

Glimpse



A Newsletter of CSD – June 2019, Issue 26

CSD Convenes Conference on Human Resource Management of Microfinance Institutions



Participants of Conference on Human Resource Management of Microfinance Institutions

The Centre for Self-help Development (CSD) organized a Conference on Human Resource Management of Microfinance Institutions from June 25-26, 2019 in Dhulikhel, Kavre. It was attended by 35 executives from 25 microfinance institutions of Nepal.

Inaugurating the conference by lighting the traditional lamp 'Panas', the Chairman of CSD, Mr. Shankar Man Shrestha said, "The success of the microfinance program is built on the foundations of a strong human resource as well as honesty, integrity and hard work."

The sessions were facilitated by resource person Mr. Mohammed Abul Hossain, General Manager of Grameen Bank, Bangladesh and Mr. Bikal Prasad Sherchan, an eminent management expert from Nepal.

The conference focused on human resource practices of MFIs in Nepal and addressed the current problems. It also focused on the practices of Grameen Bank in staff recruitment process, training, change management as well as staff motivation and reward system. It is believed that a large number of these practices as seen in Grameen Bank of Bangladesh can also be replicated in the context of Nepal as well. Similarly, it also focused on effective communication, staff motivation and its implication in microfinance institutions of Nepal. Mr. Mohammed Abul Hossain, during his session on Human Resource Development Policy and Practices in Grameen Bank, highlighted on human resource management system in Grameen Bank. He said that in Grameen Bank fresh candidates are given priority over experienced candidates. He added that if experienced staff members are recruited the candidate will bring ethics, norms and values of different organizations which may not tally with Grameen Bank. If this is the case, the culture of Grameen Bank will be diluted from other organizations and thus Grameen Bank will lose its true identity.

In the session, Performance Management System in Grameen Bank, Mr. Mohammed Abul Hossain shared that

although Grameen Bank believes in providing training and capacity development activities, it prefers on-the-job training that are more practical and result based. In case of recruitment policy, Mr. Hossain said that the candidates have a rigorous selection process where they have to appear in a written test as well as viva voce. The written test will judge the theoretical knowledge of the candidate whereas viva voce will judge, among others, the ability of the candidate to speak clearly. The candidates are also judged on their physical strengths as well as their willingness to work in rural areas.

There were discussions on the replication of Grameen Bank's human resource management practice in Nepalese MFIs. There was general consensus among the participants that the Grameen Bank's practices are feasible and will help rebuild the MFIs towards the right track.

In the session on communication and motivation among staff, Mr. Bikal Sherchan shared the importance and effectiveness of communication for personal development as well as its implications on the overall aspect of organizational goals.

On the second day, Mr. Hossain elaborated on Efficient Personnel Management-Efficient Credit Management. He said, "In 1991 Prof. Yunus established Staff Association in Grameen Bank instead of staff union with the objective similar to that of unions." The association members are elected representatives of the staff who are chosen from among the best performing staff. They are involved in welfare and betterment of staff and have to fulfil their respective jobs better than others and do not have any waivers while discharging their duty.

In the session Ethics, Culture and Values in Microfinance, Mr. Hossain mentioned that Grameen Bank is poverty focused, collateral free and low-interest microfinance program targeted at the poor and destitute and adhered to the set ethics, values and culture of the organization.

During the group discussion, the participants

(contd. on page 5)

In this Issue

Retrofitting of Microfinance ...	p. 2
Tackling Unemployment ...	p. 3
CSD Conducts Managerial ...	p. 4
Training on Book Keeping ...	p. 4
Training on Planning ...	p. 4
CSD Conducts Regional ...	p. 5
Customized Training ...	p. 5
Member's Corner	p. 6
Board Officials of Nepalese ...	p. 7
Strong Internal Audit ...	p. 7
9th Social Business Day ...	p. 8

Retrofitting of Microfinance is the Need of the Hour

– Lessons from International Program on Internal Audit System

The microfinance sector in Nepal has been mushrooming at an alarming rate in the past five years. Newer microfinance institutions (MFIs) have sprung up, who do not necessarily follow the fundamentals and principles of microfinance. Over crowdedness and the race to maximize profit by poaching the same microfinance members has led to an unhealthy environment in the sector. Staff at the field level are pressurized to meet the target of making new members in an already over-crowded region leading to duplication of clients, over-indebtedness and ultimately loan default.

This has become a glaring challenge for most MFIs in Nepal and without a strong internal audit system to keep issues at check, an institution remains at risk to the many problems that will follow. Keeping this in mind, the Centre for Self-help Development (CSD) organized a two-day 'International Program on Internal Audit System' from June 18 – 19, 2019 in Dhulikhel, Kavre. Two resource persons from world renowned Grameen Bank and Grameen Trust facilitated the program, sharing the Grameen experience and learnings.

Welcoming the 31 participants from 21 MFIs, Executive Chief of CSD, Mr. Bechan Giri said, "Microfinance is an effective tool for poverty alleviation. However, due to the quantitative growth in the number of MFIs, certain deviations in its fundamentals have taken place and we have had to hear unpleasant news. Through this program, we hope to help MFIs make timely rectifications."

Mr. Mir Hossain Chowdhury, Head of Training and Social Business Department at Grameen Trust, Bangladesh shared, "Nepal is like the second home of microfinance. Microfinance is for the poor with small capacity. However, due to a faulty selection of members and over supply of credit, problems have been created in the field." He cautioned, "Regulation cannot be compromised on either the Government, the regulatory authority, the MFI or the member. MFIs need to be more humble and honest about their product and its impact."

Addressing the audience, Chairman of CSD, Mr. Shankar Man Shrestha expressed, "When Grameen Bank comes up with new innovations and methods, they do not disregard their core principles. But in Nepal we are slowly forgetting the fundamentals of microfinance and are getting embroiled in over indebtedness on clients and loan default. The major concern of microfinance is to help the poor graduate from poverty and its socio-economic impact, not in the number of clients it enrolls nor profit records."

Mr. Shrestha continued, "Most MFIs have underestimated the importance of an efficient and effective internal audit system. Recruitment of quality staff for this purpose, may incur the MFIs increased cost in the beginning, but in the long-run it ensures the quality and enhanced performance of the institution."



Internal Audit Officials pose with Resource Person duo and Chairman of CSD

During the program it was found that most MFIs in Nepal had a very lax internal audit system that was often overlooked by the management. Experience sharing indicated that most internal auditors were often provided minimal and under-qualified human resources and were often juggling between

more than one department. Additionally, they expressed that their suggestions and feedback were often overlooked and instead of being directly answerable to the Board of Directors, they found themselves answering to the management. They also voiced their concern over the lack of standardized audit practice and recurring errors despite remarks.

Sharing his experience, Mr. Rajan Bhattarai of Swabalamban Laghubitta Bittiya Sanstha Ltd. said, "Back in the day when the internal audit team used to visit the branch we used to be alert and afraid. But after the visit we would be relieved that everything was up-to-date. I even remember counting each spoon in the branch. Today, we are receiving pressure from the field staff to remove the passbook. Internal audit these days has become superficial and lacks in-depth study."

A session was also held on the corporate tax under the new monetary policy by chartered accountant Mr. Sujan Kafle where tax compliance and exemptions were discussed at length.

Mr. Mustafizur Rahman, General Manager of Grameen Bank, Bangladesh briefed the participants on the need for effective audit plan and standard practices and guidelines while preparing an audit report. He advised, "This training will be effective only when you return to your organization and share it with your top management. Effectiveness comes through execution."

Representing the participants, Mr. Govinda Wagle of Vijaya Laghubitta Bittiya Sanstha Ltd. shared, "An effective internal audit system helps in timely awareness of misdoings in an organization and precautionary measures to be taken. We have understood that discipline at the field level is a must. However, we hope that the perspective of the management and Board Directors will turn favorable towards us."

Delivering the closing remarks, Mr. Shankar Man Shrestha said, "The group or center is an MFI's pillar of strength. Most MFIs have overlooked this fact. When we expect quick returns, we make mistakes. Microfinance is a social business and as social practitioners we must think of our social impact and the socio-economic change we can bring about. It is unfortunate, but many deviations have been made in this sector and now MFIs must go into retrofitting of microfinance. Else, this sector will soon face collapse."

The participants, most of whom were participating in an internal audit focused training for the first time, were re-charged and enthusiastic to take up their role in their respective organizations delivering sound and effective internal audit checks and control.

Tackling Unemployment in Nepal through Youth Entrepreneurship

- an Orientation on Nobin Program

"If we can turn unemployment into entrepreneurship, the amount of human creativity, talent and productivity we will unleash is almost beyond measuring" – Prof. Muhammad Yunus



Group photo with the First Batch of Nobin Trainees

Taking forward the replication of the Grameen Trust (GT), Bangladesh initiated Nobin Program in Nepal, the Centre for Self-help Development (CSD) organized a one-day Orientation on Nobin Program (NP) for the staff of the initial eight organizations who had participated in the Study Visit of Nobin Program in Bangladesh in the month of February earlier this year. Following the visit to Bangladesh, each of the participating MFI had selected a branch office to pilot the youth entrepreneurship development program in their respective areas. So far, the MFIs have collected basic information regarding the children of their microfinance members aged 18-30 under the selected branch.

The one-day program was held on June 20, 2019 in the CSD premises, Kathmandu and was attended by the branch manager and field staff as well as a supervisor from the head office of each participating MFI.

Delivering his welcome remarks, Mr. Bechan Giri, Executive Chief of CSD remarked, "Our youths are going abroad in search of job opportunities. But, many get involved in difficult and life threatening situations. Such individuals have the skills but do not find the resources at home. Thus, we must cater to this population through promoting entrepreneurship."

Introducing the Nobin Program, Chairman of CSD, Mr. Shankar Man Shrestha shared, "Nobin is a youth focused program. Many youth in Nepal remain unemployed in the villages. They are being cheated, yet

they continue going abroad for foreign employment. They are unwilling to see the vast opportunities for self-employment at home itself. We must work towards changing this mindset and as our responsibility towards the future generations, guide them towards entrepreneurship development."

The program was facilitated by the Head of Nobin Program & Social Business in Grameen Trust, Mr. Mir Hossain Chowdhury. Sharing his experiences as a seasoned microfinance expert and Nobin Program Chief in GT, Mr. Chowdhury explained the concept of the youth focused program to the participants. He shared how the program came into being as an answer to unemployment in Bangladesh. Building the foundation of the program, he stressed on the importance of selecting the right candidate by conducting a thorough background check.

The participants were briefed on how to carry out a thorough background check, conduction of household visits and interactions with the candidate, his/her parents, neighbors and surprisingly the neighborhood children as well.

"A SWOT analysis of the new entrepreneur (NE) is conducted and a business plan is drafted with the help of Nobin staff. Nobin staff will be separate from your regular microfinance staff. They will be totally dedicated towards developing these NEs. The business must be locally

viable and investment is made for start-ups, business expansion, agricultural and technology based and environment friendly sector," explained Mr. Chowdhury.

The participants discussed on selection process of NE and how to design a business plan. Speaking about the importance of monitoring process, Mr. Chowdhury said, "Monitoring is essential to identify potential problems at an early stage and help the management to provide necessary guidance in due course of time. Monitoring takes place off-site, through SMS reporting on a daily basis and on-site through drop-in visits and surprise visits for physical verification."

Summing up the program, participant, Mr. Chitra Bdr. Bhandari of Upakar Laghubitta Bittiya Sanstha Ltd. shared, "We can take up this program as a credit plus service and find ways how to tackle unemployment in the rural areas."

Another participant and member of the initial team who visited Bangladesh, Mr. Man Bdr. Tharu of Unique Nepal Laghubitta Bittiya Sanstha Ltd. said, "The concept of the program is very good and complements the work of microfinance. Like in microfinance where reaching the right target group is of utmost importance, screening and selection of right NE is of equal importance."

During the program, the participants delved into the basics of the Nobin Program and were both curious and enthusiastic to take it forward in their chosen branch as a pilot test. Twenty-two participants from eight MFIs provided a vibrant learning ground for NP. The participating MFIs were; Unique Nepal Laghubitta Bittiya Sanstha Ltd., Kisan Bahuuddeshiya Sahakari Sanstha Ltd., Nawapratiwa SACCOS Ltd., EDCOL, Manushi Laghubitta Bittiya Sanstha Ltd., Mahila Samudayik Laghubitta Bittiya Sanstha Ltd., Aatmanirbhar Laghubitta Bittiya Sanstha Ltd. and Upakar Laghubitta Bittiya Sanstha Ltd.

CSD Conducts Managerial Proficiency Training for Branch Managers



Facilitator sharing his Managerial Experience with the participants

With the aim to develop the management skills of branch managers and help them achieve the objectives and maintain the sustainability of the organization in the long-run, the Centre for Self-help Development organized 'Developing Managerial Proficiency of Microfinance Branch Managers' training program from April 3-5, 2019 (Chaitra 20-22, 2075) in CSD Training Hall, Kathmandu.

The training program was participated by 24 branch managers from 11 microfinance institutions and was designed to upgrade the participating managers' skills and knowledge and develop individuals who have the right attitude and aptitude to become effective managers.

A total of 11 sessions were delivered which provided an opportunity for sharing the experience on management practices with focus on team building. It also dealt on the roles and responsibilities of a branch manager, program planning and budgeting, monitoring and supervision, credit management, client management and risk management. The feedback and evaluation of the training by the participants indicate that the program helped to achieve the objective set for the training and enhance managerial knowledge and skills.

Training on Book Keeping and Accounting Management for MFIs

The Centre for Self-help Development conducted a three-day training program on 'Book Keeping and Accounting Management for MFIs' with the aim of ensuring proper account keeping and quality of financial management in microfinance institutions. The program took place from May 19-21, 2019 (Jestha 5-7, 2076) in Maitighar, Kathmandu and was attended by 23 account officers from 15 different microfinance institutions. The program provided the participants a platform to share their experience as an account officer and provided better insight on the roles and responsibilities of account officers, significance of financial analysis, planning and budgeting in branch offices and importance of bank reconciliation.

The training also dealt with the concept of accounting in microfinance, the importance of voucher and supporting documents, classification of property and loan, preparation of sound financial statement, ratio analysis and so on. It had also enlightened the participants on the tax management in microfinance. They were also briefed on the standard framework of taxation in Nepal. In the end all the participants were asked about their feedback on the training and they expressed that they were very happy to be a part of this fruitful program.



The participants attentively listening to the facilitator

Training on Planning and Budgeting for Branch Managers of Manushi Laghubitta Bittiya Sanstha Ltd.



Participants Engaging in a Practical Session

The Centre for Self-help Development (CSD) organized a training on 'Planning and Budgeting' from May 24 to 25 2019 (Jestha 10-11, 2076), for 24 branch managers of Manushi Laghubitta Bittiya Sanstha Ltd. The training sought

to improve the knowledge and the skills of the branch managers. They were also oriented on business planning and budgeting, financial forecasting, financial consolidation and reporting process.

The training sessions were facilitated by Mr. Govinda Bahadur Raut and Mr. Sundar Prasad Shrestha, who enlightened the participants on importance and process of business planning, operational plan, financial projection and its importance, implementation and review of budget.

The program also focused on the importance of planning and budgeting for the stability and growth of the organization. The participants were also taught on how to conduct a SWOT analysis of their organization and branches. They were engaged in a practical exercise to internalize the process.

CSD Conducts Regional Training Programs to Address the Local Microfinance Issues

At the request of the microfinance institutions of the Eastern Region, CSD organized two regional training programs at Sundar Haraicha, Morang from April 7-12, 2019 (Chaitra 24-29, 2075). The training was mainly designed to address the local issues of microfinance with the cooperation of the local MFIs leaders.

1. Training on Delinquency Management

The first training program was held from April 7-9, 2019 (Chaitra 24-26, 2075). It was deeply centered on the management of delinquency. The training sessions highlighted the importance of "Client Selection" to minimize the delinquency and it was revealed that duplication is one of the major causes of delinquency. The program also introduced "Zero Tolerance Policy" to the participants. Zero Tolerance Policy is the policy which does not allow its coordinators any excuses regarding their duties and responsibilities. There were altogether 22 participants from 12 different organizations namely: BPW Laghubitta Bittiya Sanstha Ltd., Chhimek Laghubitta Bittiya Sanstha Ltd., Mero Microfinance Bittiya Sanstha Ltd., National Microfinance Bittiya Sanstha Ltd., Nerude Laghubitta Bittiya Sanstha Ltd., Sahara Nepal SACCOS Ltd., Swabalamban Laghubitta Bittiya Sanstha Ltd., Shree Navodaya Bahuuddeshiya Sahakari Sanstha Ltd., Muktinath Bikas Bank Ltd., Gurans Laghubitta Bittiya Sanstha Ltd., Mahuli Laghubitta Bittiya Sanstha Ltd. & Shrijanshil Laghubitta Bittiya Sanstha Ltd.



Group Photo of Regional Training on Delinquency Management

2. Training on Fundamentals of Microfinance Operation and Management

In the current day scenario, the microfinance sector in Nepal is facing many challenges such as duplication of clients, over indebtedness, multiple financing, loan default and so forth. These problems have arisen due to the deviation and failure by the MFIs to adhere to the fundamentals of microfinance. In view of this, CSD organized second regional training program from April 10-12, 2019 (Chaitra 27-29, 2075). The program was catered to the branch managers to orient them on proper client selection and development. The sessions were interactive and motivating providing the participants the occasion to learn about the basics and fundamentals of microfinance. The training program was attended by 11 participants from 6 different organizations namely: Nerude Laghubitta Bittiya Sanstha Ltd., Shrijanshil Laghubitta Bittiya Sanstha Ltd., Mero Microfinance Bittiya Sanstha Ltd., Sahara Nepal SACCOS Ltd., Shree Navodaya Bahuuddeshiya Sahakari Sanstha Ltd. & Swabalamban Laghubitta Bittiya Sanstha Ltd.



Group Photo of Regional Training on Fundamentals of Microfinance Operation and Management

Customized Training for Branch Managers Conducted with the Mantra 'Preventing Delinquency is Better than Cure'



Participants from Nagbeli during the Training on Delinquency Management

The Centre for Self-help Development (CSD) organized a one day customized training program on 'Delinquency Management in Microfinance' upon the request of Nagbeli Laghubitta Bittiya Sanstha Ltd. The training was held on 13 April 2019 (Chaitra 30, 2075) in Letang, Morang which was facilitated by the Director of CSD Mr. Satish Shrestha. The training mainly focused on the preventive measures of delinquency rather than curative measures and was participated by their 30 branch managers.

(... contd. from page 1)

CSD Convenes ...

said that focus should be made on positive reinforcement whereby, along with overt reward system like cash incentives and promotion, covert reward system like regular positive feedback for his/her work should also be institutionalized. The groups presented that training need assessment and gap analysis should be carried out before carrying out the training program. The group said that if training is conducted without training need assessment, it may be waste of resources. The group also presented that MFIs are more focused on profit maximization and over

looking loan duplication, over-indebtedness and capacity development of staff members and clients.

In the valedictory session, Mr. Shogat Bir Chaudhari from Aatmanirbhar Laghubitta Bittiya Sanstha Ltd. said, "If MFIs do not take staff management in the current context of merger and acquisition seriously, there will be various problems ahead."

The two-day program officially ended with the closing remarks by Mr. Shankar Man Shrestha who said, "Change should be initiated from the management level and it should be the progenitor of change."

Member's Corner



Profile of Mahila Sahayogi Bachat Tatha Rin Sahakari Sanstha Ltd.



Anila Shrestha
Executive Chairperson



Nanishova Maharjan
Senior Manager

Genesis

Mahila Sahayogi was established by 28 professional women promoters on December 20, 1999 under the "Cooperative Act, 1992", Government of Nepal. The main objective of Mahila Sahayogi is to provide financial support to women entrepreneurs and to empower rural as well as urban poor and deprived women through microfinance program in its service areas of Kathmandu district.

Since its inception, Mahila Sahayogi has internalized the idea that success is possible if one learns from its past experiences and implements them honestly. Due to its sincere and dedicated Board of Directors and Staff, Mahila Sahayogi has become a popular organization among the people in its program areas.

Mission

The mission of Mahila Sahayogi is to provide quality Saving and Credit services to its member. Besides this, its mission is to assist in poverty alleviation through microfinance services improving the economic as well as social status of poor and deprived women in its service areas.

Vision

The main vision of Mahila Sahayogi is to present itself as an efficient and outstanding cooperative providing

qualitative microfinance and savings and credit services to women.

Objectives

Mahila Sahayogi is dedicated to work for the following specific objectives to achieve its vision and mission.

- To provide saving and credit facilities and technical support to its member.
- To provide Microfinance service to its target group.
- To generate employment opportunities by mobilizing local resources, improving skills and entrepreneurship and supporting with possible external resources.
- To empower women through skill development training and awareness programs.

Programs

1. Saving and Credit Program

Mahila Sahayogi is geared towards designing saving and credit programs offering attractive interest rates to encourage women to mobilize their small and idle funds. It strives to provide efficient and economical credit facilities to the members.

2. Microfinance Program

Since July 2002, Mahila Sahayogi has been implementing microfinance program as its major component. Mahila Sahayogi has

followed the Grameen Bank Model to operate the microfinance program. The aim of the program is to uplift the socio-economic conditions of the poor, mainly the women.

3. Skill and Community Development Program

Mahila Sahayogi provides necessary know-how leadership development, skill development training and other support services to build up women's capacity for the establishment of local level enterprises and to enhance socio economic status. Its programs are designed on strengthening the capacity of local microenterprise, institutions and organizations to promote local entrepreneurship. Efforts are made to enhance women's capacities in developing enterprises and generating employment opportunities that ultimately help to raise the status of poor women in the program areas.



Head Office of Mahila Sahayogi

Savings Products

- Compulsory Savings
- Personal Savings
- Scheme Savings
- General Savings
- Bishesh Bachat
- Subidha Bachat

Loan Products

- General Loan
- Seasonal Loan
- Micro Enterprise Loan
- Emergency Loan
- Housing Loan
- Educational Loan

Protection Schemes and Other Activities

- Member Life & Spouse Life Support Program
- Member Housing Support Program
- Post-Natal Mother Support Program
- Member's Treatment Support Program
- Member's Loan Protection plan through Micro Loan Insurance

Operational Status as of Jestha end, 2076

• Area Coverage :	Kathmandu
• No. of Branches :	6
• No. of MF Members :	9,164
• MF Borrowers :	6,850
• No. of Staff :	49
• Share Capital :	Rs. 2,53,47,600
• Loan Outstanding :	Rs. 37,24,85,416
• Savings from Clients :	Rs. 33,22,89,924
• Loan Overdue :	Rs. 49,85,239
• Profit at the end of Jestha 2076 :	Rs. 1,68,63,085
• Reserve Fund :	Rs. 4,00,93,037
• Operational Self Sufficiency :	132.16%
• Repayment Rate :	99.87%

Board Officials of Nepalese MFIs Observe Microfinance in Sri Lanka

The Centre for Self-help Development (CSD) organized a study visit to Sri Lanka for the board officials of 6 microfinance institutions (MFIs) of Nepal from April 20-28, 2019 (7-15 Baisakh, 2076). It was implemented in collaboration with the Lanka Microfinance Practitioners' Association (LMFPA). The participants observed the microcredit activities at the grassroots level of the MFIs of Sri Lanka. They had interactions and exchange of ideas and information with the beneficiaries as well as the officials and staff of MFIs. They also discussed on the policy framework and regulatory mechanism with the top level officials.

The team of 8 members was led by the Board Member of CSD and General Manager of Kisan Bahuuddeshiya Sahakari Sanstha Ltd., Kailali, Mr. Dambar Bahadur Shah. During the visit the delegates visited LMFPA and discussed on its role in promotion and development of MFIs. They also visited the head office of Sarvodaya Development Finance Company to learn about their activities. An interesting feature of the Sarvodaya was the loan ambulance facility it provided to its members. In case of emergency a client can call the MFI for an emergency loan and the money is



Group Photo of Nepalese Delegates in Sri Lanka

provided by the staff at the household of the clients itself.

They were also able to visit SANSa campus in Kegalla and interacted with the faculty members. During the visit the team observed the branch office of Lak Jaya Microfinance and interacted on the operational modalities of the program in Sri Lanka. The team members visited the enterprises of the clients and were impressed to see

that not a single piece of agricultural land was left empty and was fully cropped.

The participants were Mr. Dambar Bahadur Shah (Coordinator) from CSD, Mr. Bhim Bahadur Giri (Board Member) and Mr. Gyanunath Mainali (Assistant Secretary) from Sahara Nepal SACCOS Ltd, Mr. Pancha Singh Rokaya (Chairperson) and Mr. Bishal K.C. (CEO) from Baudha Grameen Multipurpose Co-operative Ltd., Ms. Nirmala Acharya (Vice Chairperson) from Mahila Sahayogi Bachat Tatha Rin Sahakari Sanstha Ltd., Ms. Subarna Pandey (Board Member) from Mirmire Laghubitta Bittiya Sanstha Ltd., Mr. Bijay Kumar Ghimire (HR Department Head) from National Microfinance Bittiya Sanstha Ltd. and Mr. Prafull Kumar Dev (Officer) from Nerude Laghubitta Bittiya Sanstha Ltd.

Strong Internal Audit and Control System Ensures Sound Financial Health of an MFI

The Centre for Self-help Development (CSD) conducted a training on 'Internal Audit and Control' with a view to improve the internal audit system by keeping proper control over all the activities of microfinance institutions (MFIs). Twenty audit personnel from 12 MFIs participated in the two-day training program from April 17-19, 2019 (Baisakh 4-6, 2076) in CSD Training Hall, Kathmandu.

The training program was designed as a compact course to help MFIs operate smoothly and efficiently following sound accounting practice and financial rules and regulations set up by the organization. Moreover, the training also sought to equip the participants with skills of conducting audit properly and reporting accurate financial data, identify problems to solve and prevent them in the future

and ensuring compliance with all internal and external rules and regulations.

The course focused on instilling participants with knowledge and awareness on the roles and responsibilities of an internal auditor and the importance of internal audit. It also provided an opportunity to participants to share their experience as an internal auditor and the challenges they faced.

The session delivery and discussion aimed to acquaint the participants with the internal audit plan, checklist and methodologies of audit process,

different types of frauds and errors, weak points and strengths observed that appear in the operations of the microfinance and make appropriate recommendations to address them. The participants were briefed on the process of preparing an audit report and follow-up guidelines for correspondence, common errors in microfinance and tax management in microfinance institutions.



Group presentation during the training

Following the Path of Social Business: 9th Social Business Day Successfully Concludes in Thailand



The Nepalese Delegates at the 9th SBD

From June 28 – 29, 2019 over 1,500 delegates from across the world came together to celebrate and take forward social business on a global scale at the 9th Social Business Day (SBD) in Bangkok, Thailand. Organized by the Yunus Centre, Bangladesh, this year, the event was hosted by the Yunus Centre at the Asian Institute of Technology with local support from the Yunus Social Business Centre Kasetsart University and the Thailand Social Business Initiative.

The 9th SBD revolved around the theme of **‘Making money is happiness, making other people happy is super happiness’**. In his opening address, Nobel Peace Laureate Prof. Muhammad Yunus spoke about the global issues of poverty, unemployment and carbon emissions. He emphasized, “These are the key issues of our society that require attention of the people from all disciplines.” The theme of this year’s SBD was widely applauded and presentation of various social business organizations displayed the validity of the theme in the present day context.

On the first day, Chairman of CSD, Mr. Shankar Man Shrestha moderated a panel session on ‘Social Business Microfinance’ where the speakers shared their experience and unanimously agreed on the need to maintain microfinance as a social business. They expressed their concern about the growing trend of profiteering among the MFIs ignoring the philosophy and principles of microfinance. The speakers were

eminent microfinance and social leaders from Bangladesh, Malaysia, the Philippines, Thailand and the USA.

“Some institutions plough back their profit and invest in their members and their children. However, today’s new breed of MFIs that are commercialized and profit oriented needs to be reoriented on social business microfinance,” pointed out Mr. Shrestha.

Summing up the session, Mr. Shrestha said, “The youth today are the promise of our tomorrow. They have boundless talent, creativity and skill-set. Provided they have guidance and access to financial and technical support, they can change the scenario of the world.”

The delegates from more than 65 countries discussed on and shared their experience on topics relating to the intersection between social business and technology, healthcare, youth leadership, sports, arts, microfinance and the environment.

At the closing ceremony, under the initiative of Prof. Yunus, the delegates at the conference pledged to work

towards a cleaner and greener environment and achieve zero net carbon emissions. Prof. Yunus concluded by saying, “There are many flaws in the capitalistic tools to solving the problems facing our planet. We must go ahead with the social business tools. If we want to reach a new destination, we have to build a new road.”

“Each human being possesses unlimited potential and power. Let us unleash and make use of the vast potential and creativity and save our planet without any delay and without waiting for anybody,” urged Prof. Yunus.

The conference illuminated various ways in which individuals from around the world can come together and effectively create solutions to pressing issues faced by our society through the power of social business.

Under the coordination of CSD, twenty-five microfinance officials from Nepal attended this august occasion. The officials included representatives from RMDC Laghubitta Bittiya Sanstha Ltd., Aatmanirbhar Laghubitta Bittiya Sanstha Ltd., EDCOL, Citizen Investment Trust, Nawaprati SACCOS Ltd., Mirmire Laghubitta Bittiya Sanstha Ltd., Shrijanshil Laghubitta Bittiya Sanstha Ltd., Nerude Laghubitta Bittiya Sanstha Ltd., Upakar Laghubitta Bittiya Sanstha Ltd., Unique Nepal Laghubitta Bittiya Sanstha Ltd., Solve Laghubitta Bittiya Sanstha Ltd., Forward Community Microfinance Bittiya Sanstha Ltd., Nagbeli Laghubitta Bittiya Sanstha Ltd. and Kisan Microfinance Bittiya Sanstha Ltd.



Mr. Shankar Man Shrestha moderating the panel session



Centre for Self-help Development (CSD)

- Institute of Microfinance & Cooperative Development

P.O. Box 8852, Maitighar Height, Kathmandu, Nepal

Tel.: +977-1-4265635, 4256786, Email: csd@mos.com.np, Web: www.csdnepal.org.np

