



Proceedings and Recommendations of the National Workshop on Social Audit of Rural Development Programmes 26th November 2020



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List of Abbreviation

Sl. No.	Abbreviation	Full Form
1	AG	Auditor General
2	AMC	Annual Master Circular
3	AP	Andhra Pradesh
4	APSSAAT	Andhra Pradesh Society for Social Audit, Accountability and Transparency
5	AS & FA	Additional Secretary and Financial Advisor
6	ATR	Action Taken Report
7	BRP	Block Resource Person
8	CFI	Consolidated Fund of India
9	C&AG	Comptroller and Auditor General
10	CSA	Centre for Social Audit
11	DPC	District Programme Coordinator
12	DRDA	District Rural Development Agencies
13	DRP	District Resource Person
14	FFCG	Fourteenth Finance Commission Grants
15	FIR	First Information Report
16	GB	Governing Body
17	GO	Government Order
18	GoI	Government of India
19	GP	Gram Panchayat
20	HR	Human Resource
21	HSRLM	Haryana State Livelihood Mission
22	ICDS	Integrated child development Scheme
23	I/C	In-Charge
24	JS	Joint Secretary
25	JS(RE)	Joint Secretary (Rural Employment)
26	JSLPS	Jharkhand State Livelihood Promotion Society
27	JTELP	Jharkhand Tribal Empowerment and Livelihood Programme
28	MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
29	MDM	Mid-day Meal
30	MIS	Management Information System
31	MoRD	Ministry of Rural Development
32	MP	Madhya Pradesh
33	NCC	National Cadet Corps
34	NE	North East
35	NFSA	National Food security Act
36	NHM	National Health Mission
37	NIC	National Informatics Centre
38	NIRDPR	National Institute of Rural Development Panchayati Raj
39	NRLM	National Rural Livelihoods Mission
40	NSAP	National Social Assistance programme
41	NSS	National Service Scheme
42	PMAY-G	Pradhan Mantri Awaas Yojna-Gramin

43	RD	Rural Development
44	RTI	Right to Information
45	SA	Social Audit
46	SAU	Social Audit Unit
47	SBM-G	Swacchh Bharat Mission Grameen
48	SEGC	State Employment Guarantee Council
49	SHG	Self Help Group
50	SRD	Secretary Rural Development
51	SRP	State Resource Person
52	VRP	Village Resource Person

Proceedings and Recommendations of the National Workshop (Video Conference) on Social Audit of Rural Development Programmes 26 November 2020

1. Background

The 1st National Seminar on Social Audit of Rural Development Programmes was held in Vigyan Bhavan, Delhi on 13th and 14th November 2019. During the Seminar, the Ministry released the social audit guidelines for PMAY-G, NSAP & FFCG. The proceedings of the Seminar was prepared by NIRDPR and is available at http://nirdpr.org.in/nird_docs/rss/socaudit-rs240420.pdf

Following the seminar, Shri Amarjeet Sinha, former Secretary of MoRD had written a D.O. letter (Annexure I) to all Chief Secretaries requesting them to extend Social Audit to PMAY-G, NSAP and FFCG, ensure the independent and efficient functioning of the SAUs and the Governing Bodies, issue guidelines mandating the cooperation of implementation agencies in the social audit process and prompt follow up action on the findings, prepare annual report and place it before the state legislature, strengthen capacity building of social audit resource persons and give security when requested to the social audit team.

As a follow up the Ministry had also planned to hold five regional workshops in different regions during 2020 to follow up on the issues and take stock of social audit. However, because of the Covid-19 related disruptions, the workshops could not be organised. It was however, decided to organise a virtual workshop at national level with the SAU Directors and senior implementation officials. Accordingly on 07 Oct 2020, Shri Nagendra Nath Sinha, Secretary, MoRD vide his D.O. letter dated 02.12.2020 (Annexure II) wrote to all Chief Secretaries requesting a status update on the key action points that were arrived at. To ensure a result oriented workshop, all states were requested to fill a questionnaire on the current status. They were also asked to specify a time by which the key activities shall be completed if not done already. Each state was asked to prepare a short presentation based on a template. The Agenda for the workshop is at Annexure III.

2. Social Audit Assessment Index

Significant progress in the implementation of social audit had been made since 2015-16 which was duly reflected in the detailed report 'Status of Social Audits in India, 2019' available at http://nirdpr.org.in/nird_docs/rss/socaudit-rs.pdf.

To ensure that social audits are conducted well, certain basic pre-requisites mentioned in the MGNREG Audit of Scheme Rules, Auditing Standards for Social Audit and the Annual Master Circular need to be implemented in all states. To that this happens, the Ministry has developed the Social Audit Assessment Index covering 15 thematic areas, which can be used by the states to do a self-assessment and develop a roadmap for improvement. The Social Audit Assessment Index was released by the RD Secretary during the workshop. It can be accessed at <https://rural.nic.in/sites/default/files/SA%20Assessment%20Index%2025-11-2020.pdf>

3. Introductory remarks by Shri Sanjeev Kumar, AS&FA

Shri Sanjeev Kumar welcomed participants to the 'National Workshop on Social Audit of Rural Development Programmes' and stated that the newly developed "Social Audit Assessment Index" would be a useful tool for the states to assess the progress of social audit in their state. It was stated that the workshop's aim was to follow up on action points arrived at during the 'National Seminar on Social Audit of Rural Development programmes' held on the 13-14th of November 2019 wherein important decisions were taken about how to streamline the ongoing process of social audit. During the detailed presentation, the following key points were put forth –

- ❖ Social audit provides an accountability framework for rural development programmes. The SA index will help institutionalize the SA process.
- ❖ Rural development spending has increased over the years. SA forms a significant part of the good governance accountability framework to ensure efficacy of this spending.
- ❖ Social audit receives its statutory mandate from MGNREGA and other Acts such as NFSA for example. Further it has been institutionalized in several ways including through Meghalaya enacting its own SA Act, Supreme Court decisions with regard to implementing SA, Section 17 of MGNREGA, Audit of Scheme Rules 2011 (formulated in consultation with the C&AG), the 2016, Social Auditing Standards, and the MGNREGA-AMC which is compiled every year. In 2016 the Centre for Social Audit, NIRDPR began a certificate training programme to build capacities of SAUs. In 2019 SA guidelines of NSAP, PMAY-G, and FFCG were released and states were requested to begin SA of these programmes. Each of the above is a landmark in the evolution of social audit in India.

- ❖ The Status of SA report 2019 raised important issues which impact the SA process such as independence, functionality, composition of governing bodies and staff of SAU, capacity building, SA process, funds provided and concurrent audit. All these issues raised in the report are still relevant.
- ❖ Some of the problems pointed out in the report are also equally relevant such as non-production of records, grievances not being dealt with adequately or in time, low percentage of issues in which action has been taken, difficulties in using the MIS - these have to be addressed. The 2019 report also emphasized very low figures of recovery.
- ❖ The National Seminar held on 13-14th November 2019 focused on the following themes – i) extending of SA to other programmes such as NSAP, PMAY-G, FFCG ii) the need to strengthen SAU structure and the SA process iii) need to build on concurrent audits and strengthen grievance redressal iv) need to strengthen capacity building of resource persons – these decisions were communicated to the states through a D.O. letter sent from the Secretary, DoRD to the Chief Secretaries dated 2.12.2020.
- ❖ The list of priorities and activities which emerged from the National seminar was separated into action points for the MoRD, for SAUs, for state governments and for the Centre for Social Audit, NIRDPR. Over the last year, many of the action points have been acted on. For example, in an attempt to sort out issues with the SA MIS, a committee was set up which came out with detailed recommendations on necessary changes to be made. Further, in the context of covid, guidelines were drafted for concurrent audit of MGNREGA. The Centre for Social Audit (CSA), NIRDPR conducted e-trainings and online courses. 1071 participants from select states have attended these training sessions through which elicited good response. CSA NIRDPR also organized an online consultative meeting of SAU directors and a training programme for financial management of SAUs which was another recommendation which emerged from the National Seminar 2019.
- ❖ On 07.10.2020 a D.O. letter was written by the Secretary, DoRD to state governments, to ascertain the actions which have been taken to improve the SA process since the National Seminar. All the states responded which shows good progress.
- ❖ The SA Index has been developed in the spirit of cooperative federalism - States may rank themselves based on certain agreed upon criteria which have been taken from the MGNREGA Act, SA rules, Auditing Standards and SAU best practices. For each parameter, the index book includes the relevant

extracts from different sources so that it is easy to read and understand. The book acts as a single resource where all relevant rules can be found. Moving forward, the Index can be used for self-evaluation and external evaluation by organizations such as NIRDPR.

- ❖ The index includes the following sections each of which contains a series of indicators of success – (i) whether the SAU, GB have been established as per SA standards and are functioning independently (ii) SA personnel and capacity building - from the director down to VRP (iii) financial management of SAUs (iv) whether SA process and findings are made transparent to stakeholders; that there is a quality and rigor to the process (iv) Action taken on SA findings - fund recovery, proactive action on all findings, the responsibility of implementation agency towards the SA process should be reflected in the MIS (vi) transparency, accountability of SAU – every SAU should draft a code of ethics, make grievance redress a priority, conduct periodic test audits (vii) expansion of the umbrella of SA to include other schemes (PPT Annexed)

Release of Social Audit Assessment Index:

Shri Nagendra Nath Sinha, Secretary, Department of Rural Development released the e-book- Social Audit Assessment Index.

4. State Presentations

Following the launch of the Index, implementation officials and SAUs of each state were asked to make a presentation on the status of social audits in their respective states based on a template circulated in advance. The Presentations have been annexed with this report and can be referred to for details. This section of the report includes a summary of each state's presentation in the order in which they presented, as well as the discussions which followed.

4.1. Andhra Pradesh

The Commissioner RD&PR, Andhra Pradesh, referred to the SAU as a vibrant, independent body and invited Mr. G. Srikanth, the Director of APSSAAT to make the presentation. Some of the key points made by the Director SAU are as follows:

- ❖ Andhra Pradesh has had an independent society for social audit since 2009, which was re-registered in 2014 after the state was bifurcated. It formulated rules of

governance in 2008 and has since adopted and functioned in accordance with the 2011 rules and 2016 auditing standards in every aspect (governing body composition, operational and financial independence, etc.)

- ❖ The State has a vigilance cell in place to review social audit findings and recommend action. Monthly joint meetings of the SAU and Vigilance officers and periodic reviews by the Principal Secretary and Commissioner form a part of the same effort.
- ❖ Social audits of all GPs are conducted annually, and every wage seeker is covered - this year both social audits and concurrent audits were facilitated which is a practice that the SAU wants to take forward in following years. AP has a rigorous asset verification process using an M-Sheet format where measurements are taken in front of both wage seekers and implementation officials.
- ❖ In 2019-20, the number of issues identified was 1,25,026 of which 82.64% have been closed. The state has a 10% recovery rate and has redressed 76% of grievances.
- ❖ Strong monitoring mechanisms are in place. Quarterly and annual reports are submitted to C&AG, internal monitoring teams have been set up to carry out test audits and quality checks, vigilance monitors, state team monitors and independent observers attend public hearings/ gram sabha to improve decision making. The SAU has created a post of grievance officer to receive complaints against staff of the SAU.
- ❖ All SAU staff have received certified training with NIRDPR. 15,856 SHG women have been trained to join the social audit process as VRPs. Two cases were presented of wage seekers who have through the years risen through the ranks of the SAU and have respectively become a state team monitor and an assistant programme coordinator.
- ❖ In response to a question about whether the SAU has adequate District resource persons (DRPs) to attend every Gram sabha, the Director clarified that in AP Block resource persons (BRPs) are referred to as DRPs and the state does have an adequate number of BRPs.

Interaction

Secretary ,DoRD wanted to know about any formal or operational link between the SAU and the Commissioner. It was informed by the Director SAU that the SAU works independent of the commissioner and that the offices are separate and far apart. It was further informed that Commissioner's support is however available in case there are issues. Secretary, DoRD wanted to know the correct amount of the funds misappropriated as in the presentation made the figures indicated were conflicting. Director SAU informed that INR 153 Crores is the misappropriated amount as shown in the MIS as per section 9.3.2 however the same pertains only to the past two years. The actual cumulative amount was INR is 616 crore.

Secretary, DoRD wanted to know the extent of recovery done of the misappropriated amount. It was informed that INR 616 crores is the amount that has been identified by the SAU as misappropriated of this only INR. 180 crores has been checked so far out of which only INR 127.65 crores has been verified as misappropriated from which only INR 60.23 crores had been recovered so far. As a substantial amount of INR 436 crores was yet to be checked. Secretary, DoRD wanted to know about the extent of time lag and the reasons for delay. The Commissioner responded by informing that in the first few years the misappropriation amount being reported was fairly low however the same started to increase 2014 onwards. The current pending amount was from the last three years and that the task of verification is pending with the District and Assistant Programme Coordinators. He assured that the State would now be taking up this work in a mission mode for completing both the verification process as well as the recovery. Secretary, DoRD suggested that the amounts should be recovered with interest depending on how much time has passed and advised that the pending work be completed over the next 2-3 months. Secretary DoRD also stated that the presentation by the State reflects the depth of the social audit process undertaken by APSSAAT and that there were many practices that other states could learn from and that certain documents such as disciplinary rules, performance ratings should be circulated as these were systemic tools that should be adopted across the country. AS & FA informed that some of the State's best practices have already been incorporated into the design of the SAA index.

4.2. Arunachal Pradesh

Rural Development and Panchayati Raj Secretary, Arunachal Pradesh introduced and invited the Social Audit Unit Director in charge of the state to make presentation on behalf of the state. Key points made by the Director SAU are as follows:

- ❖ Over the last two years, Arunachal Pradesh Social Audit Unit could not conduct any social audits due to unavailability of DRPs and BRPs
- ❖ Arunachal Pradesh has initiated the process of recruiting a full time independent Director and the District Collectors have been asked to recommend names of persons who can be appointed as resource persons after getting training from NIRDPR. Till now 10 District collectors have recommended persons for the position of DRP.

Interaction

Secretary, DoRD wanted to know why it was necessary to get people recommended by District Collectors to fill the positions of DRPs and why could the recruitment not be carried out at the state level under the chairmanship of the RD

Secretary. The Secretary further observed that seeking recommendation from the District Collectors is likely to compromise with the resource persons ability to take independent decisions.

–Responding to above query, the Secretary (RD&PR), Govt. of Arunachal Pradesh explained that the process for selection was decided in January, and promised to look into it and make necessary changes. **Secretary, DoRD** suggested to convene meeting of the Governing Body of SAU to revisit this decision related to selection of resource persons.

Secretary, DoRD observed that no social audit has been conducted in the last two years in Arunachal Pradesh and wanted to know whether any other community assessment of RD Programmes has been done in between, through any other institution. SAU Director replied that no such assessment has been taken up in last two years

Secretary, DoRD wanted to know how many persons/staff are there in the social Audit unit currently and SAU Director replied that there are only three social audit experts in SAU Arunachal Pradesh and there are no DRP, BRP or VRP at present.

AS&FA, DoRD commented that Arunachal Pradesh has not applied for any grants or funds, which reflects that there has been no movement in the conduct of social audits in the state.

Secretary, DoRD suggested to develop a roadmap to make the SAU functional so that the SA process can be activated & streamlined in the state. NIRDPR NERC-Guwahati can support Arunachal Pradesh in these efforts.

4.3. Haryana

The Principal Secretary, RD, made presentation for Haryana. Key points made by him are as follows:

- ❖ Haryana has formed its social audit society in 2019 and has recently appointed a full time independent Director and some social audit experts. They are taking up social audit with the help of VRPs who are selected from SHGs promoted by HSRLM.
- ❖ Have already covered 600 GPs for MGNREGA Social Audit, will complete SA of another 450 GPs by the end of December and in the remaining 1000 GPs social audit will be completed by the end of this financial year.
- ❖ Social audit findings/reports are being uploaded on the website. Approximately 900 issues have been identified as misappropriation and process violation. These issues are being discussed and resolved through

public hearings conducted at the local level. Issues which are not resolved at the public hearing stage are being brought to the commissioner MGNREGA.

- ❖ Over all Haryana has started working seriously on streamlining social audit and will soon take up SA of other programmes, starting with NSAP and PMAY-G.
- ❖ Haryana has completed the self-assessment on the basis of the parameters given in the SA index and scored approximately 70%. Still there are many gaps which the state hopes to mitigate in the next 2-3 months.

Interaction

Secretary, DoRD wanted to know whether Haryana has developed a road map to improve social audit in the state. Pr. Secretary, Govt. of Haryana responded that Haryana would bring other programmes under the umbrella of social audit and would cover 100% GPs under Social Audit in the following year. To do this VRPs have to be selected and engaged at full strength. He further reported that the Haryana Chief Minister is also very keen to bring the other department's programmes and schemes under the purview of Social Audit.

4.4. Karnataka

In his presentation, the Commissioner MGNREGA, Govt. of Karnataka noted that SAU Karnataka has a full time director and has adequate staff from the village level upwards to the district and state level. Other key points of the presentation are as follows: -

- ❖ The Government of Karnataka has issued a GO in September 2019 to improve transparency of the social audit process. The resolutions which were coming from the Gram Sabha were not clear and were leading to confusion. This GO allows a person to appeal a resolution.
- ❖ In 2019-20 SAU Karnataka has audited 98% of GPs and in 2020-21 50% GPs have been audited. In the last 4 years SAU has identified 1, 29,584 issues out of which 12,636 issues were closed satisfactorily.
- ❖ Financial Misappropriation reported in the year 2019-20 is Rs. 86.26 Cr. In which amount recovered is less than 5%
- ❖ Total amount of misappropriation reported from FY 13-14 to 19-20 is Rs. 293.80 crores in which Rs. 5.38 crores has been recovered
- ❖ The reasons behind low amounts recovered are the recommendations made by Gram Sabhas for recovery are not clear due to lack of records and in some instances they have proposed recovery for check measurements not taken also. Subsequently many of these errors have been corrected.
- ❖ Grievances redressed is less than 5%.

- ❖ Social Audit reports are displayed on the notice boards of Gram Panchayats in the local language and 75% to 95% social audit reports are available in the public domain
- ❖ The State Employment Guarantee Council (SEGC) monitors the social audit findings and action taken reports. The Council directed the SAU to take up the fresh audits in blocks where there are complaints. A special vigilance team is sent to check works in certain blocks where the council feels works are not being executed in the field.
- ❖ Social Audit of NSAP was conducted in 2019 in 3152 GPs. A PMAY-G proposal was sent to the housing department to release the funds. The 14th Finance commission grants audits are going on.
- ❖ Some of the SAU best practices are to create awareness amongst villagers of the entitlements through distribution of the pamphlets and wall paintings. This enables people to participate in Gram Sabhas. The SAU also collects complaints during the door to door verification process and tries to address these grievances in the Gramsabha. The SAU uploads all social audit reports on to the MIS, and has also drafted its own disciplinary procedures and HR policy.
- ❖ A positive impact of social audit has been in improving the file management of projects, MGNREGA works, M-books, list of works, payment details. Large number of people participate in Social Audit Gramsabhas and share their grievances and opinions freely.
- ❖ One main objection which has emerged during social audits is that line departments are not showing the SA teams records due to lack of building records despite work having been completed.
- ❖ There is request from the Director, SAU with regards to MIS issues and the need for technical trainings
- ❖ The SAU has taken up some special audits and during covid time, audits of job cards in about 114 habitations was taken up to spread awareness amongst the community.

Interaction

Secretary, DoRD wanted to know why only less than 5% of the grievances have got resolved. Commissioner, MGNREGA, Govt of Karnataka responded that they have taken serious note of this and gave assurance that they would do better in coming days.

Secretary, DoRD enquired whether the SA reports were submitted in assembly. Commissioner responded that till now, reports are not being placed before the assembly and that it will be placed in the next session which is planned in mid-December.

Secretary, DoRD further wanted to know whether the State has done the self-scoring to which Commissioner responded that State has scored 765 out of 1070.

Secretary, DoRD directed AS & FA to compile information about states which have placed reports before assembly and also to include this question in the Social Audit Assessment Index. In response AS&FA replied that the data would be compiled and placed before the Secretary and also this is a parameter in the index.

4.5. Jharkhand

Presentation was made by the Principal Secretary RD, Jharkhand. Key points made by her are as follows:

- ❖ The SAU has been functional since 2016 as an independent cell under the JSLPS. The SAU is headed up by a full time director, selected from a civil society organization. The SAU has complete financial and operational independence
- ❖ Jharkhand has initiated the process of forming an exclusive society for social audit
- ❖ Resource persons are in adequate numbers to conduct social audits. There are 666 BRPs of which 167 are empaneled
- ❖ All the necessary and mandatory GOs and Circulars related to social audit were issued in 2016
- ❖ Jharkhand has a process for verification of action taken - there is a separate ATR review committee constituted which closes the issue once satisfied that necessary action has been taken. The state also uses an action taken protocol which the SAU has developed
- ❖ Periodic social audit review happens at both state and district level
- ❖ SAU Annual Reports have not been placed before state legislature yet but there is a plan to place the annual report before the state legislature in coming sessions
- ❖ Coverage was only 35% GPs last year due to back to back elections and from January to March there was no movement on social audit. During the pandemic period three rounds of concurrent audit have been completed and there is a plan to cover 50% GPs between February to March through regular social audit
- ❖ An average of 20-30 issues are identified per Gram Panchayat during social audit. The cumulative number of issues identified till date is 91385 out of which 30 % issues have been resolved/closed. The MIS shows a closure of 10% issues - orders have been issued for this data to be updated in the MIS.

- ❖ 47 crores has been reported as financial misappropriation out of which 43% has been recovered and for the remaining amount, weekly follow-up is taking place at the district level
- ❖ The total number of grievances registered is 23760, out of which 54% have been redressed. Disciplinary action has been taken against 243 officials, 23 FIRs have been filed and fines have been imposed on 2033 officials/functionaries
- ❖ Concurrent audits have positively impacted the implementation of MGNREGA such that the number of issues has come down for complaints related to the use of JCB machines, fraudulent workers and works. Concurrent audit has allowed for on the spot corrective measures during the implementation of MGNREGA work
- ❖ SAU has a separate website and all the information and important documents have been uploaded on it.
- ❖ Regarding Social Audit of other programmes, PAMY-G Social Audit has been started - last year pilot social audits were conducted in 37 GPs and this year 77 GPs audit has been completed. Regarding NSAP, SAU has sent a proposal and social audits will be taken up as soon as the department approves it. The SAU conducted social audits of Fourteenth Finance Commission Grants (FFCG) of 1500 GPs in 2017-18, and is waiting for the Guidelines for Social Audit of Fifteenth Finance Commission Grants from MoPR
- ❖ Social Audit Unit has become so vibrant that other departments are approaching the unit for conduct of Social Audit of their schemes/programmes. SAU has already facilitated social audit of programmes such as MDM, NFSA, NHM, JTELP etc. in the state
- ❖ Some SA best practices are the system for public hearings at each level (from Gram Panchayat to State level), use of advisories for action taken in case of any misappropriation or deviation, formation of labor forums at the grass root level, conduct of thematic concurrent audits for example, demand generation.
- ❖ The impact of concurrent social audit has been immense because it helps us to identify the issue and take corrective action during the execution of the scheme /work. State is keen to make concurrent audits a regular feature to be conducted on a quarterly basis. Other recommendations are that fund flow needs to be smoother, and refresher trainings should be conducted on a regular basis.

Interaction

Secretary, DoRD invited Director SAU Jharkhand to add points if any. Responding to that Director SAU, Jharkhand made following observations:

- ❖ SAU has made many improvements in the last three years - especially in improving skills, SAU has full team strength in terms of HR, and based on a legal recommendation, SAU initiated the process to get registered as a separate society.
- ❖ SAU has conducted SA of 15 schemes and raised 1.5 crores extra funds for this purpose. SAU facilitated MDM social audits of a thousand schools which resulted in a total of 26 lakhs rupees to be paid as "Ahaar Bhatta" to students who were getting meals in this period.
- ❖ The state government recognized the value of social audit and believes it is a forum/mechanism which needs to be strengthened. Social audit is the process of deepening democracy and social audit can be seen as a festival of democracy.

Commenting on the presentation made by Pr. Secretary and Director SAU the **Secretary, DoRD observed that** although the recovery of misappropriated amount and system for grievance redressal is good, there are areas for improvement. The state should begin placing the SA Annual Report before the state legislature. The extension of social audit to other programmes is not very good, as the coverage of 77 GPs for PMAY-G social audit out of 4500 GPs is not a significant number. SA needs to be scaled up particularly under NSAP, PMAY-G. He suggested that Jharkhand can look at the Andhra Pradesh Model of systemic strengthening. One major task is to set up an independent grievance redressal mechanism to check the SAU because those who are guarding can also stray, and need to be held accountable.

Response from State- Responding to the suggestions and comments, Pr. Secretary, Govt of Jharkhand said that they have noted all the points and will do the needful. Further the State reported that they have scored 890 out of 1070 on assessment index.

4.6. Uttarakhand

Additional Chief Secretary, Uttarakhand invited the Director SAU to present on behalf of the state. The key highlights of the presentation are as follows:-

- ❖ Uttarakhand established an independent social audit society in 2016. The unit has an independent Director as well as operational and financial independence.
- ❖ 2 SRPs, 11 DRPs and an adequate number of BRPs have been recruited though the number of VRPs is lower than the required. Currently SAU is in the process of selecting VRPs.

- ❖ The state has set up committees at the state and district levels to review the action taken on the issues before issues can be closed
- ❖ Concurrent audits have been completed in all 2061 GPs this year. The average number of issues per GP is 15-20 and the cumulative issues as reported in the MIS are 42537 out of which 27% has been closed/resolved
- ❖ Amount of financial misappropriation reported in the MIS is 3.25 crores of which 13 lakh has been recovered till date. Total grievances registered are 4131 out of which 57% has been redressed and remaining grievances will be resolved soon.
- ❖ The SAU has a separate website which hosts all necessary/mandatory documents.
- ❖ One best practice carried out by the state/ SAU is communication with universities and colleges to provide trainings to NCC, NSS and other students in facilitation of test audits.

Interaction

Secretary, DoRD wanted to know how much did Uttarakhand score on the assessment index to which Director SAU reported that the state has scored 965. The Secretary, DoRD commented the score seemed optimistic and an honest assessment was needed. He further observed that although the Director SAU is from an independent setup, he is in charge of many other departments and it is therefore likely that he has limited time to dedicate to social audit.

Additional Secretary RD, Govt of Uttarakhand responded that the director is dedicating 70% of his time to social audit. Since Uttarakhand is a small state, there is only a small cadre, most of whom hold additional charges.

Secretary, DoRD further remarked that without a full time director, it is very difficult to streamline the social audit process. He suggested that the option of recruiting someone from outside government as in the case of Jharkhand, AP, Telangana may be considered. He also observed that although a decent number of issues are being reported, action taken and recovery are very poor and suggested that the SA process be streamlined and recovery and action taken be reviewed in a comprehensive manner

4.7. Sikkim

The Programme Director MGNREGA, Sikkim made the following points in the presentation:-

- ❖ Sikkim began conducting social audits under MGNREGS back in 2008. In 2010 SA resource persons were trained by NIRDPR. The SAU was established at

the same time as the Audit of Scheme Rules 2011. In 2012 pilot audits were conducted in each district before scaling up. The last 6 years, Sikkim has been covering 100% of GPs under SA.

- ❖ In the initial phase, findings were simply presented at public hearings where decisions for corrective measures were taken. It was only in 2014-15 that the SAU developed SA standard reporting formats.
- ❖ All the resource persons have undergone the 30 day training certificate programme conducted by NIRDPR. Resource persons are available as per the requirement. Audits are facilitated by BRPs.
- ❖ Periodic review of the social audit findings and action taken is being done.
- ❖ Since Sikkim has a difficult terrain and the cost of audit is higher, the state provides 1% of its administrative cost instead of 0.5% to finance the SA process.

Interaction

Secretary, DoRD appreciated the good work of Sikkim and wanted to know the assessment score.

SAU Director reported that the state has scored 784 on the basis of index which has been provided by MoRD and there is some scope for improvement.

Secretary, DoRD observed that things seem to be getting done in an organized and systematic manner and suggested to develop a roadmap for further improvement.

4.8. Assam

The Commissioner RD, Assam presented the following key points:

- ❖ The state of Assam has an exclusive society for social audit, independent governing body as per guidelines and full time Director.
- ❖ Assam SAU has an independent bank account
- ❖ SAU do not have adequate staff and is planning to recruit now.
- ❖ In addition to social audits, the state is also tracking issues raised in social media, print and electronic media and taking necessary action.
- ❖ SAU Assam covered 57.58 % GPs in FY 2019-20 and 8.43 % in 2020-21. Approximately 10 issues were identified for each GP.
- ❖ SAU Assam doesn't have any public website and steps will be taken to create one.
- ❖ SA of NSAP, PMAY-G and 14th FCG have been conducted.

AS&FA, DoRD commented that social audit is being conducted in very few GPs and that coverage should be at least 80 to 90%. He suggested that the state should

take a critical look of their recovery rates and should place the SA reports before the legislative assembly.

4.9. Madhya Pradesh

Key points highlighted in Madhya Pradesh's presentation are:

- ❖ MP has an independent society for social audit that was constituted in 2013 with a governing body as per the SA standards. The SAU also has an executive committee with no members from the implementation agency. The SAU has financial independence and a separate bank account. At present, the additional director, RD is the director in charge of the social audit unit.
- ❖ On the basis of assessment index, MP's score is 627 - the state falls short on issues of independence, autonomy as well as in its recovery rates.
- ❖ 76% of GPs are currently covered through Social Audit with 25% of documented issues have been resolved. In the current year, due to the COVID 19 pandemic, only concurrent audits have been taken up. It is emphasized that Social Audit of PMAY-G, NSAP and FFCG will be taken when regular social audits will start.
- ❖ 3411 SHG members under DAY-NRLM have been trained and have been engaged in the concurrent social audits this year.
- ❖ An issue of concern is the amount of paperwork generated through the SA process as for one round of social audit of one GP, 200-330 pages need to be printed which add up for a large state like Madhya Pradesh. The state has decided to make SA paperless and is developing a mobile application for SA resource persons to smoothen the process.
- ❖ The system of dealing with recovery is very sluggish. The state is looking into this and is trying to find ways to restructure and expedite the process of recovery and action taken.

AS & FA, DoRD observed that the SA process is systematic in Madhya Pradesh. For improvement, he recommended placing the Social Audit Annual Report before the state legislature and the audit plan, budget and expenditure before the governing body and the State Employment Guarantee Council.

4.10. Chhattisgarh

Presentation made by Social Development Specialist (SDS), SAU Chhattisgarh. Key points of the presentation are:

- ❖ Chhattisgarh has an independent social audit society and a governing body constituted as per the norms. The SAU has financial and operational independence.

- ❖ The SAU has an adequate number of staff to cover social audit of every GP.
- ❖ The state has issued orders and circulars pertaining to record submission, appointing independent observers, conduct of public hearings, and for the protection of SA teams, protocol for verification and closure of issues.
- ❖ State also takes periodic review of social audit findings and the action taken.
- ❖ Last year 60% of GPs covered and this year plan was to cover 100% GPs wherein 60% of the GPs have been covered till date.
- ❖ 14000 SHG women have been trained who are actively engaged in conducting social audits in 85 blocks of the state.
- ❖ In Chhattisgarh, SA Annual report is being placed before the state legislature along with the MGNREGA Annual Report.
- ❖ Chhattisgarh SAU has an independent website and everything is being updated on it.
- ❖ The Government of Chhattisgarh has issued orders regarding social audits of PMAY-G and NSAP and is scheduled to begin soon. The SAU has done pilot social audit of SBM-G in 60 GPs.
- ❖ As a part of best practices, on the spot fines are being imposed during social audit public hearings for minor issues ranging from Rs.500-1000.
- ❖ Assessment Index has been applied and the score is 833.
- ❖ Need support from MoRD in terms of modification in MIS to upload findings of concurrent social audit; assistance to develop an Action Taken protocol and refresher trainings of resource persons on concurrent audit.

AS&FA, DoRD appreciated that Chhattisgarh is covering 100% GPs. He suggested that state needs to expedite the NSAP and PMAY-G social audits and to devise action taken protocol. In case any assistance is needed Centre for Social Audit, NIRDPR can provide support.

Principal Secretary, RD Chhattisgarh responded that they have made a note of what other states are doing and received inputs from Secretary, DoRD during the review of rural development schemes.

4.11. Tamil Nadu

Some of the key points made by the Joint Director, SAU in the presentation are as follows:-

- ❖ The social audit society was registered in January 2013. The governing body was constituted in 2012 with 21 members. Currently some Government officials are there in the governing body. SAU has sent a proposal to the Government for reconstitution of the governing body.

- ❖ Selection of a full time director is in process and an interview is planned next month.
- ❖ The SAU has 540 BRPs which is a sufficient number to conduct social audits of all 12523 GPs at least once a year. From 2015-16 onwards, 100% GPs are being covered and in 2018-19, 2 rounds of audit were done in 100% GPs.
- ❖ SAU has financial independence but as far as operational independence is concerned, there are three officials from the rural development department on deputation at the SAU. SAU has functional independence.
- ❖ All orders related to SA such as record submission, independent observer, action taken, attendance of the officials' etc. were issued in 2015 - and are periodically circulated to DPCs.
- ❖ Vigilance & Monitoring Committees were established by GO 109 in each of the GPs. They are functional with 10 members. Monthly honorarium of 100 Rs is given to each member and they are appointed for a period of six months.
- ❖ Protocol for action taken has been devised and the actions are taken by a committee at the DPC level.
- ❖ Periodic review of social audit findings is being done at the district level but it is not being done at the state level, which may be started after due approval of governing body.
- ❖ Annual SA report and action taken reports are yet to be placed before the state legislature.
- ❖ This year social audit of GPs could not be taken up due to covid-19 Pandemic and restrictions on public gathering and will be resumed from January 2021 onwards.
- ❖ Average number of issues per GP is 20-35 and cumulative total number of issues 6.63 lakh out of which 15% has been closed. The total amount of misappropriation is rupees 386.59 crores out of which 35 crores have been recovered which comes to 9%. 31% of total grievances have been redressed.
- ❖ SAU does not have separate website or a grievance redressal officer.
- ❖ SAU has proposed a pilot social audit of PMAY-G in five districts but this is pending due to the covid pandemic. NIRDPR conducted a pilot social audit of NSAP in Jan 2019. The SAU has written to the department for requisite funds, but yet to receive a GO regarding the same.
- ❖ For the Noon-Meal Programme, the welfare department has approached the SAU to facilitate social audits. The SAU has trained resource persons for pilot social audits and this will take place as soon as schools reopen.
- ❖ 24,831 SHG members have been trained as VRPs during the years 2016-17 and 2017-18.
- ❖ The state needs support from the MoRD in providing an edit option for SAUs to update the incorrectly entered paras in the MIS and regular refresher training for resource persons.

AS&FA, DoRD commented that the number of issues closed is very low and suggested that an action plan be developed to improve closure rate. He observed that the percentage of amount recovered (9%) out of total amount misappropriated is also very low and needs to be improved. AS&FA further suggested that grievance redressal should be done within fixed timelines, PMAY-G and NSAP social audit must also be taken up on a priority basis and ensure that all resource persons in the state to complete the 30 days certificate course.

JS-RE commented that the state should expedite recruitment of a full time SAU Director.

4.12. Himachal Pradesh

Presentation was made by Secretary RD, Himachal Pradesh. Key points of the presentation are:

- ❖ Established an exclusive society for Social Audit in 2019, governing body formed as per the norms
- ❖ Currently there is no full time director; additional director is in charge. Interview has been scheduled for recruiting a full time independent director in the next week.
- ❖ 203 DRPs and BRPs are currently engaged in the conduct of social audit and they report to director DRDA. Soon a mechanism of independent monitoring will be developed.
- ❖ Circular related to record submission was issued in 2018, but the GOs and circulars related to action taken, independent observer, attendance of officials, vigilance and monitoring are yet to be issued and will be issued soon
- ❖ Action on social audit findings is being taken as per the MGNREG Act. Periodic review is being done on the progress of action at the district and state level.
- ❖ The last social audit annual report was prepared in 2017-18.
- ❖ In 2019-20, 2 rounds of audit were carried out; in 1st and 2nd round 74% and 76% of GPs have been covered respectively. However this year due to restrictions on public gathering and gram sabha, only concurrent audits could be taken up.
- ❖ Through concurrent audit 94% of GPs have been covered and soon the regular social audit will be resumed.
- ❖ Cumulative issues reported are 36551 out of which 55% has been resolved and closed.
- ❖ Financial misappropriation amount of Rs. 80 Lakhs has been reported out of which 6-8% has been recovered so far.
- ❖ Total grievances registered are 21000 out of which 40% have been resolved.
- ❖ Exclusive website for social audit will be available soon as the process has been initiated with the help of NIC.

- ❖ State has not yet begun social audit of any other programmes.
- ❖ All the necessary procedural requirements have been completed and submitted by the SAUs for release of funds but funds have not been released by MoRD, Govt. of India so far and may be released as soon as possible.

Interaction

AS&FA found it is surprising that the Annual Report of social audit has been prepared only till 17-18 and suggested it should be prepared on a priority basis and placed before the GB as well before the state legislature. Secretary (RD), Govt of Himachal Pradesh responded that preparation of annual reports would be completed as soon as possible

JS-RE observed that the rate of closure and recovery is also very poor and needs to be looked into.

AS&FA, DoRD further suggested to expedite social audit of NSAP and PMAY-G and assured that MoRD will look into the issue of fund release mentioned in the presentation

4.13. Uttar Pradesh

Presentation was made by Joint Commissioner RD, Uttar Pradesh. Key points of the presentations are:

- ❖ Social audit unit got established in Uttar Pradesh in 2012 and Governing body has been constituted as per the norms. A full time director has been appointed together with recruitment of an adequate number of staff.
- ❖ The SAU is financially independent and there is separate bank account for the SAU which is operated by SAU officials.
- ❖ DPC appoints independent observer for public hearing, orders related to action taken on irregularities and protocol for verification and closure of issues have been issued by the state government.
- ❖ The formation of the State Employment Guarantee Council is in the pipeline. Once formed, the annual report will be placed before the council.
- ❖ Periodic review on progress of action taken on social audit findings is being carried out.
- ❖ In 2019-20, 79% GP were covered, in 2020-21, total 23129 GPs have been covered so far through concurrent social audit. Through Concurrent audits many corrective measures were taken up on time with regards to MGNREGA implementation.
- ❖ Average no of issues per GP is 4, cumulative issues identified is 284801 and 96% of issues have been resolved and closed

- ❖ Financial misappropriation of Rs. 18.99 crores has been reported, and 0.39% of that amount has been recovered so far. Improving the recovery rate will be taken up in mission mode.
- ❖ There is an exclusive website for social audit and it is updated as per the norms.
- ❖ PMAY-G social audits and NSAP pilot social audits are being done.
- ❖ State needs MoRD's support in
 - ATR closing in the MIS, which needs to be resolved by NIC and
 - training of implementation functionaries on ATR uploading
- ❖ Assessment score of state is 803.

Interaction

AS&FA, MoRD observed that coverage of GPs is very poor and SAU should plan to take up audits of 100% GPs. SAU was taking up the PMAY-G SA as per the state guidelines and guidelines issued by the Ministry need to be adopted. He also suggested the state to scale up NSAP social audits. AS&FA further observed that there is no mention whether SAU GB is functioning and whether the SA Annual Report is being prepared and placed before the state legislature or not. He also commented that the assessment score seems too optimistic and suggested that the state needs to prepare a roadmap to streamline social audit.

4.14. Mizoram

The secretary, RD, Govt of Mizoram made the following points -

- ❖ Mizoram scored 633 out of 1090 on the assessment index.
- ❖ Social audit unit was established in 2012 and since then social audits are being conducted regularly.
- ❖ Rs. 1,05,839/- has been recovered out of Rs. 20,57,753 misappropriation for the FY 2019-20. Amount of Rs. 6,00,300 recovered out of Rs. 26,58,053 misappropriation for the FY 2020-21.
- ❖ SAU Mizoram is conducting audits of PAMY-G, NSAP and social audit of FFCCG will be planned in the next financial year. Village resource persons are being identified from self-help group members.

Interaction

Secretary, DoRD **wanted** to know whether the SAU has placed social audit reports in front of the legislature in these past 8 years

Secretary, Mizoram **responded** that it is not done yet, but will be placed soon.

Secretary, DoRD suggested the State to prepare a road map to submit the reports in front of the legislature as well as with the AG and Center for Social Audit, NIRDPR may provide required support in this effort.

Secretary RD, Mizoram wanted to know how the recovered amount should be utilized

AS&FA responded that the recovered amount goes into the CFI (Consolidated fund of India) account.

JS-RE observed that 99% of the cases have been disposed of in 2019-20 where only 1% amount is recovered and suggested that the quality of disposal should be seen in a strict manner and criteria for dropping issues should be reviewed. Responding to the suggestions of JS-RE, the Secretary, Mizoram assured to do the needful.

4.15. Jammu & Kashmir

The presentation was made by the Secretary RD, J&K and he highlighted the following points:-

- ❖ J&K has a separate society for SA, and a governing body. There is currently no independent full time director but they have advertised and received applications for the position of director and for 4 SAU experts and are intended to fill these positions by December.
- ❖ District resource persons facilitate SA and are currently training community auditors taken from the Rural Livelihood Mission. Further, J&K has project officers, a contractual position under MGNREGA, who are also being trained to facilitate social audit in blocks with higher expenditure.
- ❖ Concurrent audit has been conducted in 30% of GPs. 301 issues have been reported and 190 have been closed. Misappropriation amount of 1 crore 25 lakh has been reported with a recovery of 4%. The State is working to improve recovery rate. Till date a total of 116 grievances have been filed.

Interaction

Secretary, DoRD wanted to know whether J&K has carried out self-score using the index to which State official responded that scoring has not been done and would be done after appointment of the Director, SAU. Secretary, DoRD suggested that J&K should go ahead with making an honest assessment using the index based on whatever information is currently available and when the director is appointed, s/he can look through the assessment and revise as necessary.

Secretary, DoRD also wanted to know the reason behind low recovery as compared to the fund flow. State official responded that they are looking into it and have held

a meeting with DRPs to make clear that all issues which come to their notice should be reported. He further shared that there are a couple of DRPs who have never noted any amount as misappropriated and those DRPs have been taken to task. Secretary, DoRD suggested that the SAU needs to put in place a system for appraisal of staff. Other SAUs which have these systems in place can be asked to advice and a mechanism should be developed to remove ineffective or compromising persons.

AS&FA suggested that cases of misappropriation amount which pertains to Leh, can be passed on to Leh to take action on those issues.

JS-RE observed that the amounts mentioned have not been updated in the MIS, and need to be updated.

4.16. Bihar

The presentation was made by the Special Secretary RD who is also the acting SAU Director. He made the following points -

- ❖ An independent and full-time director to the SAU will be appointed by the end of December.
- ❖ SA of MGNREGA, PMAY-G, food and civil supply department, water supply of public engineering works are being conducted and State intend to begin social audit of other departments such as social welfare, agriculture, urban development, Panchayati raj as early as next month.
- ❖ Jeevika didis are being used as resource persons, and have completed SA of 35% of GPs this financial year. They have started concurrent social audits and wish to complete 100% by April-May, 2021. Delay was because of covid.

Interaction

Secretary, DoRD wanted to know whether the state has done self-scoring to which state official responded that they have not done yet as they are waiting for the new director to be appointed and once this happens they will formalize the process for self-scoring.

Secretary, DoRD also wanted to know the amount of recovery so far to which state official responded that they have not updated the amount of recovery yet, but have reported a misappropriation amount of 11 crore. He committed take data from the districts and update in a week.

JS-RE, DoRD commented that in the MIS the misappropriated amount is reported as 11 crore 81 lakh while the recovered amount noted is 1000 rupees.

Secretary, DoRD observed that both the financial misappropriation amount as well as the recovered amount are low. He suggested that the SAU needs to be strengthened and before taking up SA of other departments and schemes the focus

should be on core schemes. He further suggested that the SA Index can be used as a tool for honest self-assessment and for building a roadmap. In a year's time maybe the SAU will be ready to facilitate SA of other departments as well. Jeevika didis are a good resource that the SAU should put to use.

4.17. Meghalaya

In his presentation on Meghalaya's SA process, the Commissioner Secretary RD made the following points -

- ❖ Meghalaya has an independent SAU as well as an SA Act titled the 'Meghalaya community participation and SA Act 2017' was enacted.
- ❖ Meghalaya has expanded the scope of SA to cover other departments by using the learnings from MGNREGS social audits
- ❖ Some of the impact that SA has been towards improving health indicators, education indicators in addition to RD indicators.
- ❖ There is a unique system in Meghalaya for the implementation of MGNREGA. There is no Panchayati Raj system. Instead, village employment councils exist and the SA process has helped guide these councils in implementing MGNREGA.

Interaction

Secretary, DoRD wanted to know whether Meghalaya has done self-scoring using the SA Index. State official responded that state has scored 800 plus and there are areas for improvement such as the fact that an independent director has not yet been appointed.

Secretary, MoRD enquired about the amount which has been recovered. State official responded that the Meghalaya SA process does not focus on financial irregularities but instead on access to and exclusion from entitlements. However, there were one or two blocks where some amount of misappropriation has been noted. The State official ensured that the data will be collected and updated.

Secretary, DoRD observed that the Meghalaya SA process is innovative and out of the way and requested AS&FA to ensure that the process is studied, documented and that other states learn from the efforts Meghalaya has made to expand the scope of SA. He also emphasized that it is important to hold the village bodies to the laid down standards, and accountable. It is important for the social audit to also look at any financial misappropriation. Secretary, DoRD requested SAU to use the SA Index for honest introspection, to ensure that the intensity of SA improves which will in turn positively impact the implementation of MGNREGA.

AS&FA, DoRD observed that the current SA director is also Additional Mission Director, NREGA so there is a conflict of interest which needs to be dealt with and he suggested that an independent director needs to be appointed.

4.18. Punjab

The Additional Director informed that a full time director will be appointed to the SAU in the next two months.

Interaction

Secretary, DoRD wanted to know whether the state self-scored using the SA index. State official responded that the state has calculated and the score is 765.

Secretary, DoRD enquired about the amount of financial misappropriation and of recovery. State official responded that the misappropriated amount reported is 25 crore of which 10 crore was rejected by district officials. Of this amount, 15.5 lakh has been recovered. The remaining amount is being investigated and will be recovered soon.

Secretary, DoRD also wanted to know the status of concurrent audit in the state and how many cycles of concurrent audit have been completed. State official responded that so far 2800 GPs have been covered through concurrent audit and indicated that the 1st phase is currently going on and the second phase will begin from December.

Secretary, MoRD– observed that Punjab’s SA process has a long way to go. The state needs to take a hard look at where it stands and draw up a road map. He mentioned that once the apparatus and mechanisms are established, the SA process is helpful to the state in monitoring delivery of other programmes as well. He requested the state to develop strong base for an SA process

4.19. Kerala

The Director, (I/C) SAU Kerala made the following points -

- ❖ The SAU started functioning from 01.12.2017 with a registered society which is independent. Governing body has modified the memorandum of association and they will be incorporating some modifications.
- ❖ The process to appoint a full time Director is in progress.
- ❖ Kerala SAU conducts social audits using the ward as the unit instead of the GP which is different from other states.
- ❖ In covid time, concurrent social audits have been facilitated in 86% of total wards in the state.

- ❖ So far 17,664 issues have been reported out of which 2056 issues have been resolved.
- ❖ SAU Kerala has an independent social audit website. GB minutes, social audit reports and annual reports are uploaded on the website.
- ❖ Grievance redressal officer has been appointed as per the last GB meeting minutes.

Interaction

Secretary, MoRD wanted to know the self-score of SAU-Kerala and the Director, SAU informed him that the State has scored 625 out of 1070.

Secretary MoRD also wanted to know the status of recovery to which Director SAU responded that Kerala SAU is late beginner and is focusing on entitlements, and the process implementation.

JS-RE, DoRD observed that Kerala SAU's GB is not constituted as per norms and recruitment of an independent Director is pending for over a year. There is no social audit misappropriation amount recorded in the MIS and no recovery has been made so far.

Secretary DoRD suggested that the focus should be on facilitating full social audits (financial as well) instead of focusing only on entitlements since all the SAU staff members are trained and certified by NIRDPR.

Responding to above comments and suggestions, Mission Director, MGNREGS of Kerala shared that SAU Kerala has recently been looking into the case of financial misappropriation. A full time director who was selected through the open process had to be called back for certain reasons. Mr. Sri Kumar who was selected as social audit expert through an open process is holding full additional charge currently. Governing body reconstitution file was moved and a GO will be issued soon.

4.20. Maharashtra

The director post is currently vacant in Maharashtra. The state representative mentioned that a new director is to be appointed by next month and until then the deputy director is holding charge.

Interaction

The Secretary, DoRD requested the state to make a very brief presentation on whether the state has self-scored using the SA index, status of recovery of funds reported as misappropriated, and whether a roadmap has been developed on the basis of the SA index/assessment tool.

Responding to above request State official shared that Maharashtra has self-scored 700 in the SA index and the state is lagging behind with regards to recovery. Till date, the amount misappropriated is reported as Rs.1 cr. 99 lakh of which Rs.1 lakh 87 thousand has been recovered which is approximately 0.9%.

4.21. Telangana

The Director, SAU made the following points -

- ❖ The Telangana SAU (erstwhile AP) is the oldest SAU, established in 2006, registered as a society in 2009. Also the first state to advertise for the post of Director and fill it with a social activist, not someone from Government.
- ❖ The Government has spent time not only on strengthening SA process but on building an institution because unless there is a robust social audit institution, the process cannot be owned by people and become sustainable. The SAU functions independently, with a robust governing body and a chairperson who is not a government official. The SAU has also developed comprehensive recruitment and disciplinary rules.
- ❖ Since 2009, more than 2,00,000 village social audit resource persons have been identified from marginalised, wage seeker families and trained. The entire cadre of block, district and state resource persons are then selected from this pool of VRPs which means that an MGNREGA labourer has risen from a wage seeker to an auditor, facilitator and grown within the organisation. It also means that those facilitating audits have a personal stake in ensuring that wage seekers access the entitlements SAU Telangana has over the last few years made an effort to put in place quality checks at every level in terms of the audits and the reports. Original SA reports are scanned and uploaded on the website.
- ❖ The SAU has been concentrating on grievance redressal. SAU resource persons give dated receipts to wage seekers to put the onus on the SAU to follow up on grievances within a fixed timeframe.
- ❖ The SAU is not currently auditing any other schemes – the matter is under consideration with the state government. The SAU doesn't get any funds from the state and is fully dependent on the funds released by MoRD.
- ❖ 96% records are handed over to the SA team. The indicator of success in a SA is not just the recovery but also the effect on minimising the corruption and irregularities, which is more difficult to quantify but is immensely important.
- ❖ There are two figures for financial misappropriation – i) the amount identified as deviation by the SAU and ii) the amount determined to be misappropriation by the state. The MoRD MIS only depicts the first figure where as recovery should really be checked against second. It is important

for both figures to be in the public domain. Equally important is displaying the reasons for why issues have been dropped.

- ❖ State has scored 939 on the assessment index. There are a couple of indicators which are outside the control of the SAU.

Interaction

Secretary, DoRD observed that the SA process can act as a deterrent and therefore the amount of financial misappropriation and recovery should not be the only indicator of the effectiveness of the process. It is also noted that there can be a difference between the misappropriation amount identified by the SAU and determined by the government. However too large a deviation would indicate that either the SA process has been frivolous and unnecessarily penalising or that the state government has been too liberal. This requires further deliberation. Secretary DoRD requested CSA, NIRD&PR to document the best practices of the Telangana SAU and appreciated the honesty in self-scoring by SAU.

4.22. Odisha

The Director Special project, Odisha made a short statement about the status of SA in the state with following key points:

- ❖ Odisha scored 613 using the SA Index.
 - ❖ The state has an independent SA unit in place, and a full time director. The governing body has been in place since 2016.
 - ❖ At present the SAU has a 1.5% recovery rate and the state will be striving to improve the amount and speed of recovery.
 - ❖ The SA process has been continuous except for the pandemic period. The state has also been carrying out concurrent audits of which 10 rounds have been completed.
 - ❖ Odisha also facilitates SA of NSAP, PMAY-G, and ICDS.
-

4.23. Rajasthan

The Director SAU gave a brief statement on the status of social audits in the state with following key points:

- ❖ The SAU was established in September 2019 with the Chief Secretary as the chairperson of the GB and the Additional Secretary as the vice chairperson.
- ❖ SAU has an independent bank account but funds are currently being routed through the commissioner MGNREGA and of the total amount the SAU has received only 1 crore so far.
- ❖ The SAU is currently in the process of recruiting resource persons.
- ❖ Using the SA index, the state has scored 616 points.

- ❖ So far the SAU has reported Rs. 98 lakh misappropriated funds of which Rs. 80,000 have been recovered.

Interaction

SAU Director wanted clarification with regard to the perks to be provided to resource persons, regarding the MIS and fund provisioning for SA of programmes other than MGNREGA, namely NSAP, PMAY-G and FFCG

5. Concluding remarks by Shri N.N.Sinha, Secretary DoRD

The Secretary, DoRD summed up the discussions of the day highlighting following some key issues to be followed up on:-

- **Self-assessment using Index** – The Secretary advised all states to carry out an exercise of self-appraisal using the SA assessment Index tool. This will throw up where the state stands vis-a-vis the standards. States should use this exercise to determine the road map for moving forward. The Ministry will send independent teams to each state to make an assessment of where the state stands.
- **Focus on Grievance redressal**–The Secretary flagged grievance redressal as a very important issue for moving forward. Many states mentioned the efforts for strengthening grievance redressal mechanisms. He commended the excellent grievance redressal focus in the Telangana social audit process. If grievances are not redressed in time, then the objective of conducting social audits is not fully realized.
- **Operationalize Section 25 of the Act** - SA should be a means to find out whether correct processes are being observed and entitlements met. Violations detected should be dealt with the authority available under section 25 of the MGNREG Act (levy of fine up to Rs 1000 for persons who contravene provisions of the act). The Jan Sunwai is a good forum as implementation officials can be held accountable and the community can point out the implementation gaps. There should be participation of senior, experienced people in the SA as pointed out by Telangana and Andhra Pradesh.
- **Submission of annual report to legislative assembly** - The Secretary pointed out that SA annual report is not being submitted to legislating assembly in several states and it should be ensured, which will make sure that the spirit of SA is protected as enshrined in the MGNREGA 2005.

- **Release of funds for SA of PMAY-G, NSAP** - Funds from PMAY-G and NSAP needs to be released so that the social audits of these programmes can be carried out smoothly. The Ministry needs to take a look at whether funds can be released directly to the SAU. If sending the money through the treasury is causing delays, then the amount to the SAU may be directly released to them.
- **Conduct of Test audits** - Conducting test audits is a good practice which should be implemented by every SAU. Test audits can be carried out by SA resource persons from other states, by C&AG auditors, so that the SA by the state's own team and SA process is tested independently. This is an important way of holding the SA process accountable.
- **Refresher courses** – Conduct of refresher courses of SA resource persons is important because new programmes are also being audited. The Centre for Social Audit in NIRDPR must design e-modules taking into consideration updated programme guidelines.

The Secretary, DoRD concluded the national workshop by thanking the states for their active participation and said that the event was a great learning experience, especially because of the diverse experiences of the different states. He thanked the AS&FA as well as the Centre for Social Audit for putting together the assessment index. He said the importance and impact of this innovation will be felt in times to come and it will act to improve delivery not only of the MoRD but other departments as well. He suggested that once the assessment using the index is completed (both self-assessment and external), the states which have scored well should be recognized and opportunities be created for states to learn from each other. He ended his concluding remarks by saying that there will be regular meets and opportunities to review progress of social audit in the days to come.

6. Conclusion

The online workshop lasted for nearly 4.5 hours. It was well attended by Secretaries, implementation officials and Directors of SAUs. The states got an opportunity to present the progress made on social audit, highlight the best practices and fix timelines for the remaining key tasks to be completed. The Secretary of MoRD, AS&FA and JS-RE gave valuable feedback to the states to strengthen the social audit process.

The Secretary released the Social Assessment Index and requested the states to do an honest self-assessment and prepare a roadmap to address shortcomings. Key action points were identified for the different stakeholders including the state

governments, scheme implementation officials, social audit units, NIRDPR and the Ministry itself which are listed below.

Action Points for State Governments & Implementation officials

- 1) Establish exclusive society for facilitation of social audit.
- 2) Ensure the independence of the social audit unit by
 - a. forming Governing Body as specified in the Auditing Standards
 - b. giving it operational and financial independence
 - c. appointing full-time director not from the implementation department
 - d. ensuring that the implementation officials are not present in the Governing Body, Executive Body or SAU
 - e. sanctioning adequate staff
- 3) Issue orders for the following:
 - a. Mandate implementation agencies to give required documents for social audit 15 days before the start of the process
 - b. Mandate attendance of officials in the gram sabhas & public hearings
 - c. Specify action to be taken for different irregularities
 - d. Specify protocol for closing issues / grievances raised during the social audit.
- 4) Activate Section 25 of MGNREGA through which officials can be fined up to Rs 1000 for contravening provisions of the Act especially for process violations.
- 5) Constitute a 3 tier Vigilance and Monitoring cell to take action on the social audit findings
- 6) Take prompt and appropriate action on the social audit findings. Focus on the back log and complete the action in the next 3 months.
- 7) Review Social Audit findings and action taken reports on a periodic basis at different levels.
- 8) Issue orders to start audits of PMAY-G, NSAP and Fourteenth Finance Commission Grants.
- 9) Submit a summary of the social audit findings and action taken reports to the state legislature every year.
- 10) Institutionalize Concurrent Social Audit through the help of the Social Audit Unit.

Action Points for Social Audit Units

- 1) Publish an annual calendar and ensure social audits of all Gram Panchayats at least once in a year.

- 2) Social audit facilitating teams should register grievances during the social audit process and these need to be redressed within 15 days of the gram sabha.
- 3) Prepare an annual report and place it in the public domain.
- 4) Ensure all social audit reports are placed before state legislature.
- 5) Establish a proper appraisal system to identify resource persons who are either non-performing or compromised. Such people will vitiate the SA process and should not remain on the rolls.
- 6) An Ombudsman should be appointed in SAU to receive complaints against social audit staff and quality of audits.
- 7) Ensure compliance with Section 4 of the RTI Act – Governing Body minutes, Annual Reports, Staff information, hiring & Procurement policies and other key documents should be in the public domain.

Action Points for MoRD

- 1) To see whether required funds for social audit of PMAY-G & NSAP can be given directly.
- 2) To see whether funds should be given to SAU instead of sending it through treasury which leads to delays.
- 3) Issue guidelines on what is to be done with the recovered money.
- 4) Fix the various MIS issues and provide a test / dummy MIS for hands-on training for both social audit resource persons and implementation officials.
- 5) MIS support required for concurrent audit of MGNREGS, PMAY-G and NSAP.
- 6) Send independent teams to different states to evaluate social audit process.
- 7) Specify clear protocol for closure of issues.

Action Points for NIRDPR

- 1) Develop a standard format for the report that needs to be submitted to the state legislature.
- 2) Develop eModules for continuous capacity building of resource persons especially on the recent changes in different schemes.
- 3) Nominate someone in NIRDPR-Guwahati who can work closely with the NE states to strengthen the social audit process there.
- 4) Collect documents relating to best practices and circulate it to everyone.
- 5) Facilitate test audits with resource persons from other states.
- 6) Develop protocols and best practices for institutionalization of concurrent audit.

