

REPORT

Consultation on Good Governance in Civil Society Organisations with a Focus on Right to Information Act

25th & 26th October, 2006, Meghalaya

Organised by



Voluntary Action Network India

In Association with



Church's Auxiliary for Social Action

PROGRAMME SCHEDULE

DAY/ DATE	SESSION	FACILITATOR/ SPEAKER
DAY 1: 25.10.06		
09:00 am - 10:00 am	Ice breaking session & expectation sharing by the participants	Facilitator: Mr. L. Meru, CASA - Nagaland
10:00 am - 11:00 am	Overview of the Consultation	Mr. P. Surin, CASA Speakers: Mr. A. K. Goldsmith, Coordinator, CASA - NEI Mr. Pooran Chandra Pandey, Chief Executive Officer, VANI
11:00 am - 11:30 a.m.	TEA BREAK	
11: 30 am - 1:00 pm	Good Governance in the NGO sector: The need, issues and challenges	Speaker: Mr. Natwar Thakkar, Founder Member, Nagaland Gandhi Ashram
01:00 pm - 02:00 pm	LUNCH	
02:00 pm - 3:30 pm	Right to Information (RTI) Act and Good Governance	Moderator: Mr. S. P. Ryngkseh, Meghalaya Speaker: Dr. A.K. Nongkynrih, NEHU, Shillong
03:30 pm - 04:00 pm	TEA BREAK	
04:00 pm - 05:30 pm	Session continues.....	Speaker: Dr. A. K. Nongkynrih, NEHU, Shillong
05.30 pm - 6.00 pm	Emergence of a Regional Network	Speaker: Mr. Pooran Chandra Pandey, Chief Executive Officer, VANI
DAY 2: 26.10.06		
09:00 am - 09:30 am	Recap of previous day session	
09:30 am - 10:30 am	Accounts and Accounting Procedures: Transparency of budgets and accounting procedures/ maintenance of books of accounts/ reporting systems	Moderator: Mr. A. K. Goldsmith, Coordinator, CASA - NEI Speaker: Ms. S. P. Selvi, Programme Coordinator, Financial Management Service Foundation (FMSF) *
11:00 am - 11:30 am	TEA BREAK	
11:30 am - 01.00 pm	Good Governance in the NGO sector: Ethics in CSO Governance	Moderator: Mr. L. Meru, CASA - Nagaland Speaker: Mr. Rangan Dutta, Scientific Consultant, Office of Principal Scientific Adviser to Govt. of India and ex D.G, CAPART
01:30 pm - 02:00 pm	LUNCH	
02:00 pm - 3:00 pm	Networking a tool of Good Governance	Speaker: Mr. O. J. Meitei Field Officer, CASA - Manipur
03:00 pm - 03:30 pm	TEA BREAK	
03.30 pm - 4..30 pm	Networking Roadmap for NEI	Speakers: Mr. A. K. Goldsmith, Coordinator, CASA - NEI Mr. O. J. Meitei Field Officer, CASA - Manipur
04:30 pm - 05:00 pm	Review & Winding up	Facilitator: Mr. A. K. Goldsmith, Coordinator, CASA - NEI

BACKGROUND NOTE

Need & Purpose of the Consultation:

There is a plethora of civil societies and NGOs in the country that are dealing with and addressing a variety of issues and we have seen an increase of such organisations in the recent decades. This is due to the fact that resources are increasingly available either domestically or from international bodies. In fact, it is recorded that in 2000-2001 alone, 15,618 organisations in India filed their FC-3 returns and reported to receive Rs. 4,871.87 crores.

These NGOs and societies are often registered under the Societies Registration Act, 1860 or the Indian Trust Act 1882 and as and when these organisations get registered, they have to adhere to various laws, rules and regulations that are binding on all registered bodies. The rules and regulations are made specifically for the purpose of transparency and accountability of the organisations towards its members and other stakeholders. Therefore there is a lot of pressure on these organisations to fulfil the legal requirements as well as the requirements of the donors and also ensuring that resources are spent in a fair and just manner to the reference groups. However, it is seen that many a times, the latter is often neglected and hence there are many organisations that have lost their credibility in the public eye. These few rotten apples have not only spoiled their own image but that of the NGO sector as a whole also.

Objectives:

In the wake of such a reality, it is important for civil society organisations to ponder over and initiate debates and discourses on the existing issues and also to spread the message of good practices within organisations and among other stakeholders. Therefore, this *Consultation on Good Governance in civil society organisations with a Focus on Right to Information Act is being organised with the objective of promoting good governance practices with partners and like minded organisations for greater representation of their constituents including women, differently abled people and People living with HIV. Moreover it is also to promote good governance practices within organisations leading to greater transparency and accountability, financial accountability, programme accountability and adherence to the legislations.*

Traditional Systems of Governance in North East:

Any discussion or discourse on good governance practices in isolation of the existing systems that have traditionally been practiced over the years in areas such as local civil and political systems, handling local resources, etc. would not reflect a holistic picture. Therefore it is imperative to look closely at traditional system of governance. There are a variety of cases but for the purpose of this note, we will take the case study of the Khasis, a tribal group located in the State of Meghalaya in respect to their system of governing local resources especially forests. The Khasis like all other tribal groups are very close to nature and have developed systems of governing the forests so that the forest products can be used in a just and equitable manner and the over logging of trees in the forests is prevented to balance the ecology and environment.

A case of Mawsmmai: Mawsmmai, a village located about 7 kilometers from Cherrapunji has been one of the villages that have developed their own systems of governing forest resources. The forests around the village are divided into two types.

a. Forests where villagers can cut trees for their daily consumption

b. Forests where no one can cut trees except on certain occasions to collect the dead wood and that also when the Dorbar of the village has given consent otherwise the trespasser is penalised. When the dead wood is collected, only a certain amount is given to each family. This is to ensure that all families in the village get a share of the forest product. Such forests are known as sacred groves¹.

This is just one such system of governance which is ingrained and part of the society although in the wake of the forces of modernity, these systems are being largely overlooked by the present young generation.

Areas of Governance:

With regards to good governance, the question arises as to what are the areas of governance that we would want to improve or look at. As

¹ Sacred Groves: A forest where the community has attached the concept of sacredness to it and where no one is allowed to cut trees or take any forest product from it is known as a sacred grove.

mentioned earlier, there is a huge flow of funds into the non government organisation sector and this requires prudence and good practices so as to maintain accountability and transparency to the benefit of all stakeholders. Moreover, some other areas of concern are management of non tangible resources such as knowledge systems or even local contributions; how are these governed is an important aspect to consider.

Socio-political environment: discontent and interference:

It is to be noted that many issues that are relevant in the mainland cannot be generalised for North East India as well because situations are different. The clandestine presence of the Armed Activists in the villages disturbs the harmonious governance systems. Many a times, issues are forced on village leaders by their presence. The Armed Forces Special Powers Act (AFSA), 1958 creates an unusual situation whereby the armed security forces do violate the fundamental rights of the people quite often.

Moreover, the designs of the WTO regime go against the interests of local resources utilisation thus leading to a lopsided competition bringing divisions in the communities and threatening local livelihoods and also inducing internal displacements. Likewise, the allocation of resources to the region by the Government and the political system in relation to the centre creates an unusual situation for the traditional governance system. These realities cannot be overlooked and the question is, in the wake of such realities that we see and live with, how are we to maintain and promote good governance practices in the organisations as well as in the society?

Good Governance and RTI:

Right to Information Act 2005 empowers every citizen to ask any questions or information from

public bodies; take copies of or inspect any public documents; inspect any public works; and take samples of materials of any Government work.

The Act extends to the whole of India except the State of Jammu and Kashmir. All bodies, which are constituted under the Constitution or under any law or under any Government notification or all bodies, including NGOs, which are owned, controlled or substantially financed by the Government are covered.

Right to Information Act has been a very progressive legislation, but there are trends emerging in indicating that it could be used as one more tool to harass NGOs. Therefore, it would be interesting to deliberate on some of the specific issues related to the Right to Information Act within the ambit of the overall good governance issues facing civil society organizations in general.

Last Words:

NGOs play an increasingly active role in today's political and social arenas. Civil society organizations are sprouting up all over India. Sometimes, local and national NGOs act irresponsibly and undermine the credibility of civil society in general. Organizations must be as accountable as the constituents they criticize. This poses a great challenge to the NGO movement and development of democratic traditions in the country. It is important to understand that the people at large need to help the government to implement the programmes and focus on transparency and increase people's participation in maintaining good governance. How would a network of organisations committed to the promotion and practice of good governance help in addressing some of the concerns?

PROCEEDINGS

DAY I

Introduction:

A two-day Regional consultation on Good Governance and Right to Information Act 2005 was held at CASA Regional Resource Centre, Mawlien, Mawkhan on 25th & 26th October 2006. The programme was jointly sponsored by the Church's Auxiliary for Social Action (CASA) and Voluntary Action Network India (VANI).

The objective of the programme was to promote good governance practices with partners and like minded organizations for greater representation of their constituents including women, differently abled people and People living with HIV. Moreover, it was also to promote good governance practices within organizations leading to greater transparency, financial, programme accountability and adherence to the legislations.

The important and relevant topics discussed in the consultation were;

- Good Governance in NGO sector: the need, issues and challenges.
- Right to Information Act (RTI) and Good Governance.
- Accounts and Accounting procedures: Transparency of budget, maintenance of books of accounts/reporting systems.
- Good governance in the NGO sector: Ethics in CSO Governance.
- Networking a tool of Good governance
- Emergence of a Regional Network.
- Networking Roadmap for North-East India.

Ice breaking session & expectation sharing by the participants

To begin with, all the delegates were requested to stand together in silence for a few minutes to seek the help of God for successful continuation of the consultation workshop. Before the start of the actual programme, the speaker shared an anecdote to convey that the way by which one sends across his thoughts and views is very important. He also shared some short stories from the Bible with a view to convey that rules

and regulations should be strictly followed for good governance.

A self-introduction of the participants followed next.

The main expectations emerging out of the participants were as under:

- Using the Right to Information Act, something must be done to bring the culprits under the book.
- High expectation from Mr. Rangan Dutta, one of the speakers during the workshop, for his guidance.
- How can RTI help people in the rural areas, and what is its significance in good governance?
- How to strengthen and sustain the process of networking among NGOs in the North-East region?
- How the NGOs could function in a transparent manner to gain trust of the people?

Overview of the consultation:

Mr. Pooran Chandra Pandey, CEO, VANI and Mr. A. K. Goldsmith, Coordinator, CASA, NEI formally welcomed all the NGO representatives to the two-day consultation. They also briefed about the activities carried out by CASA and VANI so far.

CEO, VANI, appreciated the pioneering efforts of the institutions in the successful implementation of the Right to Information Act as had been the case with REGA. He then briefly discussed the basic feature of RTI and called upon the Civil Societies to see that the two Acts do not get diluted at any stage.

He made it clear that now the civil societies will have to be as credible and transparent as they want the government to be. The obligations and responsibilities have increased. According to him, Governance not only means the management of internal and external systems,

credibility, transparency, compliance to statutes, law, rules and regulations but it also means ensuring the security of one's space. To secure a firm ground the civil societies should be responsible to the government and the community. He also shared the conversation which he had with the Chief Secretary of the State and enumerated some of the apprehensions which was pointed out by the Chief Secretary as-

1. Many NGOs do not have the capacity to develop.
2. NGOs take the project but do not scale up.
3. The region does not have a collectiveness (networking agency) and so the government do not know whom to talk to.

He opined that the task lies in coming together, forgetting one's differences, preserving one's economic freedom at one single platform, dialogue, negotiate and engage oneself meaningfully.

Session I: Good Governance in the NGO Sector (the need, issues and challenges)

Speaker: Mr. Natwar Thakkar, Founder Member, Nagaland Gandhi Ashram

Citing his experience at the grassroots level, Mr. Natwar Thakkar opined that the most important ingredient which helps in better governance of the organization is to speak and understand the language of the people for which one works. Voluntarism is something which ultimately indicates a nobler and higher sentiment of human being and is essentially an ideal state pursuit. Promoting voluntarism and understanding, interpreting & serving North East India had been his two most important passions in life, he added.

He dwelt upon the growth of voluntarism which took place during our freedom struggle. He supported Gandhijee's view that voluntary work should not merely be charity, doing well to others but it should lead to transformation and development of society. He then briefly discussed the emergence of Socio Development Programs from the constructive wing created by Gandhijee. Good governance requires clear objective, and a clear understanding of the role, the mission & the target of the organisation, he believed.

According to Mr. Thakar, just one day before his assassination Gandhijee wrote his last will

stating that Indian National Congress which struggled for freedom had fulfilled its mission and therefore should be dissolved and transformed into Lok Sevak Sangha - the Society of the Servants of People. Gandhijee was in favour of every village to be manned by one constructive worker who would serve the society by supervising the maintenance of electoral roll, etc. The sustainability of democratic spirit instilled during the initiation of freedom struggle has to be strengthened, he added.

RTI Act is one more step to take the society nearer to genuine democratic set up in the country. The service rendered by voluntary organizations is one of the most vital ingredients in helping such democratic set-up. Gandhijee wanted a moral restraint on state power and therefore, he essentially wanted to create Lok Sevak Sangha. The Government, according to Mr. Thakkar, is only a management body or machinery. The actual masters are the voters or the citizens. Efforts to perpetuate, cultivate, and strengthen awareness regarding RTI and other major acts are major roles of the civil society organizations.

Gandhijee's vision was decentralization of power, wealth, and population. Voluntary organizations have a major role to play in this regard. Functioning of voluntary organizations should be completely transparent. There is no place for secrecy or hidden agenda. Voluntary organizations, while managing public property, become trustees and the owners of such property. As such, whatever funds are taken care of should be accounted to stop wasteful use, if any.

To inculcate professionalism into the organization, its activities and the processes need systematization. This would ensure people's faith into the organization and once this happens, funds would start pouring in. The need of the hour is inculcating integrity, transparency, and continuous hard work on the part of organizations, he believed.

Voluntarism stands for bringing about changes into the society. This transformation would not be possible without funds. It is the state and the charitable institutions which provide VOs with funds. To cultivate a high level of integrity in an organization, a very high level of professionalism and a complete transparency are required. Without good governance, all the

good efforts that an organization makes would go in vain. Commitments to fulfill targets cannot be met without good governance.

Mr. Thakkar commented that PRIs in most part of the country did not have sufficient knowledge and expertise as compared with those of VOs. Therefore, VOs need to study laws, provisions, acts, etc. and ensure that these are properly observed. He also supported VOs to mobilize funds through door to door campaigning at the grass roots level. VOs must inform the people as to what exactly they are doing and what their strengths are, he added.



Comments & Questions

Why is the north-east region not peaceful?

In response to a question by Mr. Chandan Dutta, PRIA, New Delhi as to why there were so many disturbances in the region, Mr. Thakkar said that north-east is characterized by a number of religions, cultures and languages. Traditional self-governance systems, colonial past, Chinese intervention, etc. have complicated the peace process. The fear of loss of identity, culture and customs has also contributed to the existing disturbances in the region. He also believed that during different phases of civilization, minds do become agitated as a result of confusion at times. "Sometimes, we start believing that only sovereignty can be the solution to our problems. This is of course a wrong direction. This needs to be corrected", he stressed.

"Some societies have inbuilt systems of violence. However, we cannot institutionalize such violence. We also have to understand that many of the problems of the region are psychological in nature. At the same time, we cannot talk in generalized terms for the region as a whole. We

would have to look at specific cases in specific regions", he concluded.

Can we think of a mechanism to help NGOs from the region to promote voluntarism in the Gandhian sense?

According to Mr. Thakkar, NGOs need to sit together at times and learn from each other's experiences. "VANI could definitely play an important role in this regard. Developing a sense of fraternity amongst NGOs is a must", he added.

VOs with good intention should not be worried of bad image

Mr. Rangan Dutta, Consultant to the AB, opined that voluntary organizations with good intention need not worry of bad image. NGO sector is not doing that bad a work as compared to those by other sectors, such as the cooperative sector. All that NGOs need to do is to keep its house in order as credibility is already established.

North-east NGOs, according to Mr. Dutta, are already doing well in dealing with environmental protection and poverty alleviation. Of course, there are large gaps in the system, but from the human development angles, smaller states of north-east are definitely performing better when compared with some of the other states of the country.

Where and how to draw the lines between various kinds of NGOs in the region?

One of the participants commented that there were so many kinds of NGOs existing in the region. Where and how to draw the line amongst the various NGOs? In response, Mr. Dutta opined that it is good that there are different kinds of NGOs serving different sections of the society. "Let them play their roles as they wish. It is good for them", he believed.

Need to learn from the Mizoram-model

Mr. Goldsmith, Chief Coordinator, CASA, Guwahati, was of the opinion that the Mizoram model is a good example of good governance in the north-east region. Other states in the region should make efforts to learn good points of this model.

Session II: Right to Information Act (RTI) and good governance.

Moderator: Mr. S. P. Ryngkseh, Meghalaya

Speaker: Dr. A. K. Nongkynrih, NEHU, Shillong

Dr. A.K. Nongkynrih, NEHU, Shillong, while dwelling upon Right to Information Act 2005 as a tool for effective governance amongst NGOs, expressed his concern that the knowledge about RTI is mostly limited to the big organisations. Information on RTI has not reached up to the NGOs or CBOs working at grass roots level. In order to work out appropriate strategy to disseminate information to the targeted public so that RTI could well be used as a tool for effective governance, he divided the participants into three groups. The results of the deliberations of these groups as reflected by the presentations at the end of the group-work were as under:

Group-1

- NGOs should be well-equipped in RTI;
- Awareness programme (among key leaders, youths, stake-holders);
- Information dissemination (through pamphlets, posters, brochures, visuals in local dialects);
- Build good relation between local administration and church leaders; orient them on RTI;
- Practical demonstration; and
- Various government schemes to be displayed on information boards.

Group-2

- Collection of proper information on RTI from information office and NGOs dealing with human rights;
- Translation into local languages by the NGOs taking the help of local events and people;
- Dissemination of RTI through pamphlets, posters prepared by the NGO to every household;
- Poster display at junctions, public places, market areas, etc;
- Organizing awareness workshops by inviting concerned government authorities in the field (firstly, for community and local organizations, and secondly, for SHGs and Mahila Mandals); and
- Setting up of Village Information Centres (VICs).

Group-3

- NGOs must be clear about the concept of RTI:
 - ✓ What is RTI?
 - ✓ What kind of information could be sought?
 - ✓ Whom to approach?
 - ✓ How to move forward in case of non-compliance?



- NGOs should develop a simplified version of RTI which is comprehensible to the local community;
- Organizing formal and informal interaction with local people and communities;
- Preparing and circulating easy to use pamphlets on RTI;
- Involving media at the local level to disseminate information and best practices;
- Involving local bar associations for legal support in case of non-compliance;
- Generating awareness among people and communities through street-plays, skits, etc. on advantages of RTI;
- Involving Churches, school-teachers, youth-clubs, etc. in effective dissemination;
- Setting up of local watch-groups to monitor cases on RTI and display of best practices; and
- Using NGO networks and other credible NGOs, sites with high-lights on RTI and a tool-kit in local language to be used by the people and the communities.

Consensus emerging out of the group-works

Subsequent to the presentations made by the three groups as above, Dr. A.K. Nongkynrih summed up the results of the group-works with active involvement of the groups/ participants as under:

- Sensitization/ capacity building of NGOs/VOs
- Collection and dissemination of information into local languages
- Awareness programmes for
 - ✓ Local leaders
 - ✓ NGOs/VOs
 - ✓ Government officials
 - ✓ Resource persons
- Practical demonstrations
- Networking
- Sensitizing local administration
- Traditional system of communication and network
- Watch groups/ public hearing (mechanisms to monitor the system)



Questions & Comments

What to do if Public Information Officers (PIOs) are not available?

One of the participants said that Manipur did not have any PIO in any of its departments. He therefore queried as how to use RTI in such a condition?

The CEO, VANI, assured that VANI would look into the matter. It will be taken up with the Chief Information Officer. The outcome of the issue could then be communicated to CASA, Guwahati. In the meantime, the local NGOs should step up the pressure on the state government to do what is required to be done on the subject, he suggested.

Session III: Emergence of a Regional Network

Speaker: Mr. PC Pandey Voluntary Action Network India (VANI)

Initiating the discussion, Mr. Pandey informed the participants that Voluntary Action Network India which is an apex body of Indian NGOs

with 232 organizations, 22 networks and 44 individual members and this is the strength of the organization. VANI represents 2200 NGOs in 24 states across the country. VANI is also a member of the Civicus Affinity Group and is one of the 30 voluntary organizations in the country which hold special consultative status in UN, ECOSOC.

VANI is a platform for national level advocacy on issues and policies confronting the development sector. VANI acts as a catalyst between the central and the state government and non-governmental organization. VANI lobbies with the government to look into amending their policies on bilateral funding.



Emphasizing the need of a Regional Network in the North East region he stated that, there are many state and region specific issues in the region and many organizations are addressing those issues at the state level as well as in the region. He added that, it is important to have a regional network of organizations in North-East which would help to handle the regional issues effectively. Networks help the organizations to catalyze the change in the context. Networks build voices of Civil Societies Organizations to lobby and influence initiatives.

Mr. Pandey assured to extend all possible support and co-operation from VANI to the proposed North East Network.

DAY II

Session IV: Accounts and accounting Procedures. Transparency of budgets and accounting procedures/maintenance of books of accounts/reporting system.

Moderator: Mr. A. K. Goldsmith, Coordinator, CASA NEI

Speaker: Ms. S. P. Selvi, Programme Coordinator, Financial Management Service Foundation

Ms. S. P. Selvi emphasised on need for effective financial management system which is very important to propagate good governance practices amongst NGOs. Some of the highlights of her discourse on the subject are:

Budget is defined as planning in financial terms of an organisation for a specific period of time. Some of the reasons for preparing budget are: communicate the plans as a means to achieve the Vision & Mission; plan & co-ordinate activities; calculate estimated income/expenditure; and monitoring & evaluation. It has two sides: expenditure and income. Depending on the category, these two are put either under the programme heads or natural heads.



Budgetary controls are basically ongoing exercises to minimise the variances between budgeted amount and actual income and expenditure. Total budget can be broken down into parts such as according to the lines of action. Before spending funds, the organization must check for the availability of budget under various lines of action.

So far as budgetary control and books of accounts are concerned, the budgeted lines of action should correspond to the heads of accounts. It is also necessary that books of accounts are regularly updated. Preparation of monthly or quarterly variance report is also an important in this regard. It gives a comparative analysis of budget vis-à-vis actual report. Notes to variance report should be added to explain differences and action taken.

The main objectives of financial accounting are to know the current financial state of affairs of an organization and whether the current income is sufficient to meet the current expenditure. It is also required to take stock of the scarce resources regularly - monthly, half-yearly or annually, and ascertain what has happened during a specific period and where the organisation concerned currently stands. This reckoning must be in terms of money as this is the only common measure. The process to do all this is called "Accounting".

The various stages of accounting process include vouchers & supporting documents; verification; approval; entering the primary books; file in voucher file chronologically; entering into secondary books; final accounts; audit: and audited statements of account.

All accounting entries are required to be supported by support documents such as vouchers. The main objective of a voucher are basically to have proper evidence/ supporting of financial transactions, establish safe administrative procedures, and enable proper recording of transactions.

Vouchers should provide in a summarised manner the serial number and the date of a transaction, the nature of a transaction, amount in words and figures, the account head which is to be debited/ credited, the person who has prepared the voucher, the authority who has passed it for payment/ receipt/ adjustment, and the supporting documents eg. Bills, invoices, cash memos.

Vouchers should be kept by project partner for at least 7 years after the end of the Financial Year as per the Income Tax Act. Certain Donor Agencies have their own regulations in this regard as well. It is always to be remembered that in accounting the documents should be such that it can justify itself without you being there to give explanations.

The activity chart should include, among others - what are the accounting records that are maintained by an organization; primary (original) books of accounts-cash books; secondary books of accounts-ledgers & sub-ledgers (programme ledger, advance ledger etc); subsidiary records/ registers (inventory, payroll, stock etc.); and miscellaneous records/ registers (such as inward mail, dispatch, vehicle log, STD/ISD calls register etc).

There are basically three types of accounting entries for recording transactions - Payments Entries- for recording cash and bank payments; Receipt Entries- for recording cash and bank receipts; and Journal Entries- for adjusting / rectifying entries.

Preparation of Financial Reports from Financial Accounts as per prescribed norms and standards is also very important. Financial report is a crucial link in the chain of accountability. The key elements of financial reports to be prepared by an organization include receipts and payments account; income and expenditure account; and the balance sheet. Financial accounting process concludes with Financial Audit by a qualified Chartered Accountant.

Internal reports should be integrated as part of the reporting process of an organisation. It should be timely. It should provide explanations for variations. It should also be followed by Action Taken Report for recommendations. On the other hand, external reports must indicate the covered period, status of fund & grant balances, comparison & analysis of the actual achievement with the previous period's figures and budgeted figures to enable analyse current period's performance.

We should always remember that financial report should speak for itself. It is actually the mirror of an organisational performance. Organisation should therefore try to prepare Financial Reports that will provide a "True and Fair" view of the organisation.

Session V: Good governance in the NGO sector ethics in CSO governance

Moderator: Mr. L. Meru, Nagaland

Speaker: Mr. Rangan Dutta Scientific Consultant adviser to Govt. of India and ex DG CAPART

Mr. Rangan Dutta said that the history of NGOs began with human rights advocacy. In this connection, he shared an anecdote from Moscow, Russia and also informed as to how Mr. Robert, the former US Defence Secretary, worked for the child health, restoration of human values and eradication of poverty in the early stages of NGO development. Civil society organizations, according to him, have an important role to play in disseminating information and awareness building as

government is often found to be slack in its efforts.

Advocating active involvement of the corporate sector in social development in the country, he felt that governance is the buzzword today. However, he lamented that no legal definition of public interest existed in the country. Only courts are deciding from time to time the definitions of good governance and the public interest.

Many NGOs, according to Mr. Dutta, do not register themselves as per the requirements of the law. They are not even true to their objectives and mission. Evaluation of their programmes or financial statements is one of the grey areas where NGOs need to perform better. It is a shame that some NGOs prepare a project proposal and submit the same to different donors. On the other hand, there are also instances of small NGOs with proper registrations being punished by some vested interests, which is entirely unacceptable.

NGO sector till now is largely fund driven. Some contractors have also set-up their own NGOs. These are creating problems of their own. Networking, according to Mr. Dutta, will certainly help in strengthening good governance in NGOs. "NGOs' main force is innovation. For they work with people and community, and when you work with people, innovative ideas are inevitable", he concluded.

Session VI: Networking as a tool of Good governance

Speaker: Mr. O. J. Meitei, Field Officer, CASA - Manipur.

Commenting on the mechanism of network formation, Mr. O.J. Meitei said that while network formation is easy, running it for a long period of time is rather difficult because of the diverse opinion of the partners. According to him, since 'there are more equals among equals', big NGOs should not ignore the smaller ones. A workable strategy based on commonly agreed activities and terms & conditions is a must for the smooth functioning of NGO networks.

Networking facilitates experience sharing and cross learning amongst partner NGOs and maximizes the joint potential of their development opportunities. At the same time, it also creates more space for participatory planning, monitoring and evaluation, while promoting mutual trust and respect towards

each other. According to Mr. Metei, a network should aim to promote the fairness principle and expand social accountability dimension amongst partner NGOs, which of course, cannot be segregated from Good Governance. Good governance promotes sustainability of a network, while networking also promotes good governance to the intended populace.

Networking is basically a strategy, whereas good governance is a lofty goal to be attained for the development of the concerned NGOs. Again, networking is an action, while good governance is a quality of the networking process. Networking can thus be a tool to render good governance to the needy masses. For Good governance the followings points are important:

- conduct
- system / functional system
- management
- administration
- values
- participation
- leadership

Concluding Session

In the concluding speech Mr. A. K. Goldsmith, Coordinator, CASA-NEI thanked all the NGOs and Church representatives for their active participation in the consultation and extended heartfelt thanks to VANI team and PRIA representative and all facilitators for making the programme successful. He also emphasized the importance of taking up NGOs initiatives towards good governance.

In the concluding session Mr. O. J Meitei, Field Officer, CASA - Manipur was given the responsibility to work on proposed North East Network Forum, and all the NGOs representatives were requested to send their valuable suggestions to Mr. Meitei or Mr. Goldsmith through email at oj-meitei@yahoo.u.k and casaguwahati@satyam.net.in

Prepared by Rakesh K Singh & Sakina Mustaq

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