to learn about monitoring systems and emerging technologies in it.
4. **Financial Management:**
    - Financial management is not a critical problem at most mid sized NGOs Organizations often do not prepare detailed annual budgets for program and administrative expenses.
    - Smaller NGOs had Inadequate budgetary controls, lack of up-to-date and accurate accounting records, including cash books, ledgers, and salary registers.

- A few NGOs needed support with GST filings as they sometimes sell their work to raise funds.
- Regular internal financial reporting is often not practiced, leading to a lack of transparency and control.
- There are gaps in expenditure controls, procurement policies, and segregation of financial duties.
- Many organizations lack dedicated fundraising strategy or personnel, which impacts their financial sustainability.

Key Suggestions from them to tackle the above challenges

- Removing language Barriers will enhance understanding and participation.
- Differentiate Learning: Activities will be tailored to NGOs' skill levels
- Case studies based learning on difficult topics like FCRA
- Common Knowledge base of Compliances
- On Demand Mentorship Support: One-on-one or small-group interactions with experts
- Regular Capacity Building/Update Webinars(60-90 mins each) as a platform for learning and interactive discussions
- Access to shared resources/personnel for under staffed NGOs
- Shared Checklists and reminders
- Community of Practitioners to help each other

Proposed Solution for year 1:

> "Mission: All Civil Society Organisations regardless of size, budget should have access to the tools & resources needed for better governance, compliance and financial operations.

> Values: To be figured out with initial founding partners.

Revision #5

Created 2025-02-10 05:57:31 UTC by Pooja

Updated 2025-02-12 16:43:36 UTC by Pooja