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ASSESSMENTS OF FUND MANAGEMENT ON
MYANMAR LOCAL COMMUNITY-BASED ORGANIZATIONS

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**ASSESSMENTS OF FUND MANAGEMENT ON
MYANMAR LOCAL COMMUNITY-BASED ORGANIZATIONS**

A thesis submitted as a partial fulfillment towards the requirements for
the degree of Master of Banking and Finance (MBF)

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ABSTRACT

This study focuses on the identification of the “Assessments of Fund Management on Local Community-based Organizations”. The main objectives of the study are to identify the analysis processes of proposal submitted by community-based organizations and to examine the fund management assessments on local community-based organizations. The descriptive approach is implemented in this study to fulfill the second objective. Moreover, the study data is collected using primary data derived by structured questionnaires survey from 10 out of 16 Local community-based organizations currently implementing the projects with CPI funding. Primary data is collected from program managers, program staffs, finance staffs and other departmental staffs of 10 local community-based organizations in a total of 50 out of 87 people, nearly 58% using structured questionnaires. The rationale of this study is to show that assessing the fund management of local community-based organizations will help them to evaluate their processes in detail and to identify areas need for improvement. Audit findings in internal control, financial statements are not completed with explanatory notes and budgets are not planned by those responsible for spending are the main findings according to the survey data results. Therefore, the suggestion of this study is that an organization should conduct assessments of fund management for more accurate in financial systems and better in financial management, not only for local community-based organizations, but also for international NGOs and UN organizations.

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ABBREVIATIONS

CSO	– Civil Society Organization
NGO	– Non Governmental Organization
UN	– The United Nations
UNDP	– The United Nations Development Programme
OCA	– Organizational Capacity Assessment
MPG	– Myanmar Positive Group
ENDO	– Eastern Naga Development Organization
KBC	– Kachin Baptist Convention
SYMF	– Sayarma Foundation
SMTF	– Shwe Min Tha Foundation
SSDF	– Shan State Development Foundation
PLASF	– Parami Liberal Arts and Sciences Foundation
SSSG	– Shwechinthae Social Service Group
BTD	– Baythitzadana
YIS	– Youth Integrate Society
HR	– Human Resources
M&E	– Monitoring and Evaluation
CPI	– Community Partners International

CHAPTER I

INTRODUCTION

Traditionally, civil society networks in Myanmar have operated at the local level within religious groups, originating from ethnic groups, Buddhist and Christian-led social welfare, concentrating on education, health and the daily needs of communities. Particularly in areas of weak central government control and armed conflict, civil society often filled the state's service-delivery role. There are three types of civil society organizations (CSOs) which are not concerned profit, otherwise nonprofit organizations, in Myanmar: international and local nongovernment organizations, and local community-based organizations. Local community-based organizations (CBOs) are informal or volunteer organizations founded at the village level to carry out social and religious activities, including health, education and social services. Local NGOs usually operate in cities townships or population centers and establish relations with communities. International NGOs are progressively active in Myanmar, working in the field of humanitarian response and long-term development in a wide range of sectors, including the environment, health, education, livelihoods, rule of law advocacy and civil society capacity building. (Civil Society Briefs: Myanmar by Asian Development Bank, February 2015)

Non-profit organizations typically rely on the goodwill and generosity of others to cover the costs of their operations by donations and grants. Unfortunately, organizations find nowadays that such common sources of funding are often inadequate to meet increasing needs and rising costs. In fact, the limitations imposed on many grants and donations, along with the volatility of these funds over time, make it difficult for an organization to carry out long-term planning, expand the operations or reach its full potential. When the cost of core operations exceed the inflow of grants and donations it is forced either to reduce the quantity or quality or both of work, or to find new sources of funding to cover the gap. Reaching new donors with innovative approaches to fundraising is traditionally the first step. A second approach is to change service operations to include cost-recovery elements where participants or members of community-based organizations pay part of the program costs. The third option is for organizations to "make money" through commercial ventures.

Policy makers, donor agencies and other beneficiaries of CSOs also have a strong interest in seeing their ability to contribute to transformative change in their own nations, their proactive behavior, and their ability to manage the financial and material resources made available by donors. Donors shall develop a comparable objective measure to assess the capacity and effectiveness of a potential partner to handle support for the authorized program approaches. Community-based organizations must therefore acknowledge the need for donors to meet internal and external transparency criteria and to ensure that funds are used efficiently and effectively in order to achieve stated qualified objectives. The study suggests that the prevailing focus on financial management, accounting systems and audit capability risks effectively eliminating the attention of others, though significant, equally critical areas of evaluation, such as prospects for long-term growth collaborations beyond the provision of programmatic services.

1.1 Rationale of the Study

There have been major changes in the socio-political and economic contexts in Myanmar that have affected the role and dynamics of civil society in the nation. Many civil society organizations have emerged over a decade, but it is still more difficult for community-based organizations in Myanmar to adapt to changing humanitarian priorities, deliver prompt needs-based reactions, and optimize cost efficiencies when they have to handle funding sources internally to ease the effect of funding shortages and limitations. The challenges raised by financial limitations have been more pronounced for smaller organizations with restricted flexible cash reserves. Some of the limitations included: strict arrangement of payments in several tranches; overdue payments; an obligation to repay unspent balances; very short eligibility periods for spending, in particular for budgetary surpluses allocated at the end of the donor fiscal year; and minimal flexibility to negotiate non-cost extensions or invalidation of funds to adapt to the changing humanitarian criteria.

Unconsidered funding enables organizations to allocate funds internally for critical life-saving projects in countries that are desperately underfunded and have earned no media attention support from donors. The apportionment of funds decreases the capacity of humanitarian organizations to respond to the most critical needs of the people impacted has been identified as having a number of detrimental effects and has

been felt to be that. Reporting requirements for donors may take critical time, money, and focus away from the implementation of humanitarian initiatives. In some cases, they may be inconsistent, duplicated and redundant with organizations presenting examples of spending vast amounts of time configuring reports to different donor formats and specifications for material.

As the non-profit organizations have limited opportunities to earn income and the paramount importance is reliance grants and donations, efficient utilization of resources become crucial. Thus, good financial management enables the organizations to gain respect and confidence of funding agencies, partners and beneficiaries. Moreover, as organizations are receiving huge amount of funds and as major financial scandals have rocked the nonprofit world, to have greater financial transparency and accountability and observe sound financial management practices becomes essential. Therefore, community-based organizations must recognize the importance of internal and external accountability requirements, well prepare to get funds in time and do long-term planning, improve their service or reach their full potential. In this study, the process how community-based organizations have to apply to get the grants and evaluate the capacity assessments on fund management on the community-based organizations are intend to study.

1.2 Objectives of the Study

The main objectives of this study are:

- 1) To identify the funding application processes of community-based organizations and
- 2) To examine the fund management assessments on local community-based organizations.

1.3 Scope and Methods of the Study

The study focuses on the capacity assessment of donor fund management of local community-based organizations. In this study, the descriptive statistics method is applied. Both primary data collected by using standardized questionnaire and also secondary data from previous research, the profiles of local community-based organizations and related financial statements are used. This study selects 10 out of 16

local community-based organizations which are currently implementing the activities with the support of Community Partners International, Myanmar (CPI). Primary data is collected from program lead, program staffs, finance staffs and staffs from other departments of local community-based organizations in total of 50 people out of 87 which is almost 58 percent using the structured questionnaires. Secondary data and information will be collected from official data, previous financial reports, previous program report, previous thesis paper, internet websites and other relevant texts.

1.4 Organization of the Study

This study is formally organized with five chapters. In chapter one, the introduction, objectives of the study, rationale of the study, scope and methods of the study, organization of the study and conceptual framework are described. Chapter two presents theoretical framework of the study for assessments of fund management on local community-based organizations. The profiles and funding application process of the local community-based organizations are presented in chapter three. In chapter four, the analysis of capacity assessments on Myanmar local community-based organizations for donor funds management is presented. Chapter five concludes the summary of findings and recommendations and suggestions are also prescribed.

CHAPTER II

THEORETICAL BACKGROUND

The implementation of local community-based organizations continue to pose a high risk of diversion of funds and non-delivery of services due to a challenging operational context such as limited access to project locations and an unstable security situation. The assessments of fund management aims at ensuring improved management of projects by matching the requirements for solid grant management and the oversight of funds with identification of potential risks and requires risk reduction measures. The results of fund management assessments also help determine, together with other accountability tools, the most suitable disbursement and monitoring schedule, programmatic and financial reporting requirements, and auditing plan for a community-based organization.

In addition, as competence in financial management controls and reporting to ensure disciplined resource management is one of community-based organization's core values, assessing financial management of partners has become important to keep the goodwill of the organization. Therefore, this chapter presents the theoretical review focusing on the assessment of fund management on local community-based organizations.

2.1 The Definition and Purposes of Fund Management Assessments

Actually, fund management assessment is capacity assessment which focuses partly on the management of financing or funding of the organization. Capacity abstracts term to describe wide range of capabilities that an organization needs to be effective and sustainable. Capacity is multifaceted and continually evolving. Capacity varies in forms as; human capacities which are skills, knowledge, experience, values and attitudes of individuals; relational capacities which are share value or belief systems, networks of groups, and sharing information; and resource capacities which are money, physical space, technology, time, and knowledge. Strategic relationships; program delivery and impact; internal operations and management; resource development; governance & leadership; and mission, vision and strategy are the six components of organizational capacity.

UNDP defines capacity as the ability of individuals, organizations and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner. (UNDP Methodology for Quick Capacity Assessments, Ivane Shamugia, November 2008) Capacity development is therefore a process by which the capacity to do so is attained, enhanced, modified and retained over time. Capacity assessment is an assessment of desired potential capacity against current capacity; this assessment creates an awareness of capacity assets and demands, which leads to the advancement of capacity reaction strategies.

Capacity evaluation serves as input to the concept of capacity growth response approaches that resolve those areas where regional or local resources or both could be improved or which maximize existing capacity that is powerful and well-placed. Capacity assessment also provides the basis for ongoing evaluation and assessment of progress against the related indicators. Capacity evaluation offers a comprehensive examination of what key capacities exist and a point of dialog and negotiation as to what extra capacity may be needed to achieve the desired outcome of growth. However it is recognized that the fulfillment of such capability demands as defined offers conditions necessary but often inadequate to achieve the development outcome. The goal of the capacity assessment is therefore to support the requirements of the development process by defining the main capacities already exist and which additional capacities may be needed to achieve the objectives.

According to assist organizations in assessing the critical elements for effective organizational management, and identifying those areas that need strengthening or further development, the USAID creates the organizational capacity assessment (OCA) tool for community-based organizations. The OCA tool was designed to enable organizations to define a capacity-building improvement plan, based on self-assessed need and encourage reflective self-assessment within organization. Recognizing that organizational development is a process, the use of the OCA tool results in concrete action plans to provide organizations with a clear organization development road map. The OCA tool provides a set of guidelines for organizations to evaluate their current management capacity to deliver effective health programs and recognize key areas that need to be improved. The OCA tool assesses technical capacity in seven domains, and they are;

1. Governance,
2. Administration,
3. Human Resources,
4. Financial Management,
5. Organizational Management,
6. Program Management, and
7. Project Performance Management.

Capacity assessments can be carried out at different planning or programming process stages. In response to a perceived and articulated need for capacity growth, capacity assessments are often performed. For example, assess the entire organization, a specific area, an administration unit, or a single project. As this study is to learn about the Donor Funds Management of the community-based organizations, this study focus on Financial Management domain and other domains will be engaged when related. The OCA believes in collaborative and self-assessment process is also its value. The system gives companies an opportunity to reflect against established best practices on their current status. The scores are not used to assess results, but are intended to set behavior goals.

Funds identify as an amount of money on the basis of an arrangement given by the organization or government. Generally, it is free of charge. The arrangement can include some contractual provisions, but there are no conditions for the return of the property. Donations made by governments or philanthropists are the most common facilitators that normally meet the funding needs of an organization. There should always be a source of funding to sustain the funding operations. Management of funds is controlling and managing the cash flow of an entity. Fund management often referred as asset management, which concerns any type of system that retains the value of entity.

The objective of funds management assessment is to assess the quality of the financial system, policies and procedures of the organization then the staffs whether they have enough knowledge of the system or adequate capacity to conduct and supervise the project accounts in accordance with international standards. The realization that even successful nonprofit organizations face financial management challenges which have an impact on their ability to achieve their missions, strengthening the financial management becomes essential. Assessment of fund

management helps the organization to illustrate the current situation and the needs for the future development. The arrangements of assessment include the entire financial system of accounting, budgeting and reporting, auditing, and internal controls.

2.2 Benefits of Fund Management Assessments

Fund Management assessments help an organization take an in-depth look into their processes and help to identify areas for improvements. This type of assessment focuses primarily on the processes of an organization. Among the predicted benefits of assessment, action preparation and capability developing are stronger, sustainable organizations that are better able to survive in challenging times; quality service delivery and financial management; improved partner relationships; better governance; transparency to donors and constituents; lower risk; and increased growth opportunities. At the same time, issues such as the possible inability to undertake a time-consuming and effort-intensive assessment, shortage of professional organizational development staff, and the difficulty of balancing short-term demands with long-term benefits are present.

Effective financial management is a major success factor for the efficient delivery of programs and sustainability of infrastructure. Irrespective of how well a particular project or program is designed, if the executing or implementing agency does not have the capacity to effectively manage its financial resources, implementation may not be as efficient as desired, and the benefits of the project are less likely to be sustainable. Fund management assessment is a risk-based assessment intended to (i) identify risks that country, sector or project financial management systems may lead to non-achievement, or sub-optimal achievement; (ii) identify risks of how resources may be used other than for the intended purposes, whether due to leakage or inefficiency; (iii) assess the severity of the risk; and (iv) develop a practical risk management plan to address, at a minimum, high or substantial financial management risks at the project level, otherwise that may adversely affect the achievement of the development outcomes.

Fund management assessment should identify pre-mitigation risks and mitigation actions. It is intended to help improve project design either by implementing institutional strengthening for better financial management, or designing project-

specific financial management arrangements to ring-fence project finances from larger institutional risks during the implementation stage. The fund management assessment assesses the capacity of executing and implementing agencies and their systems in the areas of planning and budgeting, management and financial accounting, reporting, auditing, and internal controls. The fund management assessment also includes a review of proposed disbursement and funds-flow arrangements, and identifies measures for addressing identified deficiencies.

2.3 Theory of Fund Management Assessments

There are a lot of theories to conduct the capacity assessment, fund management and public investment management. Even the names of the theories are varying due to source of capital; the process literally assesses the financial management of the organization. From many capacity assessment theories for non-profit organization sector, the theory, which is used for this study, financial management assessments tool based on USAID capacity assessment tool.

2.3.1 Financial Management Assessments Tool

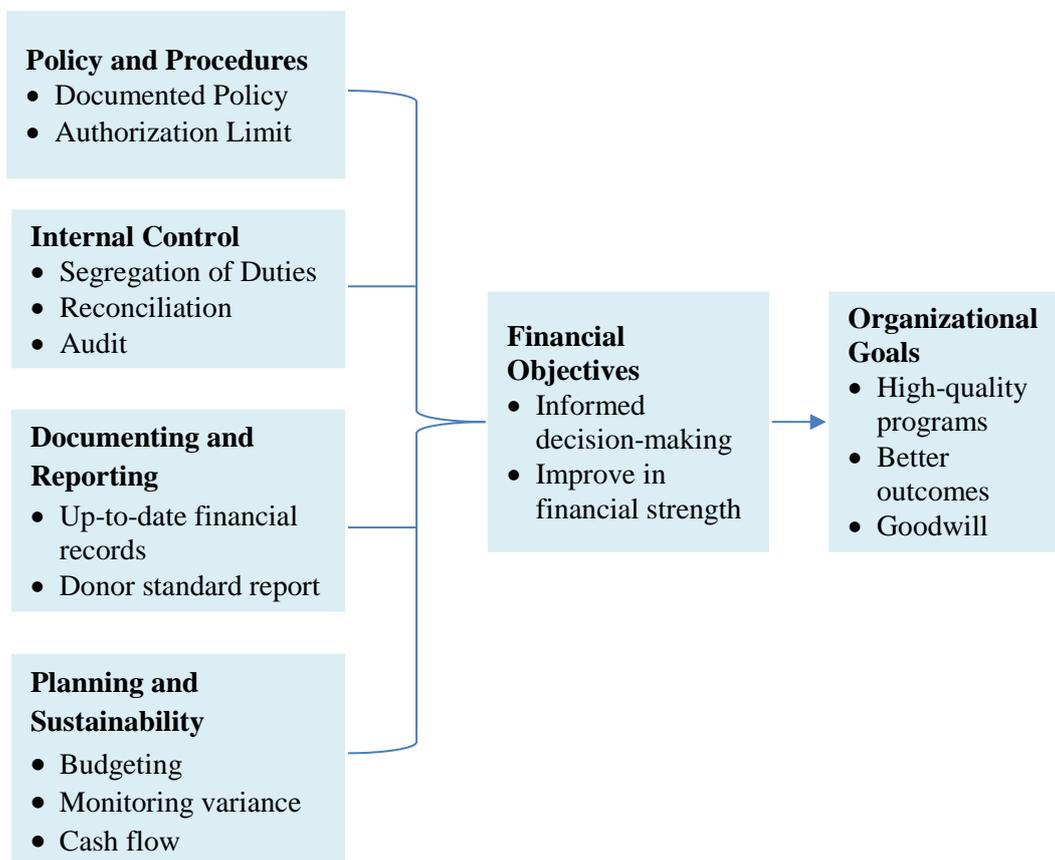
There are four dimensions in financial management assessments domain as follows;

- 1) Financial Policies and Procedures, the organization must have clear, well-documented policies and procedures for financial management that are understood and used by staff members allows an organization to function transparently and promotes integrity and accountability.
- 2) Internal Controls, as strong internal controls help an organization safeguard its assets, manage internal risks, and ensure accurate and reliable financial accounting and reporting.
- 3) Financial Documentation and Reporting, keeping accurate and up-to-date financial records enables an organization to track resources, monitor its financial status, and prepare accurate financial reports for donors, board members, stakeholders and auditors in timely fashion. And,
- 4) Financial Planning and Sustainability, financial planning and monitoring that lines up with program planning and monitoring enables an organization to implement planned activities and demonstrate accountability to resource

providers, which constructs their confidence in the organization and make them more likely to support the organization continuously.

Good financial management system helps to reduce financial losses such as fraud, theft, misuse of funds and audit findings then achieves financial objectives. Financial objectives include decision-making could be informed timely applying the fund management processes and sustained financial strength. Reaching the financial objectives effects the organization to achieve its goals such as high-quality programs, better outcomes and goodwill.

Figure 2.1 Financial Management Assessments Tool



Source: Based on USAID Organizational Capacity Assessment for Community-based Organizations, New Partners Initiative Technical Assistance (NuPITA) Project, Financial Management Domain, June 2012

2.4 Conceptual Framework of the Study

The conceptual framework of the study, which based on USAID organizational capacity assessment tool for community-based organizations, financial management domain, is shown in Figure (2.2). Figure 2.2 shows four dimensions of fund management domain and describes the conceptual framework of the assessment on fund management of community-based organizations.

In financial policies and procedures, documented policy and limitation of authorization according to the level of position are a must. Financial policies and procedures are assessed so that the organizations may have clear, well-documented financial management policies and procedures which are understood and implemented by staff members, make it possible to operate transparently and promote integrity and accountability.

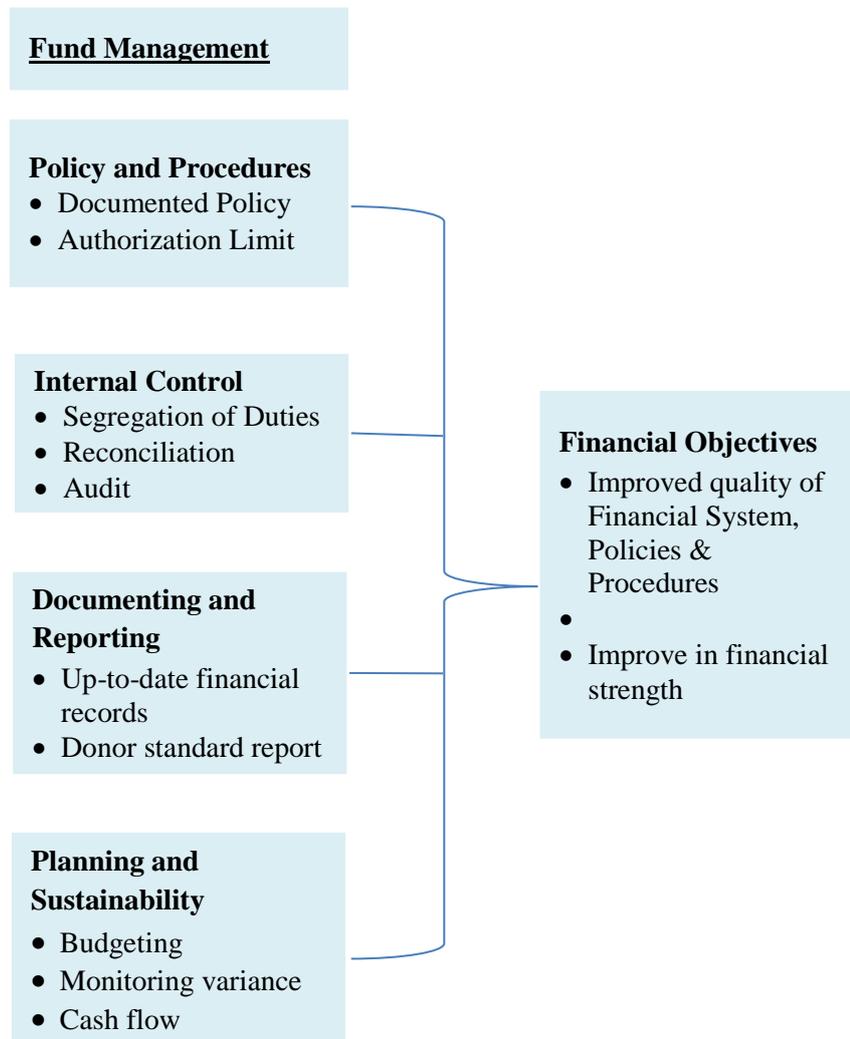
Segregation of duties, monthly reconciliations of cash books and having internal or external audit to regulate the fund managements of the organizations are some of important facts to assess for internal control. Strong internal controls help an organization safeguard its assets, manage internal risks and ensure accurate and reliable financial accounting and reporting.

Financial documentation and reporting keeping reliable and up-to-date financial records, helps the organization to track resources, monitors their financial status, and produces accurate financial reports for donors, board members, stakeholders and auditors in a timely manner. In financial documentation and reporting section of the conceptual framework assesses mainly on whether the financial records of the organizations are up-to-date and their financial reports meet the requirements of the donors.

. In financial planning and sustainability section of the conceptual framework assesses the budget planning, monitoring on variances of budget and actual and cash flow. When financial planning and sustainability combined with activity preparation and monitoring, allows the organization to carry out planned activities and to demonstrate transparency to community users, increasing their confidence in the organization and making them more likely to continue supporting the organization.

If organizations implement financial policy, have accurate procedures, strong internal control, up-to-date documentation, quality reporting, effective financial planning and sustainability, they could be said to have a sound fund management system. A sound fund management program helps reduce financial losses, such as fraud, theft, misuse of funds and audit findings and then meets financial objectives. Financial objectives of the conceptual framework of this study include improvement in quality of financial system, also policies and procedures, informed decision making process and sustained financial strength.

Figure 2.2 Conceptual Framework of the Study



Source: Adapted from USAID Financial Management Assessments Tool, June 2012

CHAPTER III

PROFILE OF LOCAL COMMUNITY-BASED ORGANIZATIONS

The objective of this chapter is to present the profile and overview the funding application process of local community-based organizations. Firstly in this chapter, background study of the organizations which are chosen to conduct the assessments of fund management is introduced by expressing their profiles. There are two sections in total. Secondly, procedures of local community-based organizations apply for funding are identified.

3.1 Background Study of Local Community-based Organizations

Studies have claimed that currently there are more than 214,000 community-based organizations, which always perform the functions of service delivery, in Myanmar. (Heidel, Brian (2006). *The growth of civil society in Myanmar*. Books for Change) The community-based organizations focus on communities affected by conflict, violence and displacement, in remote and hard-to-reach contexts, and marginalized through poverty and exclusion. They commit to building strong and healthy communities, improving the lives of women and girls, creating pathways for leadership and innovation and promoting sustainable and equitable development. Among the more than two hundred thousand local community-based organizations, 10 out of 16 organizations currently carrying out activities with the support of international community partners are chosen to conduct the assessments. The profiles, visions, missions, aims and objectives of the 10 community-based organizations are described in the following.

3.1.1 Myanmar Positive Group (MPG)

The Myanmar Positive Group (MPG) is the non-profit, non-government, community-based national network of people living with HIV (PLHIV) in Myanmar, established since March 2005 with the main purpose to promote the involvement of PLHIV from grass-root community to strengthen the HIV response in Myanmar. As of December 2018, MPG brings altogether 155 self-help groups (SHGs) of PLHIV from 14 Network Areas across Myanmar. MPG envisions the building of an equitable, humanitarian-minded and self-reliant society for the PLHIV community and the people

in Myanmar. The core mission of MPG is leading by example, representing the voices (needs) of the people through meaningful involvement, networking and collaboration with all relevant agencies, organizations and stakeholders in all activities beneficial for the health of the people. The primary objectives of MPG are to promote greater involvement, advocate for the rights of PLHIV and reduce stigma and discrimination towards PLHIV.

3.1.2 Eastern Naga Development Organization (ENDO)

Eastern Naga Development Organization (ENDO) has formed as non-governmental organization with hope and a vision to work for our people through peaceful means joining hands with all walks of life. The organization is non-political and perform the duty of the organization with utmost sincerity, honesty, and truthfulness in the interest of the people. ENDO believe that to work for our people is not for our profit but to serve our people with charity. The name of the organization is “Eastern Naga Development Organization” (ENDO). It was formed on October,6 2010 with eleven members at Myanmar-Thai border. The core missions of ENDO are; implement and coordinate healthcare, education, human rights, leadership, livelihoods, and environmental protection programs to improve the daily lives of the Naga people in eastern Nagaland, train and empower youths Eastern Naga men and women to be able to involve in social activities (affair). The aims and objectives of ENDO are the following:

- To uplift the education of Naga Youths,
- To work for health care of the people,
- To eradicate poppy growing in eastern Nagaland,
- To work for human Rights through its separate branch, and
- For the preservation of environment.

3.1.3 Kachin Baptist Convention (KBC)

Kachin Baptist Convention (KBC) a faith based organization and is established in 1877, in Bhamo then called the name “Ninghtan Hpung”. Before the political turning and the withdrawal of Missionaries from the country, in 1966, the name Kachin Baptist Covention (KBC) was given and sustained by self-supporting. Now, KBC runs with the

(15) Departments in Head Quarter, and also functions with the autonomous (15+1) Associations. Healing Ministry Department (HMD) is one of 15 departments and, formed in 1995, and now has 48 full time staff at the Head Office, 15 coordinators at the association level, about 60 facilitators at the local church level, and about 100 community health workers in health care centers. Aim of KBC HMD is to provide accessible standard quality health care services (both physical & mental) to all beneficiaries in KBC coverage area with reduction in financial hardship of beneficiaries.

3.1.4 Sayarma Foundation (SYMF)

Sayarma Foundation is founded by Tin Ma Ma Htet, a former primary teacher, a consultant, a primary teaching specialist, who had experiences in different schooling systems: government school, monastic school and catholic school. Sayarma's values were based on her experiences working in schools, working with teachers and trainers, working for non-government and government organization and her passion for education. Sayarma means "female teacher" in Myanmar language. It can also be interpreted as "motherly teacher". The name Sayarma has been chosen to represent educators in Myanmar providing education to children regardless of problems and issues in their lives or regions, and promote the role of teachers in the community.

About 90% of teachers and educators in Myanmar are female. Sayarma Foundation was started with Santisaya community center in Mandalay, in the community of the founder, in September, 2016 when the founder came back from oversea studies. Seeing the needs of community collaboration and raising education quality standards, the founder invested money and time in creating a space for children and adults in the community to expand their knowledge and explore their potentials in a safe learning environment. Santisaya community center's model is adopted and implemented in the schools that Sayarma Foundation supports.

3.1.5 Shwe Minn Tha Foundation (SMTF)

Shwe Minn Tha Foundation (Myanmar), SMTF is a public non-profit, non-religious, non-political and non-governmental organization (NGO) founded in May 2008 by U Myat Thu Win (Shwe Minn Tha Group), a disabled person. The Shwe Minn Tha Foundation is dedicated to helping people with disabilities (PWDs) become self-

reliant through a SMTF-based value system and policy to create a better world where PWDs are self-fulfilled as individuals and play a constructive role in society. The SMTF aims to create an inclusive society by taking them across their individual disabilities in building capacity for job opportunities. The SMTF motto is "We are for disabled people. Let's construct an inclusive society of human-to-human caring, affection and sympathy.

3.1.6 Shan State Development Foundation (SSDF)

The Shan State Development Foundation (SSDF) was founded on 30 November 2012 by combining the Shan Health Committee, the Shan Relief and Development Committee and the Shan Education Committee.

3.1.7 Parami Liberal Arts And Sciences Foundation (PLASF)

Parami Liberal Arts and Sciences Foundation (PLASF) is a not-for-profit educational institution. The Parami Institute was founded on the belief that liberal education is one of the most powerful and effective models for personal growth and development in society. As such, in multiple disciplines, we provide broad-based education to develop and empower young people in Myanmar with engaged critical thinking and analytical skills that they need to be effective leaders and citizens. Parami Institute engages with policy makers and Ministry of Education officials through Parami conferences and workshops, in which international higher education experts were brought in to deliver capacity development programs. While the initial objective of Parami workshop or conference was just to create a platform to build relationships with education stakeholders, the workshops of Parami have quickly shown that there needs to be an independent higher education policy think-tank to guide these policy conversations. The aims of this thought-tank are: 1) implement evidence-based higher education policy frameworks; 2) increase awareness of international higher education policies, standards, and practices; and 3) promote measurable progress in the growth of higher education in Myanmar as a whole.

3.1.8 Shwechinthae Social Service Group (SSSG)

The Shwechinthae Social Service Group (SSSG) was firstly founded as the Shwechinthae Library Team on December 2000 and the team was expanded as the

SSSG starting on 2015 based in communities as there was challenges according with HIV/AIDS disease in Shwe Bo region. SSSG organizes health awareness sections and shares the knowledge.

3.1.9 Baythitzadana (BTD)

Baythitzadana (BTD) was established on 1993 starting from monastic education at Moulmeingyun and known as Mawgyun, a town in the Ayeyarwady Region of south-west Burma. After Cyclone Nargis on 2008, BTD started to conduct basic health care program with mobile clinic teams to the villages.

3.1.10 Youth Integrate Society (YIS)

Youth Integrate Society (YIS) was formed at 15 May 2011 with altogether 45 members based in Yangon. The objectives of YIS is to strengthen the health and education systems of orphans and needy children. YIS organizes teacher trainings with teaching aids at monastic schools and orphanages.

3.2 Process of Funding Applications

The main source funding of community-based organizations is traditionally to reach donors with innovative approaches to fundraising. When donors announce for giving grants, they issue the request for applications and CBOs have to submit the applications for competition. After submitted applications, donors firstly evaluate the applicants by pre-award assessment process. Pre-award assessment is an important part of effective and responsible grant making. This process help donors to reduce the risk of funding being diverted from agreed development objectives, which inevitably reduces the desired impact. It also aims to reduce misunderstanding and establish an environment of accountability and transparency.

After the pre-award assessments process, shortlisting of the applicants are announced and they have to submit the full proposals. Then, the proposal of the applicants are selected with these criteria;

1. Focus on best practices by funding interventions that work and can be scaled up to reach targeted beneficiaries.

2. Support the substantial scaling up and increased coverage of proven and effective interventions, which strengthen systems for working: with communities; within the health sector; and across government departments,
3. Strengthen the participation of communities and people, particularly those targeted beneficiaries in the development of proposals,
4. Give due priority to the most affected countries and communities, and to those countries most at risk,
5. Build on, complement, and coordinate with CPI's strategy and programs in support of national policies, priorities and partnerships,
6. Focus on performance by linking resources to the achievement of clear, measurable and sustainable results, and
7. Focus on the creation, development and expansion of government or private or nongovernmental organization partnerships.

The scoring of applications is usually based on the overall excellence of the grant proposal, which may reflect many attributes including creativity, the likelihood of the project being highly productive, the possible impact of the project, and the potential for it to expansion and/or sustainability. While evaluating, donors usually use three weightings allocated in percentage; 50% of total evaluation is technical weighting, 30% of total evaluation is financial weighting and the last 20% of total evaluation is past performance weighting. This frame of evaluation also highlights that the financial performance of the organization is essential to win the grants. The lists of awardees are announced after the assessing processes. The proposal winning CBOs have to sign the contract with terms and conditions of donor's requirements, issue award and obtain mandatory grant orientation workshops (grant requirements, rules and regulations, inclusion, monitoring and evaluation, etc.). This is the process how local community-based organizations have to apply for funding starting from the announcement for applications of donors till the grants is awarded.

CHAPTER IV

THE ANALYSIS OF ASSESSING FUND MANAGEMENT ON LOCAL COMMUNITY-BASED ORGANIZATIONS

There are three parts in this chapter. The profile of the respondents is first shown in frequency and percentage. Furthermore, the impact of assessment on fund management is discussed on the basis of the survey results. Ultimately, this analysis analyzes the effect of multiple regression findings from the assessment of fund management on local community-based organizations.

4.1 Research Design

The purpose of this study is to concentrate on qualitative research with a variety of definitions as fund management disciplines. A qualitative analysis would therefore ensure a detailed understanding of the topic. In this analysis, the standardized questionnaire is used to obtain the primary data from 10 out of 16 local community-based organizations currently carrying out the projects with the support of CPI. The primary data is collected from all department staffs of local community-based organizations in total of 50 people out of 87 which is nearly 58 percent using the interview technique. There are two sections in this formal questionnaire. First component includes the profile of the respondents and the results are summarized in frequency and percentage. The second part of the questionnaire includes questions on a five-point likert scale. The results are presented by mean and standard deviation scores for the second part. If the mean score is greater than 3.0, the respondents have a positive perception with the questions which assess for fund management while the respondents have the negative perception of the questions if the score is less than 3.0. Cronbach's Alpha value model is used to suggest that the analysis of this study is fair internal validity and reliability, and this experiment is accurate if the scales are higher than 0.7. The collected data is then interpreted in SPSS.

4.2 Profile of the Respondents

To interpret the profile of respondents, demographic characteristics such as position level, department, working duration at the current organization and focus of the activities are included in the structured questionnaire. These are some of the

necessary parts for assessing fund management of the local community-based organizations.

4.2.1 Position Level of the Respondents

Table (4.1) shows the position level of the respondents by number of respondents and their percentage. The result of questionnaire involves twelve levels of position groups. The table below is based on data from the survey. Many respondents are manager class, according to Table (4.1). They represent 28.0 percent of the respondents as the largest group. The second largest group is officers who represent 22.0 percent of the respondents. The group of coordinators is 16.0 percent, the group of assistants and executives is 8.0 percent each, and then the board member and the group of chairmen is respectively 4.0 percent of the respondents. Advisor, data assistant, project manager, field officer and senior manager are the smallest groups, comprising just 2.0 percent individually of total respondents.

Table (4.1) Position Level of the Respondents

Level of Position	No. of Respondents	Percentage
Advisor	1	2.0
Assistant	4	8.0
Board Member	2	4.0
Chairman	2	4.0
Coordinator	8	16.0
Data Assistant	1	2.0
Director	4	8.0
Field in Charge	1	2.0
Field Officer	1	2.0
Manager	14	28.0
Officer	11	22.0
Senior Manager	1	2.0
Total	50	100.0

Source: Survey Result, 2019

4.2.2 Department of Respondents

Table (4.2) presents the performance of department by respondents. Department of the respondents are important for the nonprofit organizations. Knowledge and experience could affect the perceptions of the respondents towards the fund management. According to the Table (4.2) among 50 respondents, 44.0 percent of the respondents are included in program group. Among other group, administration department, all sector member, human resources department, logistics & procurement department, monitoring & evaluation department and senior management team member are includes. They are ranged between 2.0 percent to 10.0 percent. Finance person group includes 20.0 percent and accountant group includes 8.0 percent of total respondents. It is found that most of the respondents are not finance people but they also have to follow the finance policies and involve in finance procedures.

Table (4.2) Department of Respondents

Department	No. of Respondents	Percentage
Accountant	4	8.0
Admin	5	10.0
All Sector	2	4.0
Finance	10	20.0
HR	2	4.0
Logistics/ Procurement	3	6.0
M&E	1	2.0
Program	21	42.0
Project	1	2.0
Senior Management Team	1	2.0
Total	50	100.0

Source: Survey Result, 2019

4.2.3 Duration at Current Organization of Respondents

In this analysis, respondents are asked how long they are working at the current organization and the results are presented by Table (4.3). According to the Table (4.3) of 50 respondents, 46.0 percent of respondents work at the current organization for more than 2 years and contribute the largest portion of total respondents. Others are 1 to 2 years group, 6 to 12 months group, 1 to 6 months group, more than 3 years group, more than 5 years group and 7 years group respectively. They are ranged from 4.0 percent to 16.0 percent of total respondents. Even 2.0 percent of the respondents are working at current organization more than 9 years. Just 10.0 percent of respondents are working in the current organization for 1 to 6 months. It is found that many of the respondents are working at current organization and have enough time to acknowledge the rules and policies then fluent with the procedures of the organization.

Table (4.3) Duration at Current Organization of Respondents

Duration	No. of Respondents	Percentage
1 to 6 months	5	10.0
6 to 12 months	6	12.0
1 to 2 years	8	16.0
More than 2 years	23	46.0
More than 3 years	3	6.0
More than 5 years	2	4.0
7 years	2	4.0
More than 9 years	1	2.0
Total	50	100.0

Source: Survey Result, 2019

4.2.4 Organizational Activity Focus of Respondents

In this section, respondents are questioned about activity focus or key areas of the organizations and the findings are portrayed in Table (4.4). According to the Table (4.4) among 50 respondents, 62.0 percent of the respondents are focused on health

sector as health work has been at the core mission of CPI since founding. Other sectors include the education sector at 24.0 percent, the social welfare sector at 10.0 percent and the disability sector at 4 percent, respectively.

Table (4.4) Organizational Activity Focus of Respondents

Duration	No. of Respondents	Percentage
Disability	2	4.0
Education	12	24.0
Health	31	62.0
Social Welfare	5	10.0
Total	50	100.0

Source: Survey Result, 2019

4.3 Examination of Fund Management Assessments

This part of study is to examine the assessments of fund management on the Myanmar local community-based organization can support them for better financial systems and process than to achieve financial objectives. The understanding on the financial systems and knowledge of the financial process of the staffs can influence the decision-making process for managing funds. This is one of reasons that assessment of fund management is necessity. In the standardized questionnaire, five-point Likert scale (5: strongly agree, 4: agree, 3: neutral, 2: disagree, 1: strongly disagree) is used in order to assess the influencing factors.

4.3.1 Financial Policies and Procedures

Financial policies are the specific principles, bases, conventions, rules and practices applied by an organization when preparing and presenting financial statements. Financial procedures are a set of instructions that can be used by any stakeholder, including new committee members or staff to figure out exactly which tasks need to be performed; who will perform these tasks; and who will ensure that the tasks are conducted properly. The goal of this section is to examine the presence and use of financial policies and procedures and their ability to respond to management

needs and donor requirements. In this section, 50 staffs of CPI’s partners are surveyed. Mean scores for each question are calculated and the results are prescribed in Table (4.5). According to the total average mean score 4.33, it could be said that most respondents have known, understood, and complete appropriate financial policies and procedures.

Table (4.5) Financial Policies and Procedures

No	Financial Policies and Procedures	Mean	Std. Dev
1	The organization has a good financial system with documented policies and procedures.	4.32	.621
2	The organization keeps good, accurate, timely and informative accounts.	4.44	.577
3	Financial Management staff adheres to policies and procedures and have effective checks and balances.	4.44	.577
4	There is a policy on level of authority regarding the transactions approval.	4.32	.551
5	The Bank account is managing in the Organization's name and reconciles on monthly basis at the end of each month.	4.14	.926
Total Average Scores		4.33	

Source: Survey Results, 2019

4.3.2 Financial Internal Control

Internal controls are the mechanisms, rules, and procedures implemented by a company to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. The purpose of this section is to determine whether internal controls adequately protect the assets of the company, manage internal risk, and ensure accounting data accuracy and reliability.

Mean scores for each survey question, which are collected from 50 staffs of local community-based organizations, are calculated and the results are prescribed in Table (4.5). According to the total average mean score 4.17, it could be said that the organizations of most respondents have complete and appropriately documented

financial controls, staffs who are well trained to know and understand the procedures, internal controls of their organizations are regularly monitored, checked and revised then they already have their own organizations processes for assessing financial risk.

Table (4.6) Internal Control

No	Internal Control	Mean	Std. Dev
1	Good separation of duties among procurement staff and staff handling revenues.	4.16	.681
2	The Organization keeps clear records for managing Incomes, Expenditures and Petty Cash.	4.36	.631
3	All Cash accounts reconcile monthly, review and sign by Finance Manager.	4.34	.593
4	An internal or external audit or assessment has appointed yearly.	4.10	.647
5	An audit or assessment has found no significant weaknesses or deficiencies in Internal Controls.	3.88	.718
Total Average Scores		4.17	

Source: Survey Results, 2019

However, regarding the mean score of audit or assessment as internal control is only 3.88. It could be said that the organizations of some respondents could have consistently followed their regulatory and donor audit criteria in a timely manner, but there is no internal audit function that routinely analyses risks or reviews and updates financial management systems to reflect the changing environment, nor shared audit reports with board members and other stakeholders.

4.3.3 Financial Documentation and Reporting

Determining whether record keeping is adequate and whether financial reports are ready for auditing and determining whether the regular financial reporting program of the entity helps the company to fulfill regulatory and donor requirements and information needs of stakeholders are the objectives of this section.

According to the overall average mean score 4.12 of Table (4.7), it could be said that, for financial documentation, the organizations of most respondents have full and

acceptable financial reporting procedures, procedures that are recognized and understood by staff, procedures that are regularly adhered to, checked and modified, up-to-date financial files at a secure location and a staff member assigned to handle them.

It could also be said that, for financial reporting, the organizations of most respondents a full and effective financial reporting system; reporting requirements and deadlines are routinely adhered to, regularly delivered accurate and complete financial reports to stakeholders (donors, budget holders, senior management, board members), a system for senior staff to review financial reports at least every three months and to use the reports to make decisions, complete and appropriately documented financial reporting procedures regularly reviewed and updated.

Table (4.7) Financial Documentation and Reporting

No	Financial Documentation and Reporting	Mean	Std. Dev
1	Internal Financial Statements are produced at Least one month.	4.04	.755
2	Financial Statements are complete, reliable and well documented with good explanatory notes.	3.98	.654
3	Managers consistently review financial statements.	4.24	.555
4	Managers consistently take corrective actions based on reviewed financial statements.	4.10	.463
5	Financial Reports meet the donor standards and well documented.	4.26	.664
Total Average Scores		4.12	

Source: Survey Results, 2019

Nevertheless, the organizations of some respondents have some weakness on financial statement according to the mean score 3.98 of question 2 on financial documentation and reporting section. Their organizations could have a good system of financial reporting; reporting requirements and deadlines are usually applied, financial reports are routinely provided to stakeholders (donors, budget holders, senior management, board members), but they are not always reliable and/or full, occasional

evaluations of senior staff financial reports, only some reported financial reporting procedures.

4.3.4 Financial Planning and Sustainability

A financial plan in general use is a comprehensive evaluation of the current pay and future financial condition of a person by using current existing variables to predict future income, asset values, and retirement plans. There is no agreed meaning of what financial sustainability is, but the long-term goal is to be there for the beneficiaries. It's the opposite of having to quit just because the organizations run out of funds.

Table (4.8) Financial Planning and Sustainability

No	Financial Planning and Sustainability	Mean	Std. Dev
1	The organization prepares annual budgets and uses them as a management tool for monitoring expenditure against budget.	3.98	.473
2	The Budgets are planned by those responsible for spending them, but the final authority lies with the Director and the Board.	3.78	.996
3	Budget Variance Report is prepared quarterly and submitted to the proper authority.	4.16	.468
4	The Organization has a cash flow that allows it to meet its financial obligations.	4.22	.418
5	The Organization has a documented resource mobilization strategy which relate to the strategic plan.	4.02	.685
Total Average Scores		4.03	

Source: Survey Results, 2019

According to the overall average mean score 4.03 of Table (4.8), it could be said that, for the financial planning, the organizations of most respondents have a complete and appropriate master budget, a core-cost budget that is aligned with the strategic plan and regularly reviewed; any shortfalls are addressed, clear project budgets that are reviewed regularly by senior management and adapted to align with project needs and donor requirements, a consistent methodology for including core costs in project budgets that is documented and ensures full cost recovery.

It could also be said that, for the financial sustainability, the organizations of most respondents have a diversified funding base with strong stakeholder relationship, income-generating activities and/or unrestricted sources of income, enough liquidity to pay all outstanding financial obligations, enough reserves to run for a few months without any donor funding, a written policy for building/maintaining reserves, a documented finance strategy in line with the strategic plan and reviewed regularly.

Even though the overall average financial planning and sustainability scores are over 4.0, but some respondent organizations have some deficiency in budget planning and management according to the mean scores 3.98 in question 1 and 3.78 in question 2 in the section on financial planning and sustainability. It could be said that the organizations could have a good master budgeting process that includes most or all required components, a core-cost budget that is generally aligned with the strategic plan, but is not regularly reviewed to address shortfalls. It may also be claimed that they may have clear project budgets, but some organizations are not routinely checked or properly matched with project requirements, a standard approach to include core costs in project budgets, but the method is not recorded and does not ensure proper recovery of costs.

4.3.5 Financial Objectives

Nonprofits are not required to show financial surpluses, but they need to generate enough income to cover their costs and establish reserves for lean financial times. Financial objectives include raising enough money to fund the activities included in their strategy, as well as fixed costs such as the rental of the property, staff compensation and office utility bills. Non-profits may generate revenue from the programs they provide through fundraising events or sales. The main objectives are to breakeven and optimize cash flow while minimizing unnecessary financial risk. (Objectives of a Nonprofit Organization, Tracey Sandilands, August 05, 2019)

According to the overall average mean score 4.20 of Table (4.8), it could be said that the organizations of most respondents are minimizing malpractices and illegal deeds such as overuse of resources, fraud and theft and preventing abuse of resources, usually improving the quality of organization's financial system, policies and procedures, strengthening fundraising efforts. Moreover funding and other resources

are used effectively and efficiently under the policy of donors and enhancing trust between the organization and the donor, thereby increasing the chances of organization getting a continuous support from them and secure the future of the organization.

Table (4.9) Financial Objectives

No	Financial Objectives	Mean	Std. Dev
1	Minimizing malpractices and illegal deeds such as overuse of resources, fraud and theft and preventing abuse of resources.	4.14	.948
2	Improving the quality of organization's financial system, policies and procedures.	4.28	.454
3	Improved in strengthening fundraising efforts because of well-organized financial resources.	4.06	.712
4	Funding and other resources are used effectively and efficiently under the policy of donors.	4.22	.840
5	Enhancing trust between the organization and the donor, thereby increasing the chances of organization getting a continuous support from them and secure the future of the organization.	4.28	.607
Total Average Scores		4.20	

Source: Survey Results, 2019

But some organizations of the respondents would need to emphasize a bit in organizing financial resources to strengthen fundraising efforts due to the mean score 4.06 which are lower than the total average score, even it is over 4.0, according to the table 4.9 of financial objectives.

4.4 Assessment of the Reliability of the Scale

Likert scales has widely used in this study. Therefore, before they are used, it should be checked their reliability of each dimension. Reliability refers to the extent to which data collection techniques and analysis procedures will yield similar findings to those of prior researchers. Measurements of reliability provide consistency in the measurement of variables. Internal consistency reliability provide consistency in the measurement of variables. Internal reliability is most commonly used psychometric measure assessing survey instruments and skills (Zhang, Waszink & Wijngaard, 2000).

Cronbach alpha is the basis formula for determining reliability based on internal consistency (Kim & Cha, 2002).

In this study, Cronbach’s alpha value is used as a measure of the internal consistency of the scales used in the questionnaire. If alpha is low, then at least one of items are unreliable and must be identified via item analysis procedure. However, as per DeVellis (2003), the Cronbach’s alpha value should ideally be above 0.7. In this study, studies scales were tested for internal consistency reliability using Cronbach’s alpha test as depicted in following Table (4.10).

Table (4.10) Results of Cronbach’s Alpha Value

Scale	Type of Scale	No. of Items	Cronbach’s Alpha
Policies and Procedure	5-point Likert	5	.731
Internal Control	5-point Likert	5	.790
Documenting and Reporting	5-point Likert	5	.882
Planning and Sustainability	5-point Likert	5	.775
Financial Objectives	5-point Likert	5	.836

Source: Survey Results, 2019

The results of the alpha value of the Cronbach for all scale range from 0.731 to 0.836, indicating reasonable internal consistency and reliability with this test for the scale as all scales are greater than 0.7.

4.5 Influence of Fund Management on Financial Objectives

By examining survey data through regression, this section investigates which predictor variables have the significant relationship to the response variables. Table (4.11) shows the result of regression between variables of predictors and variables of response, R square, adjusted R square and F value.

Table (4.11) Influence of Fund Management on Financial Objectives

Variable	Unstandardized Coefficients		β	T	Sig
	B	Std Error			
(Constant)	-.831	.552		-1.505	.139
Financial Policies	.110	.148	.090	.749	.458
Internal Control	.173	.190	.133	.909	.368
Documenting and Reporting	.222	.159	.189	1.392	.171
Planning and Sustainability	.723	.248	.498	2.915	.006
R Square	.663				
Adjusted R Square	.633				
F Value	22.133				

Source: Survey Results, 2019

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.11), the value of R square is nearly 67 percent, so this defined model may clarify the variance of social factors on the conative aspect to insurance. The overall significance of model, F value, is highly significant at a level of 1 percent. It can be said that this model is accurate. Nearly 63 percent of the variance of the independent variable and dependent variable can be clarified by the model since adjusted R square is 0.633.

Financial policy has a positive relationship to the financial objectives. Positive relationship, according to the result of regression, means that better financial policies and procedures contribute to more success effects of achieving financial goals as staff may rely on policies and follow procedures.

Internal control has a positive relationship with the achievement of financial objectives. Better management of the fund could achieve better quality of the financial objectives. If the internal monitoring could be well implemented by the companies, they could reduce the financial risks and unnecessary losses.

Documenting and reporting has the positive relationship with the financial objectives. The better documenting and reporting will increase the performance of the fund management and enhance to reach the financial objectives.

Planning and sustainability is positively related to the performance of financial objectives among the other variables. According to the regression result, positive relationship means that the better planning and sustainability in fund management leads to more effects to achieve the financial objectives. Better planning and sustainability could cover the shortage of fund in organizations and maintain the cash flow to be stable.

Among four variables, planning and sustainability has the greatest positive relation with the financial objectives since it achieves the highest Beta values.

CHAPTER V

CONCLUSION

This chapter presents findings and discussions based on the survey results. It also describes the suggestions and recommendations based on the findings. Lastly, it covers the need for further study as well. CPI vision is communities in Southeast Asia have the resources, capacity and information necessary to meet their own health, learning and development needs. Moreover, CPI is committed to evidence-based approaches to achieve and measure the impact of its health programming. Together with partners, CPI innovatively adapts proven approaches according to the resources, constraints, and the local context so that they are appropriate and sustainable. In order to preserve one of CPI's values that "excellence in financial management controls and reporting to ensure disciplined stewardship of its resources," CPI needs to help its partner to make financial management more comprehensive and effective by evaluating their management of the funds.

5.1 Findings

The points of the study are: firstly, to identify the funding application process of local community-based organizations; secondly, to examine the fund management assessments on local community-based organizations using the USAID organizational capacity assessment tool for community-based organizations, focusing on financial management. Among 50 respondents, the above survey data results, which all total average mean scores are high, reveal that the organizations of most respondents have complete and appropriate financial system, fully operational, computerized accounting system, systems that are consistently adhered to, reviewed and updated. The staffs of the organizations are well trained so they have known and understood the whole financial management systems and policies.

The organizations have narrative description of its financial system in its financial manual. They also have an appropriate financial and accounting system with well-documented policies and procedures that are practiced by all, revised when needed, and efficient checks and balances. A complete set of internal control procedures are reported and faithfully applied to, then the procedures are checked and revised on a

regular basis. Employees understand and use the processes. There is a process to access the financial risk. Documenting and filing financial records is done according to standard procedures. Designated staff review and prepare accurate and complete financial reports for distribution to stakeholders. Financial records are documented and submitted in compliance with standard procedures. Designated staffs review then prepare accurate and complete financial reports for distribution to stakeholders.

Complete, reasonable, and accurate budgets exist, both for the organization overall and for specific projects. Budgets are aligned with the strategic plan and a fundraising plan and are regularly reviewed. Budgets respond to project needs, donor requirements, and the environment. More than two external sources of funding are supporting the organization. The organizations of most respondents have reached their financial objectives according to the survey data research which overall average mean scores are high.

However, there are some statements which are lower than the total average mean score. The statements are which assesses for the audit findings in internal control, can be said that the organizations have some findings when auditing is conducted. The organizations may not complete financial statements with explanatory notes in documentation and reporting. Moreover, the organizations may prepare the annual budgets but may not use it for management tools and budgets may be not planned by those responsible for spending in financial planning and sustainability. The organizations may strengthen their fundraising by their activity planning, so that some respondents do not agree with the statement, improved in strengthening fundraising efforts because of well-organized financial resources. These are findings according to the survey data results conducted from the local community-based organizations.

5.2 Suggestions

An organizational fund management assessment is a systematic process for evaluating the consistency of the organization's financial system, policies and procedures, then the personnel whether they have appropriate program expertise or adequate ability to administer and monitor project accounts in compliance with international standards. It becomes crucial to realize that even productive non-profit

organizations face financial management problems that have an impact on their ability to accomplish their missions.

Nevertheless, according to each mean score of each statement which is lower than the total average mean score the organizations of some respondents should pay more attention on audit findings for better internal control, budget planning and management for better financial planning and sustainability, financial statements for better documentation and reporting then strengthening in fundraising for better financial objectives.

Moreover, assessing the management of the fund allows the company to explain the current situation and the future development needs. Therefore, assessing the fund management of local community-based organization can bring a strong financial management system for the organization itself and for the communities in the future.

5.3 Need for Further Study

This study focuses on fund management of local community-based organizations. In comparison, tables and graphs are analyzed using a descriptive approach. For non-profit organizations, the management of funds is crucial, not only for local community-based organizations, but also for international NGOs and UN organizations. Moreover, there are many frameworks or tools to assess fund management. Therefore, it is essential to use more full method with other analytical tools to analyze constantly since this study only focuses on local community-based organizations

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APPENDIX - 1

QUESTIONNAIRE

ASSESSMENTS OF FUND MANAGEMENT ON MYANMAR

LOCAL COMMUNITY-BASED ORGANIZATIONS

SECTION (I) Demographic Information

1. Level of Position : Board Member Director
 Manager Coordinator
 Officer Others

If others, please describe :

2. Department : Program Finance
 Human Resources Admin
 Logistics/Procurement Others

If others, please describe :

3. Duration : Less than 1 month
 1 to 6 months 6 to 12months
 1 to 2 years ago More than 2 years ago

4. Activity Focus : Health Education
 Social Welfare Disability
 Gender Equality Emergency Response
 Others

If others, please describe :

SECTION (II) Statements Relating to Fund Management of CPI's Partners

The end-users precede self-evaluation in terms of factors referring to financial management of Local CSOs. These questionnaires intended for partners of CPI who are supported to implement the activities.

The possible responses ranged from 1 (Strongly Disagree) to 5 (Strongly Agree).

Financial Policies and Procedures

No.	Statement	1	2	3	4	5
1	The organization has a good financial system with documented policies and procedures.					
2	The organization keeps good, accurate, timely and informative accounts.					
3	Financial Management staff adhere to policies and procedures and have effective checks and balances.					
4	There is a policy on level of authority regarding the transactions approval.					
5	The Bank account is managing in the Organization's name and reconciles on monthly basis at the end of each month.					

Internal Control

No.	Statement	1	2	3	4	5
1	Good separation of duties among procurement staff and staff handling revenues.					
2	The Organization keeps clear records for managing Incomes, Expenditures and Petty Cash.					
3	All Cash accounts reconcile monthly, review and sign by Finance Manager.					
4	An internal or external audit or assessment has appointed yearly.					
5	An audit or assessment has found no significant weaknesses or deficiencies in Internal Controls.					

Financial Documentation and Reporting

No.	Statement	1	2	3	4	5
1	Internal Financial Statements are produced at Least one month.					
2	Financial Statements are complete, reliable and well documented with good explanatory notes.					
3	Managers consistently review financial statements.					
4	Managers consistently take corrective actions based on reviewed financial statements.					
5	Financial Reports meet the donor standards and well documented.					

Financial Planning and Sustainability

No.	Statement	1	2	3	4	5
1	The organization prepares annual budgets and uses them as a management tool for monitoring expenditure against budget.					
2	The Budgets are planned by those responsible for spending them, but the final authority lies with the Director and the Board.					
3	Budget Variance Report is prepared quarterly and submitted to the proper authority.					
4	The Organization has a cash flow that allows it to meet its financial obligations.					
5	The Organization has a documented resource mobilization strategy which relate to the strategic plan.					

Financial Objectives

No.	Statement	1	2	3	4	5
1	Minimizing malpractices and illegal deeds such as overuse of resources, fraud and theft and preventing abuse of resources.					
2	Improving the quality of organization's financial system, policies and procedures.					
3	Improved in strengthening fundraising efforts because of well-organized financial resources.					
4	Funding and other resources are used effectively and efficiently under the policy of donors.					
5	Enhancing trust between the organization and the donor, thereby increasing the chances of organization getting a continuous support from them and secure the future of the organization.					