

# SOCIAL AUDIT UNITS IN INDIA

CURRENT STATUS – JANUARY 2018

Karuna M.  
Dr. C. Dheeraja



**National Institute of Rural Development and Panchayati Raj**

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**Karuna M., Dr. C. Dheeraja**  
**Centre for Social Audit**

**NATIONAL INSTITUTE OF RURAL DEVELOPMENT AND  
PANCHAYATI RAJ, HYDERABAD**



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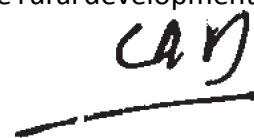
## FOREWORD

Social Audit is recognised by many, including the Comptroller and Auditor General (C&AG), as a powerful tool to enforce transparency and accountability. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was the first Act to mandate Social Audit by the Gram Sabha of all the projects taken up in the Gram Panchayat. Recognising the need for an institutional framework to facilitate Social Audit by the Gram Sabha, the MGNREG Audit of Scheme Rules, 2011 mandated establishment of an independent unit and specified the roles and responsibilities of different administrative personnel.

Most States have set up an independent Social Audit Unit (SAU) and some have even begun to facilitate Social Audit in other programmes, including Pradhan Mantri Awas Yojana, National Social Assistance Programme, Midday Meal Scheme and Public Distribution System. It is important to periodically take stock of the SAUs and the quality of their audits so that best practices can be shared and corrective steps can be taken to strengthen the social audit process. The last systematic study (Compliance Audit of the implementation of the Audit of Schemes Rules) was done by the C&AG in 2014-15 and identified systemic shortcomings. The 2016 Auditing Standards approved by the C&AG and MoRD have listed a number of parameters for evaluating the performance of the SAUs. The Centre for Social Audit in NIRD&PR has brought out this report by analysing the SAUs based on these parameters.

The nature of the SAUs and the quality of the audits they do vary widely. In some States, the SAUs are very independent while in others, they do not have the liberty to function effectively. The quality of the audits is poor in many States; some States are conducting audits in a very small scale. Shortage of adequate full-time personnel and funds, lack of action on the findings by the implementation agencies and lack of an effective Management Information System (MIS) to record the issues and track the action taken have all served to limit the potential of Social Audit. Some of these issues are being addressed now - MoRD is giving funds directly to the SAUs, a new Social Audit MIS is being developed and resource persons are trained with standard curriculum based on the Auditing Standards. But, we still have a long way to go.

The report lists many valuable recommendations for the MoRD, State SAUs and the States. It has listed some of the challenges faced by the SAUs as well as best practices followed by them. I hope this report will be useful in strengthening the Social Audit Units and enable them to promote participation, transparency and accountability in all the rural development programmes.

  
**DR W R Reddy**

Director General, NIRD & PR



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# 1 Introduction

In August 2005, the Indian Parliament passed the National Rural Employment Guarantee Act (1), which mandates the provision of 100 days of guaranteed employment (unskilled manual work) every year to any rural household in India. Section 17 of the Act says that the Gram Sabha shall conduct Social Audit of all the projects under the scheme taken up within the Gram Panchayat.

Social Audit is the audit of a scheme jointly by the Government and the people, especially by those who are affected by the scheme or its beneficiaries. It is a powerful tool to promote transparency, accountability and people's participation in the schemes meant for them.

To ensure proper conduct of social audits, the Ministry of Rural Development (MoRD) in consultation with the Comptroller and Auditor General (C&AG) of India, notified the Mahatma Gandhi National Rural Employment Audit of Scheme Rules in 2011 (2). These rules clearly specify the responsibilities of the facilitating organisation (Social Audit Unit), the social audit pre-requisites, social audit process to be followed, the roles and responsibilities of the officials at different levels, responsibility of the State Government to take follow-up action and the State Employment Guarantee Council to monitor the action taken and place it before the State Legislature.

In 2014-15, C&AG did an audit of the Social Audit Units and the audits done by them to see if they are in compliance with the Audit of Scheme Rules 2011. This report was published in 2016 (3).

In June 2015, MoRD in consultation with the C&AG constituted a task force for looking into all aspects of Social Audit and advise the Ministry on making the Social Audit exercise more effective. The recommendations of the four working groups which included 'Auditing Standards for Social Audit' (4) were examined and duly accepted. The MoRD forwarded the Auditing Standards to all States in December 2016 for necessary action and compliance.

To find out status of social audits in the country, NIRD&PR circulated a questionnaire to all Social Audit Units in January 2018 (Appendix C). Responses were received from 23 States (Rajasthan, Haryana, Jammu & Kashmir, Arunachal Pradesh, Manipur and Goa did not respond). During last year, NIRD&PR personnel also visited most of the States to find out the status of Social Audit. This report is a compilation of responses from the States and the learnings from the field visits.

It is arranged in the following manner – Section 2 lists the recent developments with respect to Social Audit. Section 3 gives the current status of social audit units (Society Registration, Governing Body, Staff Structure, Social Audit Findings). Section 4 gives the feedback from the different Social Audit Units and Section 5 gives recommendations for strengthening the social audit process in all States. The Appendix gives State-wise data on many of the important parameters relevant to Social Audit, including the number of audits done, audit findings, status of society registration, appointment of Director and number of staff.



## 2 Recent Developments

Significant progress in social audit has been made during 2017-18. While independent societies have been registered in Bihar and Maharashtra (Assam, HP and Punjab set up societies in 2016-17), new directors have been appointed for the first time in Kerala, Assam and Andhra Pradesh. District Resource Persons (DRPs) have been appointed in Bihar. Meghalaya Legislature has enacted 'The Meghalaya Community Participation and Public Services Social Audit Act, 2017' which mandates social audit in 26 different schemes in Education, Health, Rural Development and other schemes. Eight States have taken up Social Audit of 11 different Programmes, including the Pradhan Mantri Awas Yojana, National Social Assistance Programme, Midday Meal Scheme, Integrated Child Development Services and Public Distribution System.

The Supreme Court, while hearing the Swaraj Abhiyan petition (5) on drought relief, issued the following direction on 21 July 2017: *'The Secretary in the Ministry of Consumer Affairs, Food and Public Distribution of the Government of India will ensure that the social audit machinery postulated by Section 28 of the NFS Act and which is already in place in so far as the MGNREG Act is concerned, is established at the earliest with appropriate modifications to enable every State Government and Union Territory so that a periodic social audit is conducted and the NFS Act is purposefully implemented for the benefit of the people.'*

To alleviate delays in receipt of funds from the State, the MoRD has started giving money directly to the Social Audit Units. An MIS is being developed by the MoRD to capture the social audit findings and track the action taken on them. A national meet with the Social Audit Directors was organised in Delhi in January and another workshop is planned in April 2018 at NIRD&PR. Newly recruited resource persons are given a 30-day standard training with the support from TISS, in ten States, SHG members are being given four-day training to enable them to work as Village Resource Persons.

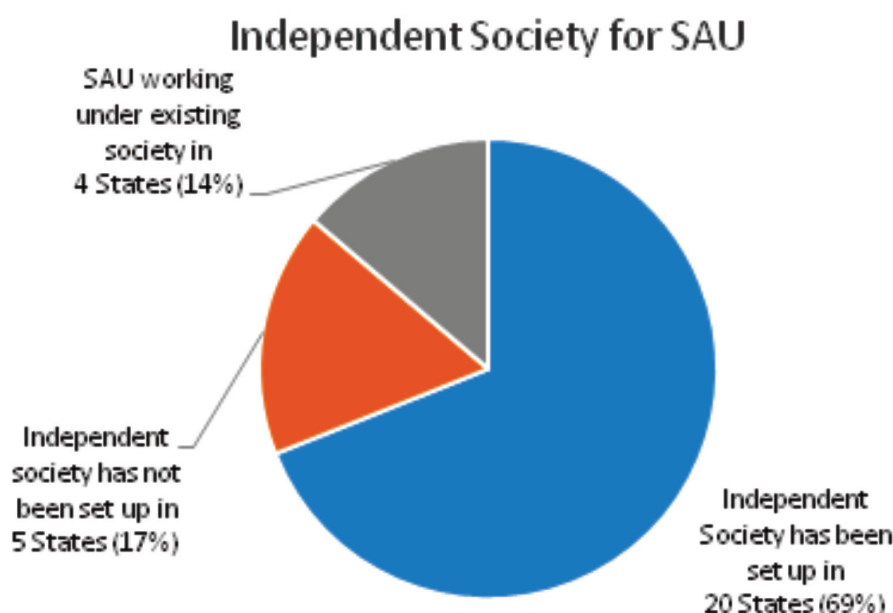
There are, however, significant issues pending - few States are yet to set up independent Social Audit Units, the social audit findings are insignificant in most of the States, cooperation from the implementing agencies is poor and action has not been taken on most of the grievances and identified irregularities. It is important to address these issues and strengthen social audit so that its objectives (participation, transparency, accountability and social justice) are achieved.

## 3 Current Status

### 3.1 Independence

#### 3.1.1 Social Audit Unit Society Registration

MGNREG Audit of Scheme Rules 2011 says *'The State Government shall identify or establish, under the Act, an independent organisation (hereinafter referred to as Social Audit Unit) to facilitate conduct of social audit by Gram Sabhas.'*



The 2016 Auditing Standards say incorporation of the Social Audit Unit as a society under the Societies Registration Act is one of the prerequisites for independent social audit. The 2017 Annual Master Circular (AMC) states that State Governments are mandated to set up independent societies tasked with the exclusive responsibility of conducting social audits under Mahatma Gandhi NREGA.

The following seven States have not yet registered an independent society to do social audits: Maharashtra, Rajasthan, Haryana, Jammu & Kashmir, Goa, Tripura and Arunachal Pradesh.

In West Bengal, Sikkim, Jharkhand and Nagaland, the Social Audit Units are working under a society set up for other purposes which reduces their independence and is against the guidelines.

It is most important that all States set up an independent unit and register it as an exclusive society for conducting social audits. This is the first step that needs to be done.

### 3.1.2 Governing Body

The 2016 Auditing Standards say the Governing Body should consist of at least the PAG, Principal Secretary and three representatives from civil society members, academic and training institutions having long standing experience in working with issues related to transparency and accountability.

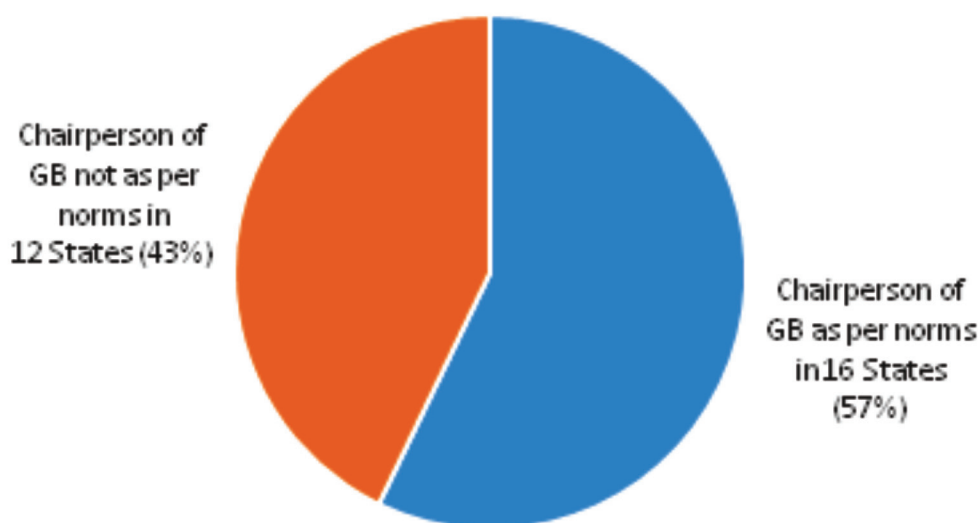
**Principal Accountant General** is the member of the Governing Body in 19 States: Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Mizoram, West Bengal, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Odisha, Sikkim, Tripura, Telangana, Uttarakhand, Uttar Pradesh and Karnataka. In Punjab, the Deputy Accountant General is the member.

**Civil Society Representatives** – Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Mizoram, West Bengal, Nagaland, Sikkim, Tripura, Telangana and Kerala have appointed three or more civil society representatives. Jharkhand, Meghalaya, Himachal Pradesh and Punjab have two civil society representatives. Tamil Nadu, Uttarakhand, Uttar Pradesh, Karnataka and Odisha do not have any civil society representative in their Governing Bodies.

**Governing Body Chairperson** - The 2017-18 AMC (6) says that the Principal Secretary, Department of Rural Development / Panchayati Raj should not chair the Governing Body to ensure independence of the Social Audit Unit from the implementing agency.

Chief Secretary is the chairperson of the Governing Body in Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Meghalaya, Odisha, Tripura and Uttar Pradesh. In Arunachal Pradesh, the Commissioner (Finance) is the chairperson. In Himachal Pradesh, the Additional Chief Secretary of the Urban Development Department is the chairperson. In Kerala, Principal Secretary of the Water Resources Department is the chairperson. In Maharashtra, the Secretary of the Rural Development Department is the chairperson but MGNREGS is not implemented by the Rural Development Department there.

## Governing Body Chairperson



In Manipur, the Minister of Rural Development is the chairperson. In Mizoram, the Secretary of the Local Administration department is the chairperson. In Punjab, Additional Chief Secretary (Development) is the chairperson. In Telangana, a governing body member other than the Secretary of RD department has been nominated as the chairperson. These States have appointed Chairperson as per the guidelines.

There is no chairperson in West Bengal. The Secretary of Rural Development Department in charge of implementing MGNREGS is the chairperson of the Governing Body in Bihar, Jharkhand, Karnataka, Madhya Pradesh, Sikkim, Tamil Nadu and Uttarakhand. In Nagaland, the Secretary of Society for Training and Research on Rural Development (STRoRD) is the chairperson. These States need to nominate a member other than the Secretary of the Department in charge of MGNREGS implementation as the chairperson.

### 3.1.3 Independent Bank Account

It is important for the SAU to have financial independence. The ability to sign cheques should reside with the SAU staff and they should not have to depend on an external person either from the implementing agency or a person holding additional charge. If this external person happens to be from the RD&PR department, then their level of independence could be further compromised. This is the case in the following States – Assam, Bihar, Gujarat, Himachal Pradesh, Jharkhand, Punjab, West Bengal, Odisha and Karnataka.

In Chhattisgarh, Mizoram, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh, the SAU Director and another person from the SAU are the account holders.

## 3.2 SAU Director

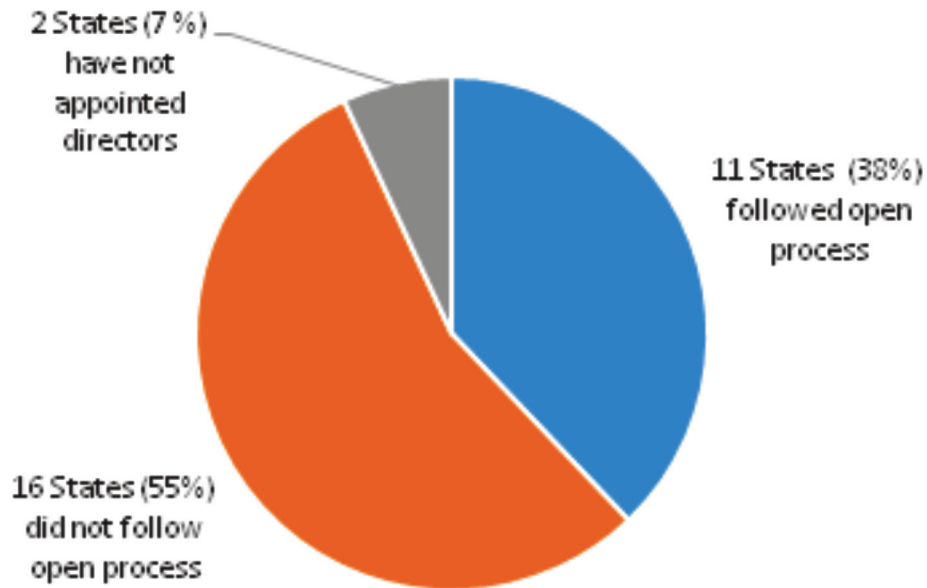
The 2016 Auditing Standards say that a selection committee consisting of Chief Secretary/ nominee, PAG in-charge of Local Bodies Audit, Principal Secretary of Department of Rural Development, eminent CSO representative and MoRD representative should select a Director who will enhance the independence of the Social Audit Unit. Further, the 2014 MoRD norms on recruitment (7) mandate that an advertisement for these positions must be placed on the State NREGA website for at least 21 days before selection date. However, many States have not followed this process. Instead, they have deputed a serving officer or appointed a retired government official as the Director without following the due process.

The 2016 Auditing Standards(4) also say that the tenure of Director should be three years, but this has not been followed in many States, including Karnataka, Bihar, Manipur, Uttar Pradesh and Tamil Nadu. Frequent changes lead to instability and affect the independence and effectiveness of the SAU.

### Appointment Process

- 1) The following 11 States followed the specified process (notified a selection committee followed by an open recruitment process) for appointment of Director: Andhra Pradesh, Assam, Chhattisgarh, Himachal Pradesh, Jharkhand, Kerala, Maharashtra, Odisha, Punjab, Sikkim and Telangana

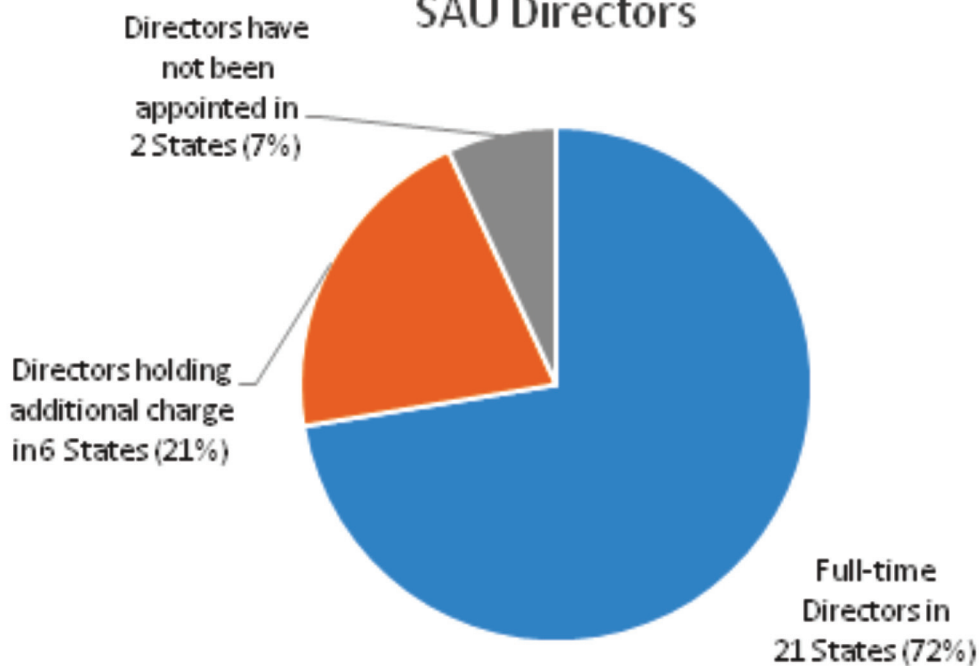
## Director Appointment Process



- 2) The following 16 States have not followed the specified process for appointment of Director: Arunachal Pradesh, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand and West Bengal.

The following two States have not appointed directors – Goa and Jammu & Kashmir

## SAU Directors



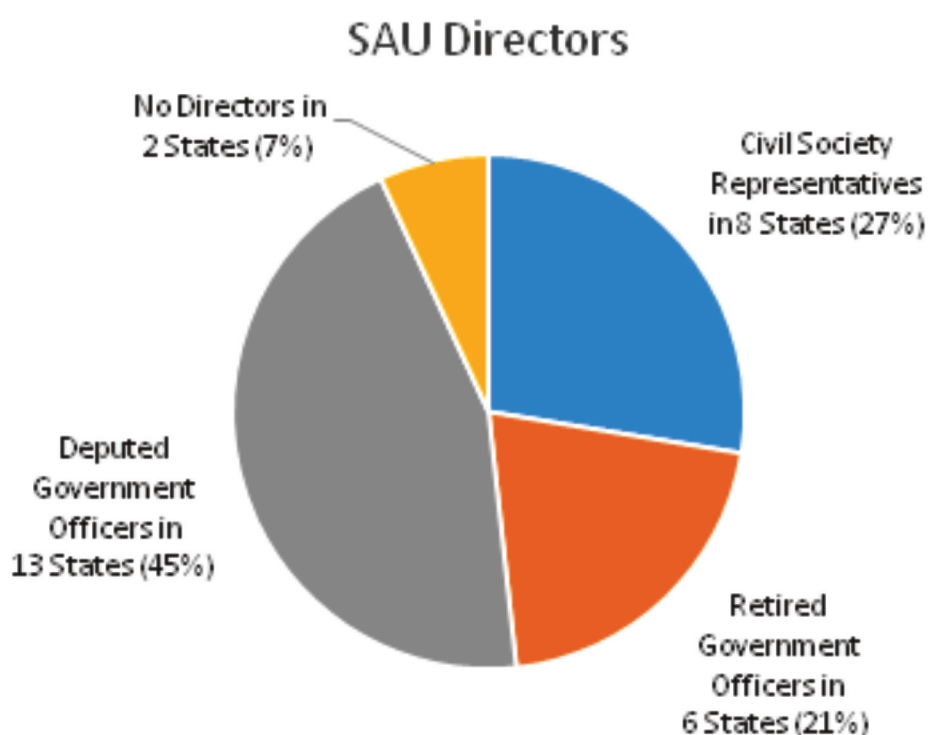
## Full Time vs Additional Charge

- 1) The following 21 States have full-time directors – Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttarakhand and Manipur
- 2) The following six States have officers who hold the director's position as additional charge which is a violation of the 2016 Auditing Standards – Bihar, West Bengal, Uttar Pradesh, Arunachal Pradesh, Haryana and Nagaland
- 3) The following two States have not appointed directors – Goa and Jammu & Kashmir



### Panchayat Level Public Hearing in Palamu District, Jharkhand





### Among the Directors

- 1) The following eight States have appointed civil society persons as Directors - Andhra Pradesh, Assam, Chhattisgarh, Jharkhand, Maharashtra, Odisha, Sikkim and Telangana
- 2) The following six States have appointed retired government officials as directors - Gujarat, Himachal Pradesh, Karnataka, Meghalaya, Punjab and Manipur
- 3) The following 13 States have deputed government officials to act as Directors: Arunachal Pradesh, Bihar, Haryana, Kerala, Madhya Pradesh, Mizoram, Nagaland, Rajasthan, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal
- 4) The following two States have not appointed directors – Jammu & Kashmir and Goa

### 3.3 SAU Personnel

Broadly, there are four types of resource persons – State, District, Block and Village. Resource persons at the State level include the Social Development Consultant, Social Audit Experts and State Resource Persons. States have sanctioned a certain number of resource persons at each level.

MoRD has said that a selection committee should be notified and this committee should then select resource persons at the State and district level. Most States have issued an open advertisement and conducted written tests followed by a personal interview before selecting the resource persons at the State and district but there are also many instances of people



being appointed without following the selection process. The resource persons are typically given a contract of one year or less which gets renewed based on their performance.

The total number of resource persons is given below (State-wise distribution is given in the Appendix). This is the summary of data collected from 23 States which responded to the questionnaire issued in January.

### SAU Resource Persons

Position Name	Sanctioned Posts	Appointees
Social Development Consultants	7	4
State Resource Persons & SA Experts	118	71
District Resource Persons	780	667
Block Resource Persons	4493	4347
Other Staff	251	187
<b>Total</b>	<b>5649</b>	<b>5276</b>

The 2016 Auditing Standards say ‘SAU Resource Persons at the Block and the Village level will essentially be members from the local community and SHGs of women in the social audit exercise’

Telangana and Andhra Pradesh are following this directive. They recruit Block Resource Persons from among the high-performing Village Resource Persons, who have facilitated at least three audits. This ensures that the SAU is staffed by people from the local community and has a diverse character as opposed to selecting people through a central exam which is more likely to attract people from urban backgrounds.

Maharashtra relies on the BDO for selection of Village Resource Persons which could lead to conflict of interest. Tamil Nadu has appointed retired BDOs, who were in charge of implementing MGNREGS as Block Resource Persons, which leads to conflict of interest and is against MoRD norms. Arunachal Pradesh has given District Research Officers the additional charge of District Resource Persons which means they will be able to devote very little time for Social Audit.

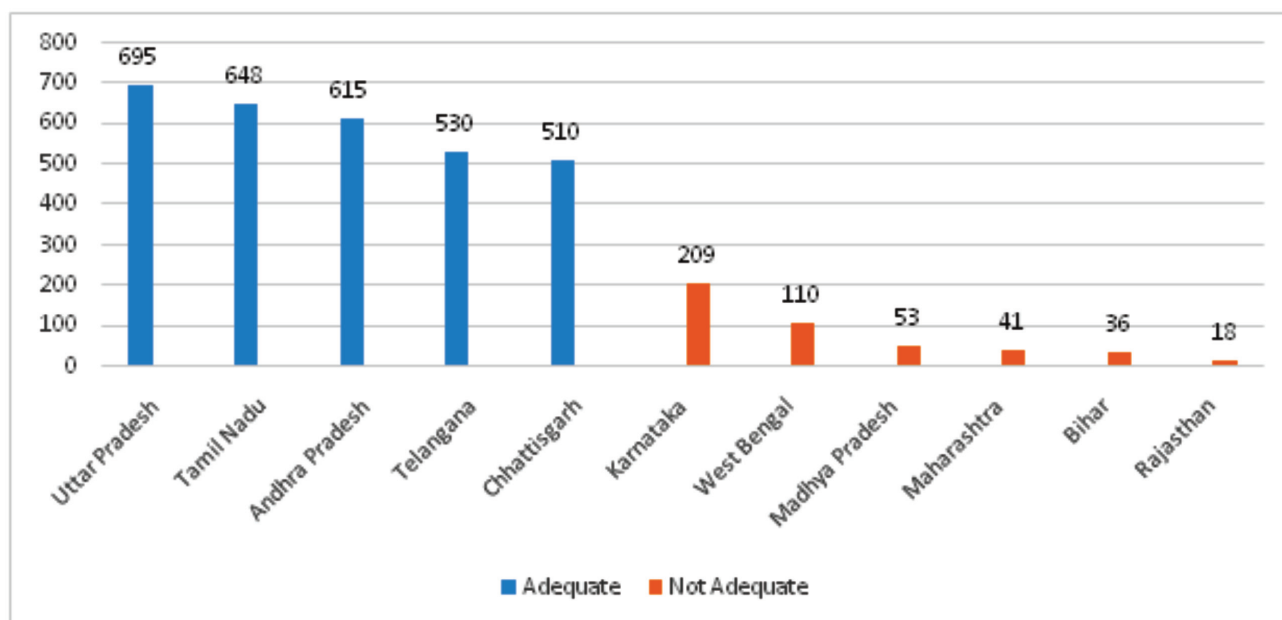
Some States including West Bengal, Bihar, Madhya Pradesh, Maharashtra, Rajasthan, Punjab and Mizoram have not hired Block Resource Persons. This severely hampers the quality of social audit as a District Resource Person alone cannot ensure the quality of audits that are happening in multiple panchayats at the same time. If a Block Resource Person, who has done multiple audits before were to be present in a panchayat for the duration of the audit, he/she would be able to guide the Village Resource Persons effectively and the quality of Social Audit would be much better. Having less number of full-time resource persons in addition

to limiting the number of panchayats that can be audited, also leads to poor quality of audit.

One of the reasons that States have not hired Block Resource Persons is that the MoRD supported special financial assistance project (that was supposed to run from 2014 to 2017 but funds were given only for one year) supported only State and District Resource Persons. Another reason is that 0.5 per cent of MGNREGS expenditure is not enough for doing social audit especially in the smaller states.

Maharashtra has not even hired District Resource Persons; they say that the DRPs might approach court requesting for permanent employment in the State. Instead, they have empanelled DRPs who maybe periodically called to work. But, this arrangement makes the DRPs very insecure and reduces their commitment to the social audit process. Rajasthan does not have any full-time field resource persons. The graph below presents the number of full-time resource persons in large States.

**Number of Full-time SAU Personnel in Large States**



### Gender Balance of SAUs:

There is a severe gender imbalance (very few women have been hired as resource persons) in most SAUs as highlighted by the TISS monitoring reports on the 30-day training programme which need to be addressed.

## 3.4 SAU Functioning

### 3.4.1. Number of Audits Conducted

MGNREG Audit of Schemes Rules, Section 6 says *'The Social Audit Unit shall, at the beginning of each year, frame an annual calendar to conduct at least one social audit in each gram Panchayat every six months and a copy of the Calendar shall be sent to all the District Programme Coordinators for making necessary arrangements'*

The following 15 States prepared an annual calendar – Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Punjab, West Bengal, Maharashtra, Meghalaya, Tamil Nadu, Tripura, Telangana, Uttarakhand and Karnataka.

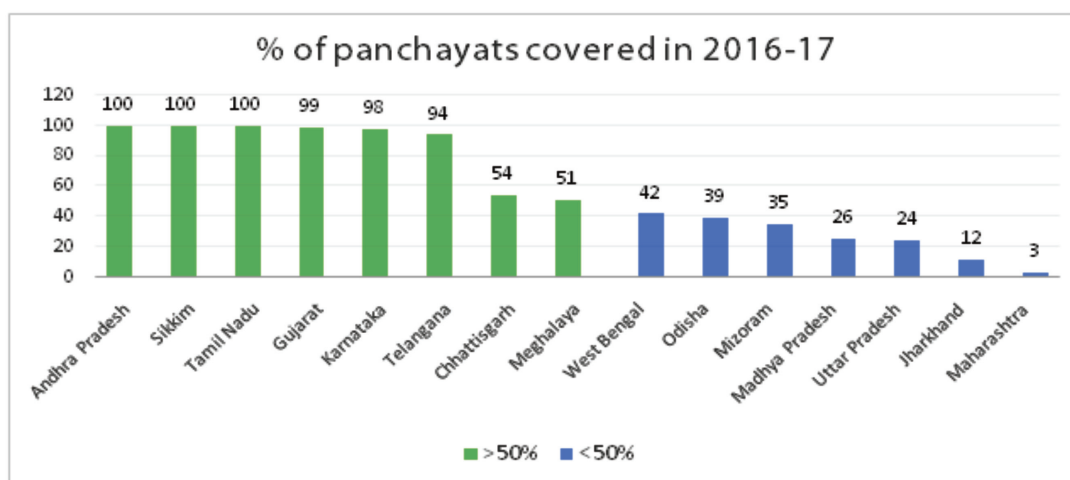
From the 2,15,097 panchayats reported by States, social audit was done in 88,293 panchayats in 2016-17 and in 2017-18 till November, audits were done in 57,645 panchayats.

Total number of panchayats	Number of panchayats in reporting States	Number of panchayats where social audit was done in 2016-17	Number of panchayats where social audit was done in 2017-18 till Nov
258114	236566	88293 (37 %)	57645 (24 %)

As seen in the Table below, the percentage of audits done in the following large States is very less: Maharashtra (3%), Uttar Pradesh (24%), Madhya Pradesh (26%) and West Bengal (42%)

## Number of Panchayats where Social Audit was Done in 2016-17

S.No.	Name of the State	Number of panchayats	Number of panchayats where audit was done in 2016-17	% of panchayats done
1	Andhra Pradesh	12946	12890	100
2	Chhattisgarh	10976	5923	54
3	Gujarat	14347	14208	99
4	Jharkhand	4403	534	12
5	Karnataka	6020	5899	98
6	Madhya Pradesh	22809	5917	26
7	Maharashtra	28700	720	3
8	Meghalaya	6188	3135	51
9	Mizoram	859	297	35
10	Odisha	6801	2633	39
11	Sikkim	176	176	100
12	Tamil Nadu	12524	12523	100
13	Telangana	8672	8121	94
14	Uttar Pradesh	59153	13906	24
15	West Bengal	3341	1408	42
	<b>Total</b>	<b>197915</b>	<b>88290</b>	<b>45</b>



Karnataka and Gujarat are the only two States doing two audits in a year in each panchayat.

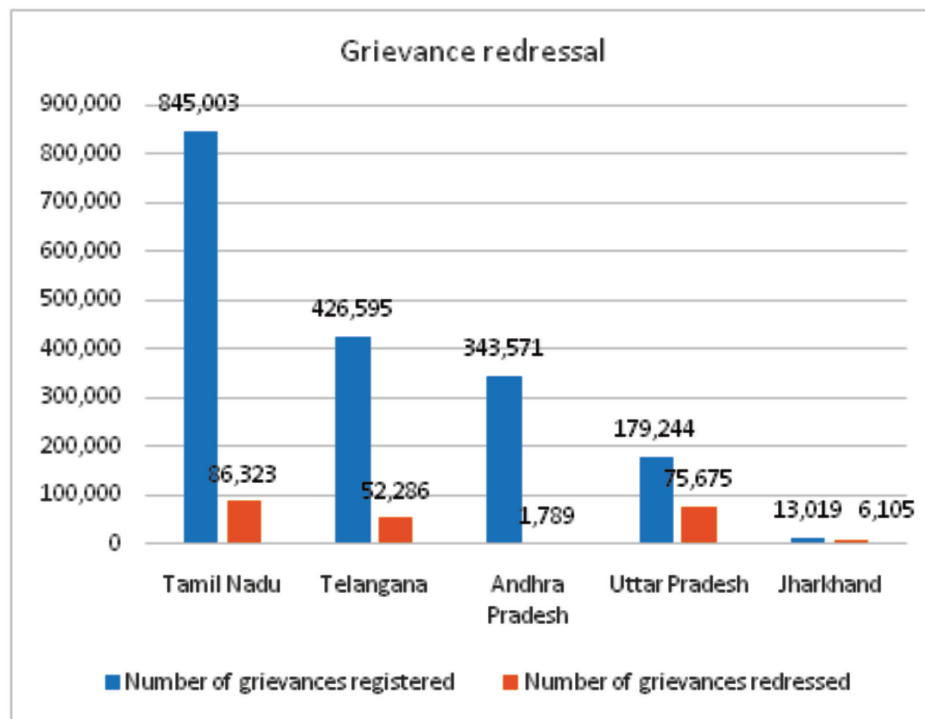
### 3.4.2 Major Findings of Social Audits (State-wise Details are in the Appendix)

This is summary of data from 23 States which responded to the Questionnaire issued in January (given in the Appendix)

Parameter	2016-17	2017-18 (Apr. - Nov.)
Number of grievances registered	10,89,724	7,22,980
Number of grievances redressed	1,90,323 (17%)	33,330 (5%)
Number of issues filed	5,25,876	3,12,497
Number of issues for which an ATR has been received	43,849 (8%)	37,268(12%)
Number of ATRs which are found satisfactory	33,471	30,962
Total Misappropriation amount found	₹ 169 crore	₹ 112 crore
Amount Recovered	₹ 8 crore (5%)	₹ 12 crore (12%)
Number of personnel on whom disciplinary action has been taken	7,969	4,318
Number of FIRs registered	240	15

Many States have not been able to keep track of the above metrics because they do not have an MIS and hence the above is an under-estimate. Hopefully, with the roll-out of the new MIS, the grievances and their redressal as well as audit issues and the action taken on them will be better monitored.

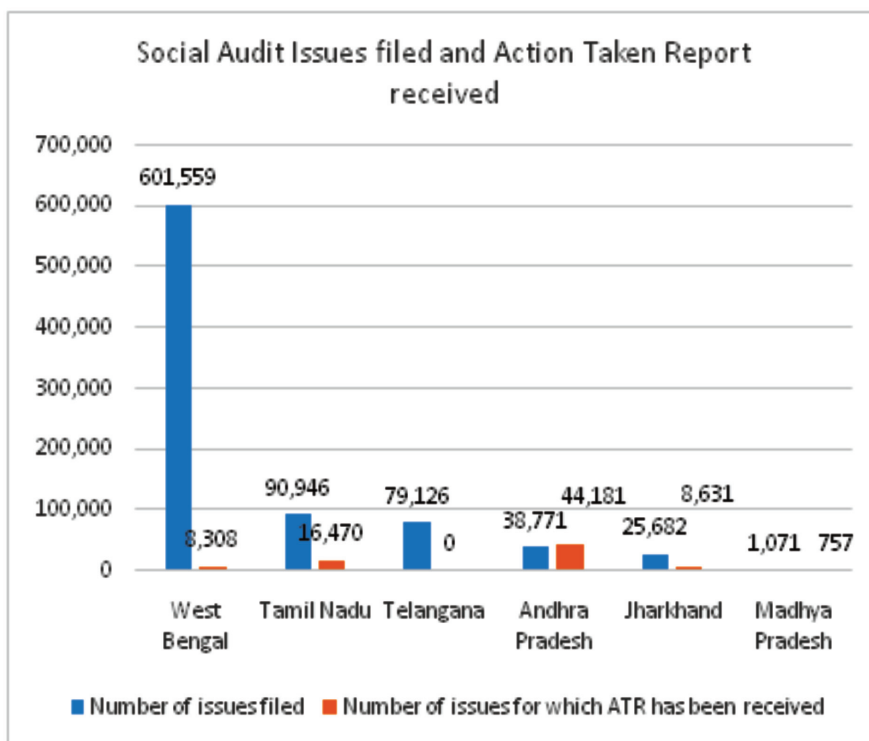
More than **18 lakh grievances have been registered** by the Social Audit Units in 2016-17 and 2017-18 (till November) and out of this only **2.5 lakh (14%) have been redressed**. Grievances have been registered only in Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Odisha, Sikkim, Tamil Nadu, Telangana and Uttar Pradesh. The other Social Audit Units are not registering grievances.



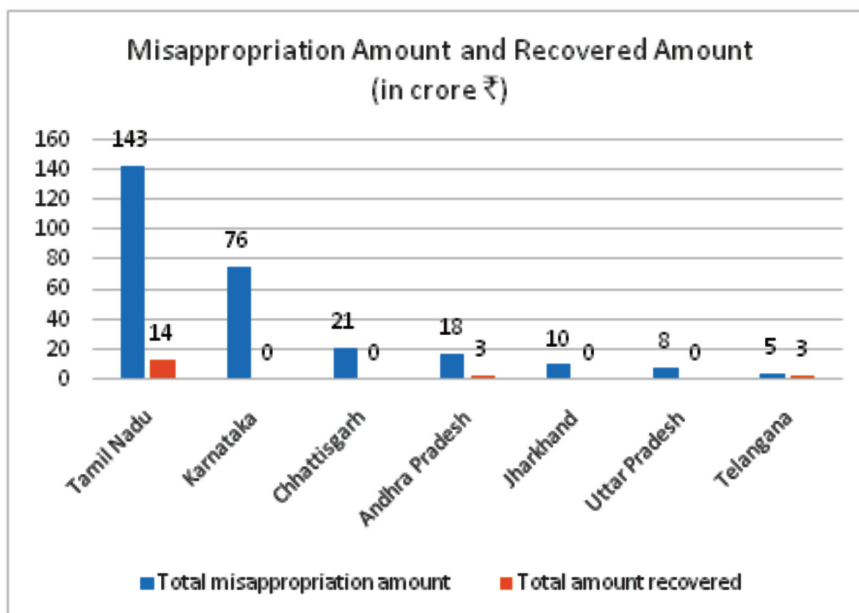


## Social Audit in Telangana





Issues arising from social audits conducted have been filed only in the following 10 States: Andhra Pradesh, Assam, Gujarat, Jharkhand, West Bengal, Madhya Pradesh, Tamil Nadu, Tripura, Sikkim and Uttar Pradesh. West Bengal has filed the most number of issues. Out of the filed issues, Action Taken Report has been submitted only for 9 per cent of them. The ATR is found to be satisfactory by the Social Audit Unit in only 8 per cent of the issues filed.

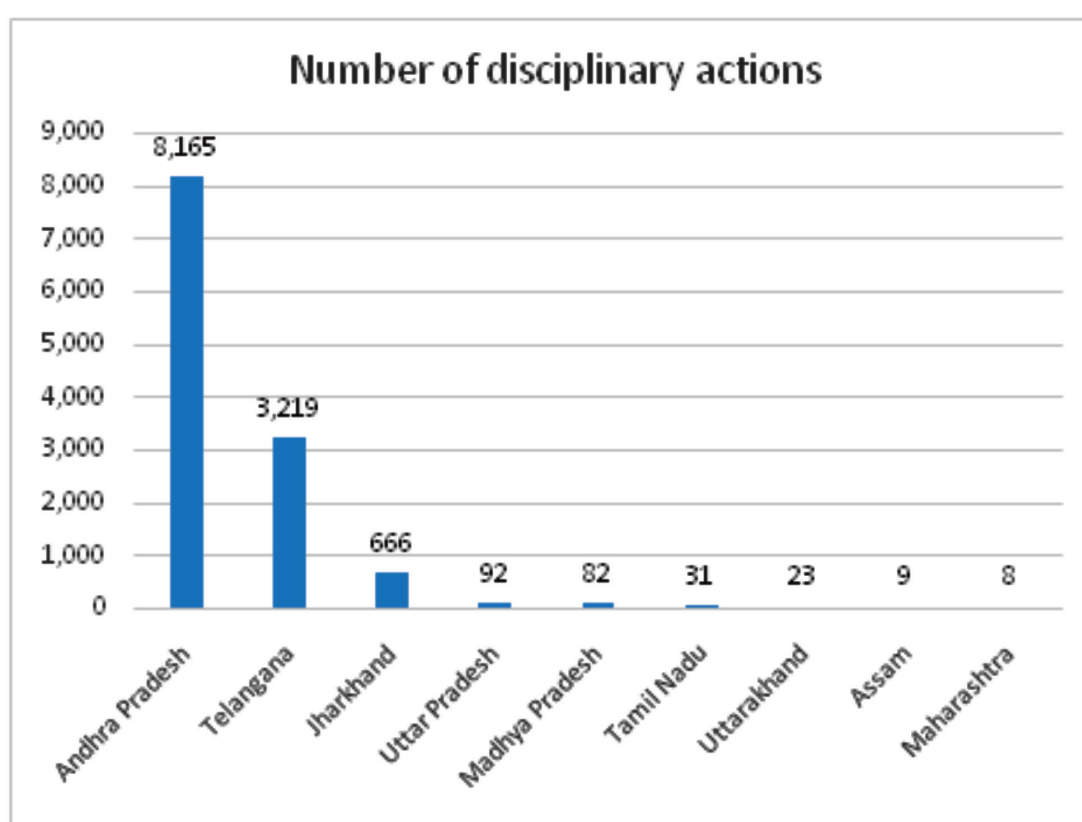


**The total misappropriation amount found is ₹ 281 crore.** Misappropriation amount has been identified in the following 10 States: Andhra Pradesh, Jharkhand, Tamil Nadu, Telangana, Assam, Chhattisgarh, Punjab, Sikkim, Karnataka, and Odisha. Tamil Nadu has identified a misappropriation of ₹143 crore (which is 51 per cent of the total identified amount)

**Amount recovered is ₹ 20 crore which is only 7 per cent of the misappropriation amount.**

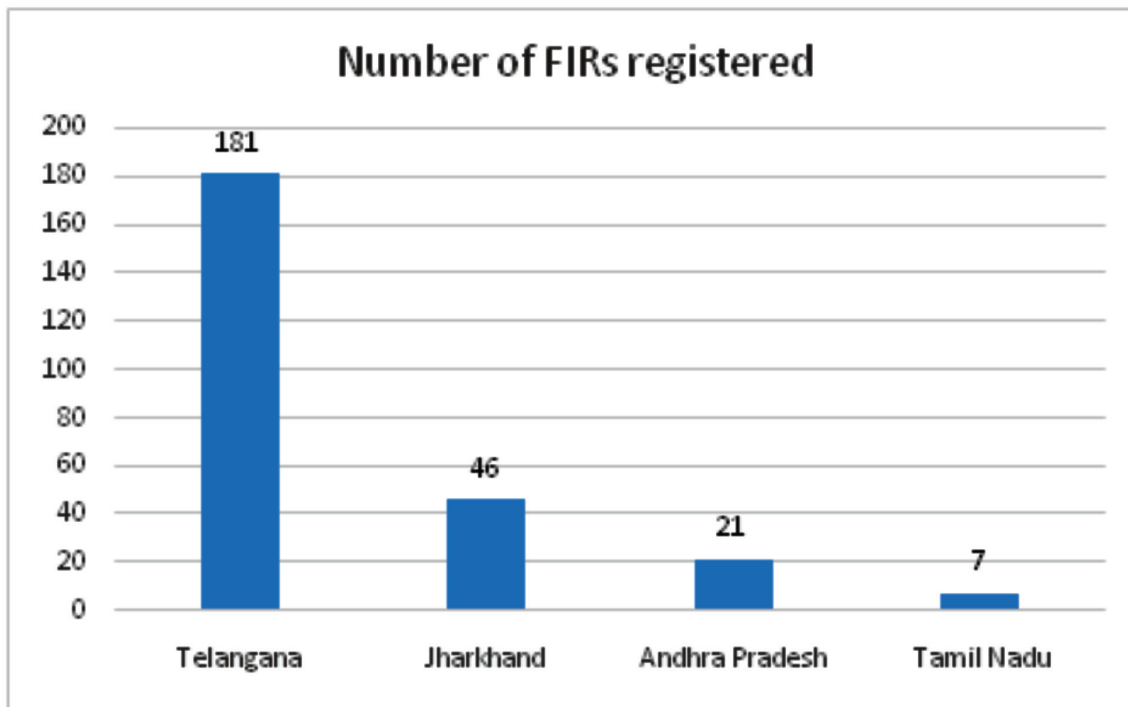
Recovery of money has happened only in the following seven States: Andhra Pradesh, Jharkhand, Tamil Nadu, Telangana, Uttar Pradesh, Sikkim and Odisha. Most of the recovered amount is from Tamil Nadu (₹13.6 crore, 67.8 per cent of total money recovered) though there is no corresponding action on employees who permitted/committed these irregularities in the first place.

Disciplinary action has been taken on 12,295 persons. Disciplinary actions have been taken only in the following nine States: Andhra Pradesh, Jharkhand, Tamil Nadu, Telangana, Assam, Madhya Pradesh, Uttarakhand, Uttar Pradesh and Maharashtra. Uttarakhand has collected fines (₹ 66,200) under Section 25 of the Act.



FIRs have been filed only in Telangana, Andhra Pradesh, Tamil Nadu and Jharkhand. A total of 255 FIRs have been filed during 2016-17 and 2017-18 (till November).





The poor response and lack of action on the Social Audit findings by the implementing agency is a serious issue that needs to be addressed to make social audit more effective.

### Ineffective Social Audits

Many States are doing social audits in an ineffective manner and not as per the Auditing Standards. Social Audits are being done only to fulfil a requirement. In spite of doing thousands of audits, the findings are close to zero! The potential of social audit to ensure accountability and improve the performance of the programme is thus nullified. A few examples are given below:

**Rajasthan** – In 2016-17, they have done audits in all panchayats twice a year. But only 53 minor issues were reported. During the group discussion in two panchayats selected by the social audit unit itself, the people said that they do not know what a social audit is and added that they were not aware that it had happened in their villages. The villagers did have many grievances though. Clearly, social audit was done only for namesake and was very ineffective.

**Punjab** – In 2016-17, Village Resource Persons selected by block officials visited the worksites, met the Panchayat Sarpanch who certified their visit to the village. No Gram Sabha was convened. Social Audits were done in this manner in 12,000 villages and no issues were found! (In 2017-18, they are doing door-to-door visits, physical verification and are conducting Gram Sabhas).

**Haryana** – Social audits were done in 912 panchayats and Gram Sabha was held in 660 panchayats and no issues were identified! An FGD was conducted with villagers in two panchayats where the audit supposedly happened and the villagers said they were not aware that an audit was done and they did not know what social audit meant.

**Maharashtra** – In 2016-17, Social Audit was done in only 3 per cent of the total panchayats in the State.

**West Bengal** – The social audits have not found any financial misappropriation. Grievances are not registered. Action has been taken only on 1 per cent of the issues reported.

**Gujarat** – Village resource persons are selected from the same village and the number of issues found is very low in comparison to the number of audits done.

**Odisha** – Very few grievances have been registered, no issues have been found and the financial misappropriation detected is insignificant.

**Madhya Pradesh** – Grievances are not registered, very few issues have been filed and the financial misappropriation detected is insignificant.

**Manipur** – Social Audit poster is put up in public places and then district and block officials come to the GP, verify job cards of workers and ask about employment days provided and wages paid.

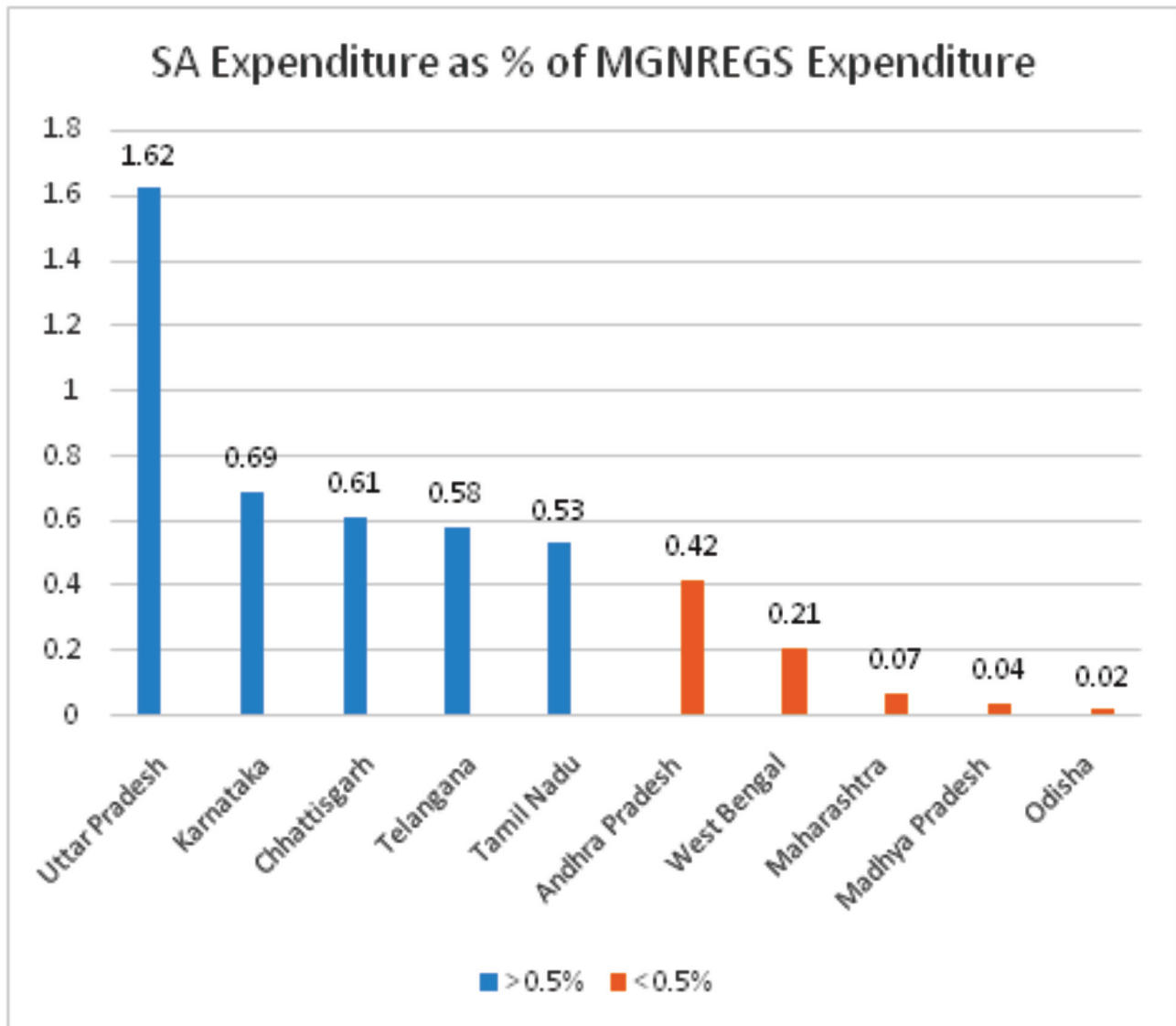
**Assam, West Bengal, Maharashtra, Himachal Pradesh, Mizoram, Meghalaya and Tripura** are not registering people's grievances.

### Grievances, Issues and Misappropriation and Action Taken from States with Significant Findings

S. No.	States	No of grievances registered	No of grievances redressed	Number of issues filed	Total misappropriation amount	Total amount recovered	No of disciplinary actions	Number of FIRs registered
1	Andhra Pradesh	343,571	1,789	38,771	175,032,332	31,521,710	8,165	21
2	Chhattisgarh	1,428	453	0	209,460,816	0	0	0
3	Jharkhand	13,019	6,105	25,682	101,081,695	2,811,280	666	46
4	Tamil Nadu	845,003	86,323	90,946	1,432,100,000	136,400,000	31	7
5	Telangana	426,595	52,286	79,126	44,700,000	26,300,000	3,219	181
6	Uttar Pradesh	179,244	75,675	0	77,792,000	3,930,000	92	0
7	West Bengal	0	0	601,559	0	0	0	0
8	Karnataka	0	0	0	757,000,000	0	0	0

### 3.5 SAU Expenditure

In 2016-17, approximately ₹ 122 crore was spent by the Social Audit Units. The total MGNREGS expenditure in 2015-16 was ₹ 44,002 crore. Thus, the percentage of money spent in 2016-17 (doing audits of works done in 2015-16) was 0.28 per cent. The reported State-wise expenditure is given in the appendix. There is wide variation in the amount spent by different SAUs – some States have spent very less amount.





## Social Audit in Chhattisgarh



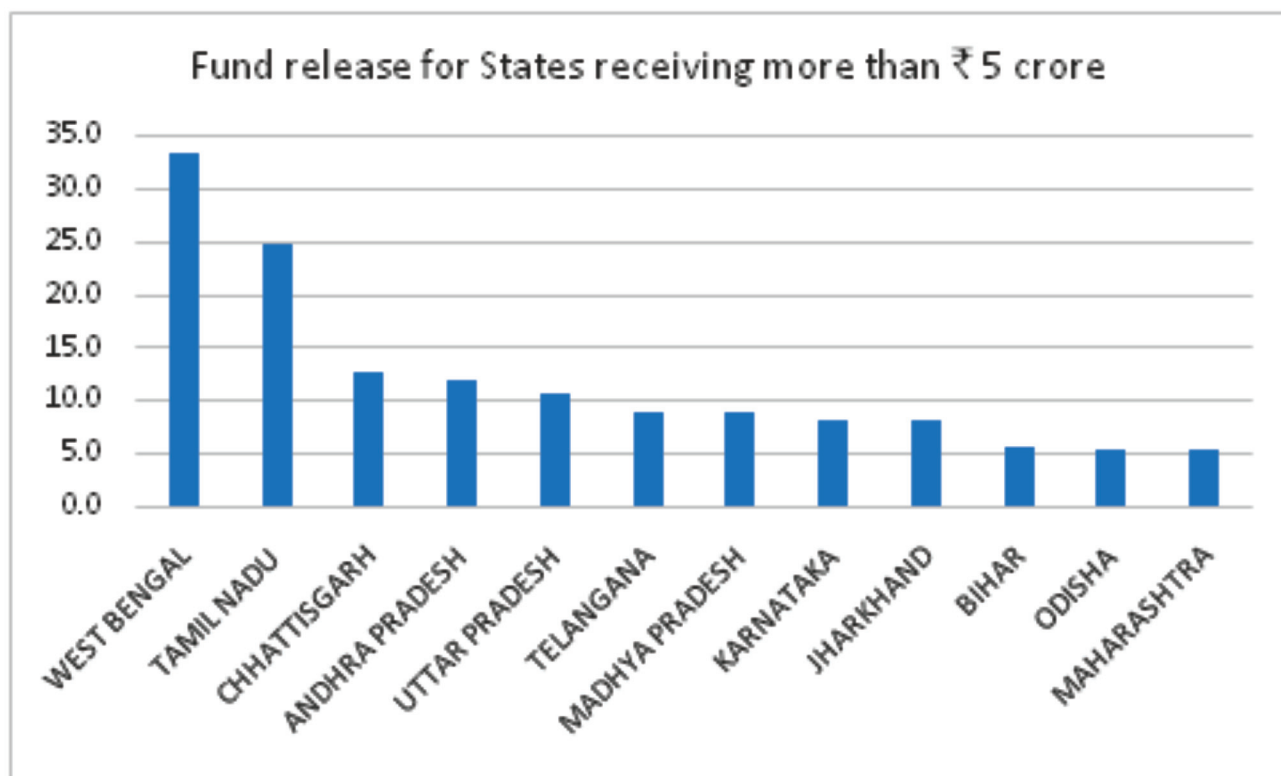
### SA Expenditure as a Percentage of MGNREGS Expenditure for the High Spending States

S. No.	States	Amount spent by SAU in 2016-17 (₹ in lakh, approximate)	MGNREGS Expenditure in 2015-16 (₹ in lakh)	SA Expenditure as a percentage of MGNREGS Expenditure	Comments
1	Tamil Nadu	3200	602761	0.53%	
2	Andhra Pradesh	2000	470649	0.42%	
					The average MGNREGS expenditure in UP over the last 5 years is ₹ 321999 lakh, but for some reason the expenditure in 2015-16 was very low and that's why the SA Expenditure % is high.
3	Uttar Pradesh	1682	103595	1.62%	
4	Telangana	1400	240747	0.58%	
5	Karnataka	1250	182194	0.69%	
6	Chhattisgarh	787	128304	0.61%	
7	West Bengal	1000	484771	0.21%	
8	Madhya Pradesh	107	250037	0.04%	These States have not spent enough on social audit in comparison to the MGNREGS expenditure
9	Maharashtra	133	185396	0.07%	
10	Odisha	40	205146	0.02%	

### 3.6 Fund Release by MoRD to SAUs in 2017-18

In 2017-18, MoRD decided to release funds directly to the State SAUs so that they have more independence and do not need to depend on the State implementing agency for release of funds. Funds were released in two tranches to 25 States. The details are given in the appendix. Funds were not released to Rajasthan, Haryana, Jammu & Kashmir and Goa since they had not set up units as per the Auditing Standards. The total amount released was ₹ 170 crore. West Bengal and Tamil Nadu have received ₹ 33 and ₹ 25 crore, respectively.





### 3.7 Training and Capacity Building of Resource Persons

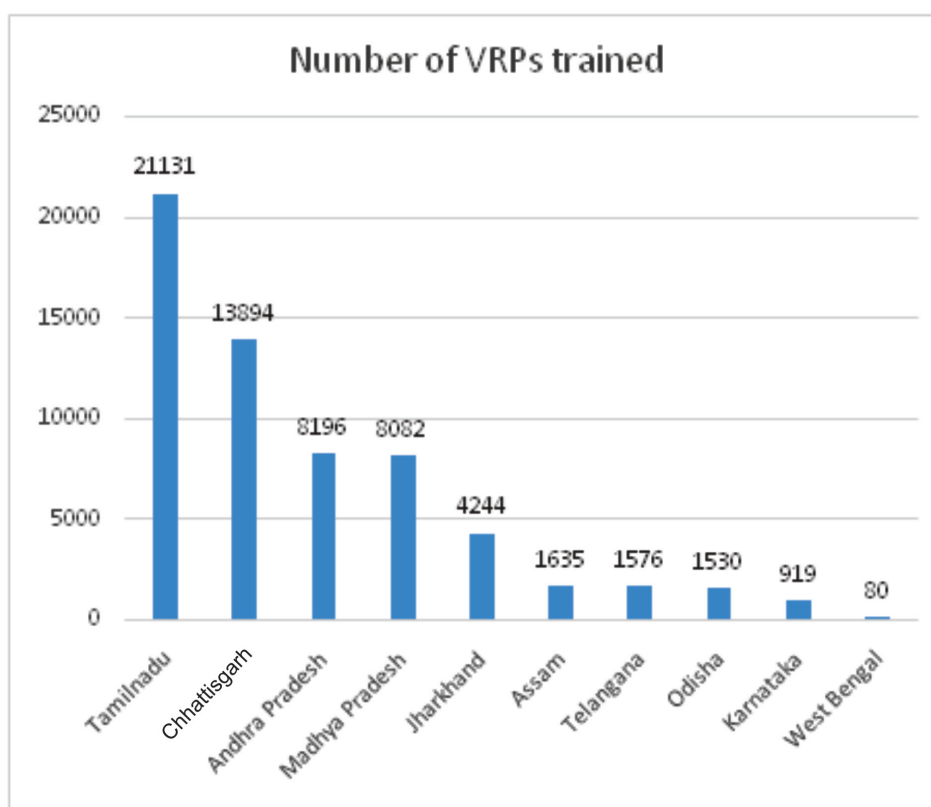
#### 3.7.1 30-day training

The MoRD, NIRD&PR and TISS have developed a 30-day training programme that all State, district and block resource persons are supposed to attend. The table below gives the number of people who have been trained. The State-wise details are given in the appendix.

Name of resource persons	Number of appointed resource persons	Number of trained persons	Attendance of the training programme
Social Development Consultants, Social Audit Experts & State Resource Persons	75	55	73%
District Resource Persons	667	527	79%
Block Resource Persons	4347	3308	76%
<b>Total</b>	<b>5089</b>	<b>3890</b>	<b>76%</b>

### 3.7.2 Village Resource Person (VRP) training for SHG members

SHGs are recognised as a powerful tool for women empowerment. Women members have developed their capacity and support each other financially and socially. Many of them also work under MGNREGS and it makes them ideal candidates for facilitating social audit at the village level. A four-day training module has been developed for training Self-Help Group members to act as Village Resource Persons.



Three SHG women from each panchayat in 10 States (Andhra Pradesh, Assam, Chhattisgarh, Jharkhand, Karnataka, Madhya Pradesh, Odisha, Tamil Nadu, Telangana and West Bengal) have been selected and are being trained to act as VRPs. So far, more than 61,000 women have been trained. In some States, including Jharkhand and Madhya Pradesh, the trained women are already acting as Village Resource Persons and facilitating social audit.

## 3.8 Accountability of SAU to the Public

Many transparency provisions have been mandated for the Social Audit Unit. However, these are not followed in most of the States.

The MoRD has specified a format which the SAUs should fill and send to the PAG once in a quarter. Only the following eight States send these reports to the PAG: Andhra Pradesh, Punjab, West Bengal, Sikkim, Tamil Nadu, Tripura, Telangana and Uttar Pradesh; only the following four States send their annual reports to the PAG: Andhra Pradesh, West Bengal, Sikkim and Telangana.



The Audit of Scheme Rules say *'The State Employment Guarantee Council shall monitor the action taken by the State Government and incorporate the Action Taken Report in the annual report to be laid before the State Legislature by the State Government'*

However, only the following eight Social Audit Units send their annual report to the State Employment Guarantee Council (SEGC): Andhra Pradesh, Gujarat, MP, Maharashtra, Meghalaya, Sikkim, Telangana and Karnataka. The SEGC of only the following six States include the findings of the Social Audit Unit and the Action Taken on them in the annual report to the State legislature: Andhra Pradesh, Gujarat, MP, Maharashtra, Sikkim and Telangana.

A public website is there only for the following 10 States: Andhra Pradesh, Chhattisgarh, Jharkhand, Madhya Pradesh, Meghalaya, Sikkim, Tamil Nadu, Telangana, Uttarakhand and Uttar Pradesh. Social audit reports are uploaded on the website only in the following five States: Andhra Pradesh, Sikkim, Tamil Nadu, Telangana and Uttar Pradesh.

The GB meeting minutes, Executive Body meeting minutes, audited financial statements, Staff details and all other information as per Section (4) of the RTI Act have to be publicly available. However, most States have not adhered to this direction. Some of the information is publicly hosted in a website only by the following eight states: Andhra Pradesh, Chhattisgarh, Himachal Pradesh, Jharkhand, Mizoram, Meghalaya, Sikkim and Telangana.

The Auditing Standards mandate that a Grievance Redressal Officer reporting to the Governing Body should be appointed, who will receive complaints on either the social audit process or against any of the SAU members. This officer has been appointed only in Jharkhand, Uttarakhand and Karnataka.

### 3.9 Block Level Public Hearing

Section 25(c)(viii) of Schedule 1 of MGNREGA mandates Block Level Public hearing - *'Conduct of Public Hearings by the Social Auditors at the Ward/Gram Panchayat and Block Level to read out the findings'*

However, the Block-Level Public Hearing is held only in the following 15 States - Karnataka, Uttar Pradesh, Telangana, Tripura, Odisha, Meghalaya, Maharashtra, West Bengal, Madhya Pradesh, Punjab, Jharkhand, Himachal Pradesh, Gujarat, Chhattisgarh and Andhra Pradesh.

### 3.10 Vigilance

The 2017-18 AMC says that a three-tier Vigilance mechanism should be set up in each State to follow up on irregularities, including those identified during social audit. The Social Audit Units in Telangana and Andhra Pradesh send the social audit reports along with the Decision Taken Formats (the report in which the Presiding Officer of the Public Hearing records the decisions on each issue raised during the hearing) to the DRDOs for taking follow-up action through the District Vigilance Wing. Both these States have separate Vigilance wing with a Chief Vigilance Officer at the State level and District Vigilance Officer in each district.

### 3.11 Concurrent Monitoring

The 2017-18 AMC says that a Vigilance and Monitoring Committee consisting of five MGNREGA workers should be formed in each panchayat and that this committee should do concurrent social audit of all works every month. The Jharkhand SAU is the only one that facilitates this by forming Nigrani Samiti during the Social Audit Gram Sabha.

### 3.12 Collaboration with PAG

As mentioned before, the PAG is a member of the Governing Body in 19 States. Apart from this, there is active collaboration between the SAU and the PAG in the following States.

- 1) Jharkhand – SAU assisted PAG in training for beneficiary survey
- 2) Mizoram - Audit reports and SAU Budget/Expenditure have been audited by the PAG
- 3) Madhya Pradesh - Financial audit and social audit was done jointly with the PAG in identified blocks in 2015-16
- 4) Nagaland - Representative of PAG attends Gram Sabha and public hearings
- 5) Tripura - Social Audit Calendar and social audit report of each GP/VC is sent to AG (Audit)
- 6) Telangana
  - a) Social Audit Calendar is shared with the PAG.
  - b) The social audit reports are sought by the PAG for planning the audits to be carried out by the AG's office.
  - c) PAG requests SAU resource persons to impart training and orientation to the officers of the AG on the social audit process, including field visit every year.
  - d) PAG has conducted training for the social audit staff to identify areas of exception and to design exception reports.
  - e) The Director of SAU is a member of the State Audit Advisory Board of Telangana
  - f) Quarterly reports are being sent to the PAG on a regular basis.

### 3.13 Collaboration with Ombudsman

The 2017-18 AMC says *'The cases of denial of entitlements as brought out through social audits shall be referred to the Ombudsman by the Social Audit Unit. The Ombudsman shall be responsible for registering the same as suo moto complaints for disposal and passing of awards within 30 days from the date of filing of the complaint as per the norms laid down.'*

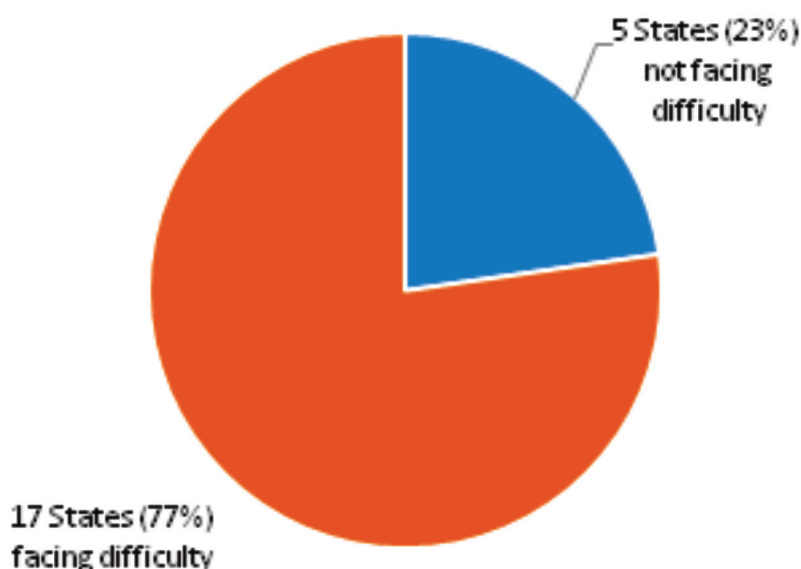
The SAUs of Chhattisgarh, Nagaland and Jharkhand regularly invite Ombudsmen to participate in the public hearings. In Maharashtra, the Ombudsmen are the chairperson of the Block-level Public Hearing Panel. The other states do not work with the Ombudsmen.

### 3.14 Getting Records for SA & Cooperation of Implementing Agency

The following five States said that they get the documents and records needed for the Social Audit – Andhra Pradesh, Himachal Pradesh, Madhya Pradesh, Nagaland and Tamil Nadu.

The following 17 States said that they have difficulties in getting one or more of the records required for conducting social audit – Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Mizoram, Punjab, West Bengal, Maharashtra, Meghalaya, Odisha, Sikkim, Tripura, Telangana, Uttarakhand, Uttar Pradesh and Karnataka.

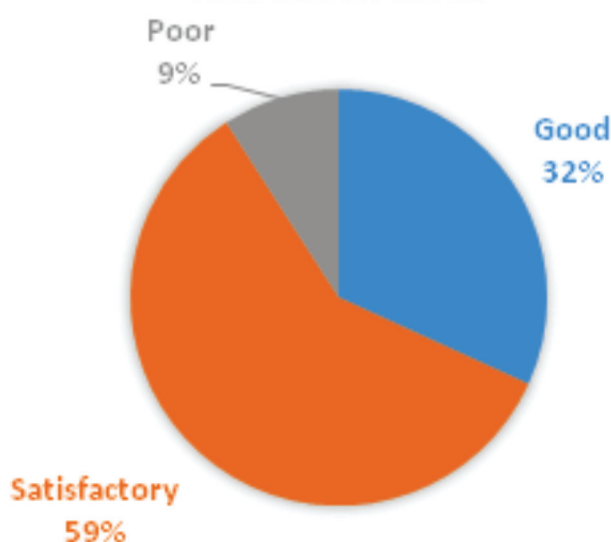
Getting Records for Social Audit



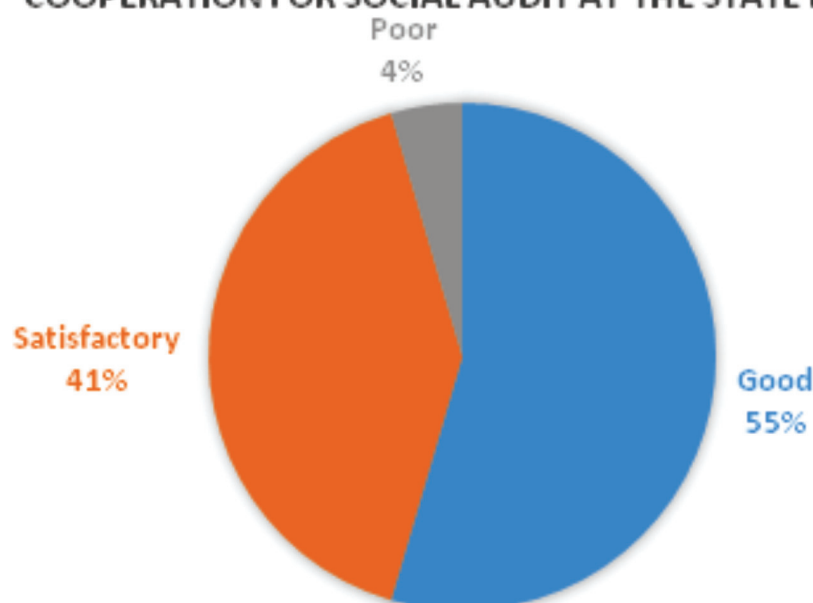
At the panchayat and block level, the cooperation from the implementing agency was rated as 'Good' in seven States, 'Satisfactory' in 13 States and 'Poor' in two States (West Bengal and Meghalaya)

At the State level, the cooperation from the implementing agency was rated as 'Good' in 12 States, 'Satisfactory' in nine States and 'Poor' in one State (West Bengal)

### COOPERATION FOR SOCIAL AUDIT AT THE PANCHAYAT AND BLOCK LEVEL



### COOPERATION FOR SOCIAL AUDIT AT THE STATE LEVEL



## 3.15 Review of SA Findings by Senior Officials

Principal Secretary, RD holds review meetings periodically with the Chief Vigilance Officer and the Vigilance Wing in Telangana. The Commissioner, RD also periodically reviews social audit findings and action taken in both Telangana and Andhra Pradesh. Secretary, EGS of Maharashtra conducts regular reviews of SA findings. State-level hearings are held in Jharkhand. The Project Director holds periodic meetings with the Social Audit Director in Sikkim. This sort of periodic review is, however, not a feature in the other States.

### 3.16 Other Programmes Being Audited

In addition to MGNREGS, few States have taken up social audit of other schemes as well.

- 1) PMAY audits are done in Uttar Pradesh, Meghalaya, West Bengal and Chhattisgarh
- 2) Mid-day meals audits are done in Uttarakhand and Karnataka
- 3) Swachh Bharat Mission audits are done in Telangana and Karnataka
- 4) NSAP audits are done in West Bengal
- 5) ICDS audits are done in Telangana
- 6) Stree Nidhi loans to SHGs are done in Telangana
- 7) IWMP audits are done in Telangana
- 8) FFC grants to panchayats are audited in Jharkhand
- 9) Tribal Development Society programmes are audited in Jharkhand
- 10) Rural Drinking Water Scheme audits are done in Karnataka
- 11) PDS audits are done in Karnataka

## 4 Feedback from SAUs

### 4.1 Challenges

Few States have still not established an independent society. Hiring staff required for the social audit units is a big challenge in many States.

Apathy on the part of the implementing agency is a major problem. The implementing agency requests for postponement of social audit, fails to provide documents on time, does not send independent observers for the Gram Sabha, and fails to take action on the findings of the social audit. In some places, the social audit resource persons face political pressure, threats and active opposition in their work.

In some States, the Rural Development officials are cooperative but the line departments (Forest, Horticulture and Sericulture) that implement the scheme do not cooperate with the social audit process.

Social audit is a powerful transparency and accountability tool and it requires persons with a strong commitment to social justice, a pro-poor attitude and ability to work long hours in remote areas and difficult conditions. However, the selection process followed currently in many States does not result in the recruitment of appropriate persons. The selected persons mostly treat this as a government job and are anxious about stability, pay and perks and in the worst cases have also started to indulge in corruption and peddling political influence which seriously impacts the social audit process. Instead of doing social audit in a spirited manner, it has now become a routine form-filling exercise with low involvement of the people. In some States, there is political pressure to select particular individuals as resource persons – such individuals after their selection are not interested in the social audit process.

In 2012, MoRD had recommended 1 per cent of the expenses under MGNREGS for Social Audit(8). It got reduced to 0.5 per cent sometime back which is not adequate especially in smaller States and States which are doing social audit in all panchayats and doing it well (The AMC says that States should do social audit in at least 50 per cent of panchayats but there are States which do social audits in all panchayats and still get only 0.5 per cent). Fund release from the States was a problem but hopefully this will not be the case now as it's being released directly from the MoRD since August 2017.



**Social Audit in Tamil Nadu****Tamil Nadu-Social Audit Activities (Door to Door Verification)****Tamil Nadu-Social Audit Special Gram Sabha Meeting**

Many essential expense items for the smooth functioning of the social audit unit have now been proscribed by MoRD. While the Act says that State Government shall meet the cost of one-fourth of the material cost of the scheme, no such provision is there for the social audit unit to claim money from the States.

The lack of a good MIS to record the findings and track the action taken on them is a serious handicap limiting the potential of social audit.

## 4.2 Innovative Practices that may be Replicated in other States

### 1) Andhra Pradesh

- a) Identifying Village and Block Resource Persons from the workers' families
- b) Technical verification in the presence of workers and mates
- c) Monthly review meetings at the district level with District Collector and District Vigilance Officers
- d) Monthly review meetings with the State vigilance wing and district vigilance officers
- e) Wall writings in all Gram Panchayats during the social audit process

### 2) Assam – collaboration with IIT and introduction of a social audit course for their students

### 3) Chhattisgarh

- a) Apart from MGNREGS, social audit team also collects complaints regarding other issues and hands it over to the Sarpanch and Sachiv in the Gram Sabha
- b) Wall writing of muster rolls, bills and measurement books is carried out to ensure active involvement of the community in the social audit process

### 4) Jharkhand

- a) Formation of VMCs and labour groups during the social audit process
- b) Public hearings are heard by juries with PRI and CSO members
- c) An advisory for action to be taken on specific irregularities has been formulated for the guidance of the jury members
- d) Hearings are held at the panchayat, block, district and State levels
- e) Special and test audits are done
- f) A cultural workshop for IEC activities was conducted and songs in eight different languages have been prepared

### 5) Punjab - Resource persons do not accept hospitality at any level

### 6) Madhya Pradesh – engagement of B.S.W. students as Village Resource Persons



- 7) Odisha – Village Resource Persons are helping the implementing agency in the following ways:
  - a) Identification of unemployed youth in the village who may be given training under DDU-GKY
  - b) Acted as catalysts of social change in the Total Sanitation Campaign
  - c) Linking of Aadhaar with Job Cards in selected panchayats
- 8) Sikkim – Using posters and public address system to bring awareness about social audit Gram Sabha
- 9) Tamil Nadu – Standardised objection paragraphs have been prepared for commonly seen irregularities and communicated to the Block Resource Persons which help in the report preparation
- 10) Telangana
  - a) Recruitment process – all resource persons are from MGNREGS workers' families
  - b) Good SAU structure with different wings for Administration, Accounts, HR, Programmes, Capacity Building, Data and Record Management, and IT
  - c) An independent governing body with strong representation from civil society organisations
  - d) Independent Vigilance wing to look at irregularities and special mobile courts to take decisions on identified irregularities
  - e) Good data and record management
  - f) Collaboration with NGOs and CSOs
- 11) Karnataka
  - a) Test and special audits are done periodically
  - b) Staff are shuffled after every three rounds of social audit

### 4.3 Ideas for making Social Audit more effective

- 1) Concurrent audit should be done
- 2) SAU should do more IEC work and through cultural activities
- 3) A separate grievance and Vigilance cell should be created
- 4) Establish simple and open methods for general public to give feedback on social audit process and resource persons; strict and immediate action should be taken if any compromise in the social audit process is detected

- 5) A good monitoring mechanism should be established along with periodic test audits to evaluate the previous social audit report
- 6) Workers should be mobilised and formed into labour groups for better fulfilment of entitlements and better monitoring and participation in the social audit process
- 7) MoRD should monitor the response (or the lack of it) by the implementing agency to the social audit findings; a quarterly meeting should be held between SAU, implementing agencies and MoRD officials to monitor the action-taken reports
- 8) Good synergies should be developed between SAU and CAG and between SAU and CSOs
- 9) Students from different universities should be encouraged to participate as Village Resource Persons
- 10) There should be an annual meet on Social Audit at the State level
- 11) Social Audit should be done once a year and not twice a year in each panchayat
- 12) PO and officials concerned should attend the Social Audit Gram Sabha so that important problems can be tackled on the spot. Accordingly, the Gram Sabha also becomes a grievance redressal forum and people will have more faith in the process
- 13) An Act mandating Social Audit in all rural development and poverty alleviation programmes should be enacted in all States
- 14) Sensitisation workshop on social audit for all MLAs and MPs should be conducted
- 15) Social Audit resource persons should be reshuffled after three audits
- 16) Technical training and training on community mobilisation should be provided to resource persons
- 17) Jury system to respond as in Jharkhand should be established

## 5 Recommendations

### 5.1 Recommendations for MoRD

#### 5.1.1 Joint Review Meetings with CAG

The first action point listed by the Ministry following the recommendations of the O/o C&AG is *‘The MoRD and the C&AG may hold joint periodic reviews on the progress of social audits at least twice a year’*. It’s most important that this is done to identify the lacunae with how the social audit units are functioning and review the quality of the social audits.

Effective Social Audit and appropriate action on the identified grievances and irregularities should be a pre-condition for release of funds to States.

#### 5.1.2 Implement CAG Joint Task Force Reports on Social Audit

A joint task force on Social Audit was set up by the MoRD and C&AG which produced four different reports which were accepted by MoRD. Report 3 was the Auditing Standards that was forwarded to all States for implementation. The reports submitted by the other working groups have very valuable suggestions summarised below which need to be implemented as well.

Report on overseeing the establishment, roll out and progress of Social Audit Units (9) recommended the setting up of independent Society, appointment of full time Directors who do not hold any additional charge, formation of governing body as per Ministry’s order, opening of independent bank account, setting aside 1 per cent of funds for social audit, submission of quarterly reports by SAU to PAG and RD Department, submission of quarterly reports by RD Department on grievances registered and action taken to MoRD, annual submission of summary of social audit reports and action taken by MoRD to the Parliament, biannual joint reviews of SAUs by MoRD and CAG, parameters for measuring progress of SAUs and action to be taken by MoRD under Section 25 of MGNREGA against concerned government officers of State Government for non-compliance with MGNREG Audit of Scheme Rules and violation of Auditing Standards.

Working Group on Expanding the Scope of Social Audit(10) recommended Concurrent Social Audit of MGNREGS, Social Audit of FFCEG funds, introduction of Social Audit in Centrally Sponsored Schemes (CSSs) that have volunteered for the same, doing pilots in CSSs, setting up a resource hub on Social Audit in NIRD&PR, closer synergy with ombudsman, Local Fund Audits, VMCs and National Level monitors.

Working group on Strengthening Synergies on Social Audit (11) recommended that synergies be developed between PAG, Local Fund Audit, State Department of Rural Development, initiation of State-level campaigns to bring social audits into place quickly, providing a safe

environment for the conduct of social audit, time-bound action on social audit findings and doing test audits in a sample of panchayats to verify the findings of the social audit

### 5.1.3 Roll Out a Good Management Information System (MIS)

The Auditing Standards say that an MIS should be developed to facilitate data capture about deviations recorded in Social Audit Reports and that aggregate data should be available in different levels (State, District and Block) to enable getting first-hand information and feedback about the efficiency and effectiveness of programme implementation. The Rules and Standards say that action taken on the Social Audit Findings should be placed in the Parliament. Hence, it is important to track the action taken on each of the issues reported during the social audits. The Standards also say *'Availability of entire social audit data in the public domain will help in ensuring transparency and accountability of the follow-up process itself'*.

In addition to the MIS for capturing findings and action taken on them, there are other common requirements for IT applications, including Human Resource Management System, Financial Management System, Tab application for field verification, etc., which need to be built and steps maybe taken to do this.

## Requirements for Social Audit MIS

The MIS should allow for recording all individual issues and grievances reported by the social audit process. Most importantly, it should also allow for recording the action taken on the issues and grievances reported. Each issue and the corresponding action taken should be publicly available. Also, aggregate reports of the findings and actions taken at different levels (State, district and block) should be publicly available.

The Auditing Standards says *‘The Social Audit is to be seen as the most public of all audits. Therefore mechanisms should be defined by which pro-active disclosure of information is ensured, nurtured and sustained in all processes of the SAU and the social audit process rolled out on the ground.’*

It further says *‘The SAU should host the social audit reports including action taken reports and decision taken in the meeting should also be made public and hoisted on the web site of MoRD, so that social awareness can be ensured and implementers should be made responsible if there is flaw in implementation of decisions taken.’*

The new MIS being built by MoRD should satisfy these requirements.

The Auditing Standards have specified the ‘Parameters to measure the progress of Social Audit Unit’ in Annexure 1. Some of the important parameters that need to be entered in the MIS include

- 1) Details of Resource Persons in the SAU
- 2) Details of Expenditure incurred by the SAU
- 3) Number of GPs audited
- 4) Number of SA reports uploaded in the State Government website
- 5) Number of ATRs considered satisfactory/unsatisfactory
- 6) Number of grievances registered
- 7) Number of grievances redressed
- 8) Number of FIRs registered
- 9) Number of officials against whom disciplinary action has been taken
- 10) Amount of money misappropriated
- 11) Amount of money recovered



### 5.1.4 Director and Staff Selection

MoRD should insist that the selection process for Director and staff selection is strictly followed. Getting good and independent people committed to transparency, accountability, people's participation and rights is an important prerequisite and there should be no compromise on this as it has a huge impact on the effective functioning of the SAU.

### 5.1.5 Evolve Common Guidelines on Staffing

The lack of clarity on hiring of Block Resource Persons is a big constraint. Through the special financial assistance (12) for staffing of SAUs (supposed to run from 2014 to 2017), MoRD specified the number of State and District Resource Persons that will be supported but did not specify support for block resource persons.

There was a subsequent circular (13) three days later saying the Social Audit Unit need not be limited by the number of resource persons and honorarium mentioned earlier and that they are free to hire more people and pay higher honorarium.

However, many States are hesitant to sanction additional staff; doing social audits without block resource persons is very ineffective. States are also hesitant to revise the honorarium which was set in 2014 by MoRD as part of the Special Assistance Project and this is a problem in recruiting and retaining good people. Hence, MoRD should revise these guidelines.

**Accounts Officer:** It is important to depute a serving government finance official from the treasury or other department to be the financial controller of the Social Audit Unit. A permanent government employee from the Treasury would have sufficient knowledge about government financial rules and would be more accountable than a person appointed on a contract basis for a short time. This Accounts Officer and the Director should be joint account holders of the SAU account. This is the case in Telangana, Andhra Pradesh and Orissa. MoRD should make a recommendation for this to all states.

**Administrative Staff:** It is also important for the State units to have administrative staff apart from the field resource persons and a few technical persons who can help guide the social audit with respect to the technical parameters.

### 5.1.6 National Resource Centre for Social Audit

The report of the Working Group on Expanding the Scope of Social Audit has said '*Recommendation 11: A Resource Hub on Social Audit may be constituted under the National Institute of Rural Development and Panchayati Raj (NIRD&PR) to provide assistance to State Governments and SAUs on the following parameters:*

- *Training support*
- *Monitoring and Evaluation*
- *Action Research*

- *Providing a platform for practitioners*
- *Documentation*
- *Knowledge management and dissemination to other countries*
- *Certification of trainers*
- *Develop schools of practice*
- *Management of a Community of Practice/Solution Exchange on Social Audit ‘*

As mentioned above, most States have a functional and independent SAU currently. However, they do require lots of support and hand-holding to do social audits effectively and to take it up in new areas (As an example, in March 2016, Supreme Court has said that Social Audit of the funds meant for construction workers should be taken up).

Continuous capacity building of resource persons in SAUs, developing manuals and formats, developing MIS, developing methods and formats for pro-active disclosures, creating and managing knowledge repository on Social Audit, developing distance and online courses on Social Accountability, organising seminars and workshops on Social Audit, doing pilot audits to field test new methods and audit processes and protocols in new schemes, doing test audits to evaluate the quality of social audits done earlier, doing special audits in places which have reported serious irregularities, hand-holding new SAUs, documentation of best practices, research on social audit and impact evaluation are some of the works that need to be taken up.

NIRD&PR is best placed to host this centre. MoRD should sanction the creation of this centre which will greatly help in the realisation of the full potential of Social Audit.

#### **5.1.7 Test Audits and Special Audits**

MoRD Consultants should also do one test audit (audit of a panchayat where social audit was done by the SAU before and compare the findings with the previous audit report) every month. This will give them valuable information on the status of implementation of MGNREGS and also direct insight into how social audit is actually conducted in the States. Special audits should also be conducted regularly especially on receipt of specific irregularities from the public.

#### **5.1.8 Support Training, Documentation and Cross Learning**

In addition to the 30-day training programme, the MoRD should support continuous capacity building of resource persons. It should facilitate field trips to the States that are doing social audit well.

It should also support documentation and research studies on social audit since this is a new field with immense scope for improvement.

### 5.1.9 Increase Funding for Social Audit

Regarding funding, 0.5 per cent of total expenditure is not enough at least for MGNREGS. MoRD had initially (8) said that 1 per cent of the funds can be used for social audits. This was subsequently reduced to 0.5 per cent. Doing social audits well in all panchayats with good IEC and proper arrangements for Gram Sabha and public hearing will require additional funds and there is a strong need to revisit the amount of money to be allotted for social audit. The Joint Task Force Working Group on overseeing the establishment, roll out and progress of Social Audit Units has recommended that a separate allocation of 1 per cent of total annual expenditure over and above the 6 per cent allocation for administrative expenses be dedicated to meet the costs of SAUs.

Since Social Audit Units do a fair amount of effective IEC work, maybe a part of the IEC budget can be allotted to them.

Also, Central guidelines tend to be rigid and inflexible and might not be appropriate for local conditions and can prevent initiative on the part of SAUs. Many directors have said that the list of inadmissible items circular on October 30, 2017 (14) which proscribes paying money for interns, documentation, research, provident fund contribution for employees, office maintenance charges will seriously affect the functioning of Social Audit Units.

### 5.1.10 Grievance Redressal and Ombudsperson

Grievance Redressal should ideally be monitored by an independent agency. Since many grievances are registered during the Social Audit Process, may be the Social Audit Unit can be given the mandate (with provision for additional resources) of managing the grievance redressal system in the State. Similarly, the Social Audit Unit can provide the logistics support for the Ombudsman instead of asking the implementing agency to do it which is the current practice and leads to conflict of interest.

### 5.1.11 CEGC and Submission of Report to Parliament

The CEGC should have a few representatives from the Social Audit Units. The CEGC should review the summary of social audit findings and the action taken on them. As identified in the Action Points for the Ministry based on recommendations of C&AG, a summary of social audit reports should be included in the annual report laid in the Parliament.



### Social Audit in Karnataka



House Visit at Bhuvanahalli GP in Mysuru District



Social Audit Gram Sabha at Chitta GP in Bidar

## 5.2 Recommendations for Social Audit Units

### 5.2.1 Independent Society

States which have not registered an independent society to facilitate social audits should immediately do so. In West Bengal, Jharkhand and Nagaland, Social Audit Units are functioning under existing societies created for other purposes. This does not give sufficient independence to the social audit unit. They should also register a separate society for the Social Audit Unit.

### 5.2.2 Governing Body

States which have not set up independent governing bodies to manage the Social Audit Unit should immediately do so. In particular, the governing bodies should include the PAG, representatives from civil society members having long standing experience in working with issues related to transparency and accountability. The governing body should not be chaired by the Secretary of the Rural Development Department. It may also include special invitees of other departments whose programmes are social audited. Some States have included many government officials thereby effectively weakening the voice of civil society in the management of the social audit unit (For instance, there are only two CSO representatives in Bihar's governing body which has a total of 25 members). Moreover, Government members, who report to a senior official who is also part of the governing body, do not have an independent voice and are typically silent. There should be equal representation of civil society and government officials in the governing body. It is most important that the governing body has representatives who will guide the Social Audit Unit by bringing in people's perspectives.

### 5.2.3 Social Audit Process

The Social Audit Process should mandatorily follow the Auditing Standards and must include the following core activities – sharing information about entitlements, verification of payments, worksites and transparency provisions, filing applications for eligible beneficiaries and registering grievances. Currently, many States are skipping some of the activities.

The number of personnel facilitating the social audit should also be in proportion to the scale of implementation in the panchayat and not be a uniform number (Depending on the MGNREGS expenditure, the number of Village Resource Persons deployed in Tamil Nadu varies from three to eight).

### 5.2.4 Wall Paintings

The MGNREGA MIS (hosted at [nrega.nic.in](http://nrega.nic.in)) is considered a good example of how pro-active disclosure should be done. Work details of wages paid for any person from Kashmir to Kanyakumari is available on the website for all to see with a few clicks. Many research studies have been done using this publicly available data and civil society has also been able to raise important questions in an effort to strengthen the programme. However, this data is not available to a common person in the village who does not have access to the Internet. Social Audit is



one tool through which at least the most relevant data can be taken to the people in the village. The Social Audit Resource Persons can use the formats given in the Appendix to write out the information on the walls and this will also help them with the social audit process.

The Social Audit Standards say *'Wall painting is one of the most effective and popular methods to raise awareness among the people. Wall painting may be given utmost importance as tool for the dissemination of knowledge related with MGNREGS. Details of MGNREGS could be exhibited in all the offices of Panchayats and other offices which are frequently visited by the common people. Also, anganwadis and schools, fair price shops could also be utilised for this purpose.'*

### 5.2.5 Transparency in the Functioning of Social Audit Units

Social Audit Units have been set up primarily to promote transparency and accountability. So, it is most essential that they be very transparent in how they function. Annual Calendar, Governing Body minutes, Executive Committee meeting minutes, audited Annual Expenditure Statements, Social Audit Findings, Hiring Processes, advertisements, tender documents related to procurement, etc., should all be hosted in a public website and they should send reports periodically to PAG, SEGC and MoRD. Non-transparency on the part of SAU will make it vulnerable to misappropriations and other governance failures. As mentioned in the Auditing Standards, they should appoint a Grievance Redressal Officer who reports to the Governing Body.

While the Social Audit findings and grievances are entered in the MoRD MIS, the social audit report in the local language should be hosted in the State website. The Auditing Standards say *'The State Government is to establish IT systems to facilitate uploading of reports and key indicators identifying deviations found in the social audit process.'*

### 5.2.6 Correct Gender Imbalance among Resource Persons

The MoRD SoP dated September 22, 2017 on SHG/VRP Training mentions that one of the two trainers of every SHG-VRP training batch must be a woman. In order to achieve this, SAUs must increase the presence of women resource persons, especially at the block and district levels. They can do this by promoting good Village Resource Persons to Block Resource Persons. Further, an effort must also be made to include SC, ST and disabled persons in SAUs.

### 5.2.7 Taking Up Social Audits of Other Schemes

Apart from MGNREGA, 11 other schemes have been taken up for Social Audit by a few States. It would be most appropriate for well-established Social Audit Units to take up social audits in other schemes, including important ones like the NFSA. The Working Group on expanding the scope of social audit (10) has recommended that social audit of other schemes be taken up. The Secretary to Government of India, MoRD has also written to all Chief

Secretaries (15) in January 2018 urging States to take up social audit of all Rural Development programmes.

### 5.2.8 Collaboration with Civil Society, PAG and Ombudsman

The task force recommendation says that civil society has an important role to play in amplifying the voices of the marginalised groups and help address the multiple challenges faced by them, including poor levels of awareness, deliberate marginalisation, economic and social inequality. Hence, it recommends that the SAUs collaborate with them to ensure transparency and accountability in the implementation of public expenditure. Jharkhand has instituted a formal mechanism by inviting prominent civil society representatives to be part of the panel, which will hear the social audit findings and decide on the action to be taken. SAUs should also hold periodic consultation meetings with civil society members and invite them to be part of the social audit process. SAUs should also work with colleges and invite students to volunteer in the social audit process and give independent feedback on their experience.

In the National Workshop on Social Audit on 10 March 2015 (16), the C&AG welcomed the concept of Social Audit and asked the PAG to adopt social audits as part of formal audits. SAUs can greatly benefit by learning from and working with the PAG.

Ombudsmen should be invited to participate in the public hearings and unresolved grievances may be submitted to them for further action.

### 5.2.9 SEGC & Submission of Findings to the State Legislature

SAU Director should be made a member of the State Employment Guarantee Council (SEGC) and he/she should submit a status report to it every time they meet. Annual Social Report should be sent to the SEGC and the PAG. The Audit of Scheme Rules, 2011 mandates that the Social Audit Findings and the Action taken on them be laid before the State Legislature by the State Government and this should be followed.

## 5.3 Recommendations for State Governments

State Governments should own the social audit process and take steps to facilitate social audit well and then promptly take action on the findings. Lack of effective action on the social audit findings is a key issue that needs to be addressed.

As specified in the Auditing Standards, they should do the following:

*‘The State Government shall be responsible for taking follow-up action on the findings of the social audit.’*

*‘State Government should promptly fix responsibility as well as take action against errant officials, persons.’*

*‘The DPCs and POs and other stakeholders from the implementing agencies should be*

*regularly sensitised and appraised about the efficacy of social audit mechanism in ensuring accountability and transparency. Regular workshops should be organised from out of Administrative Expenditure of the scheme'*

*'State Government should ensure attendance of DPCs/POs and other staff involved in implementing the scheme under the Act. "Jan Sunwais" which provide the platform, to be informed about the previous social, audit public hearing report and action taken on the grievances and issues relating to the current social audit conducted.'*

*'The State Governments should frame appropriate rules for fixing accountability for provision of records to the social audit teams within stipulated time frame. The nature of punitive action that shall be taken on the violation of the same should also be defined.'*

*'The State Government shall assign responsibilities to the respective District Programme Coordinators (DPCs) at district level and Programme Officers (POs) at block level to implement corrective actions in a time-bound manner. A district-wise report on action taken and recoveries made / punitive actions taken thereof shall be made semi-annually by the DPCs and forwarded to the Chief Secretary, State Employment Guarantee Council and the Governing Board of the Society for Social Audit.'*

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## Appendix A SAU Data

### Appendix A.1: SAU - Society Registration and Governing Body Member Details

S. No.	Name of the State	Is the SAU functioning under a society?	Whether an exclusive society for SA has been created?	IS PAG a member of GB	GB Chairperson	Total members in GB	Number of Civil Society Representatives in GB
1	Andhra Pradesh	Yes	Yes	Yes	Chief Secretary to the Govt. of AP	9	3
2	Arunachal Pradesh	No	No		The commissioner( Finance)	15	
3	Assam	Yes	Yes	Yes	Chief Secretary, Govt. of Assam	7	2
4	Bihar	Yes	Yes	Yes	Secretary, RD department, Govt. of Bihar	21	0
5	Chhattisgarh	Yes	Yes	Yes	Chief Secretary, Govt. of Chhattisgarh	11	5
6	Goa	No	No	Not applicable	Not applicable		
7	Gujarat	Yes	Yes	Yes	Chief Secretary, Govt. of Gujarat	12	5
8	Haryana	No	No				
9	Himachal Pradesh	Yes	Yes	Yes	ACS/PS/Secretary(UD) to the Govt. of HP	10	2
10	Jammu & Kashmir	No	No	Not applicable	Not applicable		
11	Jharkhand	Yes	No	Yes	Secretary, MoRD, Jharkhand	8	3
12	Karnataka	Yes	Yes	Yes	ACS/PS, RD & PR Dept., Govt. of Karnataka	16	3
13	Kerala	Yes	Yes	Yes	ACS/PS, Water Resources Dept, Govt. of Kerala	11	5
14	Madhya Pradesh	Yes	Yes	Yes	ACS of Panchayat and RD Department	10	5
15	Maharashtra	No	No	Yes	Principal Secretary, RD	17	9
16	Manipur	Yes	Yes		Minister of RD & PR		
17	Meghalaya	Yes	Yes	Yes	Chief Secretary, Govt. of Meghalaya.	14	2
18	Mizoram	Yes	Yes	Yes	Secretary, Local Administration Department	12	4

(Contd...)



## Appendix A.1 (Contd...)

S. No.	Name of the State	Is the SAU functioning under a society?	Whether an exclusive society for SA has been created?	IS PAG a member of GB	GB Chairperson	Total members in GB	Number of Civil Society Representatives in GB
19	Nagaland	Yes	No	Yes	Member Secretary STRoRD.	13	5
20	Odisha	Yes	Yes	Yes	Chief Secretary, Govt. of Odisha	17	1
21	Punjab	Yes	Yes	Yes	Additional Chief Secretary (Development)	9	2
22	Rajasthan	No	No				
23	Sikkim	Yes	No	Yes	Secretary, RM&DD, GoS	13	4
24	Tamil Nadu	Yes	Yes	Yes	ACS to Government, RD & PR Department	23	0
25	Telangana	Yes	Yes	Yes	Mr. Manohar Prasad, Retd. IAS (proposal sent to Govt.)	13	9
26	Tripura	No	No	Yes	The Chief Secretary to the Govt. of Tripura	22	4
27	Uttar Pradesh	Yes	Yes	Yes	Chief Secretary	24	0
28	Uttarakhand	Yes	Yes	Yes	Principal Secretary Rural Development	9	0
29	West Bengal	Yes	No	Yes	Presently no one has been nominated to act as Chairperson	12	3
ACS - Additional Chief Secretary; PS - Principal Secretary							

## Appendix A.2: SAU Director details

S. No.	Name of the State	Full-time Director or part-time Director	Director Type (CSP / GOoD / RGO)*	Date appointed	Was Director appointed by committee following an open process?
1	Andhra Pradesh	Full-time	CSP	22-05-2017	Yes
2	Arunachal Pradesh	Additional Charge	GOoD	20-07-2016	No
3	Assam	Full-time	CSP	05-06-2017	Yes
4	Bihar	Additional Charge	GOoD	08-03-2018	No
5	Chhattisgarh	Full-time	CSP	07-03-2017	Yes
6	Goa	No Director	Not Applicable	Not Applicable	Not Applicable
7	Gujarat	Full-time	RGO	07-08-2017	No
8	Haryana	Additional Charge	GOoD	08-11-2017	No
9	Himachal Pradesh	Full-time	RGO	03-02-2017	Unknown
10	J&K	No Director	Not Applicable	Not Applicable	Not Applicable
11	Jharkhand	Full-time	CSP	02-11-2016	Yes
12	Karnataka	Full-time	RGO	07-08-2016	No
13	Kerala	Full-time	GOoD	01-12-2017	Yes
14	Madhya Pradesh	Full-time	GOoD	17-05-2017	No
15	Maharashtra	Full-time	CSP	22-11-2015	Yes
16	Manipur	Additional Charge	GOoD	28-02-2018	No
17	Meghalaya	Full-time	RGO	13-03-2015	No
18	Mizoram	Full-time	GOoD	18-01-2017	No
19	Nagaland	Additional Charge	GOoD	24-08-2016	No
20	Odisha	Full-time	CSP	05-10-2016	Yes
21	Punjab	Full-time	RGO	07-09-2016	Yes
22	Rajasthan	Full-time	GOoD		No
23	Sikkim	Full-time	CSP	04-12-2012	Yes
24	Tamil Nadu	Full-time	GOoD	16-02-2018	No
25	Telangana	Full-time	CSP	18-05-2010	Yes
26	Tripura	Full-time	GOoD	22-11-2017	No
27	Uttar Pradesh	Additional Charge	GOoD	15-11-2017	No
28	Uttarakhand	Full-time	GOoD	21-06-2017	No
29	West Bengal	Additional Charge	GOoD	11 Jan 2017	No

CSP - Civil Society Person; GooD - Government Officer on Deputation; RGO - Retired Govt Officer

## Appendix A.3: SAU Staff Details

S - Sanctioned; A - Appointed; T - Trained

S. No.	Name of the State	S- SDC	A- SDC	T- SDC	S- SAE	A- SAE	T- SAE	S- SRP	A- SRP	T- SRP	S- DRP	A- DRP	T- DRP	S- BRP	A- BRP	T- BRP	S- Others	A- Others	T- Others	Total Staff
1	Andhra Pradesh	1	1		4	3		7	6	6	72	69	65	618	502	502	5	34	0	615
2	Arunachal Pradesh																			
3	Assam	1		1	5	5	5				27	25	25		252	182	6	1	0	283
4	Bihar		1						2	2		33	33				0	0	0	36
5	Chhattisgarh	1	0	1	0	0	0	5	3	3	88	38	36	425	419	387	65	50	1	510
6	Goa																			
7	Gujarat	0	0	0	5	1	1	0	0	0	20	9	0	279	279	0	0	0	0	289
8	Haryana																			
9	Himachal Pradesh	0	0	0	2	2	2	0	0	0	15	15	15	203	181	102	2	4	0	202
10	Jammu and Kashmir																			
11	Jharkhand	1			4	3	3				24	22	22	267	218	218	4	3	0	246
12	Karnataka				1			6	3	3	32	27	26	176	169	156	11	10	0	209
13	Kerala	1	1	0	3	1	1	0	0	0	48	0	0	0	0	0	5	2	0	4
14	Madhya Pradesh	1			4	2	2	0			51	47					5	4	0	53
15	Maharashtra		1		6	2	2	0	2	0	38	33	0	0	0	0	10	5	0	41
16	Manipur																			
17	Meghalaya	1	1	0	4	3	3	0	0	0	13	13	13	259	259	73	2	3	0	279
18	Mizoram				1	1	1	1			5	5	5				1	13	0	19

(Contd...)

## Appendix A.3 (Contd...)

S - Sanctioned; A - Appointed; T - Trained

S. No.	Name of the State	S- SDC	A- SDC	T- SDC	S- SAE	A- SAE	T- SAE	S- SRP	A- SRP	T- SRP	S- DRP	A- DRP	T- DRP	S- BRP	A- BRP	T- BRP	S- Others	A- Others	T- Others	Total Staff
19	Nagaland	1		1	0	0		2	2	2	27	27	25	22	22		5	5	1	56
20	Odisha				6	6	6				28	32	32		314	310	0	1	0	353
21	Punjab				4						3						0	0	0	0
22	Rajasthan																	17	0	17
23	Sikkim		0					4	4	4	22	18	18				2	1	1	23
24	Tamil Nadu	0		0	0	0	0	3	3	3	31	24	24	770	604	604	40	17	0	648
25	Telangana	0			3	2	1	12	12	2	52	52	25	442	442	313	65	22	0	530
26	Tripura	0			1						26	19	19	116	66	66	15	1	0	86
27	Uttar Pradesh				3	0	0	18	2	2	75	72	40	821	620	395	1	1		695
28	Uttarakhand							2	2		7	11		95	95		11	11	0	119
29	West Bengal	0			4	4	4				124	105	104		0		1	1	1	110
<b>TOTAL</b>		<b>8</b>	<b>5</b>	<b>3</b>	<b>60</b>	<b>35</b>	<b>27</b>	<b>61</b>	<b>39</b>	<b>25</b>	<b>828</b>	<b>696</b>	<b>527</b>	<b>4493</b>	<b>4442</b>	<b>3308</b>	<b>256</b>	<b>206</b>	<b>4</b>	<b>5423</b>

### Appendix A.4: Number of Audits

S. No.	Name of the State	Number of panchayats	Number of panchayats where audit was done in 2016-17	Number of panchayats where audit was done in 2017-18 (Apr.-Nov.)
1	Andhra Pradesh	12946	12890	7281
2	Arunachal Pradesh	1734		
3	Assam	2639		96
4	Bihar	8463	0	4
5	Chhattisgarh	10976	5923	4553
6	Goa	190		
7	Gujarat	14347	14208	6476
8	Haryana	6079		
9	Himachal Pradesh	3226	0	141
10	J&K	4098		
11	Jharkhand	4403	534	853
12	Karnataka	6020	5899	5972
13	Kerala	978		
14	Madhya Pradesh	22809	5917	4870
15	Maharashtra	28700	720	460
16	Manipur	161		
17	Meghalaya	6188	3135	6085
18	Mizoram	859	297	272
19	Nagaland	1240		0
20	Odisha	6801	2633	2466
21	Punjab	13079		2250
22	Rajasthan	9178		
23	Sikkim	176	176	100
24	Tamil Nadu	12524	12523	9783
25	Telangana	8672	8121	4293
26	Tripura	1178	3	448
27	Uttar Pradesh	59153	13906	
28	Uttarakhand	7956		82
29	West Bengal	3341	1408	1160
	<b>Total</b>	<b>258114</b>	<b>88293</b>	<b>57645</b>

### Appendix A.5: Social Audit Findings and Action Taken

Data for 2016-17 and April 2017 - November 2017										
S.No.	States	Number of grievances registered	Number of grievances redressed	Number of issues filed	Number of issues for which ATR has been received	Number of issues with satisfactory ATR	Total misappropriation amount (₹)	Total amount recovered	Number of disciplinary actions	Number of FIRs registered
1	Andhra Pradesh	343,571	1,789	38,771	44,181	44,181	175,032,332	31,521,710	8,165	21
2	Arunachal Pradesh									
3	Assam	0	0	52	52	22	5,138,142	0	9	0
4	Bihar	0	0	0		0	0	0	0	0
5	Chhattisgarh	1,428	453	0	1,410	0	209,460,816	0	0	0
6	Goa									
7	Gujarat	525	518	525	518	518	0	0	0	0
8	Haryana									
9	Himachal Pradesh	0	0	0		0	0	0	0	0
10	J&K									
11	Jharkhand	13,019	6,105	25,682	8,631	3,320	101,081,695	2,811,280	666	46
12	Karnataka	0	0	0	0	0	757,000,000	0	0	0
13	Kerala									
14	Madhya Pradesh	0	0	1,071	757	676	294,789	0	82	0
15	Maharashtra	0	0	0	28	28	5,044,637	0	8	0
16	Manipur									
17	Meghalaya	0	0	0	0	0	0	0	0	0
18	Mizoram	0	0	0	0	0	0	0	0	0

(Contd...)



## Appendix A.5 (Contd...)

Data for 2016-17 and April 2017 - November 2017										
S.No.	States	Number of grievances registered	Number of grievances redressed	Number of issues filed	Number of issues for which ATR has been received	Number of issues with satisfactory ATR	Total misappropriation amount (₹)	Total amount recovered	Number of disciplinary actions	Number of FIRs registered
19	Nagaland	0	0	0	0	0	0	0	0	0
20	Odisha	1,156	0	0	0	0	63,000	63,000	0	0
21	Punjab	0	0	1		0	1,500,000	0	0	0
22	Rajasthan									
23	Sikkim	952	504	1211	706	504	3,761,319	864,643	0	0
24	Tamil Nadu	845,003	86,323	90,946	16,470	6,874	1,432,100,000	136,400,000	31	7
25	Telangana	426,595	52,286	79,126	0	0	44,700,000	26,300,000	3,219	181
26	Tripura		0	640	54	0	0	7,436	0	0
27	Uttar Pradesh	179,244	75,675	0	0	0	77,792,000	3,930,000	92	0
28	Uttarakhand		0	0	0	0	0	66,200	23	0

### Appendix A.6: SAU Expenditure in 2016-17

S.No.	States	Amount spent by SAU in 2016-17 (₹ in lakh. approximate)
1	Andhra Pradesh	2000
2	Arunachal Pradesh	
3	Assam	0
4	Bihar	0
5	Chhattisgarh	787
6	Goa	0
7	Gujarat	19
8	Haryana	
9	Himachal Pradesh	10
10	Jammu & Kashmir	
11	Jharkhand	200
12	Karnataka	1250
13	Kerala	0
14	Madhya Pradesh	107
15	Maharashtra	133
16	Manipur	
17	Meghalaya	133
18	Mizoram	83
19	Nagaland	0
20	Odisha	40
21	Punjab	7
22	Rajasthan	
23	Sikkim	82
24	Tamil Nadu	3200
25	Telangana	1400
26	Tripura	61
27	Uttar Pradesh	1682
28	Uttarakhand	
29	West Bengal	1000
<b>Total</b>		<b>12194</b>

**Appendix A.7: Fund Release by MoRD to State SAUs in 2017-18**

S.No.	States	1st Tranche (₹ in lakh)	2nd Tranche (₹ in lakh)	Total ( ₹ in lakh)
1	Andhra Pradesh	1,184.92	Nil	1,184.92
2	Arunachal Pradesh	37.53	Nil	37.53
3	Assam	368.02	Nil	368.02
4	BIHAR	543.68	Nil	543.68
5	Chhattisgarh	684.76	584.36	1269.12
6	Gujarat	183.15	Nil	183.15
7	Himachal Pradesh	140.02	Nil	140.02
8	Jharkhand	437.98	373.76	811.74
9	Karnataka	816	Nil	816
10	Kerala	418.37	Nil	418.37
11	Madhya Pradesh	880.57	Nil	880.57
12	Maharashtra	521.6	Nil	521.6
13	Manipur	74.31	Nil	74.31
14	Meghalaya	196.64	167.81	364.45
15	Mizoram	37.16	37.16	74.32
16	Nagaland	132.59	113.15	245.74
17	Odisha	532.2	Nil	532.2
18	Punjab	132.39	112.98	245.37
19	Sikkim	32.49	32.49	64.98
20	Tamil Nadu	1,337.13	1141.07	2,478.20
21	Telangana	478.34	408.2	886.54
22	Tripura	300.43	Nil	300.43
23	Uttar Pradesh	1,046.06	Nil	1,046.06
24	Uttarakhand	180.05	Nil	180.05
25	West Bengal	1,798.14	1534.49	3,332.63
<b>TOTAL</b>		<b>12,494.53</b>	<b>4,505.47</b>	<b>17,000.00</b>

## Appendix A.8: SHG-VRP Training Programme on MGNREGA SA as on 15th Dec 2017

The VRP training for SHG members has been taken up in the following States in the 1st phase. The number of batches that have been completed in each State is given below in the table. Each batch had approximately 40 trainees.

S. No.	Name of the State	No. of batches completed	No. of SHG women trained
1	Andhra Pradesh	228	8196
2	Assam	41	1635
3	Chhattisgarh	441	13894
4	Jharkhand	126	4244
5	Karnataka	24	919
6	Madhya Pradesh	228	8082
7	Odisha	43	1530
8	Tamil Nadu	594	21131
9	Telangana	44	1576
10	West Bengal	2	2180
	<b>Grand Total</b>	<b>1771</b>	<b>61287</b>

## Appendix B: Wall Paintings Formats

### 1) Panchayat Summary on MGNREGS in 2017-18

Panchayat Name: _____ Block Name: : _____ District Name: _____	
Total Expenditure on MGNREGS	
Total unskilled wage Expenditure	
Total material Expenditure	
Total person days of unskilled wages	
Average person days / household	
Average wages / household	
Total new works taken up	
Total new works completed	

### 2) List of works taken up under MGNREGA in 2017-18

Panchayat Name: _____ Block Name: : _____ District Name: _____									
	Name of work	Code No.	Sanction Amount			Expenditure Amount			Work Status (Complete/ Incomplete)
			Labour	Material	Total	Labour	Material	Total	

### 3) Expenditure on material procured for works under Mahatma Gandhi NREGA for financial year 2012-15

S. No.	Work Name	Work Code	Cement			Sand			Stone			Total Expenditure
			No. of bags	Rate/ bag	Cost	No. of Trolleys	Rate / trolley	Cost	No. of Trolleys	Rate / trolley	Cost	

#### 4) Details of wages paid to each family in the village (ward) / panchayat

S.No.	Name of head of HH, { Names of workers }	JC Number	2017-18		2018-19		2019-20	
			No of days	Total Wages	No of days	Total Wages	No of days	Total Wages

#### 5) Comparison of average days of work provided and average wages paid at different levels starting from village to country

Geographic Level	2017-18		2018-19		2019-20	
	Average number of work days	Average wages paid	Average number of work days	Average wages paid	Average number of work days	Average wages paid
Village Name:						
Block Name:						
District Name:						
State Name:						
India:						



## Appendix C: Questionnaire that was Circulated to SAUs in Jan 2018

### Social Audit Unit Status (as per MoRD & CAG Task Force Recommendation parameters) & Feedback - Jan 2018

State Name	
Date of filling up the form	
Email address of SAU	

### SAU Independence

Has a society been created to conduct social audits in the state? (If yes, date of creation of the society. If no, specify the steps taken to create one and estimate of when it will be created)	
Is the SAU functioning under some society which had been created for other purposes? If yes, is there a plan to create an independent society for the social audit unit?	
Is the State PAG a member of the Governing Body?	Yes / No
List of civil society representatives in the Governing Body	
Total number of members in the Governing Body	
Chairperson of the Governing Body	
Does SAU have an independent bank account?	Yes / No
List of people who operate the bank account	
Does SAU require approval of implementing authority to make payments to resource persons, spend money on social audit?	Yes / No
Has a grievance redressal officer been appointed for the SAU who will report to the GB?	
Has the State Government issued rules for the conduct of social audit?	Yes / No (If Yes, include a copy)

## SAU Functioning

(Please include any videos, documents, presentations highlighting the work of the SAU)

Number of times the Governing Body met in 2016-17	
Number of times the Governing Body met in 2017-18 (Please include the meeting minutes of the last GB meeting)	
Are block level hearings done?	
Does the SAU facilitate the concurrent monitoring? (If Yes, specify how)	Yes / No
Does the SAU send details on irregularities to the vigilance cell?	
Details of collaboration with ombudsmen	
Details of collaboration with the PAG	
Details of collaboration with Local Fund Audit	
Details of collaboration with civil society organisations	
List of schemes that have been taken up for social audit apart from MGNREGS and funds received for that	
SAU Expenditure in 2016-17	

## Cooperation from Implementation Department

Level of support for social audit at the block & panchayat level	Good / Satisfactory / Poor
Level of support for social audit at the State level	Good / Satisfactory / Poor
Details of any State-level mechanism by RD Department to periodically review social audit findings and ATRs submitted by DPCs	
List of required documents / registers for social audit that are commonly not provided during social audit	

## SAU Staffing

### SAU Director

Does SAU have a Director? Name of Director	Yes / No
Director details (circle appropriate option)	1) Full-time / Full-time in charge / Additional Charge  2) Govt. officer on deputation / Retired Govt. officer / civil society person
Is Director involved in any way with implementation of MGNREGA? If yes, specify how.	Yes / No
Is the Director a member of the State Employment Guarantee Council?	

### SAU Staff

Post Name	Number of Sanctioned Posts	Salary / Month	Number of Appointees	No. of people completed the 30-day training programme	Number of Govt. officers on deputation	Number of retired Govt. officers
Director						
Social Development Consultant						
Social Audit Experts						
State Resource Persons						
District Resource Persons						
Block Resource Persons						
Accountant						
Office staff						
List details of all other positions here						
<b>Total full-time staff</b>						

### Recruitment Process for staff of the SAU

### Social Audit Unit Reporting & Transparency

Does SAU send reports (as per MoRD specified format) to the PAG on a quarterly basis? If Yes, please enclose the last two reports	Yes / No
Does SAU send annual report to PAG? If Yes, please enclose the last report	Yes / No
Does SAU send annual report to SEGC?	Yes / No
Does SEGC incorporate the findings of social audit and the action taken in its annual report to the State Legislature	Yes / No
Does SAU have an independent website?	Yes / No (If Yes, specify website)
Are the social audit reports uploaded on this website?	
Are the governing body meeting minutes, executive body meeting minutes, audited financial statement, staff details, Section 4 of RTI Act etc. hosted on a public website? (If yes only for some, specify details)	Yes / No

**MGNREGS findings**

	<b>2016-17</b>	<b>2017-18 (Apr 1 – Nov 30)</b>
Number of panchayats in State		
Is an annual social audit calendar prepared? If yes, number of panchayats planned for social audit.	Yes / No	Yes / No
Number of panchayats where social audit was done once		
Number of panchayats where social audit was done twice		
Number of reports with issues submitted to department		
Number of ATRs received		
Number of grievances registered		
Number of grievance redressed		
Number of issues filed		
Number of issues for which an ATR has been received		
Number of ATRs which are found satisfactory		
Total Misappropriation amount found		
Amount recovered		
Number of personnel on whom disciplinary action has been taken		
Number of FIRs registered		



## Support Needs

Training needs for resource persons	
Training needs for State unit staff	
MIS requirements	
Documentation/ Video recording support required	
Research Support/ Test Audits / Pilot Audits/ Exchange visits required	
Other support required from MoRD	
Other support required from NIRD&PR	

## Plan / Suggestions / Feedback

Future plans of SAU	
Suggestions to get better support from implementation agency	
Challenges faced by SAU	
Suggestions to make SAU stronger	
Innovative Practices adopted by SAU that may be considered for replication in other states	
Ideas to make social audit process more effective	
Feedback on anything else	



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