

Status of Social Audits in India 2019



Centre for Social Audit

National Institute of Rural Development and Panchayati Raj

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NIRDPR

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Glossary

List of Abbreviations

ACS	Additional Chief Secretary
ADM	Additional District Magistrate
AMC	Annual Master Circular
ATR	Action Taken Report
BDO	Block Development Officer
BRP	Block Resource Person
C&AG	Comptroller and Auditor General of India
CEO	Chief Executive Officer
DMF	District Mineral Foundation
DPC	District Programme Coordinator
DRDA	District Rural Development Agency
DRP	District Resource Person
FD	Financial Deviation
FFCG	Fourteenth Finance Commission Grants
FM	Financial Misappropriation
GB	Governing Body
GR	Grievance
ICDS	Integrated Child Development Services
IDS	Institute of Development Studies (based at University of Sussex)
IWMP	Integrated Watershed Management Programme
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MDM	Mid-day Meal
MIS	Management Information System
MoRD	Ministry of Rural Development
NIRDPR	National Institute of Rural Development and Panchayati Raj
NFSA	National Food Security Act
NSAP	National Social Assistance Programme
NRLM	National Rural Livelihood Mission
ODF	Open Defecation Free

RD	Rural Development
PDS	Public Distribution System
PMAY-G	Pradhan Mantri Awas Yojana-Gramin
PIA	Programme Implementation Agency
PO	Programme Officer
PR	Panchayati Raj
PV	Process Violation
RTI	Right to Information
SA	Social Audit
SAU	Social Audit Unit
SBM (G)	Swachh Bharat Mission (Gramin)
SHG	Self Help Group
SRLM	State Rural Livelihood Mission
TPDS	Targeted Public Distribution System
UTA	Union Territory Administrations
VRP	Village Resource Person

Foreword

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) mandated the Gram Sabha to conduct social audit of all projects under the scheme taken up within the Gram Panchayat. The MGNREG Audit of Scheme Rules, 2011 and Auditing Standards jointly developed by the Ministry of Rural Development (MoRD) and Comptroller and Auditor General (C&AG) in 2016 mandated the creation of an independent organisation (Social Audit Unit) to facilitate conduct of social audit by Gram Sabhas and specified how social audit is to be done.

State Governments have set up functional Social Audit Units in 26 States. In addition to MGNREGS, many State governments have asked the SAUs to facilitate social audit of other schemes, including Mid-day Meal Scheme, Public Distribution System, Integrated Child Development Services Scheme, etc. MoRD has recognised social audit as an important tool to facilitate participation, transparency and accountability and is looking to roll out social audit of all rural development programmes including PMAY-G and NSAP.

NIRDPR with its mandate of supporting the States for effective social audit regularly engages with them. Based on the interaction, it was felt that a status report on the social audit units of different States, their functioning, organisational strength should be brought out. Accordingly, a report 'Status of Social Audit Units in India – Current Status' was published in 2018. This publication was appreciated by many stakeholders across the country. It was felt that this needs to be updated based on the current status. Accordingly, the information was collected through a detailed questionnaire of the SAUs in order to make a comparative analysis for enabling the States to learn from best practices wherever they are occurring and further strengthen the social audit process.

The report also contains the extracts of information for the year 2018-19 from the MoRD MIS on MGNREGS Social Audit findings and action taken reports. The report puts a spotlight on the poor responses to the social audit findings and the urgent need for this to be corrected so as to not lose people's faith in the process.

The report also has a profile on each of the SAUs which highlights the positive aspects, areas of concern and recommendations to strengthen the social audit unit and facilitate effective audits. The report collates feedback and suggestions from the different SAUs. Based on the analysis, it finally makes a series of recommendations for the different stakeholders.

Social Audit has great potential to raise awareness and bring people's participation in the development schemes and processes. I wish that this report will be able to strengthen the social audit units, improve the social audit process and ultimately help improve the quality of the different State and central schemes which are meant to alleviate poverty and empower the people.

Dr. W. R. Reddy
Director General, NIRD & PR

ACKNOWLEDGEMENTS

NIRDPR first published the 'Social Audit Units in India, Current Status' report in April 2018. This report gave an overview of the status of different social audit units and made specific recommendations for different stakeholders to improve social audit.

The Additional Secretary & Financial Advisor (AS & FA) of MoRD, Shri Sanjeev Kumar and Director General of NIRDPR, Dr. W. R. Reddy encouraged us to bring out an update on the report since there have been many new changes to social audit over the last year.

In response to this, we prepared a questionnaire and sent it to different SAUs and requested them to give their responses. Over the last year, we have also visited 11 States (Telangana, Andhra Pradesh, Tamil Nadu, Maharashtra, Jharkhand, Odisha, Assam, Himachal Pradesh, West Bengal, Uttar Pradesh and Meghalaya) to facilitate social audit of NSAP, participate in review meetings and conduct research.

This report has been prepared based on the responses and our field visits.

We thank all the SAU Directors and resource persons who took the time to fill out the questionnaire and who patiently replied to all our queries. We have used the material they sent us (photos, best practices, and other content) to prepare this report.

We thank the AS & FA Shri Sanjeev Kumar and MGNREGS Joint Secretary, Shri Kamran Rizvi for their valuable feedback and keen interest in this work. We thank the Additional Secretary of PMAY-G, Shri Prashant Kumar and Chief Economic Advisor in charge of NSAP, Shri Sudhaker Shukla who supported the development of social audit guidelines for these programmes over the last year. We thank the consultants and staff of the MGNREGS, PMAY-G and NSAP programme divisions in the Ministry for their support.

Director General of NIRDPR Shri W. R. Reddy impressed on us the need for doing this work, gave valuable feedback after going through the draft report and has written the foreword. We thank him for this and his constant support.

Finally, we would like to thank the Secretary of MoRD, Shri Amarjeet Sinha who has taken keen interest in rolling out social audit across all rural development programmes and has appreciated and encouraged us in many forums.

Centre for Social Audit Team

Executive Summary

This report presents the current status of social audit in India. It has three sections. Section 1 contains details of MGNREGS social audits and audits of other schemes. Section 2 is an analysis of the structure and functioning of the social audit units (SAUs) that have been created in the States. The third and final section has some key recommendations for different stakeholders, including the Central Government, Ministry of Rural Development, State Government and the SAUs.

Section 1 – Social Audit in MGNREGS and other schemes

Chapter 1, Introduction - background about the study and overview of the report

Chapter 2, Social Audit in MGNREGS

As per MGNREGS Audit of Scheme Rules, social audit unit shall conduct social audit in each Gram Panchayat every six months. However, this has not happened in practice. Some social audit units have covered all Gram Panchayats at least once in a year, but in others, the percentage of GPs covered is very less. Among 25 states, the percentage of Gram Panchayats covered was 42 in 2017-18 and has increased to 51 in 2018-19.

Ministry of Rural Development (MoRD) has added a new social audit module to NREGASoft (MIS for MGNREGS) in early 2018 to manage the voluminous social audit findings and track the action taken on them. 22 SAUs are entering the social audit findings in this MIS. 14 State Implementation agencies are also responding to the issue in this module.

While audits have been done in 51 per cent of GPs, the audit findings have been entered only for 37 per cent of the audits. The analysis of these findings has been presented. A total of 7,29,995 issues were reported by 22 States. Process Violation issues were the highest (40 per cent), followed by Financial Misappropriation issues (24 per cent), followed by Financial Deviation issues (19 per cent) and then Grievances (17 per cent). The frequency of the most common (top 20) issues reported by social audit units has been given. Financial Misappropriation issues classified by category show that 'Payment to Person who did not work' had more than 110 thousand issues. Fourteen States have started to respond to the issues in the MIS, but at the national level, only 7 per cent of the issues filed have been closed.

The social audit team fills a checklist that looks at whether the specified processes are followed in the GP or not. Charts relating to certain key questions like whether job cards are with people, whether job cards are updated, whether citizen information boards have been put up, whether there is a process to register work demand and give receipts, whether there is an unmet demand for work are presented.

For the audit data before 2018-19 (before MIS was built), the cumulative data relating to number of issues filed, financial misappropriation detected, amount recovered has been presented. At the national level, only 7 per cent of the Financial Misappropriation detected has been recovered.

Chapter 3, Social Audit of other schemes

In Pradhan Mantri Awas Yojana – Gramin (PMAY-G), the MoRD has developed draft guidelines. Three

states including West Bengal, Meghalaya and Uttar Pradesh are facilitating social audit. The frequency of commonly seen issues in West Bengal is presented.

MoRD has developed draft guidelines for social audit of National Social Assistance Programme (NSAP). NIRDPR facilitated pilot social audit of NSAP and State pension schemes in 5 States and the executive summary of the audit report from Maharashtra has been included.

National Food Security Act, 2013 (NFSA) mandates the Social Audit of the Targeted Public Distribution System (TPDS). The Supreme Court said that the unit created for audit of MGNREGS should also do the same for NFSA. However, this has not been implemented anywhere. Recently, Bihar has made a strong commitment to social audit of NFSA by transferring funds (Rs.7 crore) to the SAU. Jharkhand facilitated social audit of 'Direct Benefit Transfer', a pilot project in Nagari Block, Ranchi District. The project transferred money to the beneficiaries' accounts which they have to use to buy grains at their ration shop. Majority of the people wanted it to be rolled back and the State did this following the social audit.

Department of School Education has said SAUs can be asked to facilitate social audits of the MDM programme. But, only Telangana, Karnataka and Jharkhand have done this. ICDS is also covered by NFSA, but only the Telangana SAU has facilitated audits.

Social Audit of Fourteenth Finance Commission Grants (FFCG) was taken up in a big way (1500 Panchayats) in Jharkhand in 2017-18, but there were issues relating to receiving funds for the audit from the Gram Panchayat and hence it has been stopped. Social audits of FFCG have been done in some Antyodaya Gram Panchayats in Madhya Pradesh.

Verification of SBM was done in Karnataka, Jharkhand, Madhya Pradesh and Telangana. Pilot social audits of National Health Mission (NHM) were done in Uttarakhand and Jharkhand. Civil Society Organisations (CSOs) have facilitated social audit of Juvenile Justice Act.

Following the Supreme Court order, the Ministry of Labour has facilitated social audit of Building and Other Construction Workers Act in three blocks in Delhi and Rajasthan.

In 2017, Meghalaya passed 'The Meghalaya Community Participation and Public Services Social Audit Act' which provides for audit of 21 welfare schemes across 21 districts. Pilots were conducted in 18 villages and the government recently passed rules to operationalise the Act.

In addition to the SAUs, CSOs in few States are also facilitating social audits. SATHI, an organisation from Maharashtra, has recently facilitated multi-sector social audit – audit of schemes from 10 departments in 30 villages.

Section 2 – SAUs and SA Processes

MGNREG Audit of Scheme Rules, 2011, Auditing Standards jointly developed by MoRD and C&AG and the Annual Master Circular (AMC) specify how a Social Audit Unit (SAU) should be set up and how social audits should be done. The Auditing Standards also list the parameters to measure the progress of the Social Audit Unit. In this section, SAUs are examined based on these parameters.

Out of 29 States, 26 have a functional social audit unit – Rajasthan, Haryana and Goa are yet to establish a unit.

Chapter 4, Independence of SAU: The Auditing Standards say that the SAU should be incorporated as a society under the Societies Registration Act. However, only 22 SAUs have done this. The Governing Body (GB) of all States except Bihar has included either the PAG or his/her representative. The AMC specifies that the Secretary of the Department of Rural Development / Panchayati Raj should not chair the Governing Body. The GB should be chaired by a senior officer or eminent person. However, this is not followed in nine out of 25 States. The AMC also specifies that implementation officers of MGNREGS should not be a member of either the GB or the EC of the SAU, but this is violated in many States, including Odisha, Karnataka, Tamil Nadu and Maharashtra. The standards say that the GB should meet at least once in a quarter, but in nine States, the GB did not meet even once in 2018-19.

The Audit of Scheme Rules say that at no time should the implementation agency interfere with the conduct of social audit but in 12 states, SAU requires the approval of an implementation agency to operate its bank account. Apart from this, in nine States, the implementation officers have to certify the attendance of resource persons, make payments to the resource persons or supervise the social audit resource persons.

Thus, about half of the SAUs are not independent and this seriously undermines their functioning and effectiveness.

Chapter 5, Funds: In 2017-18, MoRD decided to give funds for social audit directly to SAUs instead of asking the States to give it from their administrative funds. This has ensured that SAUs get the funds they need though there have been some delays in few States. SAUs have received a total of Rs. 377 crore in 2017-18 and 2018-19. Tamil Nadu, West Bengal, Andhra Pradesh, Madhya Pradesh and Telangana have received the highest funds.

Some State governments including Sikkim, Meghalaya and Jharkhand are also giving additional funds to support the SAU. States have also given funds for the audit of specific schemes. At the national level, Rs. 5 crore was given in 2017-18 and Rs.28 crore in 2018-19.

Chapter 6, Social Audit Process: The team facilitating social audit should be led by a fixed tenure and trained resource person assisted by a few Village Resource Persons, but this is not the case in many states, including West Bengal, Bihar, Maharashtra, and Odisha, which affects the quality of the social audits. The quality of the social audit will be good if the team facilitating social audit were to stay in the Gram Panchayat during the audit, but this is happening only in 11 of the States. In some States including Karnataka and Telangana, the SA team has through 'Kaam Maango Abhiyan' assisted people in getting work. Schedule 1 of MGNREGS mandates that a block level public hearing be done but this is not happening in 10 States.

While SAUs can receive up to 0.5 per cent of previous year's MGNREGS expenditure for social audit, most States are not covering all the Gram Panchayats in the State. The States which are covering less GPs are spending more money for the audit of a GP. The cost per GP as a percentage of MGNREGS expenditure varies from 0.26 per cent to 4 per cent.

Follow-up mechanism: The Annual Master Circular (AMC) mandates the States to establish a 3-tier vigilance mechanism to follow up irregularities including those identified during social audit, but a vigilance structure is in place only in Andhra Pradesh and Telangana.

Chapter 7, SAU Personnel: The AMC says the SAU should have a full-time Director, but this is not followed in 10 States. Nine States have appointed civil society person as Director, while 4 have appointed retired person as Director and in 12, the Director is a State official. The AMC says that the minimum tenure of Director should be 3 years, but this has not been followed in six States which have had three or more directors in the last three years.

In 10 States, the Block Resource Persons are not fixed tenure employees but they are drawn from an empanelled list which leads to job insecurity, less ownership and poor performance. Some States including Bihar and West Bengal do not have any BRPs.

In some States, the society is able to accord sanction for new positions. But in many States, the concurrence of the finance department is required which is difficult to obtain. Sixteen SAUs have very few resource persons in comparison to the number they require and this seriously hinders the effective functioning of the SAU.

Capacity Building: MoRD, NIRDPR and TISS had jointly developed a 30-day intensive certificate programme on social audit for all the resource persons of the SAUs. Out of the 5352 resource persons who are facilitating social audit, 4252 or 80 per cent of them have successfully completed the course. With the new persons that the SAUs plan to hire, a total of 1802 people more need to be trained.

Chapter 8, Transparency & Accountability of SAU: Seventeen States do not have a public website to display the social audit reports and their work. MoRD has specified a reporting format that SAU should fill and send to the PAG on a quarterly basis but nine States are not doing this. The Auditing Standards say that a 'Code of Ethics' should be written, but eight States do not have this. Conduct of test audits is an important tool to find out the quality of social audits, but only 4 States are doing this.

Chapter 9, Suggestions, Feedback and Support Required: This section details the common issues faced by SAUs, the support that they require from MoRD, from State Government and capacity building needs.

Chapter 10, SAU Profile: Structure of the SAU, funds received, social audit process followed, best practices are given; the SAU's suggestions, feedback and required support are also given. The positive aspects, areas of concern and recommendations are given for some of the SAUs.

Section 3 – Key Recommendations for different stakeholders

Central Government to support SA of key schemes: The schemes that make a huge impact (Public Distribution System, ICDS, MDM, Drinking Water, Health, Education, FFCG, etc.) on the lives of rural poor are all run by different ministries. Social audit of these schemes is as important as the social audit of MGNREGS. A recent evaluation by the Institute of Development Studies of social audit of different schemes in six districts of Odisha shows that it led to all round improvement in the performance of ICDS, MDM, TPDS and Mamata scheme. The Central government should develop a common framework/ structure/ scheme so that the social audit of all these schemes is facilitated by

the SAU at the same time.

C&AG should help in institutionalising social audit across different programmes, capacity building of resource persons and in strengthening SAUs.

Extend SA to other programmes in RD: The Ministry of Rural Development (MoRD) should roll out social audit of all rural development programmes. For this, it should transfer funds for audit to the SAU directly as is currently being done for MGNREGS. It should also create a separate division/cell in MoRD that can work across programme divisions and support the social audit units.

Joint Reviews: MoRD and C&AG should hold joint reviews on the progress of social audits at least twice in a year. Such reviews will help ensure that SAUs have been set up as per the auditing standards and appropriate follow-up action is taken on the social audit findings.

Implement Recommendations: MoRD should implement the recommendations of the working groups of the Joint Task Force on social audit submitted in 2016. It should also implement the recommendations of the 'Committee for extending social audit to other rural development programmes' submitted in 2019.

Increase funds for SA: In 2013, MoRD had written to States asking them to spend up to 1 per cent of MGNREGS expenditure on social audit. This was reduced to 0.5 per cent in 2016 with the stipulation that SAUs should do audit in at least 50 per cent of GPs. Currently, the Annual Master Circular says that social audit should be done in all Gram Panchayats and hence the percentage of funds meant for social audit may be raised.

NREGASoft MIS: Ministry added a social audit module to NREGASoft MIS in early 2018. Currently, 22 SAUs are entering the social audit findings and 14 State implementing agencies are responding to the findings in the MIS. However, there are significant issues that are yet to be resolved – non-availability of test environment for training, key features have not been added yet, stability of the system is poor and it is not user-friendly. Ministry should depute additional persons to work on this module and address the listed issues.

MGNREGS Division: It should ensure that SAUs are set up as per the auditing standards, continue to support the one-month certificate course on social audit, support other capacity building initiatives such as exchange visits, hold periodic reviews of the social audit findings and the action taken on them and should include a summary of social audit in the report laid in the Parliament.

State Government: It should create a supporting framework for social audit including issue rules for provision of records, specify action to be taken for different irregularities, establish a vigilance mechanism for follow-up on the social audit findings, ensure that action is taken on social audit findings and prepare an annual report to be presented in the State Legislature. It should ensure that SAU is independent and set up as per auditing standards, that the SAU has sufficient personnel and provide additional funds for the social audit unit.

Social Audit Unit: SAU should be independent and not depend on implementation officials for selection, supervision and payment for its staff. It should have a good Human Resources Management policy to ensure that appropriate people are selected and trained well. It should follow the social audit process mandated by the Auditing Standards. It should ensure that a quality improvement programme is in place. It should be an exemplar with respect to pro-active disclosures mandated by Section 4(1) of the RTI Act. It should prepare an annual report of its work and share it widely.

1 Introduction

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

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) 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.

To ensure social audits are done well, the Ministry of Rural Development (MoRD) in consultation with Comptroller and Auditor General (C&AG) of India, notified the Mahatma Gandhi National Rural Employment Guarantee 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 officials at different levels, responsibility of the State government to take follow-up action and of 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, the MoRD in consultation with the C&AG constituted a Task Force (4) for looking into all aspects of social audit and advising the Ministry on making the social audit exercise more effective. The recommendations of the four working groups which included 'Auditing Standards for Social Audit' (5) were examined and duly accepted. MoRD forwarded the Auditing Standards to all States for necessary action and compliance in December 2016. In April 2018, NIRDPR published a report titled 'Social Audit Units, Current Status' (6).

In January 2019, MoRD appointed a committee under the chairmanship of Additional Secretary for extending Social Audit to selected Rural Development programmes. This committee submitted its report in March 2019(7).

Social Audit has also been mandated by National Food Security Act (NFSA), 2013 and the Rights of Persons with Disabilities Act, 2016. The Supreme Court has mandated social audit in the implementation of Juvenile Justice (Care and Protection of Children) Act, 2015 and The Building and Other Construction Workers Act, 1996. It has also said that the Social Audit Unit facilitating Social Audit of MGNREGS should also facilitate the audit of NFSA.

To find out the current status of social audits in the country, NIRDPR circulated a questionnaire to all Social Audit Units in April 2019. Responses were received from 25 States (Rajasthan, Haryana, Goa and Jammu & Kashmir did not reply). Over the last two years, NIRDPR personnel have visited most States. This report is a compilation of responses from the States and the learnings from the field visits.

The report broadly has three sections. The first section contains the social audit findings from MGNREGS (Chapter 2) and the status of social audit in other programmes (Chapter 3). The

second section is about the social audit units: their independence (Chapter 4), fund receipts (Chapter 5), social audit process (Chapter 6), SAU personnel (Chapter 7), transparency & accountability of SAU (Chapter 8), suggestions and feedback from SAU (chapter 9), and then profile of the different SAUs (Chapter 10) which includes positive aspects, areas of concern and recommendations. The third and final section contains recommendations for different stakeholders – Central government, Ministry of Rural Development, State governments and SAUs. (Chapter 11).

2 Social Audit of MGNREGS

2.1 Number of MGNREGS Social Audits Conducted

MGNREG Audit of Scheme Rules, 2011 say 'The Social Audit Unit shall, at the beginning of the 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 Auditing Standards say 'In case, there is need for adjustments in coverage due to shortage of resources and capacity building in the short term, the Director, Social Audit shall undertake risk assessment for judicious selection of gram panchayats ensuring full coverage of all Panchayats within a specified period.'

The AMC says 'The Social Audit Unit is required to frame an annual calendar at the beginning of the year to conduct social audit in all the Gram Panchayats in consultation with the State Rural Development Department.'

The number of social audits facilitated is a key parameter to measure the functioning of the SAU. In 2017-18, social audits were carried out in 100,589 Gram Panchayats at least once. This is 41.6 per cent of the total Panchayats in the 25 States. In 2018-19, social audits were conducted in 123,983 Gram Panchayats at least once. This is 51.22 per cent of the total GPs in the 25 States, a nearly 10 per cent improvement over the previous year.

Most of the States have increased the number of GPs that they audited in 2018-19 compared to 2017-18. But the number has gone down in the following States – Chhattisgarh, Madhya Pradesh, Mizoram, Nagaland and Tripura.

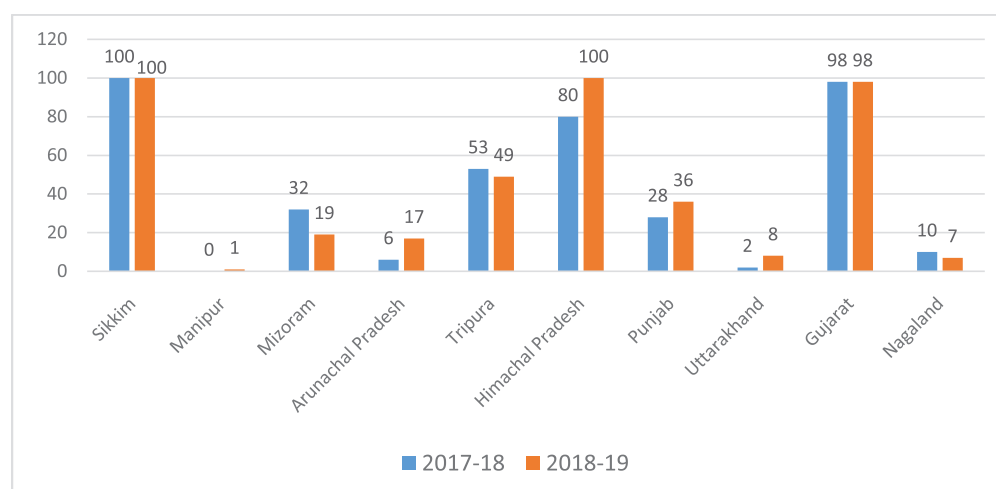


Figure 2-1: Percentage of GPs that did social audit at least once in a year in States with expenditure < Rs.1000 crore (arranged by increasing expenditure from left to right)

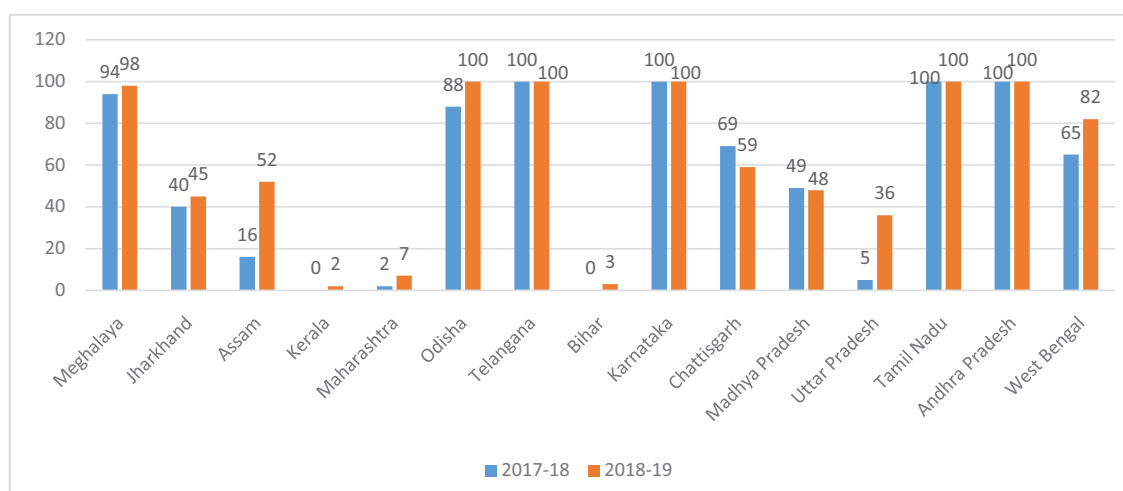


Figure 2-2: Percentage of GPs that did social audit at least once in a year in States with expenditure > Rs.1000 crore (arranged by increasing expenditure from left to right)

Due to resource constraints, most SAUs state that they are able to facilitate only one social audit per year in every GP. In 2017-18, only two States (Karnataka and Meghalaya) facilitated audits twice in every Gram Panchayat. In 2018-19, only 4 States (Tamil Nadu, Himachal Pradesh, Karnataka and Meghalaya) facilitated audits twice a year in every Gram Panchayat.

The following nine States have completed audits in almost all GPs at least once in a year: Sikkim, Himachal Pradesh, Gujarat, Meghalaya, Odisha, Telangana, Karnataka, Tamil Nadu and Andhra Pradesh.

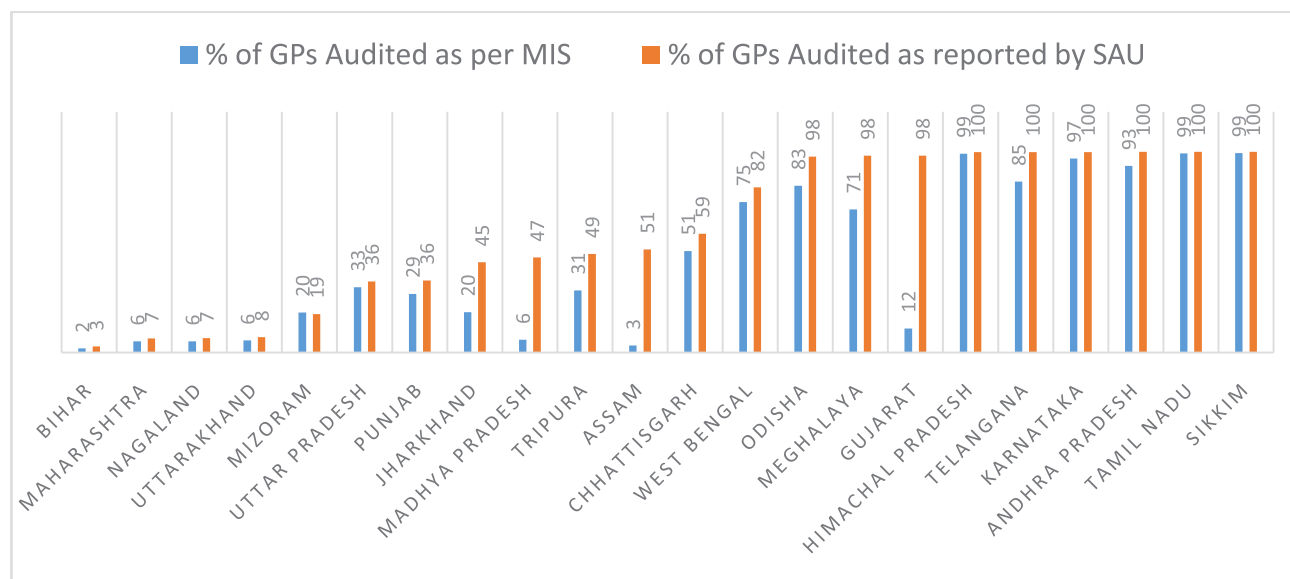
Manipur, Bihar, Maharashtra, Nagaland, Uttarakhand, Kerala and Mizoram have done audits in very few Panchayats. Kerala has started to facilitate audits recently. So, far they have completed pilot audits in 224 wards in 152 GPs and have drawn up a detailed calendar for 2019-20.

2.2 MGNREGS Social Audit Findings & Actions from MIS (2018-19)

The NREGASoft MIS was extended to support social audit in early 2018 and States were asked to enter the social audit findings in it. However, there were many teething problems (bugs, instability, data entry errors, etc.) and hence the data in the system for the year 2017-18 was neither correct nor complete. However, the data entered in 2018-19 can be considered to be more reliable. The findings from the MIS in 2018-19 are presented in this section.

Of the States with functional SAUs, 22 have entered data in the MIS. Arunachal Pradesh, Kerala and Manipur have not entered any data in the MIS.

2.2.1 Audits Conducted vs Data Entered



*Figure 2-3: Percentage of social audit reports entered in MIS in 2018-19
In comparison to percentage of audits conducted*

As seen from the above figure, the percentage of audit reports entered in MIS closely matches with the percentage of audits conducted for most States. The difference is higher than 20 per cent for Jharkhand, Madhya Pradesh, Assam and Gujarat. The total number of Panchayats audited in all the States is 123517 (51 per cent of all Panchayats in the States) and the total data entered in all States is for 89476 (37 percent of all Panchayats in the States). Thus, the number of issues based on MIS data described in the next few sections is less than the total issues identified during social audit since the findings of nearly one-third of Panchayats has not been entered.

2.2.2 Classification of Issues

Social Audit Resource Persons classify issues into four types – Grievance, Process Violation, Financial Deviation and Financial Misappropriation. Under each of these types, there are categories and sub-categories (Appendix A).

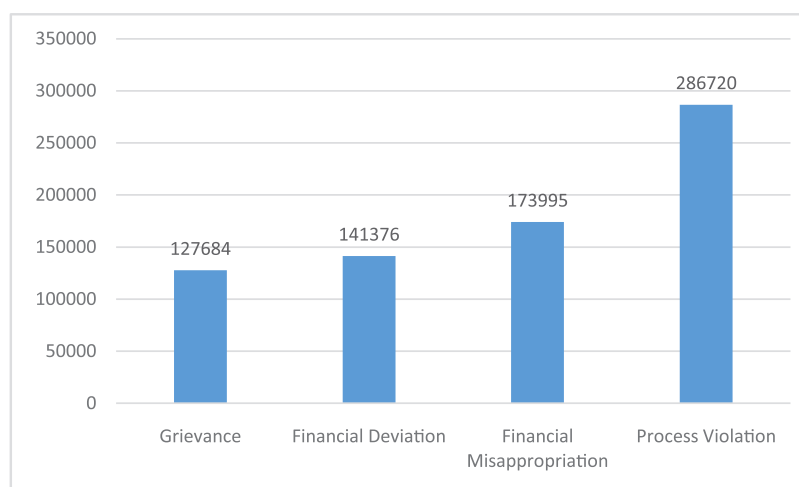


Figure 2-4: Number of issues reported from 22 States in the MIS

A total of 7,29,995 issues were reported by 22 States in 2018-19. Process Violations were the highest.

2.2.3 Frequency of Issues

The frequency of issues is given in the NREGASoft MIS report '9.2.4 Frequency of Issues' (available at nrega.nic.in). Users can get details about the most common issues in the State, in a particular district or block by looking at this report. At the national level, the most common issues (classified by Issue Type, Issue Category and Issue Sub-category) that have been reported along with the number of issues recorded is given in the table below.

Table 2-1: Frequency of the most common issues that have been reported by social audit

Issue Type	Issue Category	Issue Sub-category	Number of issues
Financial Deviation	Work Execution	Significant differences between measurements at worksite and recorded values in Mbook	59421
Financial Misappropriation	Payment to person who did not work	Payment to person who did not work	55596
Process Violation	Maintenance of Registers, records	NMRs have been maintained poorly	25451
Process Violation	Transparency & Accountability	Citizen Information boards are not put up	24475
Process Violation	Transparency & Accountability	Rozgar Diwas is not conducted once every month	24358
Financial Misappropriation	Work Related	Work was not done	16069
Grievance	JC Related	Application for new Job Card	14766
Financial Deviation	Records not produced	Records not produced for social Audit	14749
Financial Misappropriation	Payment to person who did not work	Person has got more wages than what was due to him	14240
Process Violation	Maintenance of Registers, records	Panchayat registers have been maintained poorly	14053
Process Violation	Transparency & Accountability	Pay slips are not issued to workers	13569
Grievance	Work site facilities	Complaint – non-provision of worksite facilities	13371
Process Violation	Transparency & Accountability	Wall writings have not been done	13335
Grievance	Wages related	Complaint - application for payment of delayed wages	12229
Process Violation	Work Quality	Missing trees / plantations / farm pond	11901
Process Violation	Maintenance of Registers, records	Other records irregularity	10876
Financial Misappropriation	Others	Family has more than one job card and has been paid more for more than 100 days	10264
Process Violation	Maintenance of Registers, records	Many corrections have been made in the NMRs	10243
Process Violation	Maintenance of Registers, records	Job cards have been maintained poorly	10127
Financial Misappropriation	Payment to person who did not work	Amount misappropriated by individuals through fake entries	10089

2.2.4 Financial Misappropriation

For 'Financial Misappropriation' issues, the entire amount has to be recovered. The amount of financial misappropriation entered in the MIS has some incorrect values and hence is not shown here. (NIC has been requested to give permission for correcting the incorrect values along with reports which detail what changes were made but they are yet to do this). The value obtained from the SAUs is discussed in the next section.

The following data was obtained from 'R 9.2.3 Social Audit Issue Reported (category-wise)' in nrega.nic.in

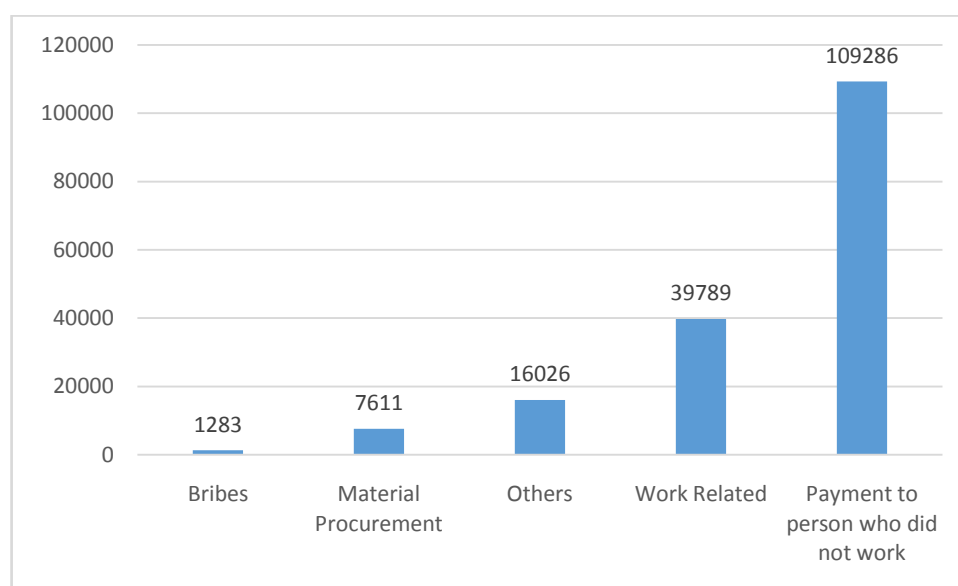


Figure 2-5: Categories of Financial Misappropriation Issues from all States

There are five different categories under Financial Misappropriation and as seen from above figure, the highest number of issues relates to 'Payment to person who did not work' followed by 'Work Related' issues.

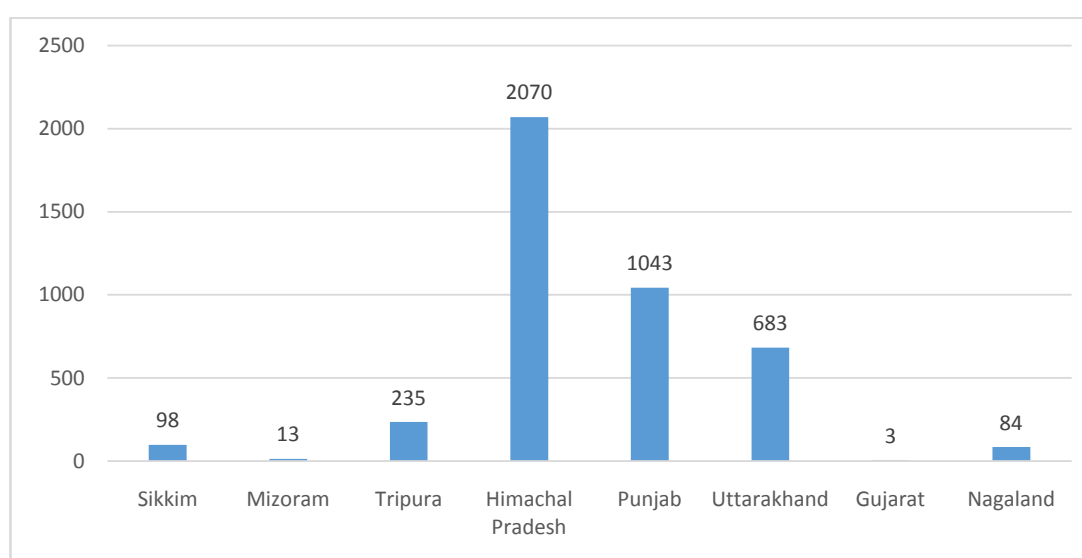


Figure 2-6: Number of Financial Misappropriation issues reported in 2018-19 by States with expenditure less than Rs.1000 crore (arranged by increasing expenditure from left to right)

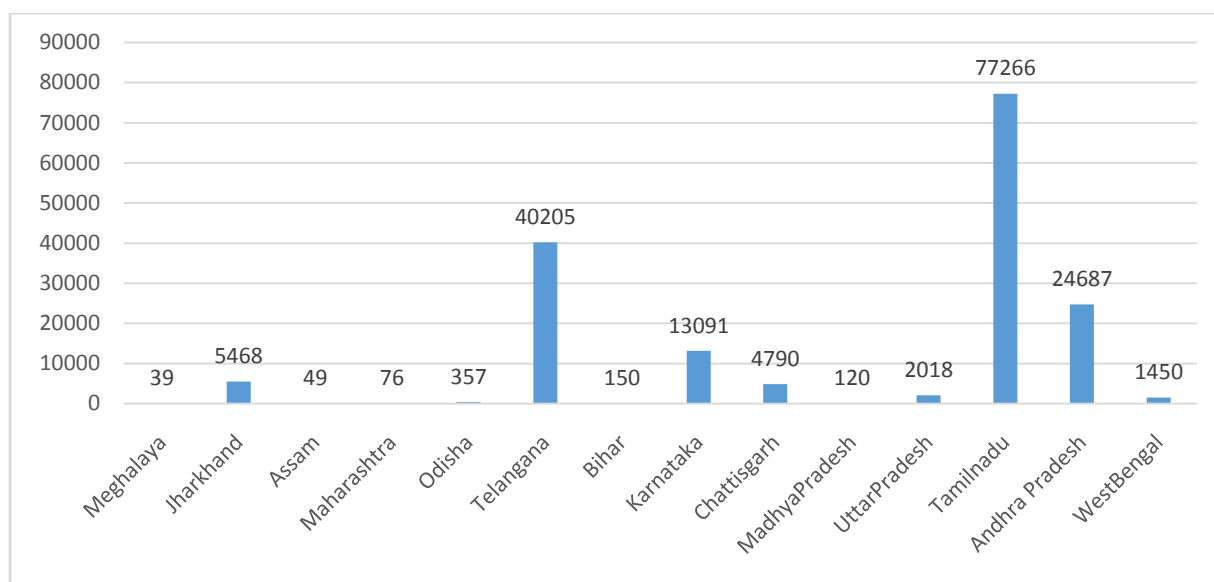


Figure 2-7: Number of Financial Misappropriation issues reported in 2018-19 by States with expenditure > Rs.1000 crore (arranged by increasing expenditure from left to right)

2.2.5 Action Taken Report

As mentioned earlier, 22 States are entering their social audit findings in the NREGASoft. On June 22, 2018, the MoRD sent a letter to all States requesting them to respond with the action taken report for each social audit finding in the MIS itself and to do this within 30 days. However, till date only 14 States are doing this. The implementation agencies in the following States have not responded to the social audit findings in the MIS – Tamil Nadu, Telangana, Karnataka, Jharkhand, Maharashtra, Bihar, Assam and Nagaland.

'R 9.3.1 Action Taken Report' in nrega.nic.in contains details about issues reported and the action taken on them.

Even among the 14 States that have responded, the percentage of issues that have been closed is quite low as seen in the figure below.

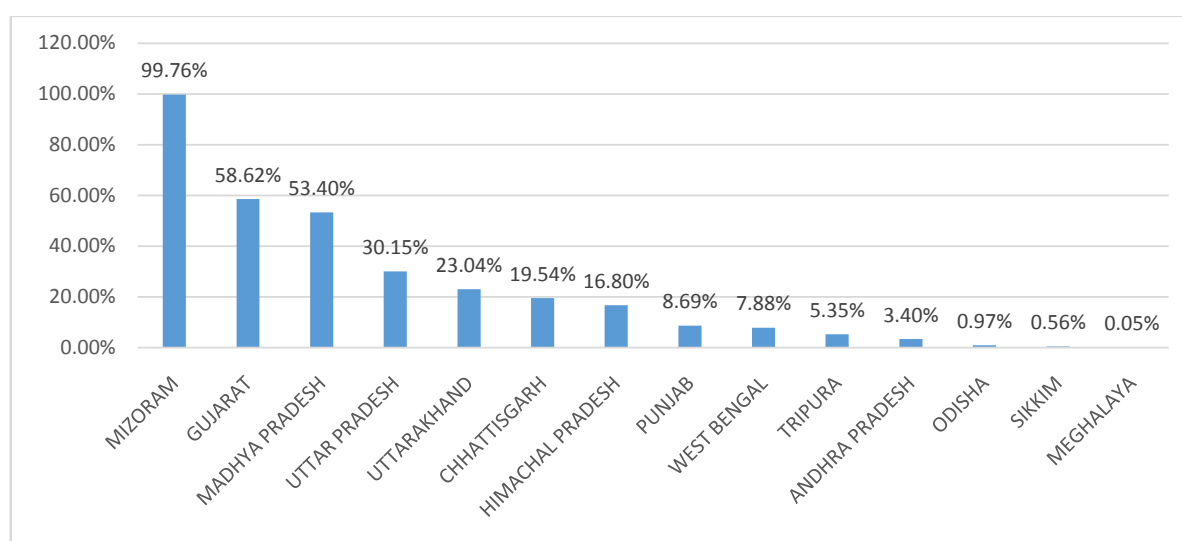


Figure 2-8: Percentage of reported issues which have been closed (as per MIS)

At the national level, only 7 per cent of the issues filed have been closed.

2.2.6 Data from checklist

As part of the social audit process, the resource persons also fill out a checklist about the implementation of MGNREGS in the Gram Panchayat. These data are available in the NREGA MIS Report 'R 9.2.5 Gram Panchayat Checklist Report' and can be very useful to monitor whether the processes that have been specified are followed in the field or not.

In 2018-19, SAUs facilitated audits in 123983 Panchayats in 22 States. The data in this section are from the checklists that were filled in these Panchayats.

The pie charts presented in this section are based on data at the national level (The R 9.2.5 report allows any user to get reports at the state, district and block levels). The percentage in the figures in this section refers to the percentage of Panchayats relative to the total Panchayats that were audited. Thus in Figure 2.9 below, in 69 per cent of the Panchayats that were audited in the country, the job card was with the people and in 6 per cent of the GPs, the job card is not with the people. In 11 per cent of the GPs that were audited, only some people in the GP had the Job Cards and in 14 per cent of GPs that were audited, most of the people had job cards with them.

Below the pie chart, the States with the highest percentage of violation in that parameter is listed.

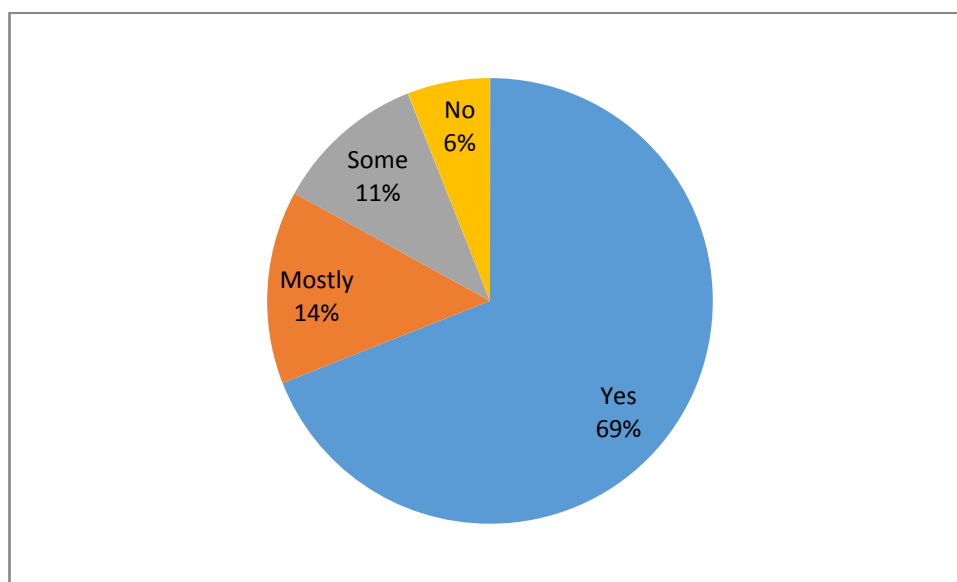


Figure 2-9: Are job cards with people?

The highest percentage of GPs (among those audited) where the job cards are not with people are in Bihar, Maharashtra and Punjab (all greater than 25 per cent).

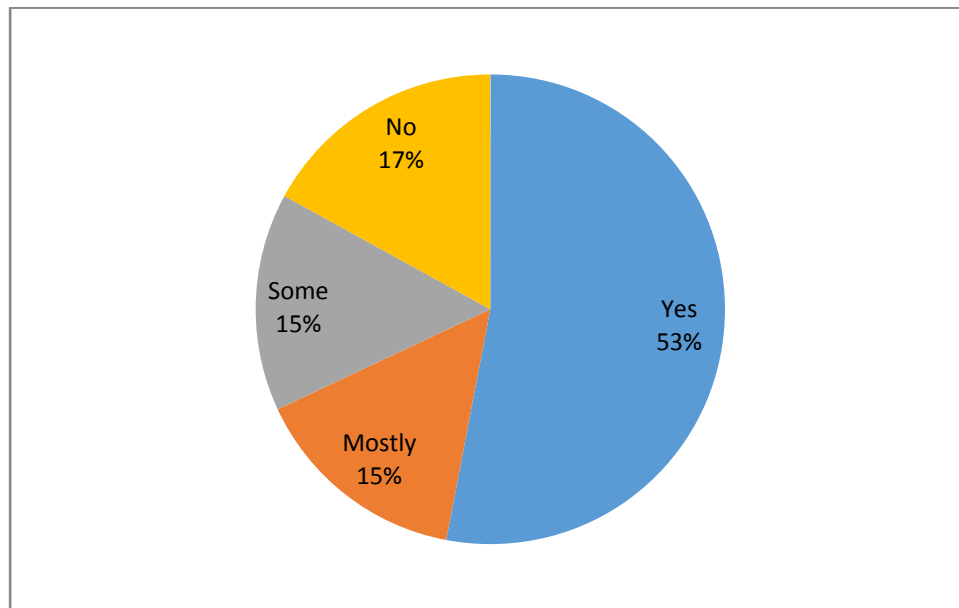


Figure 2-10: Are Job Cards updated?

The highest percentage of GPs (among those audited) where the job cards are not updated are in Assam, Bihar, Nagaland and Punjab (all greater than 50 per cent)

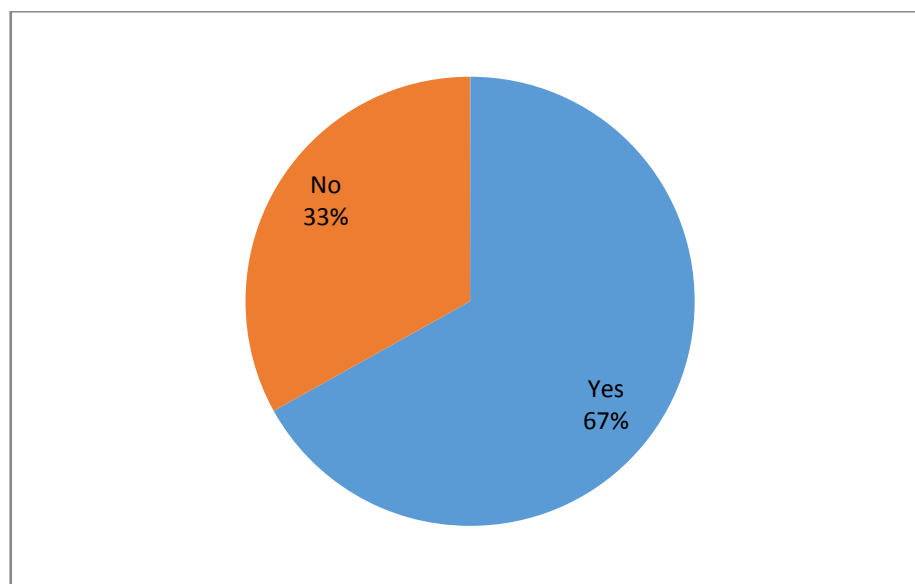


Figure 2-11: Have citizen information boards been erected for community works?

The highest percentage of GPs (among those audited) where information boards have not been erected for community works are in Jharkhand, Nagaland, Telangana, Uttarakhand, Uttar Pradesh and Punjab (all greater than 60 per cent).

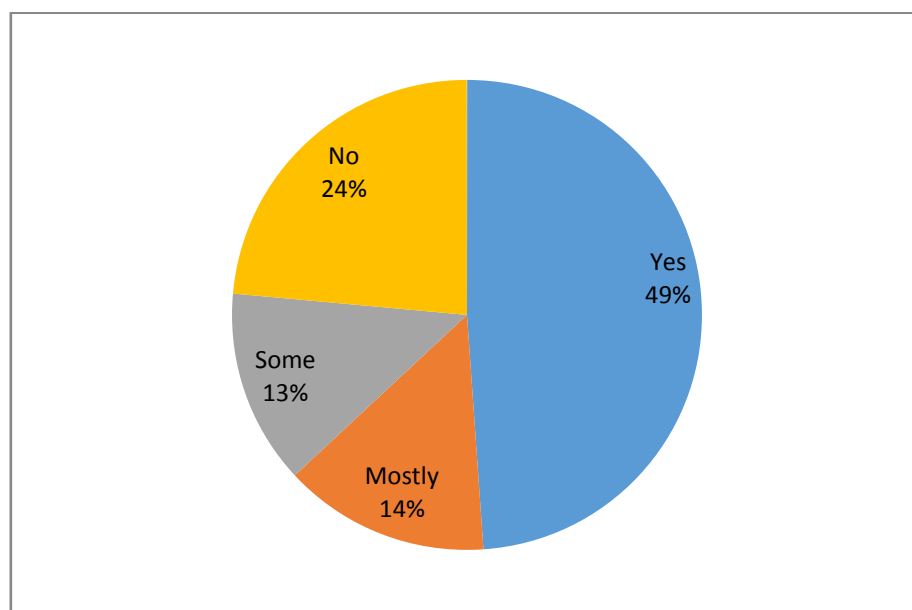


Figure 2-12: Have citizen information boards been created for individual and household works?

The highest percentage of GPs (among those audited) where information boards have not been erected for individual and household works are in Telangana, Uttarakhand, Uttar Pradesh, Punjab and Nagaland (all greater than 60 per cent).

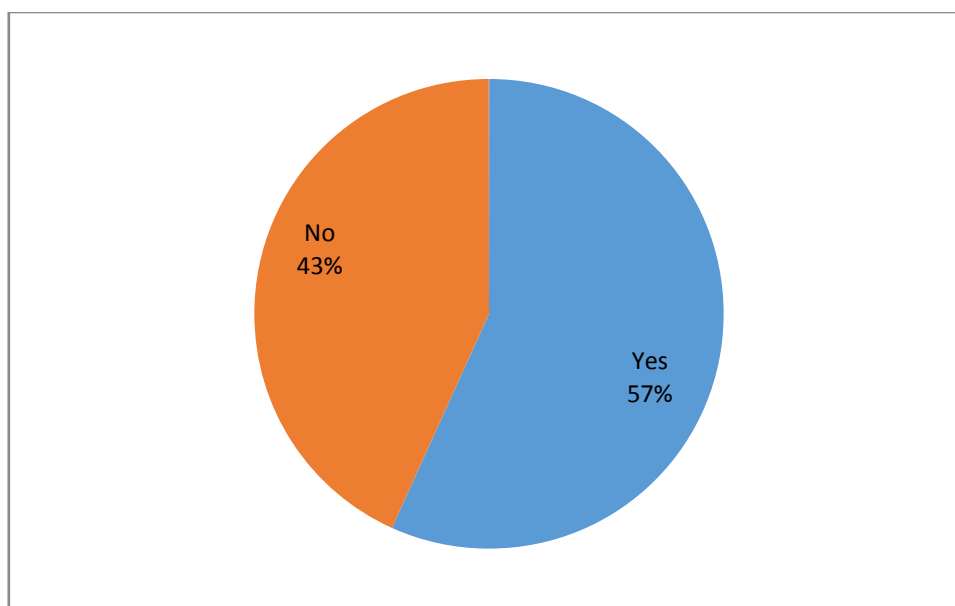


Figure 2-13: Is there a process to register demand and give receipts?

The highest percentage of GPs (among those audited) where there is no process to register demand for work and give receipts are in Telangana, Maharashtra, Himachal Pradesh, Uttar Pradesh, Uttarakhand, Jharkhand, Assam, Nagaland, Punjab and Bihar (all greater than 60 per cent).

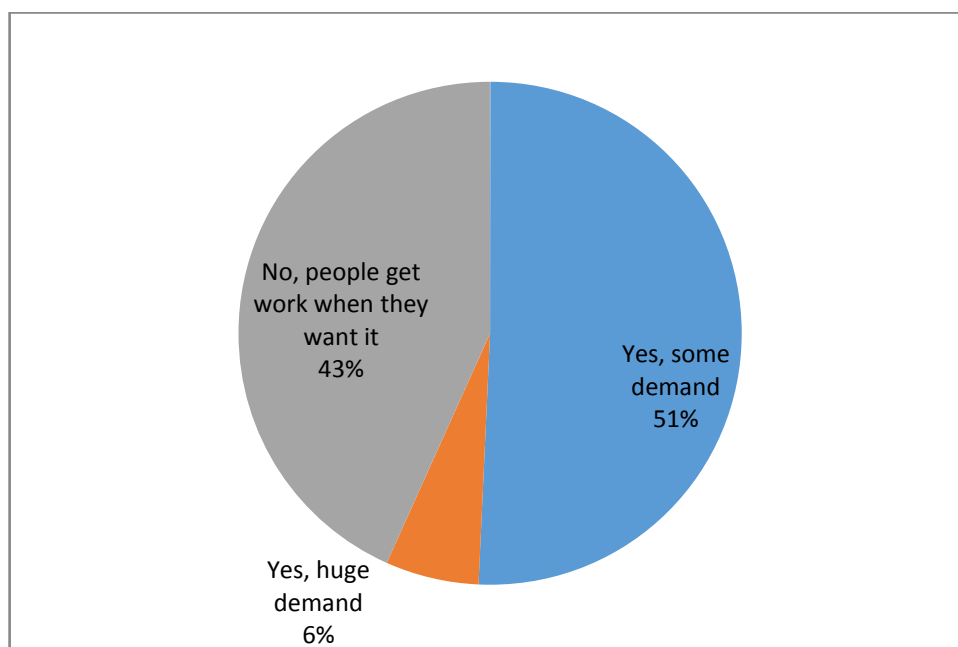


Figure 2-14: Is there a demand for work that is not met?

The highest percentage of GPs (among those audited) where there is a huge demand for work that is not met are in Punjab, Himachal, Telangana, Assam, Bihar and Jharkhand (all greater than 10 per cent)

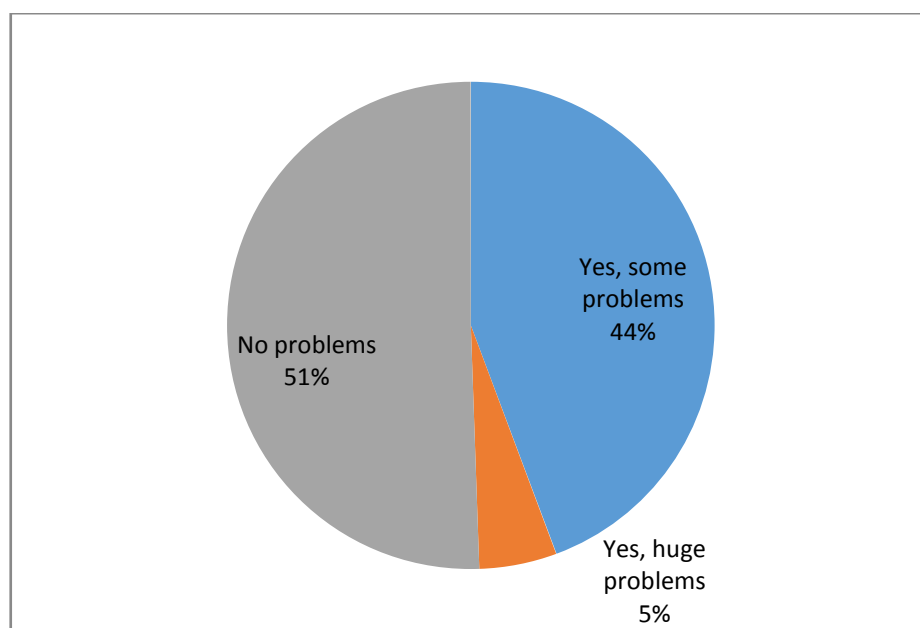


Figure 2-15: Do labourers have problems getting wages from the payment agency?

The highest percentage of GPs (among those audited) where labourers face huge problem withdrawing their wages from the payment agency are in Odisha, Telangana, Punjab, Assam, Bihar and Jharkhand (all greater than 10 per cent)

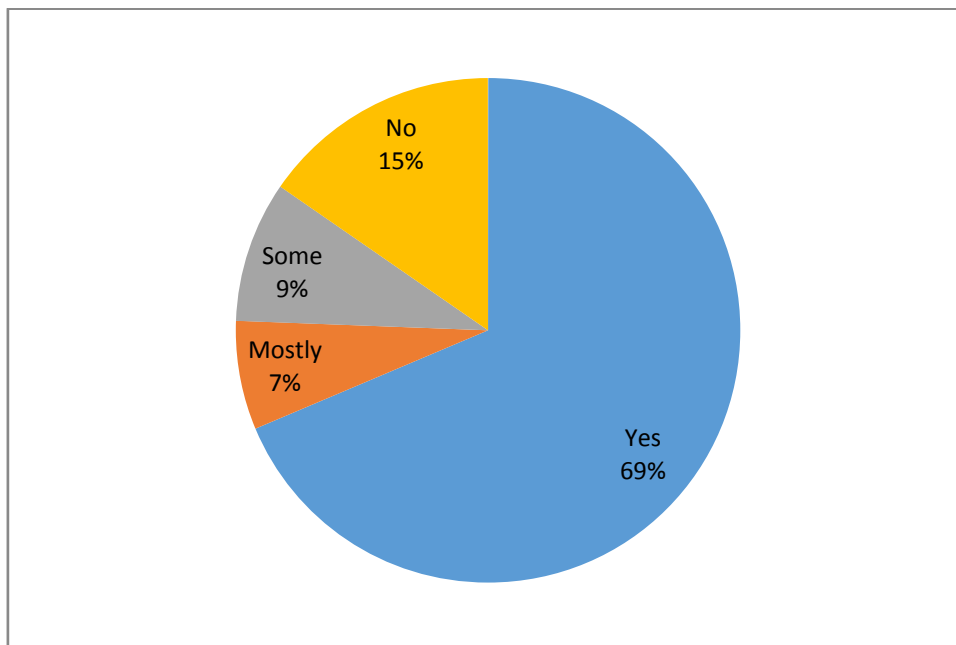


Figure 2-16: Is drinking water provided at the worksite?

The highest percentage of GPs (among those audited) where drinking water is not provided at the worksite are in Meghalaya, Uttarakhand, Bihar, Tripura and Assam (all greater than 50 per cent).

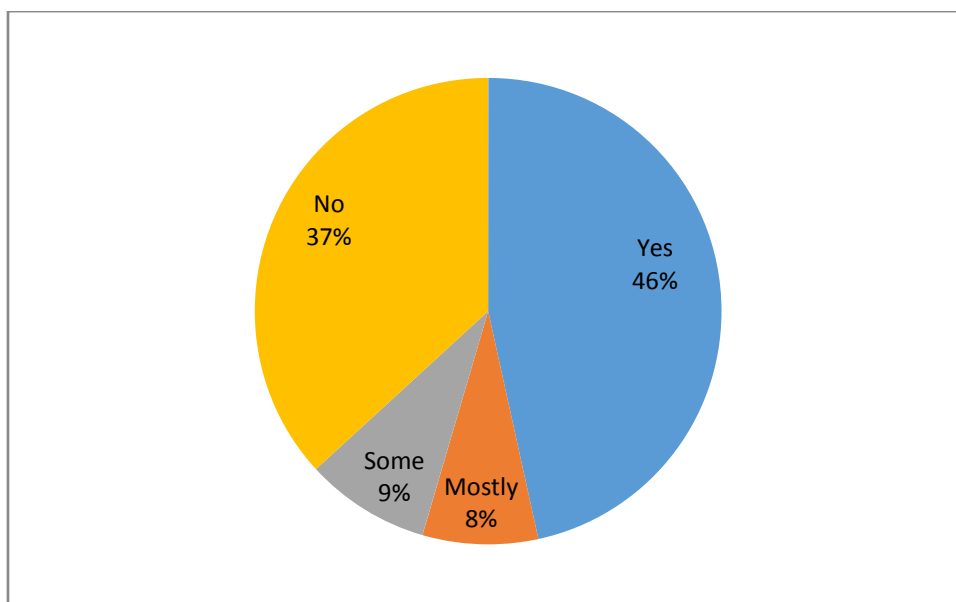


Figure 2-17: Is first aid kit available at the worksite?

The highest percentage of GPs (among those audited) where first aid kit is not available at the worksite are in Mizoram, Uttar Pradesh, Meghalaya, Maharashtra, Himachal Pradesh, Punjab, Bihar, Tripura, Uttarakhand and Assam (all greater than 50 per cent)

2.3 Cumulative Findings as reported by States

Lack of MIS to record findings and action taken has been a problem for some time now. With the building of Social Audit Module in NREGASoft, the findings since 2018-19 are being tracked there and have been presented in the previous section. However, the social audit findings from earlier years are not tracked well. Some States, including Andhra Pradesh and Telangana, have their own MIS with which they track the findings of previous years and were able to give the numbers but many found it difficult to give the cumulative data.

The table below gives details of number of issues reported, amount misappropriated and amount recovered (sorted on the 'Amount Misappropriated' field). Since different SAUs have started functioning at different times, the 'Period' column gives the years when the audits were done.

Table 2-2: Cumulative Social Audit Findings

S. No.	State Name	Period	Number of Issues	Amount Misappropriated	Amount Recovered	Percentage Recovered
1	Andhra Pradesh	2010-19	unknown	6,61,52,00,000	99,34,53,236	15.0
2	Tamil Nadu	2014-19	2,20,670	4,07,74,40,000	31,72,84,000	7.8
3	Karnataka	2013-19	unknown	2,07,57,64,000	3,77,66,000	1.8
4	Telangana	2010-19	2,95,131	1,21,49,49,112	21,03,83,904	17.3
5	Chhattisgarh	2015-19	42,621	41,88,58,481	57,81,829	1.4
6	Jharkhand	2017-19	53,713	41,65,24,487	11,14,41,412	26.8
7	Punjab	2017-19	10,727	15,26,80,655	3,75,540	0.2
8	UP	2017-19	80,794	2,97,54,000	700	0
9	Sikkim	2013-19	11,024	2,89,85,761	36,67,174	12.7
10	Tripura	2017-19	296	1,55,66,305	0	0
11	Odisha	2017-19	18,846	1,25,33,119	1,14,635	0.9
12	Himachal Pradesh	2017-19	20620	59,54,000	1,50,000	0.9
13	Bihar	2018-19	554	55,24,374	0	0
14	Uttarakhand	2018-19	12,594	42,20,213	5,83,679	13.8
15	Madhya Pradesh	2017-19	6,323	33,22,860	1,44,869	0
16	Meghalaya	2017-19	21,140	27,42,246	1,88,650	6.9
17	Assam	2017-18	2,508	19,98,266	0	0

S. No.	State Name	Period	Number of Issues	Amount Misappropriated	Amount Recovered	Percentage Recovered
18	West Bengal	2018-19	36,899	14,10,446	0	0
19	Maharashtra	2017-19	unknown	5,57,203	0	0
20	Mizoram	2018-19	538	10,000	0	0
21	Nagaland	2017-19	2,049	0	0	0

While few States including Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Jharkhand, Chhattisgarh, Himachal Pradesh, Punjab and Uttarakhand are reporting significant financial misappropriation in relation to the total expenditure, the amount in the other States is negligible. This could mean either that the implementation is really good in the other States or that the social audit process is very weak and is unable to detect irregularities.

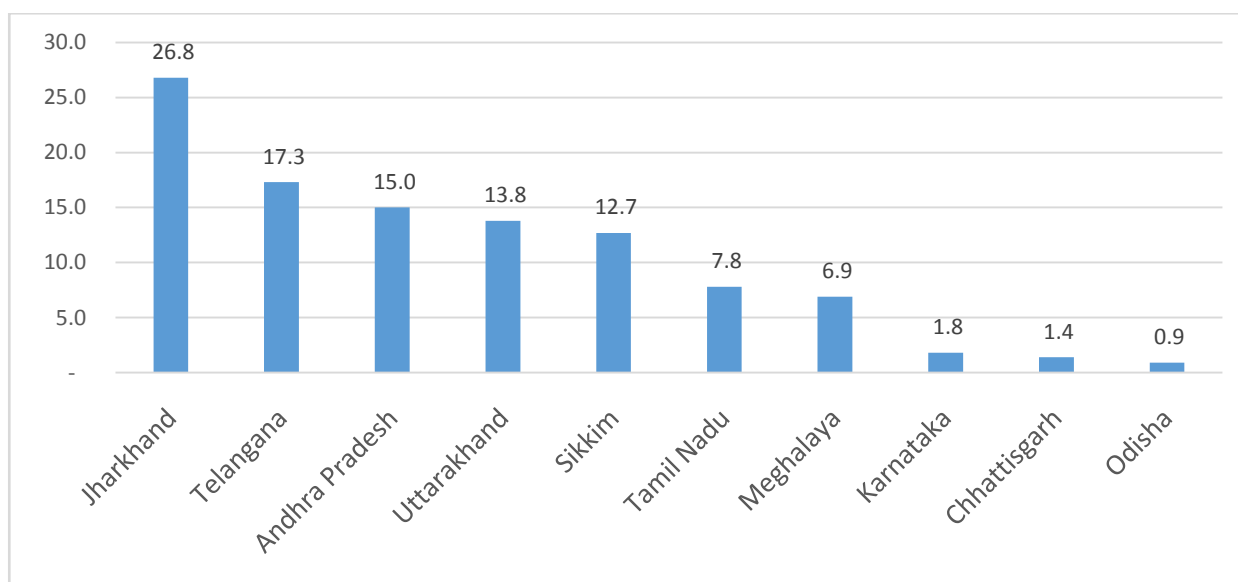


Figure 2-18: Percentage of Financial Misappropriation amount that has been recovered

As can be seen in the above figure, the percentage of financial misappropriation amount that has been recovered is quite low. It is highest in Jharkhand (27 per cent), and less than 2 per cent in Karnataka, Chhattisgarh, Odisha and Punjab. At the national level, the amount recovered is 7 per cent.

The number of grievances registered and redressed is not tracked well and the SAUs were not able to give the data.

3 Social Audit of Other Schemes

3.1 Pradhan Mantri Awas Yojana

Pradhan Mantri Awas Yojana – Gramin ‘Framework for Implementation’ published in 2016 says that social audit should be conducted in every Gram Panchayat at least once in a year. It also says that the social audit unit set up under MGNREGA should facilitate the social audit of Pradhan Mantri Awas Yojana – Gramin.

Based on this, the SAUs of West Bengal, Uttar Pradesh and Meghalaya had facilitated social audits. In 2018-19, Tripura and Jharkhand have started facilitation of Pradhan Mantri Awas Yojana – Gramin. Maharashtra had also initiated pilot social audits.

A workshop was organised in NIRDPR in December 2018 that was attended by representatives from implementing agencies, SAUs and MoRD. A draft of the social audit guidelines was prepared and it has been shared with the States for their feedback.



Table 3-1: List of issues that were seen during social audit of PMAY-G in West Bengal in 2018-19

S. No.	Nature of Irregularities	Number of issues
1	Allotment not done in the name of woman	36264
2	Absence of display board	23362
3	Not taking up sanitation scheme	13545
4	Non-construction of healthy kitchen	8898
5	Other issues	3761

6	Waiting List & Priority List not maintained	3439
7	Construction not started/completed though received 3 rd instalment	2270
8	Work done through contractor	1930
9	Construction not started after receipt of 2 nd instalment	1331
10	Non-adherence of guideline for construction	1028
11	Illegal collection of money	255
12	Improper release of instalments	208
13	Submission of false inspection report by inspecting authority	111
14	Allotment/Approval made to person other than the actual beneficiary	24
15	Multiple allocation to old beneficiary	21
	Total Issues	96447

3.2 National Social Assistance Programme

National Social Assistance Programme guidelines issued in 2014 mandate that social audit should be done. However, it was only West Bengal and Andhra Pradesh that social audits of National Social Assistance Programme were conducted.

In May 2018, a workshop to draft social audit guidelines was held in NIRDPR. In 2018 November, MoRD wrote to all States enclosing the guidelines and standard operating procedure and asked them to initiate social audits through the SAUs.

Following this, the SAUs in Odisha and Himachal Pradesh have started facilitating social audits of National Social Assistance Programme along with the MGNREGS. But other SAUs are yet to take up social audit of National Social Assistance Programme

MoRD had also asked NIRDPR to facilitate pilot social audits in five States which has been completed.



Pilot Social Audit of NSAP and State Assistance Schemes in Maharashtra

National Institute of Rural Development and Panchayati Raj (NIRDPR) along with Directorate of Social Audit, Maharashtra facilitated the social audit of National Social Assistance Programme (NSAP) and state social assistance schemes (Sanjay Gandhi Niradar Anudan Yojana and Shravan Bal Seva Rajya Nivruttivetan Yojana) in two Panchayats (Bhadgao and Bhamni in Latur Tehsil) and one urban ward in Latur District, Maharashtra in June 2019.

NSAP requires that beneficiaries belong to BPL families and it is available only for old people, widows and differently-abled people. The State schemes cover other vulnerable people such as persons with critical illnesses, divorced women and aged people who are not in the BPL list. Most of the central and State beneficiaries receive Rs. 600 per month (differently-abled people receive up to Rs.1000). The amount is deposited into their bank accounts by the tehsil office.

Social audit revealed many issues that need to be addressed. The coverage (percentage of total population receiving social assistance) is quite low (less than 4 per cent) compared to many of the southern States. This low number is also an overestimate as more than 17 per cent of the beneficiaries on record in the two Panchayats are not alive but money is being deposited in their accounts regularly. Many applicants rely on brokers to help navigate the difficult application process. In the urban areas, withdrawal of money is a challenge and many people end up paying commission to intermediaries who help them. There is no MIS to track the list of applicants, beneficiaries and payments made to them.

There are significant violations of the NSAP guidelines – the eligible age has been increased from 60 to 65 years thus depriving many old people of assistance. The assistance is supposed to be paid every month, but the tehsil office pays the cumulative amount only once in three or four months. Gram Panchayat / Gram Sabha are not involved in the selection of beneficiaries. There is no annual verification of beneficiaries. Many well-off people, especially in urban areas, are receiving assistance meant for the poor and vulnerable. The NSAP website has data relating to NSAP beneficiaries but there are significant differences between this list and the tehsil list. Ward-wise beneficiary data are not available in the NSAP website (it is arranged as per the bank) making it impossible to do annual verification. There is no pro-active identification of beneficiaries.

Recommendations to increase coverage, increase assistance amount, implement doorstep delivery of pensions, build an MIS, increase staff and operationalise social audit have been made.

3.3 Public Distribution System

National Food Security Act, 2013 defines social audit as ‘the process in which people collectively monitor and evaluate the planning and implementation of a programme or scheme’. Section 28 mandates the social audit of the Public Distribution System:

“28. (1) Every local authority, or any other authority or body, as may be authorised by the State Government, shall conduct or cause to be conducted, periodic social audits on the functioning of fair price shops, Targeted Public Distribution System and other welfare schemes, and cause to publicise its findings and take necessary action, in such manner as may be prescribed by the State Government.”

The Supreme Court of India in its judgement in the Writ Petition (C) No. 857 of 2015 said

‘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 MGNREGA 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.’

However, only the Bihar Government has decided to facilitate social audit of PDS and has allocated Rs. 7 crore to the SAU in 2019-20. Pilot social audits have been undertaken in Andhra Pradesh, Madhya Pradesh and Karnataka but are yet to be scaled up.

The West Bengal SAU Director in a letter dated 21 May 2018 to all ADMs had said that the Panchayat and Rural Development Department has decided that the conduct of social audit of NFSA should be done by the SAU along with audit of MGNREGS, NSAP and PMAY-G. The cost of the audit is to be borne by the SAU and reimbursed by the Food and Civil Supplies Department. However, audits of NFSA are yet to be initiated.

Rollback of Direct Benefit Transfer Pilot in Jharkhand

Jharkhand Government had initiated a pilot ‘Direct Benefit Transfer (DBT)’ project in Nagri district close to Ranchi in October 2017. As per this, instead of providing food grains in a subsidised manner (Rs. 1/kg), the government will transfer the subsidy amount (Rs 31.60/kg) to the beneficiary’s bank account. If the family had an Antyodaya card eligible for 35 kg of grain/month, the government will transfer Rs. 1106 (Rs. 31.60 x 35) every month. The beneficiary will withdraw the amount from the bank and then use it to buy foodgrains at the ration shop paying Rs. 32.60/kg (her share of Rs. 1/kg and the government transferred amount of Rs. 31.60/kg). Such a system is supposed to reduce corruption and be more efficient. However, there were many issues with the implementation – many people did not receive the subsidy, they found it difficult to withdraw the money from the bank and Pragya Kendra; they had to spend money on auto/bus fare and spend long hours in queue to withdraw money and had to skip work. In February, many people walked to the Governor’s house demanding withdrawal of the pilot project.

The Government asked the **Jharkhand SAU** to facilitate social audit of the project. The social audit was done in April 2018 and 96.9 per cent of respondents favoured the previous system. While 36 Gram Sabhas said 'No to DBT', two said DBT is acceptable if the operational system is completely reformed. Based on the social audit report, the government decided in 2018 August to roll back the DBT project and restore the earlier system in Nagri block.



3.4 Mid-day Meal

The Ministry of Human Resource Development issued social audit guidelines (8) for the Mid-day Meal (MDM) programme in 2014. This said that States should conduct social audit of at least 20 schools in two poor performing districts with the help of eminent institutes in the State and then scale it up to all districts.

The minutes of the Programme Approval Board – Mid-day Meal meetings (9) in 2019 stresses that under the provisions of Section 28 of NFSA, 2013, social audit of the scheme is mandatory. States were asked to actively involve the social audit units (SAU) set up under MGNREGS in conducting social audit of MDM in all districts.

Though the guidelines does not limit the number of audits, by saying at least 20 schools in two poor performing districts and then scale up, it practically sets a very low bound on what needs to be done. Social audit is not like a research study or an evaluation of the programme. It is meant as a powerful tool for transparency, accountability and participation and hence has to be done in every school. It should ensure that every child gets the entitlements that he/she is eligible for. The NFSA also mandates this.

It is not clear how many States are doing the social audit at least as specified in the guidelines. Reports are not publicly available. In response to an adverse video about the food served in a

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school, the Uttar Pradesh Government has recently decided to do social audit with the help of three research institutes. Tamil Nadu has also recently decided to partner with a technical institute to do the social audits. Both of these are in a very limited scale.

Only three SAUs have facilitated social audit of the Mid-day Meal Programme. Karnataka has done it in 40 schools in two districts in 2017-18 but none in 2018-19. Telangana has facilitated social audit in 60 schools in 10 districts in 2017-18 but none in 2018-19. Jharkhand has made a beginning in 2018-19 in 10 schools.



3.5 Integrated Child Development Services

The National Food Security Act 2013 specifies the nutritional entitlements (take-home rations and nutritious hot cooked meal) to be provided by the Anganwadi (child care and development centre set up under ICDS Scheme of the Central government) for children, pregnant women and lactating mothers. The Act says that local authority authorised by the State government should do periodic social audits of these schemes. However, this has not been implemented anywhere except in Telangana. Civil Society Organisations have facilitated Social Audit in few States, including Odisha and Bihar.

In a social audit facilitated by Spread (10), Mr. Dashrath Duruka, Sarpanch of Sherpalli Gram Panchayat in Malkanagiri district in Odisha, raised the following questions to anganwadi workers and higher officials present in a social audit gram sabha attended by more than 500 people:

"Why are you not providing eggs to all children and mothers as per the ICDS norms? Why there is a delay in providing cash benefits to the pregnant and lactating mothers under the State's maternity benefit scheme, Mamata? Why were some of the ration card holders denied ration?"

In 2017-18, Telangana SAU facilitated social audit in 5 per cent of Anganwadis in the State. The objective was to create awareness among different stakeholders on growth monitoring, importance of breast feeding, pre-school activities, to grade the Anganwadi centres on different parameters and to strengthen the Anganwadi Level Monitoring Support Committee (ALMSC).

The main findings include – non-functional ALMSCs, low awareness level on child and mother protection, discrepancies between food distributed and official records, delay in supply of food items, lack of supervision, poor performance in pre-school activities, discrepancies in registers, supply of small eggs, supply of lesser quantities, dual enrolment, etc.



Impact of Social Audit

A recent article (11) based on the IDS evaluation report (12) of social audit of different schemes in six districts of Odisha neatly shows the impact of social audit – all round improvement in the performance of ICDS, MDM, TPDS and MAMATA scheme.

Excerpts from the article:

Social auditing has helped improve the reach and quality of welfare measures meant for the poor in six of Odisha's most backward districts, a study has concluded.

In six of the poorest and least developed districts of Odhisha - Koraput, Balangir, Nuapada, Nabarangpur, Malkangiri and Kalahandi--a social audit of four welfare schemes was conducted between January and March 2018. This was followed by a second audit between December 2018 and February 2019.

Significant changes were noticed in the reach and delivery of welfare schemes between the two social audits that covered Anganwadi centres of 240 Gram Panchayats of 24 blocks in these districts.

The first social audit in 2018 showed that 24 per cent of beneficiaries received their full ration of one packet of chhatua (a mix of roasted wheat, Bengal gram, groundnuts and sugar) and 12 eggs. This has risen to 39 per cent in the second audit, a growth of 15 percentage points. This was highest in Balangir and Malkangiri districts, with 63 per

cent and 61 per cent receiving their full ration, respectively. Participants of the audit now take home an average of eight eggs per month, compared to the previous four.

A total 85 per cent of beneficiaries reported the hot meal being prepared at the centre on all working days, a five-percentage-point improvement over the last social audit.

The Mamata scheme, launched by the government of Odisha in 2011, is a conditional cash transfer of Rs. 5,000 to pregnant or lactating women over the age of 19.

From the 7,165 eligible women identified for MAMATA, 2,652 (37 per cent) did not receive a single instalment. In Malkangiri, this was 44 per cent. But this is still an improvement over the first social audit figures. Compared to 58 per cent in the first audit, now 38 per cent reported a delay in disbursement of instalments.

The second round of audits also found an increase in the number of mothers' breastfeeding since the first audit--from 52.5 per cent to 86.6 per cent. Also, 33 per cent of beneficiaries claimed to have better knowledge of the programme because of social auditing.

3.6 Fourteenth Finance Commission Grant (FFCG)

The Fourteenth Finance Commission (FFC) has recommended a huge increase in the quantum of funds (Rs 2,00,292.20 crore as grants-in-aid for the period from 2015 to 2020) to be distributed to the Gram Panchayats to enable them to function effectively.

The CAG has mentioned that transparency and accountability in local bodies has not been commensurate with the increasing flow of funds to them and emphasised the need for mandatory social audit in social sector schemes. He has also asked the State AG offices to adopt a positive outlook towards social audit and explore synergies with their audit and social audit.

Following the acceptance of the recommendations of the Joint Task Force on Social Audit, MoRD had listed action points for itself (5); action point number 7 is *'The MoRD and MoPR in consultation with State governments, will jointly work out a methodology for carrying out social audit of works undertaken by the GP using FFCG.'*

In its circular regarding utilisation of 10 per cent of FFC amount for Operations & Maintenance and capital expenditure by the Gram Panchayat dated 16 Dec 2015, MoPR has listed 'Cost of Social Audit' as a permissible activity on which funds may be spent.

However, it is only Jharkhand that has taken up audits of FFCG grants in a big way. They did audits in 1500 Gram Panchayats in 2017-18. The SAU was asked to collect the social audit expenses from the Gram Panchayat as there was no provision for the State to withhold some money for the social audit and then transfer it to the SAU. Collecting money from the Gram Panchayats was quite difficult and also is a conflict of interest. The Jharkhand SAU's steering committee said that henceforth audits will be done only if they received funds from the State department. Hence, they did not do any audits in 2018-19.

Madhya Pradesh has also taken up audit of the works in some Mission Antyodaya GPs and they have received some funds from the State Department of Panchayati Raj for this.

Pilot Audits of FFCG in two Gram Panchayats in Andhra Pradesh

Pilot social audit was done in two Panchayats in Andhra Pradesh where wall paintings of the expenditure of the works taken up under FFCG were put up in public locations. People were surprised that most of the money was spent on repair of bore well motors - one motor was repaired 8 times at a cost of Rs. 83455 in one year. Requiring that the expenditure details be put up in a wall painting like this can strongly deter the misuse of public money.

14వ ఆర్థిక సంఘం నిధుల డిమాండ్లు
(2016-17 ఆర్థిక సంవత్సరము)

జిల్లా : Y.S.R. కడప : మండలం : కలసపాడు : పంచాయతీ : కలసపాడు.
1-ఆర్థిక సంఘం పరిపాలనా నిధుల నిల్వ (గత సం॥లో మిగిలిన) : 597490 = 00.

2-ఈ ఆర్థిక సం॥లో వచ్చిన నిధులు : 1605996 = 00
3. ఖర్చు అయిన నిధులు : 735000 = 00
4. సం॥ చివరికి మిగిలిన నిధులు : 1468486 = 00

జరిగిన పనులు / కార్యక్రమాల వివరాలు

క్రమసంఖ్య	చేపట్టిన కార్యక్రమం	సంఖ్య	మొత్తం	అంచనా మొత్తం/ఖర్చు
1.	బంగ్లా మోటరు	4 సార్లు	43105 = 00	
2.	సబ్ స్టేషన్ మోటర్	5 సార్లు	61466 = 00	
3.	అక్కివారిపల్లి మోటరు 2.	8 సార్లు	83455 = 00	
4.	నివాలయం మోటర్	5 సార్లు	58169 = 00	
5.	కొత్త కాటాబు మోటర్	1 సారి	9213 = 00	
6.	డియో స్కూలు మోటర్	2 సార్లు	17253 = 00	
7.	పోస్టాఫీసు మోటర్	4 సార్లు	46191 = 00	
8.	పాలరెమ్మ చెరు మోటర్	2 సార్లు	20233 = 00	
9.	Z.P. స్కూల్ మోటర్	1 సారి	7920 = 00	
10.	పుల్లారెడ్డి పల్లి రోడ్డు మోటర్	1 సారి	7638 = 00	
11.	పొరుమామిళ్ళ రోడ్డు చిల్ల	2 సార్లు	18929 = 00	
12.	పంచాయతీ జఫసు ప్రక్కన	1 సారి	5350 = 00	
13.	A.P.G.B. బొంతు	1 సారి	8538 = 00	
14.	ముసలేరెడ్డి పల్లి రోడ్డు	1 సారి	4900 = 00	
15.	సత్యనందం ఇల్లు దగ్గర	1 సారి	11004 = 00	
16.	బీ.చింగ్.చాడర్ క్రాస్ గోల	2 ప్యాకెట్స్	1875 = 00	
17.	ఇంటర్నల్ C.C రోడ్డు	2	182382 = 00	
18.	పొరుమామిళ్ళ రోడ్డు చిల్ల పుర్రె	1	10593 = 00	
19.	గోటివాలు	2	11815 = 00	
20.	O.H.S.గీ క్లింగ్	1	667 = 00	
21.	ఎర్రవంక మోటరు G.A. పైపు	1	9936 = 00	
22.	కరెంటు చార్జి	1	10000 = 00	
		మొత్తము	735000 = 00	

3.7 Swachh Bharat Mission (SBM)

The States of Karnataka, Jharkhand, Madhya Pradesh and Telangana did verification of the 'Open Defecation Free' status as part of SBM.

Verification of Swachh Bharat Mission (SBM) in Telangana

To accelerate the efforts towards achieving universal sanitation coverage and to increase focus on sanitation, the Government of India launched SBM on 2nd October, 2014.

Telangana SAU was requested to do the verification of Open Defecation Free (ODF) status of different Gram Panchayats. The main objective of ODF Verification is to verify toilets as per the list given by State SBM team and check whether toilets are being used or not. Awareness on sanitation, hygiene and importance of using soap for washing hands after using toilets is given.

In 2017-18, the team conducted a detailed enquiry in 2,474 Gram Panchayats (across 21 districts) which had applied to be considered as Open Defecation Free Villages. The team verified 10,96,287 households and found that 86 per cent of the households were using toilets. They also found that 94 per cent of schools have toilets that are being used and 71 per cent of Anganwadi centres had toilets that are being used in these Gram Panchayats. Based on the enquiry, it was found that 82 per cent of Gram Panchayats that had applied for ODF status were actually ODF.

3.8 National Health Mission

Two States - Jharkhand and Uttarakhand - have taken up social audit of health services under the National Health Mission. In Jharkhand, the SAU facilitated audit in 80 GPs in five districts. Some of the key findings from the social audit are given in the box below.

In Uttarakhand, the SAU facilitated pilot social audit among health centres in Uttarkashi district. Two PHCs, one CHC, one District Hospital and one Women's Hospital were taken up for social audit. Some of the issues found include lack of awareness about the Janani Suraksha Yojana (JSY) and Janani Shishu Suraksha Karyakaram (JSSK) schemes, non-availability of 108 and Khushiyan ki Sawari ambulances, delayed arrival of doctors and staff, rude behaviour of doctors, payment of Rs.5000 for surgeries, unclean bed sheets and pillows, non-working X-ray machine, non-availability of ultrasound tests and patients being forced to get syringe, cannula, gloves and many essential medicines from outside the hospital.

Social Audit of Health Services under National Health Mission in Jharkhand

Based on consultation with officials of Jharkhand Rural Health Management Services and the SAU, Jharkhand, the parameters to be looked at was decided. After the field visit and discussion with different stakeholders, a Panchayat level Jan Sunwai and a district level Jan Samvad were held. The following were some of the issues that were raised in the meetings:

Common Health Services – Non-availability of safe drinking water and lack of water testing; non-availability of blood test for fever patients;

Health Sub Centres – 19 per cent of HSCs are in dilapidated condition; absence of electricity and running water, non-working BP machine; irregular blood collection, no fixed timing for the HSC and non-availability of roster for ANM visit.

Maternal Health – Non-availability of Hb, HIV and urine tests; lesser Antenatal Care (ANC) for marginalised sections; denial of free supply of food, delayed disbursement/non-availability of benefits under Janani Suraksha Yojana; phase-wise delivery of Iron and Folic Acid (IFA) tablets instead of giving all at same time; money collection for vehicle, pregnancy test, birth registration and issuance of MCP (Mother Child Protection) card during delivery.

Adolescent Health – Non-availability of sanitary napkins, non-conduct of peer education on reproductive and sexual health

Family Planning – Non-availability of counselling and education to lactating mothers and newly married couples; non-receipt of incentives for sterilisation

Sahiya – some localities do not have Sahiya; some Sahiyas do not do home visit and weight measurement; non-receipt of incentives, non-receipt of diary; non-availability of rest room for Sahiya when she accompanies pregnant woman to the Primary Health Centre / Community Health Centre.

Village Health Sanitation and Nutrition Committee (VHSNC) – Non-receipt of untied funds, low awareness about Village Health Sanitation and Nutrition Committee, its functions and untied funds; Irregular conduct of Village Health Nutrition Day.

3.9 Juvenile Justice (Care and Protection of Children) Act, 2015

In May 2017, the Supreme Court had directed National Commission for Protection of Child Rights (NCPCR) and State Commission for Protection of Child Rights (SCPCR) to do social audit of all childcare institutions and other bodies under the Juvenile Justice Act and Model Rules. Following this, NCPCR has started to do social audit of these institutions.

In July 2017, the Bihar State Government asked Tata Institute of Social Sciences (TISS) to do a social audit of all 110 State-supported institutions including, shelter homes for children and old-age homes. The social audit report revealed serious abuse and sexual violence against children in many homes including in Muzaffarpur.

In December 2018, the Delhi Commission for Women (DCW) has appointed TISS to conduct social audit of all private and government shelter homes in Delhi.

3.10 Building and Other Construction Workers' Welfare Fund

The Building and Other Construction Workers' (BOCW) Act was passed in 1996 to benefit workers in the construction industry. The State governments/ Union Territories Administration have created a welfare board and collect 1 per cent of the cost of construction as cess to be used for the welfare of the workers. The welfare board registers the construction workers and provides support to them through different welfare schemes for scholarship, pension,

insurance, etc. More than Rs.45000 crore had been collected and about Rs.18000 crore has been disbursed as on 30 September 2018.

National Campaign Committee for Central Legislation on Construction Labour (NCCCL) had filed a PIL [Writ Petition (Civil), 318/2006] in the Supreme Court asking for direction that the BOCW Act and BOCW Welfare Cess Act be implemented in their entity. The Supreme Court in its judgement on March 19, 2018 directed the Central Government to facilitate a nation-wide social audit of the Building and Other Construction Workers Act (BOCW), 1996:

'Our fourth direction is to the Ministry of Labour and Employment, the State Governments and the UTAs to conduct a social audit on the implementation of the BOCW Act so that in future there is better and more effective and meaningful implementation of the BOCW Act. If a mistake has occurred, it is more appropriate to admit the mistake for a better future rather than to justify it or continue to repeat the mistake. This is more so in the case of the BOCW Act where crores of men, women and children are involved on a day-to-day basis and Parliament has thought it appropriate to legislate for their benefit. State Governments and the Welfare Boards in every State and UTA to conduct a social audit.'



Following this, the Ministry of Labour and Employment has facilitated social audits in a few places –

1) Salumbar block, Udaipur district, Rajasthan 2) Shalimar Bagh constituency, North West district, New Delhi 3) Beawar block, Ajmer district, Rajasthan.

Findings from the pilot social audit of BOCW Act in Salumbar Block, Udaipur District, Rajasthan

- 1) Many non-construction workers were registered as beneficiaries while many construction workers were not registered.
- 2) Many registered workers had not applied for benefits they were eligible for due to lack of information.
- 3) Delay in disbursement of benefits
- 4) Poor awareness about the Act and the Board
- 5) Many applications for benefits were rejected incorrectly and applicants were not informed about the reason for rejection
- 6) People are not aware that their applications had been processed and benefits transferred to their accounts.
- 7) Incorrect information in the database
- 8) Cannot apply at village level directly and hence people approach unofficial agents.

- 9) Even though there were many large construction sites in Salumbar block, these were not registered.
- 10) Network of agents, who claim that only they can get applications passed, take a significant cut from the benefits. They also charge much more than the specified amount for registration and application.

3.11 District Mineral Foundation

The Mines and Minerals (Development & Regulation Amendment) Act, MMRDA, 2015 (13) mandated the setting up of a trust as a non-profit body to be called the District Mineral Foundation (DMF). The objective of this foundation is to work for the benefit of persons affected by mining-related operations. The standing committee on Coal and Steel, in its report on implementation of DMF, suggested that the Ministry may prescribe social audits of DMFs.

State governments have enacted Rules governing the composition and functioning of the DMF. The report People First: District Mineral Foundation Status Report, 2018 published by the Centre for Science and Environment (14) states

'Most States do not have any specifications or elaboration on the mechanism of social audits. DMF Rules of states such as Chhattisgarh, Gujarat and Maharashtra provide for conducting social audits of the development schemes executed from the DMF fund; however, the Rules do not outline how to conduct such an audit.'

3.12 Meghalaya Social Audit Act

Meghalaya has become the first State in the country to pass a social audit legislation that will allow citizens participation in the planning of development, selection of beneficiaries, concurrent monitoring of programmes, the redress of grievances, and audit of works, services, and programmes on an annual basis. The Act titled 'Meghalaya Community Participation and Public Services Social Audit Act' was passed by the State government in 2017. The Act extends Social Audit to 21 social welfare schemes implemented by 11 different departments.

Pilot social audits were done in 18 villages across six districts in November 2017 followed by a National Convention on Social Audit to reflect on the social audit process, findings and to develop a roadmap for implementation of the Act. Recently, in July 2019, the government passed the Rules for implementation of the Act.



3.13 Social Audits by CSOs

Many civil society organisations have been facilitating social audit of different schemes in Rajasthan, Odisha, Bihar, Maharashtra and Madhya Pradesh.

SATHI (Support for Advocacy and Training to Health Initiatives) based in Pune has been working on 'Community Based Monitoring (CBM) and Planning of Health Services' in Maharashtra. Recently, they did a pilot project, multi-sectoral monitoring or social audit with community initiative by expanding CBM approach to public services beyond health. They have done this in 30 villages.

A village level social audit group (VSAG) was formed with active members from different committees such as 'School Management Committee', 'Village, Health, Nutrition and Sanitation Committee', 'Daksha Samiti', etc. Capacity Building for the group members was done and they collected information on different schemes. Based on the data, the group interacted with different people and did the verification. A village level public hearing followed by a block level public hearing was then conducted.

Table 3-2: Department-wise list of pending issues from audit in 30 villages in Maharashtra

Department	Total issues reported	Issues resolved	Pending issues
Public Health	58	18	40
Public Education	54	24	30
ICDS	29	11	18
Tribal Development	25	21	4
Village Development	23	0	23
Public Justice	4	0	4
MGNREGS	3	0	3
Agriculture	3	0	3
Telecom	1	0	1
Public Infrastructure	1	0	1
Animal Husbandry	1	0	1
Total	202	74	128

The following are excerpts from their newsletter:

Judicious use of 14th Finance Commission Grant

'Kumbhephal' having a population of nearly 4000 is a village in Ambajogai block of Beed district. The funds available to the Gram Panchayat under the 14th Finance Commission were not being properly utilised to resolve the problems of the village. The partner organisation presented this problem to the chairperson of village, i.e. Sarpanch following which a meeting was convened involving VSA Group members, Sarpanch, Gram Panchayat members and all related local government authorities. The problems of the villagers were discussed and prioritised. Certain required changes were done in the Gram Panchayat's yearly action plan. Long-pending work such as the compound wall of the sub-centre, repairing of the cooking gas in anganwadis, supply of drinking water, etc., started rolling its way to completion. In this way, 'Kumbhephal' is a truly replicable example of effective utilisation of available resources to solve the problems through constructive and participatory dialogue.

Lack of planning, not funds

A total population of 2800, with a mix of Hindu and Muslim population, Sugaon is a village in Ambajogai taluk. It has two Zilla Parishad schools – one Marathi and one Urdu medium. There are three anganwadis and one well-provisioned health centre. The VSAG had obtained information regarding these three services as well as on the funds of 14th Finance Commission from the Gram Panchayat. The verification process was started from the Urdu medium Zilla Parishad school. While noting down information as per the format, even the principal of the school expressed his issues. There were many problems regarding the basic facilities in the school. The open space in front of the school, which can be used as a playing field, did not have a compound wall because of which many small, as well as big vehicles were being parked in this space. The school had classes up to 8th standard but had lesser number of classrooms as per requirement since the construction work of two classrooms had been left halfway since 2012. Also, there was no supply of water. The building of the English medium school was in a dilapidated state with no water supply here either. The toilets were non-functional. The principals of both the schools reported that despite they repeatedly complaining to the Gram Panchayat, the repairs have not been made. Upon enquiry, the village group learnt that funds amounting to Rs.27 lakh were still remaining with the Gram Panchayat.

3.14 Rights of Persons with Disabilities Act

The Rights of Persons with Disabilities Act, 2016 Section 48 says

48. 'The appropriate Government shall undertake social audit of all general schemes and programmes involving the persons with disabilities to ensure that the scheme and programmes do not have an adverse impact upon the persons with disabilities and need the requirements and concerns of persons with disabilities.'

However, no known initiatives have been taken to ensure that this is implemented in practice.

4 Independence of SAU

The MGNREG Audit of Scheme Rules, Auditing Standards and the Annual Master Circular specify how a state government should set up an SAU that is independent.

Independence means that the organisation mandated to facilitate social audit is able to do its work without any fear or favour. For this, it is essential that there be no interference from the implementation agency or from political representatives.

Specifically, they say an exclusive society for facilitating social audit should be established, that it have a Governing Body with civil society representatives and the PAG as members, that it not be chaired by the Secretary of the department implementing MGNREGS, that it not be dependent on the implementing agency for funds, that the implementing officials should not have any role in the functioning of the SAU (should not be a member of governing body or executive body; should not be a joint signatory for signing checks; should not be involved in selection of resource persons or oversee them or pay their honorarium). These are not just theoretical guidelines, they have a strong impact on how the SAUs function.

While SAUs have been established in most states, most of them are not independent and this significantly affects their performance. In this section, the independence of the SAU in terms of the above mentioned parameters is discussed.

4.1 Independent Society

The Auditing Standards says 'Some of the prerequisites to be followed for social audit to be independent are: (i) Nature of SAU The institution of SAU, which has responsibilities for planning social audits, technically supporting the particular audits, collating and consolidating reports and following up persuasively on the results of audit, is incorporated as a society under the societies Registration Act.'

The Annual Master Circular 2019-20 states '10.1.1. Setting up of an Independent Social Audit Unit: State Governments have to identify and/or establish independent Social Audit Units (SAU), to facilitate Gram Sabha/ Ward Sabha in conducting social audits of works taken up under Mahatma Gandhi NREGA within the Gram Panchayat. To this effect, State Governments are mandated to set up independent societies tasked with the exclusive responsibility of conducting social audits.'

Hence, one of the first steps that states should do is to establish an independent society to facilitate social audit unit. However, only 22 states have registered a separate society to facilitate social audit in their states and have a functional social audit unit – Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Odisha, Punjab, Sikkim, Tamil Nadu, Telangana, Uttar Pradesh and Uttarakhand.

Jharkhand SAU has been established under the Jharkhand State Livelihood Promotion Society (JSLPS) that was created to implement the State Rural Livelihood Mission.

West Bengal SAU is functioning under West Bengal State Rural Development Agency (WBSRDA), a body under which there are different Program Implementing Units.

The Tripura SAU is created under Directorate of Audit, Finance Department.

Nagaland SAU is functioning under Society for Training and Research on Rural Development (STRORD).

The Social Audit in Sikkim is done by Voluntary Health Association of Sikkim (VHAS), an NGO. Rajasthan and Haryana have recently registered a society but they do not have a functional SAU yet.

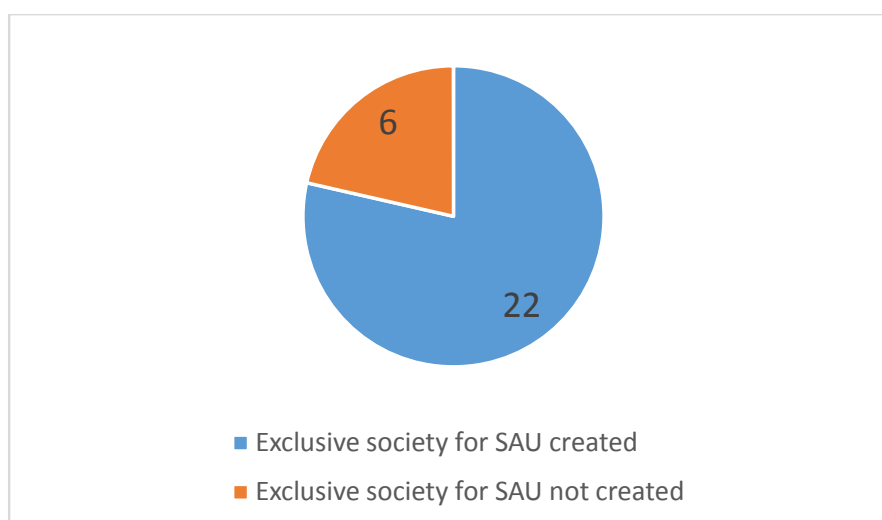


Figure 4-1: Number of states that have an exclusive society for the SAU

4.2 Parent Department

While in most States the parent department that established the SAU is the department that implements MGNREGS (Rural Development / Panchayati Raj Department), it is different in a few States. In Meghalaya, it is the Programme Implementation and Evaluation Department. In Tripura, it is the Finance Department and in Arunachal Pradesh, it is the Department of Finance, Planning and Investment.

The minutes of the 1st Governing Body Meeting of Arunachal Pradesh SAU held on 02.05.2017 record the reason why they have established it under the Finance Department - 'He (Secretary RD) further stressed that the Social Audit Unit should be independent from Rural Development Department which is implementing the scheme of MGNREGA. He suggested that the Social Audit Unit should be attached to the Finance Department instead of Rural Development Department to ensure its independence and it was later appreciated by all the members present.'

4.3 SAU Governing Body

The Governing Body oversees the functioning of the SAU, approves the annual budget and calendar and reviews the annual report. It is a key body and it is important that it be independent. Hence, the Accounting Standards and AMC specify how it should be constituted. The AMC 2019 says

'The following shall be the minimum composition of the Governing Body:

- 1) Principal Accountant General, C&AG
- 2) Principal Secretary, Department of Rural Development/Panchayati Raj
- 3) Director, Social Audit Unit
- 4) Representatives from Civil Society Organizations, Academic and Training Institutions, working in the State or outside, having long-standing experience in working with issues related to transparency and public accountability. At least one of these should be a woman member.
- 5) Other special invitees from Departments that are undertaking social audits in their programmes.
- 6) It shall be ensured that the Principal Secretary, Department of Rural Development/Panchayati Raj does not chair the Governing Body to ensure independence of the social audit unit from the implementing agency.
- 7) The Governing Body of the SAU should be chaired by a senior officer or an eminent person identified by the State government. The Director, SAU should serve as the Convener of Governing Body.
- 8) The officials of implementing agencies should not be member of the Governing Body or the Executive Committee.'

Except Bihar, all the other States have included the PAG as a member of their Governing Body.

The RD Secretary is the chairperson of the governing body in the following SAUs – Jharkhand, Karnataka, Maharashtra, Sikkim and Tamil Nadu which is against the stipulations and

compromises the independence of the Governing Body. The following States do not have any chairperson – Madhya Pradesh, Mizoram, Nagaland and West Bengal.

The Chief Secretary is the chairperson of the governing body in the following SAUs – Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Meghalaya, Odisha, Tripura, Uttar Pradesh, Uttarakhand and the RD Minister is the chairperson in Manipur. In Kerala, Arunachal Pradesh, Bihar, Himachal Pradesh, Punjab, the chairperson is the secretary of a department other than the Rural Development Department. In Telangana, the chairperson is a retired IAS officer.

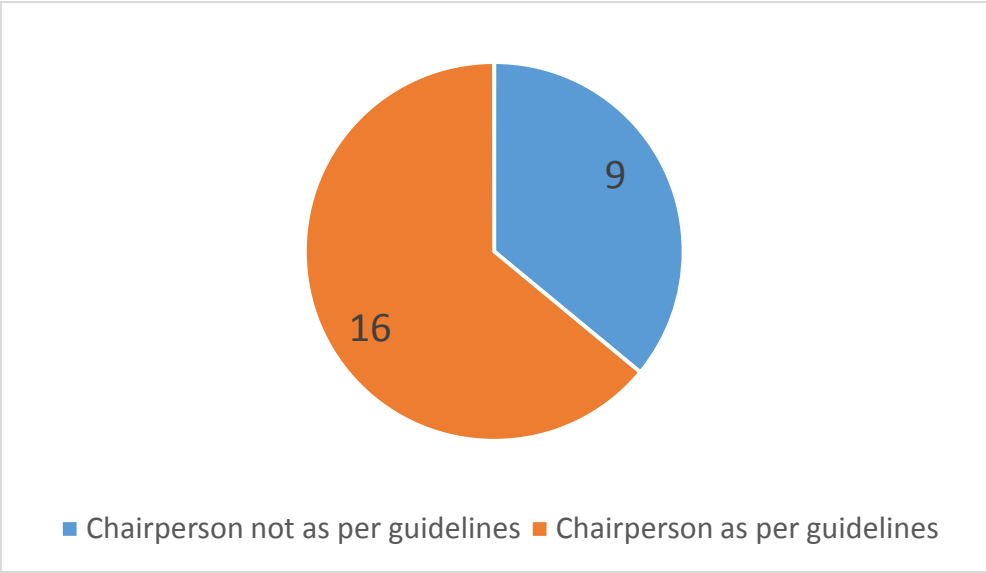


Figure 4-2: Chairperson of the governing body in different states

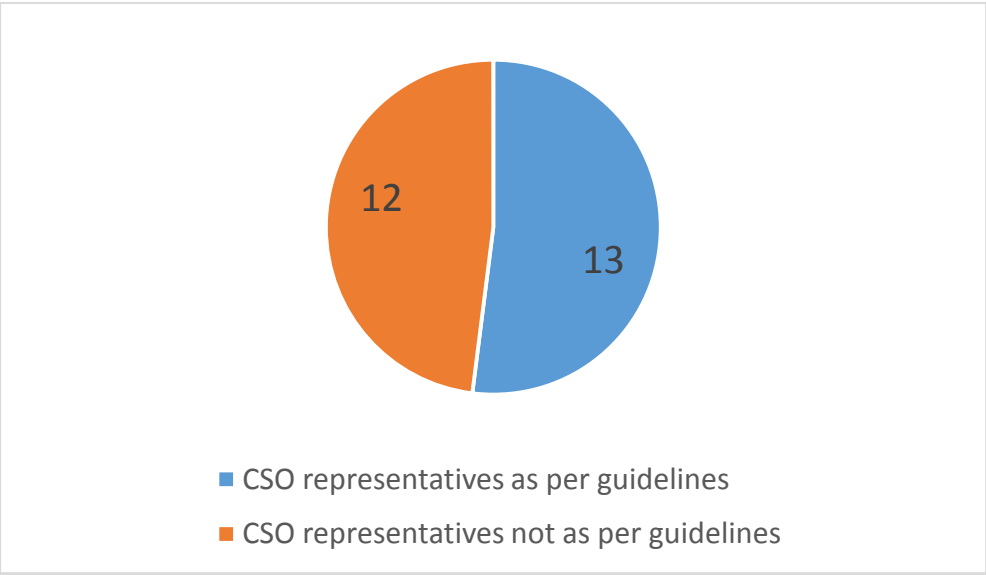


Figure 4-3: Civil Society Organisation representatives in the Governing Body

Some SAUs have an Executive Committee which meets in between the Governing Body meetings. While the Governing Body sets the overall policy framework for the SAU, approves the calendar, budget and work plan for the SAU, the Executive Committee helps the SAU to execute the policy set by the GB.

However, the Executive Committee of some States including Odisha, Karnataka, Maharashtra and Tamil Nadu include the Commissioner and other senior officials of the implementing agency which violates the Audit of Scheme Rules.

Telangana SAU's Governing Body

There are 13 members in the SAU's GB. The PAG is a Member. The Principal Secretary, PR&RD is the Member & Secretary of the GB. The current SAU Director is the Member & Convenor of the GB. There are six civil society representatives, three former IAS officers and one serving IAS officer who was the Director of SAU previously. The GB is chaired by a former IAS officer.

Apart from this, there is an Executive Committee which has three members to help the SAU translate the policy set by GB into practice.

There are only two serving government officers in the Governing Body. Neither the Commissioner of PR & RD department, nor any other officer from the implementing agency is part of the Governing Body or the Executive Committee.

All operational decisions relating to the SAU including approving positions, recruitment policy and procurement policy are decided by the Governing Body which meets twice in a year.

This independent Governing Body has been one the key reasons behind the good functioning of the SAU.

4.4 GB Meetings

The Auditing Standards say that the Governing Body should meet at least once every quarter. However, the governing body of the following nine States did not meet even once in 2018-19 – Andhra Pradesh, Chhattisgarh, Himachal Pradesh, Karnataka, Manipur, Mizoram, Nagaland, Uttarakhand and West Bengal. Andhra Pradesh GB has not met even once after its formation.

The GBs of some States are not approving the annual calendar or the annual budget. Many SAUs are not submitting annual reports to the Governing Body.

4.5 Independent Bank Account

MGNREG Audit of Scheme Rules, 2011 state '5. (2) The implementing agency shall at no time interfere with the conduct of social audit'. MoRD has stated that all SAUs to have independent bank account by 31st January 2017.

However, there are many States where an officer of the implementing agency is one of the signatories in the bank account and his/her approval is required to operate the account.

In Assam, the joint signatory is the senior FAO, Department of P&RD; in Bihar, it is the Deputy Secretary of the RD Department; in Chhattisgarh, a senior official of the RD&PR department has been appointed as the Additional Director of the SAU; in Gujarat, it is the Accounts Officer of MGNREGA, CRD; in Karnataka it is the Financial Advisor of the RDPR Department; in Maharashtra, it is the Deputy Secretary, EGS; in Manipur, it is the ACS, RD & PR Department; in Jharkhand, it is the CEO of the Jharkhand State Livelihood Promotion Society who is an additional secretary of the Rural Development Department;

Apart from the above, the Director of the SAU in many States are also from the RD & PR department. In Bihar, it is the deputy secretary of the RD Department; in Madhya Pradesh, the Director of the SAU is the Deputy Secretary in the RD&PR department; in Tamil Nadu, the acting head is a Joint Director from the RD&PR department; in Assam, it is the Joint Director of the P&RD department; in West Bengal, it is an officer from the Department of Panchayats and Rural Development, in J&K, it is the additional Secretary to the Rural Development Department.

Thus, in 12 of the 26 States, the SAU requires approval of a representative of the implementation agency to operate its bank account which is a serious conflict of interest and against the prescribed norms.

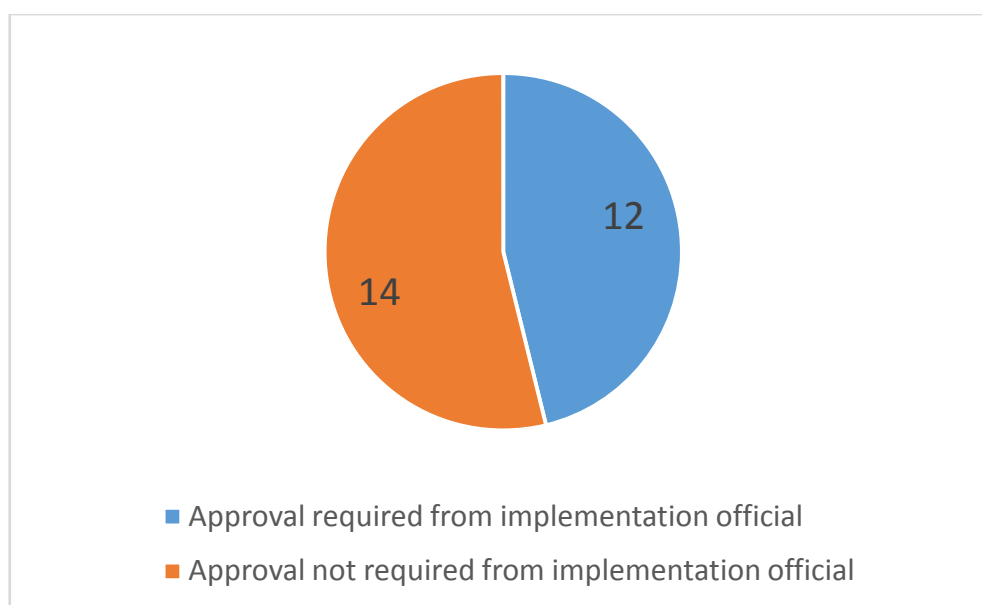


Figure 4-4: SAUs requiring approval from implementation official for expenditure on social audit

State governments may feel that it is important to have a serving government officer as a joint signatory to operate the account especially when the Director is a non-government person. In such cases, they can depute a person from the treasury or finance department (not RD & PR Department) to the SAU. This is the case in Andhra Pradesh and Telangana which is a good model that other States may follow.

4.6 Dependence on block and district officials

In addition to the members of implementing agencies being present in the governing body and having a say on what the SAU should do, many States are also having a more direct

control over the functionaries of the SAU.

The following States require monthly reports on the attendance/performance of BRPs and DRPs from the implementation officers (Programme Officer and/or officers reporting to DPC) which makes the SAU personnel dependent on the implementation officers – Tripura, Himachal Pradesh, Madhya Pradesh, Maharashtra, Odisha, Tripura, West Bengal, Uttar Pradesh and Jammu & Kashmir.

In Uttar Pradesh, the DRPs report to the District Development Officer (DDO). While it is true that the DDO is not involved with MGNREGS implementation, he/she reports to the DPC who is the in-charge of the implementation of MGNREGS in the district. In West Bengal, the DRPs report to the Deputy Collector.

In other States, the reporting is more direct. In Odisha, the DRPs report to the Project Director, DRDA and in Madhya Pradesh, the DRPs report to the CEO.

While it is a good idea to appoint a senior official in the district as a social audit nodal officer to facilitate and address issues with social audit (non-availability of records, threats against the social audit team, to follow up on the social audit findings and ensure appropriate action is taken), the social audit resource persons should not be made to report to them.

In some States including Odisha and Maharashtra, the payment to Block Resource Persons is made through the BDOs. There have been cases when the BDO has delayed release of funds significantly because of adverse social audit findings.

From Tripura SAU - 'Necessary Monthly working Reports of the DRPs and BRPS after being certified are forwarded from the Office of the DM & Collectors and Block Development Officer respectively to Director, SAU, Tripura for payment of Remuneration'

From Odisha SAU - 'The District Resource Person is placed in District Rural Development Agency (DRDA) and reports to the Project Director. The PD, DRDA approves & submits the attendance statement of the DRP to Director, SAU. The remuneration for the DRP is then calculated and deposited in the bank account of the BRPs. Block Resource Persons have been taken from Civil Society Organisation (CSO) selected by the District Administration as per the guideline issued by PR & DW department. The Block Resource Persons are placed under the supervision of the Block Development Officer. The BDOs certify the attendance of these BRPs. After receiving the attendance from blocks, SAU transfers the amount to the block which transfers it to the CSO; the CSO then pays the BRPs.'

From Maharashtra SAU - '*The SAU has no staff of its own at the Division or District level; the expenditure for Social Audit is disbursed to the DPC where SA is scheduled; the honorarium of Village/Cluster/Block Resource Persons is paid by the Block Office (the PO/BDO) on endorsement of the District Resource Persons; Except for salaries of SAU staff and the honorarium to empanelled SRP/DRP, all other payments are disbursed by the Block Office; the SAU gets a CA-certified UC of the amount spent*'

5 Funds received by SAU

5.1 Funds from MoRD

MoRD had asked the State governments to establish independent social audit units and transfer 0.5 per cent of the previous year's MGNREGS expenditure to the SAUs. Based on this, 14 States had transferred the 1st tranche of funds to the SAUs in 2017-18. To enable SAUs to have financial independence and not have to depend on the implementing agencies, MoRD decided to transfer the funds directly to SAUs in the middle of 2017-18. Hence in this year, the 14 SAUs received money from both the State governments and MoRD. The total amount received by 25 SAUs was Rs.203 crore which was 0.39 per cent of the total MGNREGS expenditure in these States. West Bengal received the highest amount (Rs.38.3 crore, 0.53 per cent) and Manipur received the lowest amount (Rs.74.31 lakh, 0.20 per cent of MGNREGS expenditure)

In 2018-19, the 0.5 per cent meant for social audits was directly given by MoRD to 19 SAUs – those which had spent more than 60 per cent of the funds that were given earlier and had sent their Utilisation Certificate. The total amount given was Rs.174 crore. The highest amount was given to Tamil Nadu (Rs.30.27 crore, 0.47 per cent) and the lowest amount was to Sikkim (Rs.19.16 lakh, 0.15 per cent)

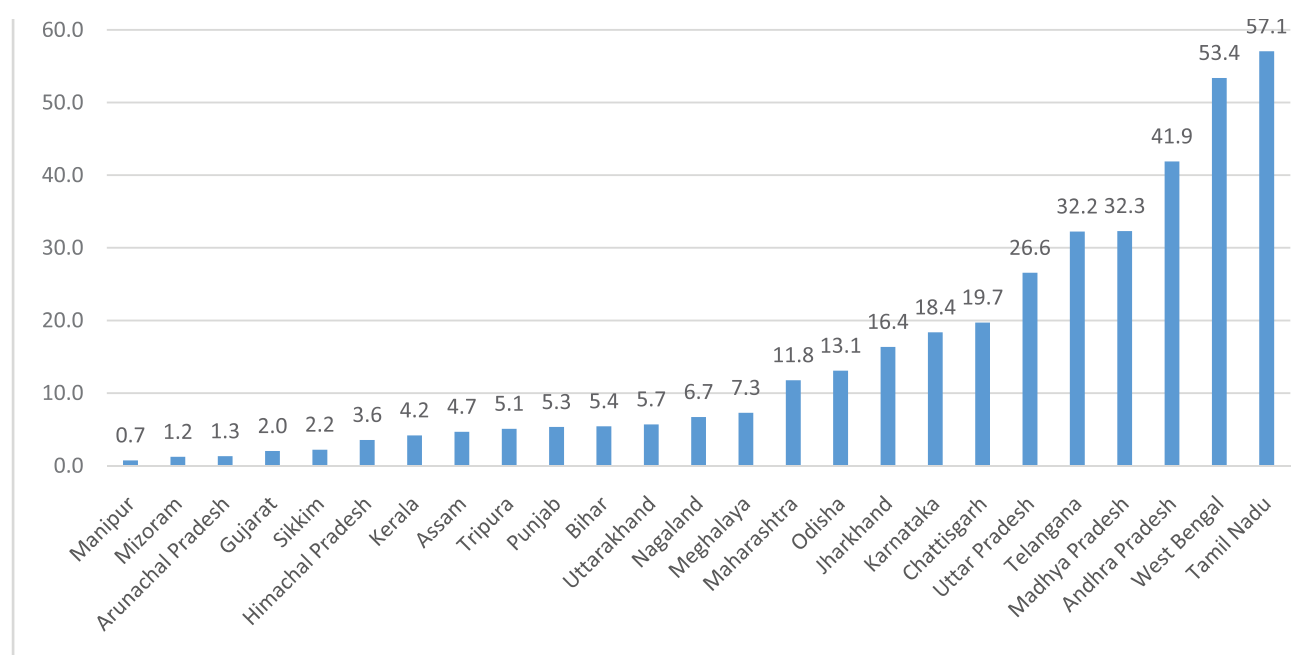


Figure 5-1: Funds received by SAUs in 2017-18 and 2018-19 for audit of MGNREGS (in crore)

There were two issues with the release of funds to SAU. First, many States received the funds for the social audit quite late. Some of them even received the 2nd tranche of 2018-19 only in 2019-20. This has caused serious operational issues. SAUs have had to postpone the conduct of audits, not pay salaries for employees and village resource persons for many months.

Second, while 0.5 per cent of the previous year's expenditure has to be allotted for social audit, the actual amount allotted varies and it is not clear how it has been calculated.

5.2 Funds from States

In addition to the funds from MoRD, few States gave additional funds to the SAU which shows the commitment and support for the social audit from the States. Sikkim gave Rs. 40 lakh and Meghalaya gave Rs.34.56 lakh in 2018-19. In 2019-20, the Jharkhand State government has given Rs. 100 lakh for SAU administration. It is proposed that this fund be used among others to strengthen the State and district offices, to support concurrent audit, strengthen labour forums and to document the work done.

5.3 Funds for audit of other schemes

In addition to social audit of MGNREGS, many State SAUs are facilitating social audit of other central schemes like PMAY-G and NSAP and State schemes also.

The total amount received for social audit of schemes other than MGNREGS was Rs 5.39 crore in 2017-18. Funds were received for the audit of the following schemes:

- 1) Telangana - ICDS, SBM, Stree Nidhi, MDM, Seed Supply and ICPS
- 2) Andhra Pradesh - IWMP and NFSA
- 3) Karnataka - SBM, PDS, MDM and Drinking Water
- 4) Jharkhand - Fourteenth Finance Commission Grants, Tribal Development Schemes, SBM, NREGA Sahayata Kendra
- 5) Uttarakhand and Tripura – Mid Day Meal
- 6) Bal/Balika Ashram in Himachal Pradesh

The total amount received for social audit of schemes other than MGNREGS was Rs. 27.67 crore in 2018-19, a five-fold increase over the previous year. Bihar SAU has received Rs.7 crore for audit of the PDS system. Funds were received for the audit of the following schemes:

- 1) Telangana - ICDS, SBM, Stree Nidhi, ICPS, Brahmin Samkshema Parishad, Milch animal scheme, Growth Monitoring Poshan Abhiyan
- 2) Andhra Pradesh - IWMP, CRT & CSK
- 3) Bihar – Public Distribution System
- 4) Himachal Pradesh - Bal/Balika Ashram in Himachal Pradesh
- 5) Jharkhand - FFCG, NSK SBM, CFT, Scheduled Caste Cooperative Development Corporation, Watershed, PDS, Jharkhand Education Project Council, PMAY-G,
- 6) Karnataka - Fodder Scheme
- 7) West Bengal, Odisha, Mizoram and Nagaland and Odisha – NSAP
- 8) Uttarakhand and Tripura - MDM

6 Social Audit Process

6.1 Social Audit Team and Audit Duration

Most States have a team of Village Resource Persons led by a Block Resource Person to facilitate the social audit in the Gram Panchayat over five days. This is a good model to follow as the Block Resource Person having facilitated audits in multiple Gram Panchayats guides the Village Resource Persons who do not have enough knowledge and expertise.

The 2019-20 AMC says '*Social Audit in a Gram Panchayat should be led by a full-time certified Block/District/State Resource Person of the SAU along with Village Resource Persons (VRPs) to facilitate him/her.*'

However, some States including West Bengal and Bihar do not have any Block Resource Persons. The number of Block Resource Persons is very low in Maharashtra. In these States, the District Resource Person oversees the audit in multiple Gram Panchayats and does not have the time to guide the Village Resource Persons leading to poor quality of social audits.

In some States including Arunachal Pradesh, Odisha, Mizoram, Punjab and Uttarakhand, Karnataka and Meghalaya, Block Resource persons oversee the audit in multiple Gram Panchayats at the same time again leading to lower quality of audits.

In Assam, the audit is facilitated only by the Block Resource Persons and no Village Resource Persons are involved in the process.

As stipulated by the Rules, the Village Resource Persons facilitating social audit do not belong to the same Gram Panchayat in all states except Mizoram where they are from the same Gram Panchayat.

Some States vary the number of persons required to facilitate the social audit and the number of days depending on the expenditure incurred in the Gram Panchayat, the number of households that have worked during the audit period, the number of hamlets in the Gram Panchayat, etc. This is a good practice. However, many states including Uttar Pradesh, Odisha, Maharashtra, Madhya Pradesh, Chhattisgarh, Assam, Tripura, Mizoram, Manipur and Arunachal Pradesh are not doing this.

For household verification, the VRPs have to meet the people who worked in the last year. The best time to meet the individuals is early morning (6 am to 9 am) and evening (4 pm – 8 pm) hours. For this, it would be best if the entire social audit team were to stay in the village during the social audit process. Staying in the village will also allow the village resource persons to interact better with the villagers, gain their confidence and have a better understanding of how the schemes are implemented. But this practice is followed only in the following States: Andhra Pradesh, Jharkhand, Chhattisgarh, Telangana, Madhya Pradesh, Maharashtra, Arunachal Pradesh, Mizoram, Nagaland, Tripura and Uttarakhand.

Social Audit Process in different States

Jharkhand – In each GP, the audit is done over seven days. Number of team members varies depending on the number of works and labourers to be met in the GP. Usually, it is seven VRPs led by one trained BRP. It is mandatory for the team to stay in the GP during the audit. A DRP monitors the audit in 5-7 GPs. Gram Sabhas are held in the Panchayat wards followed by a public hearing at the Gram Panchayat.

Chhattisgarh – 4 VRPs led by a trained BRP facilitate audit in one GP over six days. All VRPs along with the BRP stay in the GP for the entire span of the audit.

Telangana - A group of one DRP, 10 BRPs and 21 VRPs facilitate audit in a block. For each Panchayat, one BRP and 2-4 VRPs facilitate the audit over four days. The total number of resource persons depends on the MGNREGS expenditure, GP size, number of habitations, and number of persons who worked and the number of completed works. Normally, the workers are available in their homes between 6 AM and 8 AM and 5 PM to 6.30 PM. To meet the workers, the resource persons stay in the Gram Panchayat in a GP building or some other government buildings such as school or community building during the duration of the audit.

Tripura – Three or four Village Resource Persons led by a Block Resource Person facilitate social audit in a Gram Panchayat over eight days. The VRPs and the BRP stay in the Gram Panchayat. One district Resource Person supervises the social audit in multiple Gram Panchayats.

Tamil Nadu – The social audit process happens over five days. It is led by a Fixed Tenure BRP with a team of VRPs. The number of VRPs depends on the MGNREGS expenditure in GP the previous year.

MGNREGS expenditure	No. of VRPs
Up to Rs.25 lakh	3VPRPs
Above Rs.25 lakh to 50 lakh	4VPRPs
Above Rs.50 lakh to 75 lakh	5VPRPs
Above Rs.75 lakh to 100 lakh	6VPRPs
Above Rs.100 lakh to 150 lakh	7VPRPs
Above Rs.150 lakh	8VPRPs

Innovations from Telangana

Grievance Registration during Social Audit Process

Telangana SAU introduced a grievance redress mechanism to ensure that there is prompt resolution of grievances both during the audit and in a time-bound manner by introducing a grievance receipt system. For every grievance registered by the social audit teams, dated receipts are issued to the complainant and the same is also registered in the call centre which has been established by the Department to register complaints. Individual and collective grievances are collected during the social audit process in the field. The grievance redressal receipt book has been designed in triplicate to ensure that a copy of the receipt is given to the wage seeker filing the grievance, one copy is given to the MPDO and one copy is retained by the SAU for the purpose of follow-up. Grievances form the bulk of the social audit paras and by ensuring that these are addressed immediately, the faith in the social audit process and governance is further strengthened.

Kaam Maango Abhiyan during Social Audit Process

Kaam Maango Abhiyaan was taken up in 2018 in two districts Mahabubnagar and Adilabad with the intention of strengthening awareness around the core entitlement of demanding work and ensuring that every rural household that seeks work under the MGNREGA is provided work on a timely basis. It has been observed that for various reasons demand capture & issuing dated receipts to the wage seekers often gets neglected or not followed as laid down in the Act.



6.2 Gram Sabha

In most States, the Gram Sabha selects a senior citizen/respected person/MGNREGS worker/non-political person, someone who is not involved in the implementation of MGNREGS to preside over the social audit Gram Sabha. There is some discomfort with this in Meghalaya since there is a GR stating that elected pPresident should preside over all Gram Sabhas. In Telangana, the independent observer (if present) and in Karnataka the nodal officer presides over the Gram Sabha. In the scheduled areas in Jharkhand, the Gram Pradhan (traditional head) presides over the meeting. In Sikkim, one of the Zilla Parishad members presides over the Gram Sabha.

In most States, the Gram Panchayat secretary / gram rozgar sewak writes the meeting minutes. It is a good idea to ask someone other these people who are actively involved in the implementation of MGNREGS to write the meeting minutes so that there is no bias and the minutes actually reflect the observations, discussions in the Gram Sabha. This is followed in some States where either one of the social audit resource persons or an educated person selected in the meeting, or a Gram Panchayat secretary from the neighbouring Panchayat writes the meeting minutes.

Most States leave a copy of the social audit report with the Gram Panchayat that should be accessible to any interested person. The DRP or BRP also uploads the social audit findings in the MIS in most states.

6.3 SA Expenses per Panchayat

Social audit expenses vary widely among different States. SAUs have said that the audit expenditure per GP varies from Rs. 2500 in Gujarat to Rs. 72,000 in Bihar.

Based on the SAU's expenditure and the number of audits done, the average SA expenditure per GP can be calculated. Based on the assumption that the expenditure of the GPs that were audited had the average MGNREGS expenditure in the State, the following chart gives the SA expenditure as a percentage of MGNREGS expenditure.

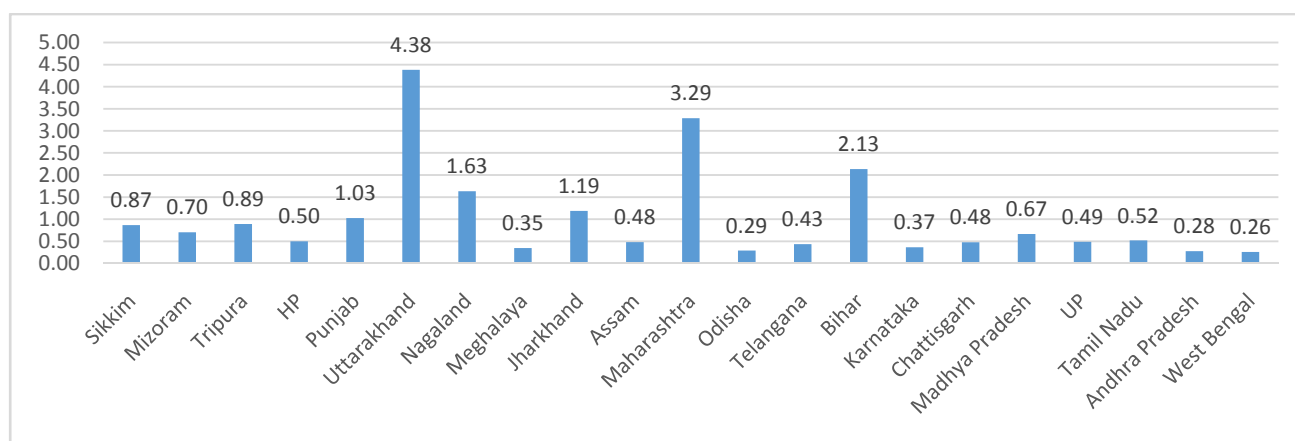


Figure 6-1: Social Audit expenditure as percentage of MGNREGS expenditure

It is seen that Uttarakhand, Maharashtra and Bihar are spending the highest percentage. Punjab, Nagaland and Jharkhand are spending more than 1 per cent of the MGNREGS expenditure / Panchayat in facilitating social audit. Odisha, Andhra Pradesh and West Bengal spend less than 0.30 per cent of the MGNREGS expenditure.

6.4 Block level Public Hearing

After the Gram Sabha, a public hearing at the block level has been mandated by the Act. Section 25(c) (viii) of Schedule I of MGNREGA says

'Conduct of Public hearings by the social auditors at the Ward/Gram Panchayat and Block level to read out the findings.'

In a block level public hearing, senior officials of the district preside, look at each issue raised by the Gram Sabhas in that block and then recommend the action that needs to be taken. This is a very useful mechanism to review the issues and follow up with corrective action.

However, the following 10 States do not conduct a block level public hearing – Arunachal Pradesh, Bihar, Karnataka, Kerala, Madhya Pradesh, Nagaland, Punjab, Sikkim, Tamil Nadu and Madhya Pradesh.

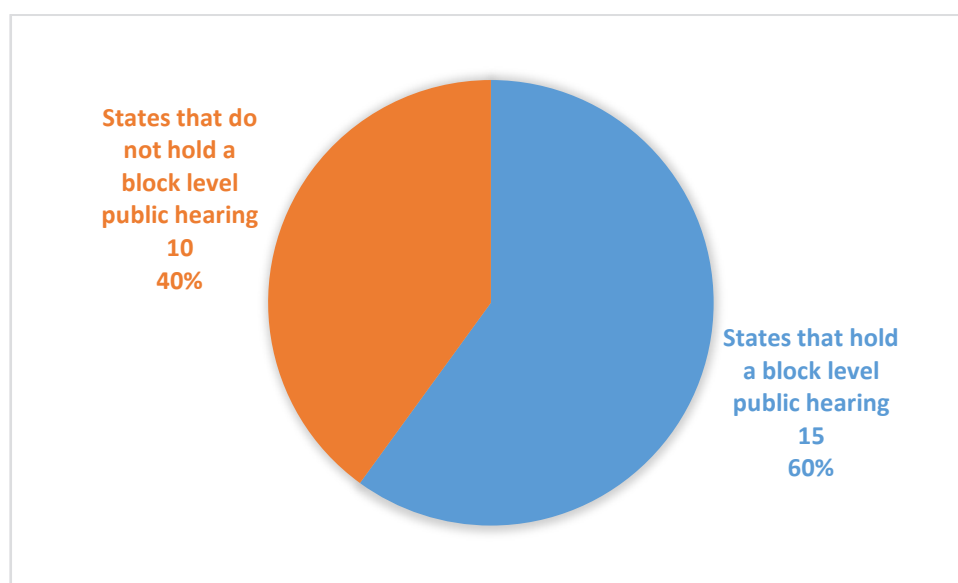


Figure 6-2: States that hold Block Level Public Hearing

6.5 District Level Meetings

In Jharkhand, for example, after completion of block level hearings, a district level hearing is held in every district once a year to discuss the social audit findings and review the action taken report by the implementation agency.

An exit conference is held at the district level in Arunachal Pradesh, West Bengal and Sikkim. In Nagaland, a district level public hearing chaired by the DPC (RD Department) is held where all the social audit findings are highlighted by the resource persons. Issues which are not resolved during Social Audit Gram Sabha are discussed for rectification/escalations.

District level committee in Tamil Nadu – After completion of the social audit Gram Sabha, the BDO should prepare the action taken report and submit it to a district level committee comprising the District Collector, Project Director, Assistant Director (Audit), Assistant Project Officer (Wage Employment), BDO concerned, District Resource Person and a State

representative of the SAU. If this committee accepts the action taken report submitted by the BDO, then the social audit finding/para should be dropped. If the ATR is not accepted by the team, then the District Collector should decide the next course of action like framing charges and passing recovery orders on the officials/elected representatives.

6.6 Follow-up by Vigilance Cells

The MGNREGS Annual Master Circular mandates that a 3-tier vigilance mechanism including State and District Vigilance Cells should be created:

'All States are mandated to arrange for a three-tier vigilance mechanism to proactively detect irregularities in the implementation of the Act and to follow up detected irregularities and malfeasance, including those identified during social audit, and ensure that the guilty are punished and recoveries of misspent funds duly made.'

However, only Telangana and Andhra Pradesh created a vigilance cell to follow-up on the social audit findings and ensure that adequate action is taken.

Vigilance Wing in Telangana

A Vigilance Wing was set up in the year 2011 both at the State and the district level to ensure seamless follow-up action is taken on the social audit paras, including a protocol for follow-up action, along the lines of the CCA Rules, to ensure standardisation as far as disciplinary/criminal action is concerned. The software has provision for the issue of show cause notices and suspension orders; the status of the case and recoveries made can be viewed in the system. Other features are available in the HRMS module to evaluate an employee's performance based on which the contract for the employee is either terminated or renewed. The Principal Secretary regularly reviews the follow-up action to ensure that there is a timely disposal of cases.

The Vigilance wing gives detailed reports on the status of all cases referred to it. An abstract for August 2019 is given below.

Table 6-1: Abstracts from Telangana Vigilance Department

<u>SOCIAL AUDIT FOLLOW UP STATUS AS ON 31-08-2019.</u>		
1	Amount covered by financial deviations (Rs.)	1,78,84,82,951
2	Amount dropped as the financial deviation not held proved (Rs.)	57,35,33,839
3	Amount determined as misappropriated (Rs.)	59,04,49,304
4	Amount recovered (Rs.)	
	Recovered and remitted to CRD A/c - Rs. 18,33,69,632 /-	
	Paid back to Wage Seekers - Rs. 2,70,14,272/-	21,03,83,904
5	Balance to be recovered (Rs.) (Sl.No.3-4)	38,00,65,400
6	Balance to be finalised (Rs.) (Sl.No.1-2-3)	62,44,99,808

<i>Cadre-wise Abstract Statement of Disciplinary Cases as on 31-08-2019</i>							
No. of Cases	Suspended	Removed	Punishment Imposed	Acquitted	Total Disposed	FIR Filed	Balance
71216	1680	2560	38493	13412	54465	446	16751

Block Level Public Hearings

Andhra Pradesh - After the completion of social audit Gram Sabha in all Panchayats of a mandal (block), a block level public hearing is held. It is presided by the Project Director / Additional Project Director of District Water Management Agency.



Block Level Public Hearing in Andhra Pradesh

Chhattisgarh - In FY 2018-19, block level public hearings were held generally within three months of the date of Social Audit Gram Sabha. The meetings were presided either by SDM / Tehsildar or any officer not below the rank of Deputy Collector.

Maharashtra - A block level public hearing or Jan Sunwai for SA findings is held at the end of every round of SA in a given block; so once 20/40/60 GPs are audited as per the calendar and the Gram Sabhas are held, there is a block level public hearing for issues that are not resolved at the Gram Sabha level. This block level public hearing is presided over by the ombudsman of the district; or by the ombudsman of a neighbouring district as per availability. The panel for the public hearing also has two labour representatives from the taluk and two other citizens – CSO member/ lawyer/academician/public figure. The panel thus comprises five members, including the Ombudsman in the Chair.

Tripura - After completion of social audit in all GPs/VCs in a block, a block level public hearing is held. DM & Collector or his representative presides over the meeting.

Uttarakhand - The panel for the block level public hearing consists of one technical officer from the department, an officer from another government department, one social worker and the SAU's State coordinator.

Public Hearings before a Jury in Jharkhand



Jharkhand SAU has established a system of public hearings at different levels - from Gram Panchayat to State level, wherein reports are read out, decisions are taken, action taken reports (ATRs) are reviewed and policy decisions are formulated.

After the completion of Gram Sabhas at the ward level, a Panchayat level hearing takes place. This is followed by block, district and finally a State level hearing. The public hearings are heard by a jury whose composition varies depending on the level including representatives from the 3-tier Panchayati Raj system, CSOs, SHGs, SAU, Ombudsmen and senior officials. The State government has issued an advisory on what action is to be taken for different irregularities and this is referred to by the jury to take the decision.

State level hearing are being conducted under the chairmanship of Development Commissioner along with presence of Principal Secretary, RDD, Commissioner-NREGA, representative of Principal Auditor General, Labour Commissioner and representative of CSOs. This has made the decisions more democratic, transparent and accountable. The district and block officials are present and have to respond to the findings.

7 SAU Personnel

7.1 Director

MoRD has said 'All States must appoint independent full-time director to head the SAU by 31st January 2017.'

The Auditing Standards say 'The qualification of the Director, SAU are to be clearly laid out and be of such a nature that it helps in enhancing the independence.' It has also specified the selection committee that shall select the director, his/her tenure (shall be not less than three years) and said that the services of the director can be terminated only on the recommendation of the Governing Body.

The AMC says that the State Government may post a Government Officer as Director on deputation basis (full time) when the state is unable to recruit a Director after 03 consecutive advertisements or when the budgetary allocation is insufficient to hire full time services of a Director. However, the deputed officer should not belong to the Rural Development / Implementing Department. His/her tenure shall be for a minimum period of one year but not exceeding three years.

Out of 26 States, only 16 have a full-time Director. Absence of a full-time Director seriously impacts the SAU's functioning.

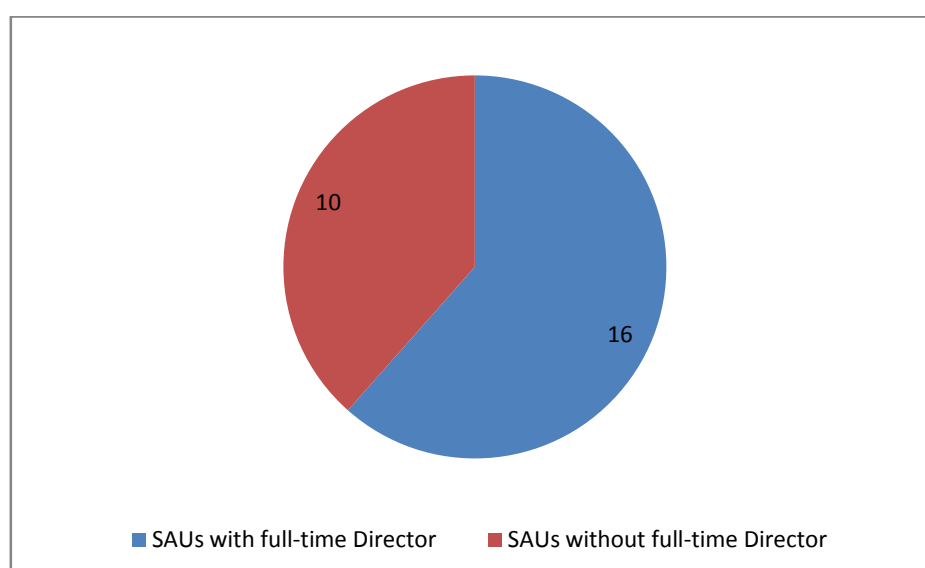


Figure 7-1: SAUs with full-time and without full-time Director

The following States have a person in-charge: Arunachal Pradesh, Assam, Bihar, Himachal Pradesh, Gujarat, Jammu & Kashmir, Madhya Pradesh, Manipur and West Bengal. Tamil Nadu SAU does not have a Director.

The following nine states have appointed a Civil Society Person as Director: Andhra Pradesh, Chhattisgarh, Jharkhand, Kerala, Maharashtra, Nagaland, Odisha, Sikkim and Telangana. The following four States have appointed a retired government official as Director: Karnataka, Meghalaya, Punjab and Uttar Pradesh.

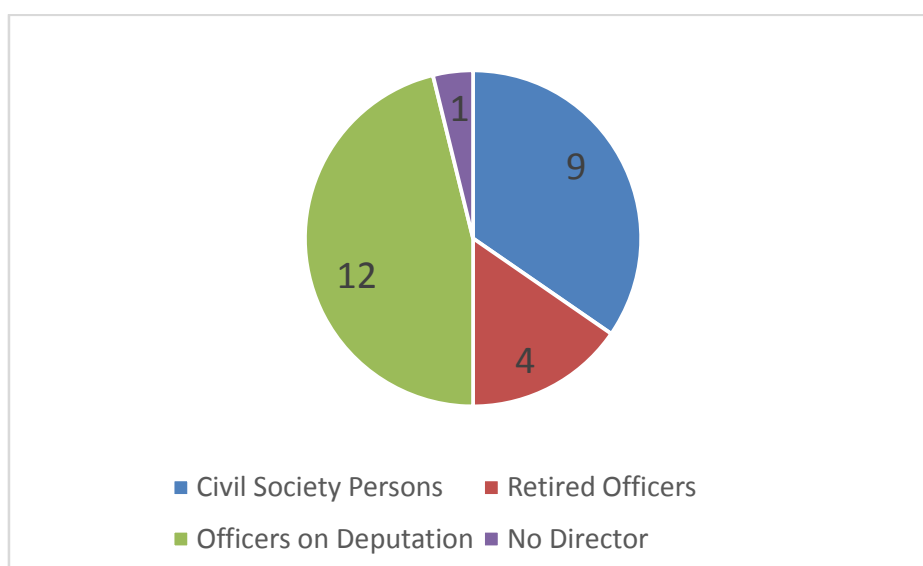


Figure 7-2: SAU Director Classification

Madhya Pradesh has not been able to recruit a Director even after advertising three times because of the high eligibility criterion (25 years in governance, experience in social audit, should receive salary in the pay band of Rs.37400 to 67000, etc.). This needs to be relaxed.

Tamil Nadu had appointed a serving officer of the Rural Development and Panchayati Raj Department as director of SAU. A civil society organisation had approached the High Court saying that this is contrary to guidelines and the court issued directions to appoint a director as per guidelines. The department then issued an advertisement to recruit a director but has not proceeded with the recruitment yet for close to a year now.

While the Auditing Standards and the AMC clearly specify that the minimum tenure for a Director should be three years and that they can be removed only on the advice of the Governing Body, this has not been followed in many States including West Bengal, Tamil Nadu, Assam, Madhya Pradesh, Bihar and Uttar Pradesh. All of these have had three or more directors in the last three years.

7.2 Block Resource Persons

MGNREGS Audit of Scheme Rules, 2011 Section 4(2)(a) says 'build capacities of Gram Sabhas for conducting social audit; and towards this purpose, identify, train and deploy suitable resource persons at village, block, district and state level, drawing from primary stakeholders and other civil society organisations having knowledge and experience of working for the rights of the people'

Each SAU should have adequate resource persons to facilitate social audit in all Gram Panchayats in a year and to follow up on the findings. Most SAUs have recruited people on a fixed tenure contract (FTE), usually one year, but a few SAUs recruit people on a daily or weekly basis from an empanelled list of resource persons.

There are certain advantages to recruiting people from an empanelled list – it allows SAUs to get around State finance department's restriction against hiring employees for fear that they will then demand permanent employment status; it is easier to let go of people whose performance is not good; empanelled employees need not be paid when social audit cannot be conducted due to election period, weather restrictions, or because the SAU does not have money due to delayed sanction or delayed arrival of funds; empanelled employees also need not be paid employee benefits like insurance, etc.

However, the quality of audits done by empanelled persons who do not have some stake in the organisation will be poor. They will not be available when the SAU requests them for a particular assignment or to come for follow up on a particular finding because they might be doing other work at that time. By being part of an organisation and by being provided work on a continuous basis, their capacity will improve and the quality of their work will be good.

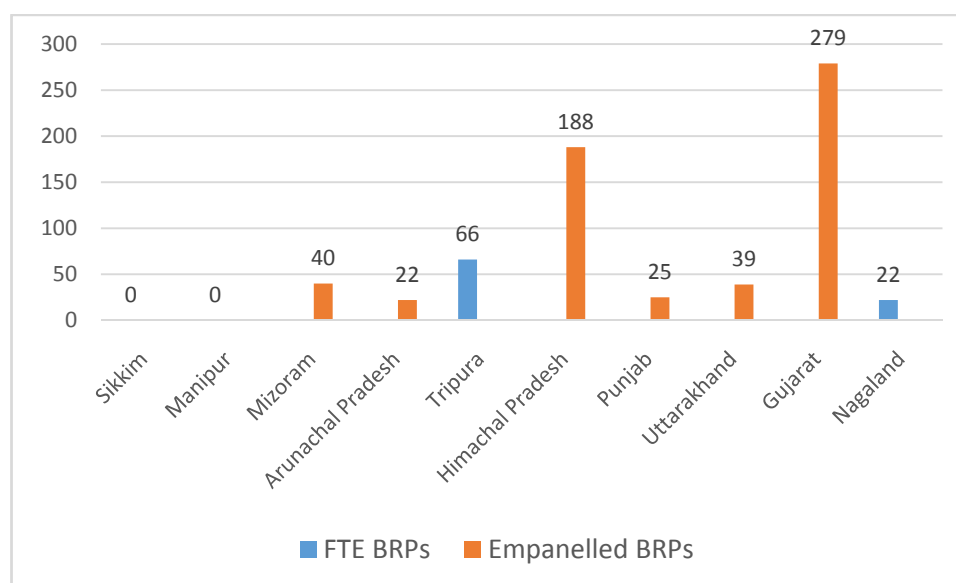


Figure 7-3: Number of BRPs in States with expenditure less than Rs.1000 crore

As seen in the above chart for States with annual expenditure less than Rs.1000 crore in 2018-19 (arranged as per expenditure with Sikkim the lowest and Nagaland the highest), Mizoram, Arunachal Pradesh, Himachal Pradesh, Punjab, Uttarakhand and Gujarat have empanelled resource persons.

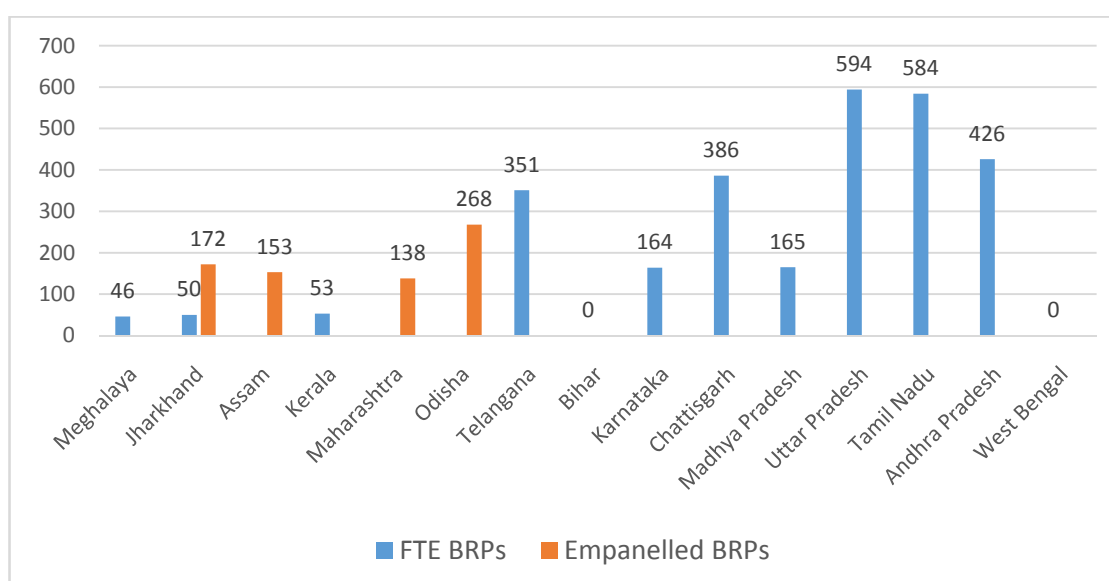


Figure 7-4: Number of BRPs in States with expenditure greater than Rs.1000 crore

As seen in the above chart for states with annual expenditure greater than Rs.1000 crore in 2018-19 (arranged as per expenditure with Meghalaya the lowest and West Bengal the highest), Jharkhand, Assam, Maharashtra and Odisha have empanelled resource persons. Jharkhand has recently recruited 50 FTEs.

Bihar and West Bengal do not have any BRPs at all and the number of BRPs is low in Kerala, Karnataka and Madhya Pradesh in comparison with the other States.

The BRP's role is critical – he/she leads the team of VRPs and helps the Gram Sabha to do the social audit. Hence, it is recommended that SAUs recruit as many FTE BRPs as are required to facilitate audits in all Gram Panchayats and deploy them to facilitate social audit in one Gram Panchayat at a time.

7.3 District and State Resource Persons

In addition to empanelled BRPs, Maharashtra and Uttarakhand also have empanelled District Resource Persons. In comparison to the sanctioned posts, the number of employed DRPs is significantly low in Bihar, Chhattisgarh, Gujarat, Kerala, Maharashtra, Tripura, Uttar Pradesh and West Bengal.

In comparison to the sanctioned posts, the number of employed state resource persons in Assam, Bihar, Chhattisgarh, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Sikkim, Tamil Nadu and Uttar Pradesh is less.

7.4 State Staff

In addition to the State, District and Block Resource Persons, it is important to have adequate number of staff at the State level to manage accounts, to ensure continuous capacity building of all resource persons, to evaluate the performance of different teams, to manage the MIS data, to prepare periodic reports and disseminate them, to follow up on the major findings, to do analysis of the findings and plan.

The AMC says 'The Independent Social Audit Unit should be equipped with sufficient staff to ensure smooth functioning. These shall include but not be limited to: a full-time Director, an accounts in-charge, and staff dedicated for various functions like conduct of social audit, monitoring, IT, capacity building and documentation.'

However, most States do not have adequate number of people. It is understandable that this is limited based on the amount of funds available, but even in the States with more than Rs.1000 crore in annual expenditure, the resource persons are less.

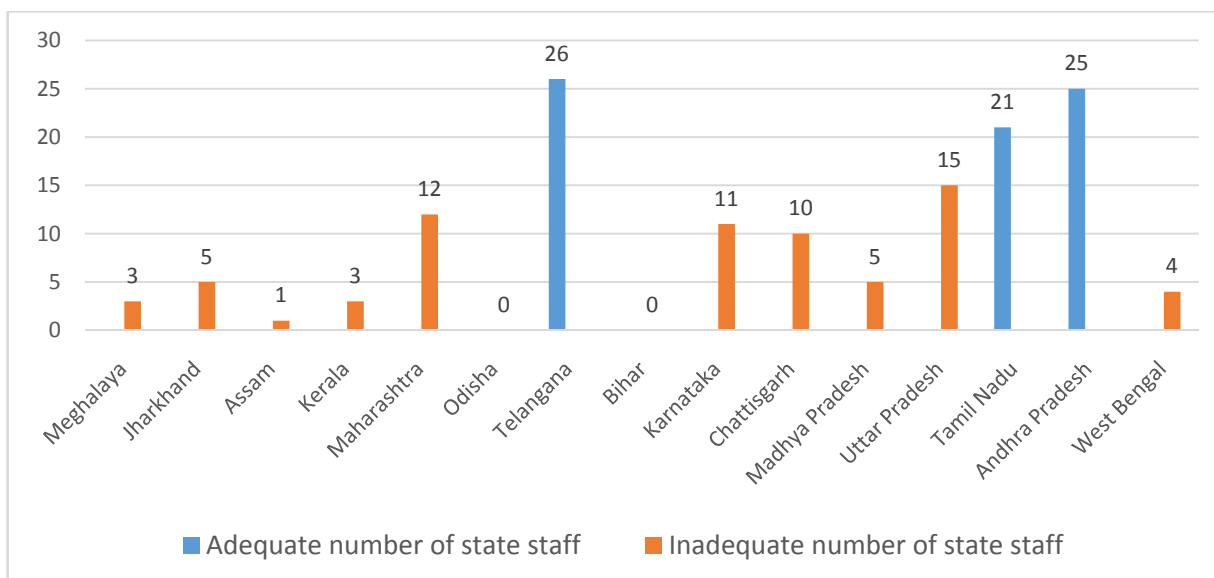


Figure 7-5: Total number of staff at the State level for states with expenditure > Rs.1000 crore

As can be seen in the above figures, most States have very few fixed tenure employees and this is one of the key reasons behind the poor performance as measured by the number of audits done and the number of findings reported.

7.5 Total Resource Persons

The graphs below give the total number of FTE resource persons (State, District and Block) in different States. The charts are arranged by the 2018-19 expenditure amount.

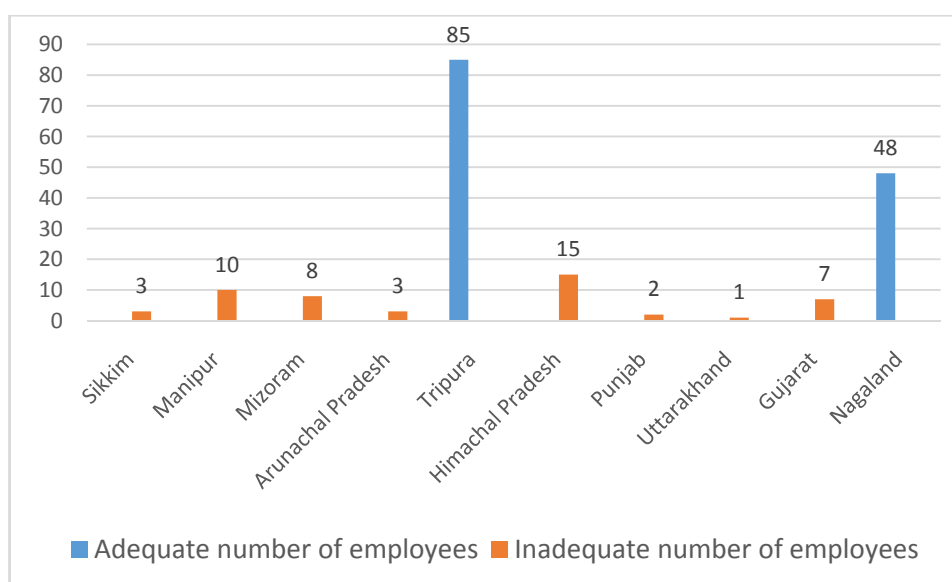


Figure 7-6: Total Fixed Tenure Employees in States with expenditure less than Rs.1000 crore

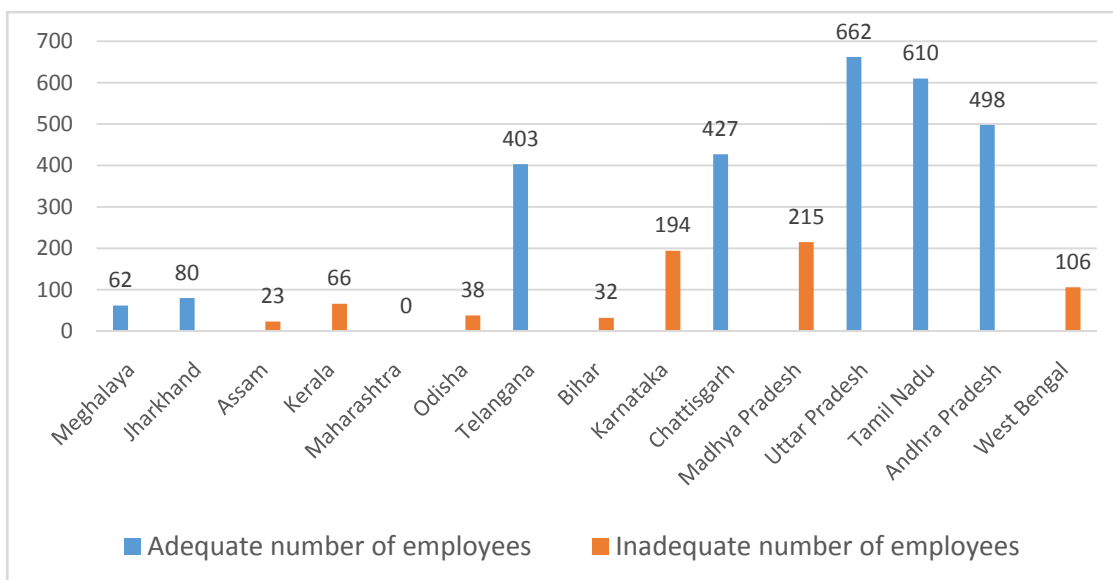


Figure 7-7: Total Fixed Tenure Employees in States with expenditure greater than Rs.1000 crore

7.6 Capacity Building of Social Audit Resource persons

MoRD, NIRDPR and TISS had jointly developed a 30-day intensive certificate programme on social audit for all the resource persons of the SAUs. This programme will give a good overview of social audit and how to facilitate social audit to the resource persons. Out of the 5352 resource persons who are facilitating social audit currently, 4252 or 80 per cent of them have successfully completed the course. In addition to the balance, SAUs are planning to hire some additional resource persons and the total number to be trained is 1802. State-wise details are given in the Appendix B.

Induction and Refresher Trainings for Resource Persons in Telangana

A dedicated Capacity Building Wing within Telangana SAU has been set up since 2012; to ensure that all resource persons engaged by the Society go through rigorous induction training and those who are already working in SSAAT go through periodic refresher trainings.

The CB wing carries out trainings in the field level cluster-wise with main emphasis on specific objectives such as-

1. To strengthen the technical skills, report writing skills, evidence gathering skills, presentation skills and community mobilisation skills of the resource persons;
2. To strengthen the field verification skills and to improve the grievance redressal process;
3. To strengthen the data entry skills
4. To strengthen the leadership skills and to enhance gender sensitivity
5. To ensure that all are aware of the code of conduct during SA process
6. To work on their attitude, stress management, health management (balanced diet/fitness), etc.

7.7 Village Resource Persons

Village Resource Persons are the key persons who facilitate the social audit at the Gram Panchayat level. There is wide variation in the eligibility criterion, how they are engaged and how much they are paid across the different States.

The Audit of Scheme Rules, 2011 say '5. (4) The resource persons deployed for facilitating social audit in a Panchayat shall not be residents of the same Panchayat.' In all States except Mizoram, this is followed. In Mizoram, two Bharat Nirman Volunteers from the same village facilitate social audit in their village.

Assam and Sikkim do not have Village Resource Persons. The Block Resource Persons in Assam and District Resource Persons in Sikkim facilitate the Social Audit.

There are two approaches for the selection and deployment of VRPs. One is to deploy new personnel (people who have not facilitated audits in other Panchayats) in every Panchayat while the other is to empanel a few people as VRPs who facilitate audits in multiple Panchayats over the year. There are trade-offs with both these approaches.

If new people are deployed in every Panchayat, then more number of people understand social audit and there is a likelihood that they will be involved in monitoring the implementation of the scheme in their own Panchayats. However, facilitating social audit is a skill that people become good at only after doing it a few times. Hence, the quality of audits facilitated by new people is likely to be poor.

If fewer people are provided opportunities to do audits in multiple places, then they need not be trained every time, they will have more interest in the process and the quality of the social audit is likely to be better. Most VRPs would, however, not like to travel far from their places of residence or beyond their districts. This would place a limit on the number of audits that a person can facilitate.

In any case, it is important for SAUs to have an MIS that tracks the total number of VRPs deployed, number of audits done by each VRP, performance of the VRP in the audit, training that was provided to them and then make appropriate decisions on who should be deployed where and how often. However, most States do not have any such system and they were not able to say the number of VRPs that were deployed in the last year.

Eligibility Criterion

In Telangana, Andhra Pradesh and Chhattisgarh, VRPs are selected from among the MGNREGS labourers or those belong to an MGNREGS labourer's family.

In Telangana, Andhra Pradesh and Jharkhand, the person should be literate to be eligible to be selected as VRP. In Uttar Pradesh, Tamil Nadu, Bihar, Nagaland and Odisha, the minimum educational qualification is 8th standard. In West Bengal, Uttarakhand, Meghalaya, Karnataka and Arunachal Pradesh, it is 10th. In Chhattisgarh, Maharashtra, Himachal Pradesh and Kerala, it is 12th standard.

VRPs are selected from among SHG women in Bihar, Karnataka, Tamil Nadu, Madhya Pradesh, Chhattisgarh, Odisha and West Bengal.

Selection Process

VRPs are empanelled at the district level (following an open advertisement and selection process) in Kerala, Uttar Pradesh, West Bengal, Meghalaya and Arunachal Pradesh.

In the following States, the VRPs are selected by the DRPs/BRPs of the SAU in an ad-hoc manner – Andhra Pradesh, Telangana, Tamil Nadu, Chhattisgarh, Jharkhand, Karnataka and Nagaland. In Bihar, the VRPs are selected from among SHG members following a written test and an interview.

In Madhya Pradesh, team of three VRPs facilitate social audit in a Panchayat – one of them is a technical person (people trained as bare foot technicians), one well versed with accounts (usually book-keepers of SHGs) and another with social skills (usually NRLM Community Resource Persons)

The BDO is part of the committee that selects VRPs in Gujarat, Himachal Pradesh, Maharashtra and Odisha, and in many States the final payment to the VRPs is also made through the BDOs, which makes the social audit team dependent on the implementing agencies.

VRP selection & deployment process in Kerala

Advertisements were issued in the newspaper for empanelment of VRPs. There were 67,000 applicants, many of them graduates and post-graduates. They plan to rank the applicants based on educational achievement with extra marks for candidates from MGNREGS labourers' families and BPL families. They will select and empanel three VRPs/Gram Panchayat (total of 2823 from 941 Gram Panchayats) from among these applicants by ensuring that 50 per cent of them are women and members from SC/ST are adequately represented.

Kerala SAU plans to facilitate social audits at the ward level. There are around 16,000 wards in Kerala and it is expected that 10 VRP days will be required for audit of one ward. Based on these estimates, each VRP will facilitate audits for five days every month. If the government decides to facilitate audits of NFSA, then there is a likelihood of getting another five days in a month for each VRP.

VRP selection and deployment in Maharashtra

Village Resource Persons are selected through an ad-hoc Selection Committee at the Block level; this committee comprises the PO, the BDO/ABDO, a representative of a local NGO known to the SAU or suggested by the local administration and the SRP/DRP.

In the pre-audit meeting held generally a month before the scheduled conduct of SA in the Block, the Gram Sevaks are requested

- i) to publicise the SA schedule in the villages of the block,
- ii) put up notices regarding SA on the notice board of the Panchayat
- iii) identify at least five youth from every Panchayat to participate in the scheduled process

The Selection Committee conducts a walk-in interview of the youth and ascertains they are trainable and satisfy the following criteria:

- a) Above 18 years of age
- b) Priority given to youth from job-card holding families and belonging to vulnerable sections
- c) Having a bank account
- d) Educated up to 12th standard at least
- e) Not related to implementing officials in the Block/District

In Maharashtra, the audit of Panchayats in a block happen simultaneously and since VRPs find it difficult to do travel to other blocks, they deploy new persons (persons who have not done audits before) every time.

Capacity Building

MoRD and NIRDPR designed a 4-day training course for VRPs and provided funds for the training of VRPs to States. 11 States have used this opportunity to select and train women members of self-help groups (SHGs).

The total number of people trained is 98,209. But there is wide variation in the number of people who have been trained.

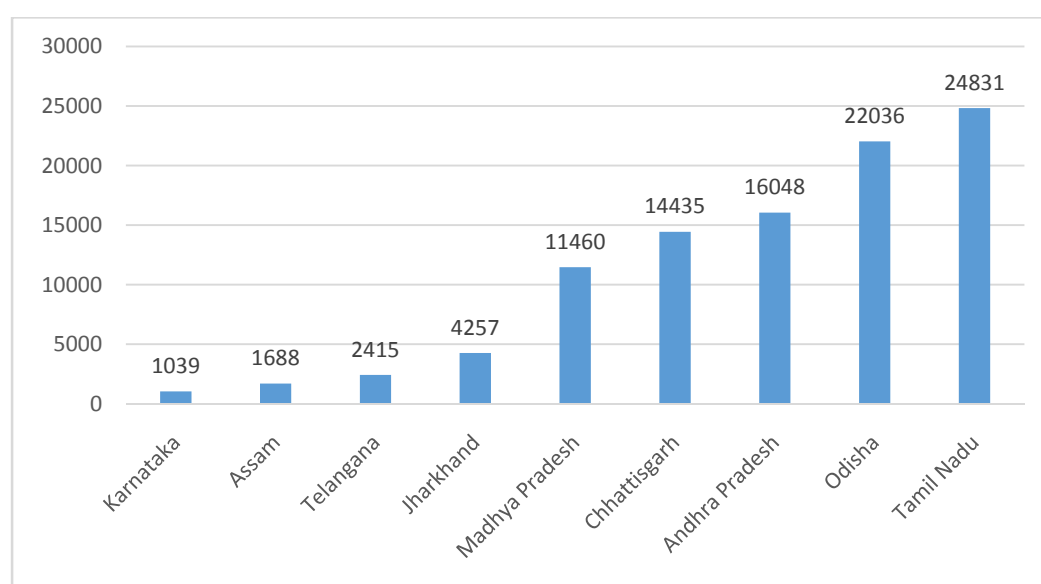


Figure 7-8: State-wise numbers of SHG women who have been trained as VRPs

In Jharkhand, Chhattisgarh and Madhya Pradesh, some of the trained women have been deployed as VRPs. But, most States are unable to tell how many SHG women from among the trained people have been deployed as VRPs and how many audits they have been facilitated. A robust MIS is required for this. If the trained people are not provided opportunity immediately after the training, then they would require a refresher training.

Wages

Among the other States, there is wide variation in the amount of honorarium that is paid to the Village Resource Persons. Gujarat and Uttar Pradesh pay the lowest (Rs. 125/day and Rs. 167/day, respectively) which is less than the minimum wages.

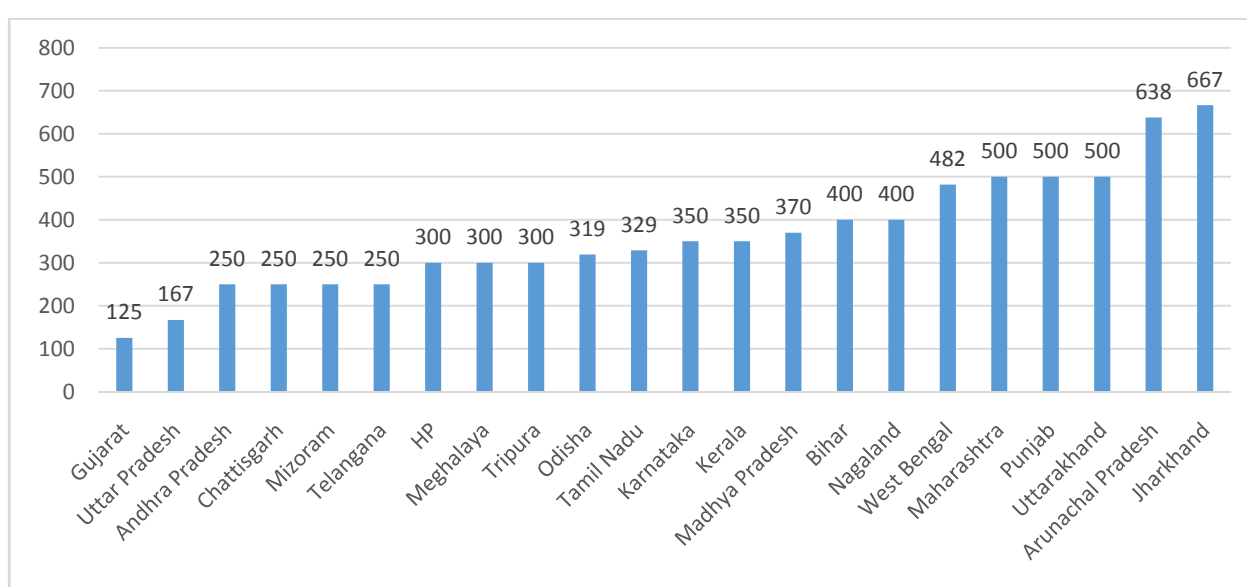


Figure 7-9: Daily wages paid to VRPs in different States

Andhra Pradesh and Telangana pay Rs 250 per day. Each round in Telangana can last from 10 – 14 days, but wages are paid for a maximum of 10 days and this rate has not changed since 2010. Himachal Pradesh and Uttarakhand pay the actual bus fare in addition to the wages (in Figure 3.9, only the wages – Rs 300 and Rs 500, respectively are shown). Arunachal Pradesh and Jharkhand pay the maximum – Rs 638 per day and Rs 667 per day, respectively. Manipur is yet to fix the wages for the VRPs. In Meghalaya, 260 people have been selected as VRPs and they are actually paid a monthly salary (Rs 6000 + Rs 1500 as DA).

In some States, the VRPs stay in the village during the entire audit process. This is a good practice as the VRPs will be able to meet most of the MGNREGS workers early in the morning and in the evening when they are most likely to be at their homes. By staying in the village, the VRPs will also have more time to do the verification process and gain the trust of the villagers. When comparing wages paid across States, it is important to consider whether the VRPs stay in the village or not.

The VRPs in some States including Andhra Pradesh, Telangana, Chhattisgarh, Jharkhand, Maharashtra, Bihar and Sikkim stay in the GPs during the audit, while in the others, they commute from their homes.

Since the wages paid to VRPs form a big component of the SAU's total expenses, the amount paid to them has a significant bearing on the number of audits facilitated by the SAU in a financial year.

8 Transparency and Accountability of SAU

Social audit units have been established to facilitate social audit thereby helping to improve the transparency and accountability of the important schemes meant for the poor. While doing this, it is most essential that they hold themselves to a higher standard so that they have the moral authority to question others as well to be more effective in their functioning.

8.1 Transparency

SAUs should be pro-active in giving out as much information about the functioning of the society in a pro-active manner so that there is no necessity of anyone having to apply for information through RTI. This is also mandated by law as per section 4(1) (b) of the RTI Act.

The Auditing Standards say 'The Social Audit Reports of each Gram Panchayat in the states should be in the public domain.'

Some of the documents that need to be pro-actively disclosed include – Governing body & Executive committee meeting minutes, audited financial statements, utilisation certificates, annual reports, presentations submitted to MoRD/State government, all audit reports, list of employees, procurement details, etc.

Only eight of the following SAUs have a public website – Andhra Pradesh, Jharkhand, Kerala, Meghalaya, Nagaland, Telangana, Uttar Pradesh and West Bengal.

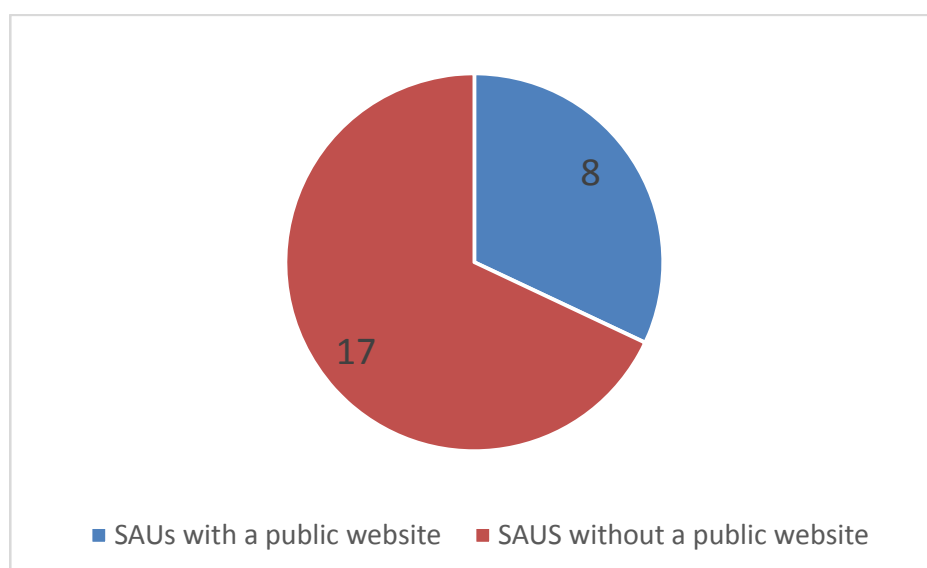


Figure 8-1: States with and without a public website

Even in States with a website, most of the documents that need to be proactively disclosed are not available.

8.2 Accountability

The Governing Body should meet regularly and approve calendar, budget and annual report. However, as mentioned earlier, the GB of nine SAUs did not meet even once in 2018-19.

MoRD had requested SAUs to send quarterly reports to PAG. The specified format includes information about expenditure made by the SAU, audits conducted, audit findings, action taken on the findings. The following nine SAUs are not doing this – Chhattisgarh, Jharkhand, Karnataka, Kerala, Manipur, Maharashtra, Meghalaya, Mizoram and Nagaland.

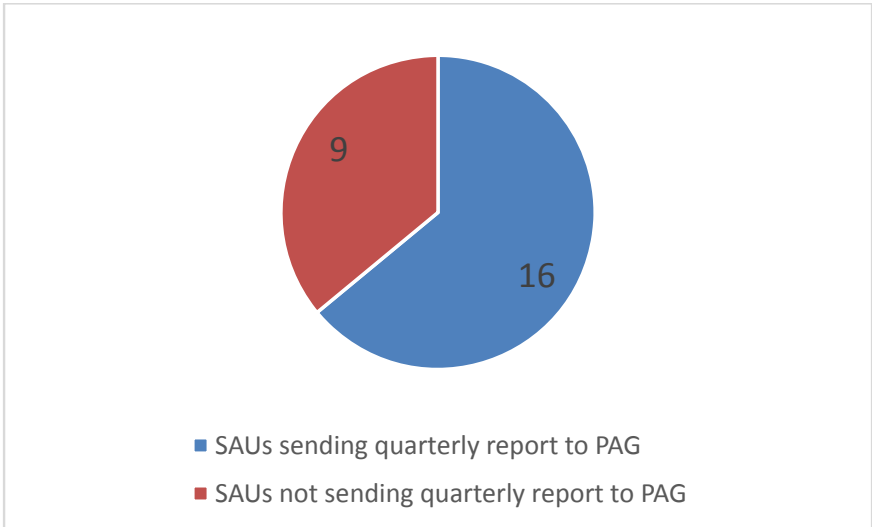


Figure 8-2: States sending quarterly reports in MoRD specified format to PAG

Each SAU should have a code of conduct that all employees should adhere to. The Auditing Standards say that 'Standard Code of Ethics should be written in clearly defined language.' However, eight States including Bihar, Gujarat, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Tripura and West Bengal do not have this.

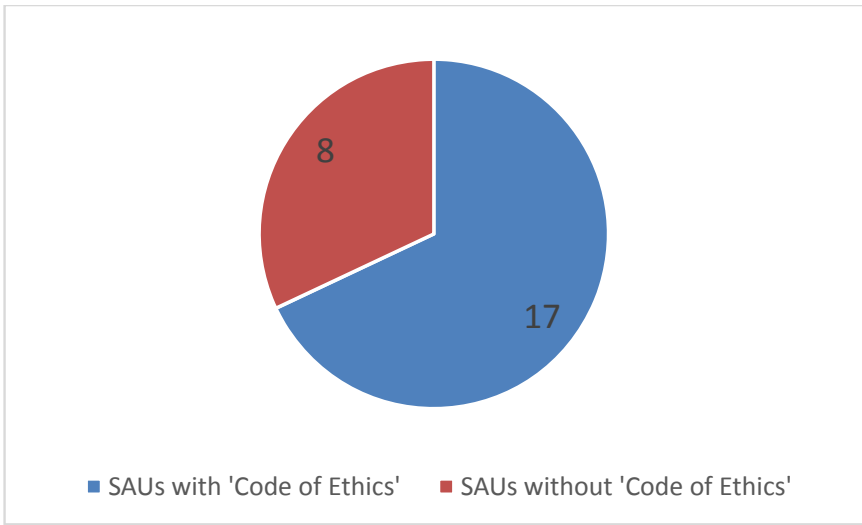


Figure 8-3: SAUs having 'Code of Ethics or Conduct' and those that do not

The Auditing Standards say that the SAU should designate a **Grievance Redressal Officer** for accepting complaints from citizens about the staff and practices of SAU and that the officer should report to the Governing Body. However, most States have not done this. Telangana SAU has formed a committee with some of the GB members to work out the modalities of identification, appointment and how he/she will function.

The Audit of Scheme Rules says that the State Employment Guarantee Council (SEGC) should monitor the action taken on the social audit findings and incorporate the Action Taken Report in the annual report to be laid before the State Legislature by the State Government. As per Rule 237 of General Financial Rules 2017, SAU should prepare an annual report. Out of 25 SAUs, only nine have said that they send an annual report to the SEGC.

The Auditing Standards say *'There should be periodic internal and external assessments of the social audit'* and that these should take place at least once in two years. However, no external assessment has been done for any of the SAUs. Researchers from American University have done a study (15) about the performance of social audit as perceived by the social audit facilitators in Telangana. The PAG also has done an audit of the O/o the SAU Director of Telangana from April 2015 to February 2019.

The Auditing Standards also say, *'A quality assurance and improvement program should be developed and maintained covering all aspects of social audit activities.'* Conducting test audits with senior resource persons to check the quality of audits facilitated is a key tool but that has been done only in Andhra Pradesh, Chhattisgarh, Telangana, Jharkhand and West Bengal.

The State government should also follow open and transparent processes for recruitment of all positions in the SAU. Many States are not doing this.

8.3 Quality Control Measures

The Auditing Standards say that *'A quality assurance and improvement program should be developed and maintained covering all aspects of the social audit activities.'*

Few SAUs have established a system including test audits, cross-checks, monitoring visits, rotation of employees, publicising telephone number where people can complain about social audit resource persons.

8.3.1 Test Audits

Test Audits is a useful mechanism to verify whether the social audit team followed specified processes and whether their report accurately reflects the actual situation in the field. A team of senior resource persons which was not involved in the original audit does the audit again (record & field verification and interaction with beneficiaries) and checks to see whether all the observed discrepancies have been recorded in the original report. Only few States including Chhattisgarh, Andhra Pradesh, Telangana and Tripura do this. Karnataka has done verification of the findings in two per cent of Panchayats.

8.3.2 Response to complaints

Few States have an accessible system through which people can register their complaints/grievances against the resource persons facilitating social audit. In response to corruption

complaints, the SAUs in Karnataka, Tamil Nadu, Chhattisgarh and Andhra Pradesh have taken action against their employees.

8.4 Storage and management of key records

Section 4(1)(a) of the RTI Act says that every public authority should 'ensure that all records that are appropriate to be computerised are, within a reasonable time and subject to availability of resources, computerised and connected through a network all over the country on different systems so that access to such records is facilitated;'

The Auditing Standards say '*State Governments should leverage Information Technology and develop a Management Information System (MIS) at State Level to facilitate data capture about deviations recorded in social audits*'

The NREGASoft module facilitates storage of social audit findings and action taken reports. However, this is under development and does not provide all the functionality that is required. Also, social audit findings have been entered only from 2018-19 and most state implementation agencies are not responding to the findings in the module.

There are very few States which are tracking the number of grievances and other issues that have been filed and the action that has been taken in a systematic manner.

9 Suggestions, Feedback and Required Support

9.1 Issues faced during Social Audit by SAUs

The main issues faced by the SAUs include

- 1) Lack of sufficient funds for social audit especially by the smaller States.
- 2) Line department officials do not cooperate with social audits – they do not give records on time nor do they attend the public hearings
- 3) Unavailability of complete social audit records.
- 4) Representatives of implementation agencies do not attend the Gram Sabha.
- 5) Hostility in some Gram Panchayats.
- 6) Lack of action on social audit findings which causes people to lose faith in the process.
- 7) Chairperson of block level public hearing orders that audit/verification should be done again.
- 8) Lack of facilities (water, food, place to stay) in the Gram Panchayat for the audit team.

9.2 Frequency of Social Audit

Most States have suggested that due to resource constraints (number of people, funds for social audit), that social audit be done once in a year instead of two as specified in the Audit of Scheme Rules, 2011. Doing social audit once a year will also lessen the burden on the implementation agency.

9.3 MoRD Support

A separate cell / division should be formed in the Ministry of Rural Development to support social audit across all Rural Development programmes.

The current funding of 0.5 per cent of previous year's expenditure needs to be increased especially for small States and States with low MGNREGS expenditure. The funds should be released on time (at the start of the FY) and the second tranche should also be processed expediently. The funding may be transferred directly to the SAU rather than through the State government which is causing considerable delay in receipt of funds.

Ministry should ensure that States take appropriate follow-up action in a timely manner and mark it in the MIS. It should hold regular reviews on the social audit findings and the action taken reports. It should take steps to operationalise Section 25 which provides for a fine up to Rs. 1000 to those who violate provisions of the MGNREG Act.

Ministry should hold regional meetings so that focussed discussion on issues relating to specific areas can be discussed in detail. It should also facilitate exchange visits between different States for learning best practices.

Ministry should ensure that adequate hands-on MIS training is provided to all the resource persons and the implementation staff / vigilance wings that have to record the action taken in it. It should ensure that the NIC responds promptly to the issues raised and completes the core functionality that is required to make the social audit process more effective. It should support the development of tab-based applications which will make the data management process simpler.

The inadmissible expenditure list includes many items that are very essential for the functioning of the SAU, including maintenance and repair of State, district and block office, payment of Employees' Provident Fund for employees, purchase of computers and printers, payment for research, collaboration with CSOs, payment to interns, external evaluation as mandated by the Auditing standards, maintenance of vehicles, etc. Ministry may remove these from the inadmissible list.

Ministry should continue to support the 30-day training for all newly recruited resource persons and support refresher trainings for existing resource persons. Ministry should also support training of VRPs.

Ministry should specify the core State level staff (MIS, accounts, documentation, CB, support personnel, etc.) that is required for all SAUs and ensure that the SAUs have adequate resource persons to cover all GPs in a year. The decisions relating to sanction of new posts, recruitment of staff and their renewal of contract should be done by the Governing Body. There should be no interference from either the implementation agency or political representatives in this process. The wages to be paid to resource persons may be specified so that there is some uniformity.

Ministry in consultation with the Election Commission may issue clear guidelines on conduct of social audit during 'Model Code of Conduct' period.

9.4 Support from State Government

The State Government should do the following:

Supporting framework for Social audit

- 1) Create a favourable climate for social audit
- 2) Issue clear rules which mandate the submission of records 15 days before start of the audit to the SAU and specify the penalty if this is not done.
- 3) Issue guidelines recommending the action to be taken on specific irregularities.
- 4) Constitute Vigilance cells at State level and district level.
- 5) Establish a good grievance redressal system
- 6) Take steps to bring other development schemes under social audit
- 7) Prepare an annual report detailing the social audit findings and action taken reports and submit to PAG, MoRD and SEGC

Support SAU

- 1) Take steps to ensure that the SAU is truly independent
- 2) Permit GB to approve the required posts for the SAU – core staff at SAU and sufficient number of fixed tenure resource persons to cover all GPs in the State. The resource persons should have some security of tenure so that they are insulated from backlash due to their reports against serving government officers.
- 3) Transfer funds received from MoRD within 15 days
- 4) Office space for resource persons in division / district and block level

Instruct Implementation agencies to do the following

- 5) Submit records on time, attend Gram Sabha and public hearing and respond to issues, redress grievances and to take action on the irregularities
- 6) Provide financial support to the GPs/implementation agencies for conduct of Gram Sabha and Jan Sunwai; funds can be provided for provision of Microphone, shamiana, water, etc.
- 7) Appoint a social audit nodal officer at State and district level to address the issues with the social audit process
- 8) Ensure that public hearings are held at different levels
- 9) Conduct monthly reviews
- 10) Ensure appropriate action on the social audit findings are taken within the specified time and are marked in the MIS.

9.5 Capacity Building

Most SAUs have expressed the need for continuous training and capacity building:

- 1) Training for resource persons on audit of other schemes including NSAP, PMAY-G, FFCG, etc.

- 2) Hands-on training on MIS for resource persons entering social audit findings and State officials who are supposed to enter their responses
- 3) One-month certificate programme for new personnel
- 4) Exposure/exchange visits to other states
- 5) Training on fund management
- 6) Refresher courses for existing personnel
- 7) Sensitisation sessions for implementation officials – this can also be done as part of the MIS training
- 8) Zonal workshops
- 9) Analysis and research
- 10) External Assessment of SAU

10 SAU Profile

10.1 Andhra Pradesh

SAU Structure and Independence

Social audit unit in Andhra Pradesh is registered under A.P. Societies Act, 2001. Society for Social Audit, Accountability and Transparency (SSAAT) has been created exclusively for conduct of social audits in the State. Society has an independent bank account operated by Accounts Officer who is working in this SAU on deputation from office of the Director of Treasuries and Accounts Department. SAU is an autonomous organisation and no approval of implementing authority is required for spending money from this account. None of the implementation officers oversee the functioning of SAU resource persons, certify the attendance of resource persons or release money to the resource persons.

There are total of nine members in the Governing Body. Principal Accountant General, C&AG is the (Ex-officio) Member of the Governing Body headed by Chief Secretary. Dr. C. Dheeraja, Social Audit Centre Head, NIRDPR; Dr. V. Satya Bhupal Reddy, Environmental Expert, (Civil Society Organisation) and Shri T. Viiaya Kumar, IAS (Retired) are civil society representatives in the Board. SAU sends social audit reports and annual reports to PAG. SAU also sends its annual report to SEGC and prepares annual report for State Legislature. SAU has its own website and social audit reports are uploaded on the website.

The State government has framed rules for fixing accountability for provision of records within a time frame. Non-submission of records will be viewed seriously and proportionate amount shall be treated as misappropriated and shall be recovered from the concerned. State government issued Memo.No.2525/RD/II/A1/2012 detailing the action to be taken on different types of social audit findings.

SAU Personnel

SAU has a full-time Director selected through open advertisement. SAU personnel are selected through open advertisement and VRPs are selected by DRPs. VRPs should be a beneficiary or from beneficiary family and should be able to read and write. There are 10 women, four SCs and five OBCs among State staff; one woman and three SCs among SRPs; and four women, 26 SCs and five STs among DRPs. In all, social audit in 12,933 GPs is planned once in a year. One staff from the existing and 191 new staff to be hired will need training during 2019-20.

Funds

In the year 2017-18, SAU received Rs. 11,84,9200 from MoRD, Rs. 38,64,250 from NIRDPR, Rs.15,05,036 from Civil Supplies, and Rs. 1,02,96,436 from SLNA as grants. In the year 2018-19, SAU received Rs. 6,73,33,319 from MoRD, Rs. 24,93,715 from APSCSCL, and Rs. 71,29,705 from SLNA.

Social Audit Process

Usually, it takes 3-4 days to complete social audit in one GP. However, if there are more hamlets, number of works and geographical areas 1-2 extra days are also required. Usually a team consisting of one BRP and two VRPs facilitate social audit of one GP. Resource persons reside in the Panchayat up to completion of Gram Sabha. They stay in public buildings such as GP office, school building, ICDS building, temple and church in the GP. Mandal level implementation officials attend the Gram Sabha at the GP level. DPC deputes an independent observer to attend the Gram Sabha, but the percentage of participation of independent observers has been decreased compared to the earlier. In Andhra Pradesh, block is taken as a unit and Gram Sabhas to be held in all Gram Panchayats in the block and finally public hearing to be held at the block level, which is presided by the Project Director (APC). DRP records meeting minutes of the Gram Sabha. In Andhra Pradesh, mandal is taken as unit for social audit and total expenditure on social audit for one mandal comes to Rs. 2,50,000. Administration or GP does not bear any cost of social audit.

Follow-up on Social Audit Findings

Follow-up periodic review held at district and State level by the State and district level officials. A Vigilance wing has been set up at the district and State level. Public hearing at block level is mandatory and Project Director/Addl. Project Director, DWMA presides these public hearings. Social audit findings are discussed in district level bi-monthly review meetings and also State level review meetings.

Quality Control

Special reports are submitted to Vigilance wing of CRD and four test audits have been done in 2018-19 for quality control and no corruption cases have been reported in the conduct of social audit.

Social Audit of other Schemes

In all 12933 GPs, social audit has been done once in 2017-18 and 2018-19. A total of 55,780 grievances have been filed in the year 2017-18 and 23,958 in the year 2018-19. Social audit

unit has conducted social audit of several other schemes such as

- a. IWMP (Integrated Watershed Management Programme)
- b. Social Security Pensions – SSP, Social Security Unit – SSU
- c. FFCG - Fourteenth Finance Commission Grants (Pilot Social Audit)
- d. NFSA - National Food Security Act (Pilot Social Audit)
- e. Chandranna Ramzan Thofa, Civil Supplies Corporation
- f. Chandranna Sankranthi Kanuka, Civil Supplies Corporation
- g. AP MEPMA 'Maintenance of Night Shelters'
- h. Rural Water Supply and Sanitation RWSS - ITDA Paderu, Visakhapatnam
- i. IHHL (Individual House Hold Latrines), ITDA Area, Visakhapatnam.

Best Practices of SAU AP:

- 1) Identifying VSAs and Resource Persons from the beneficiary families.
- 2) Verification of 100 per cent wage seekers & works.
- 3) Technical Verification in the presence of the beneficiaries and Rozgar Sahayak Sangs/ Mates.
- 4) Non-acceptance of hospitality from implementing agencies.
- 5) Review meetings with the Resource Persons: Skills Up-gradation
- 6) Zonal meetings with the Resource Persons: Skills Up-gradation & Unity, Overcome Field Challenges.
- 7) Monthly review meetings at district level: Review meetings with the District Collector & District Vigilance Officers - discussion on deviations and immediate follow-up action. Rs. 10 crore recovered.
- 8) Monthly review meetings with State Vigilance wing & District Vigilance Officers: Segregation of deviations and immediate follow-up action
- 9) Awareness: Community Meetings, Placards, Mass Rallies, Wall Paintings, Folk Songs, Social Mapping, etc.
 - a. As part of Social Audit, the SA team creating awareness among the people in the community on EGS and Government Social welfare schemes, etc.
 - b. Mode of Awareness: Community Meetings, Placards, Mass Rallies, Wall Paintings, Folk Songs, Social Mapping, etc.
 - c. For more transparency and public accountability, the GP information on MGNREGA works and expenditure in the record period is mentioned on the information boards while conducting social audit in the Gram Panchayat by the social audit team. The wall writings painted at the community centre/public place in the Gram Panchayat.
- 10) E-Office: Online process; Filing, Inward, Outward, Financial transitions, etc. Minimized paper usage at the office.

- 11) Introduced biometric attendance at the office
- 12) Using social media platforms such as WhatsApp, Facebook & YouTube Channel
- 13) Internal Monitoring Team (IMT): A team of 13 members. Functions include
 - a. Monitoring the SA Team
 - b. Identification of Gaps
 - c. Improve Quality of SA
 - d. Need Assessment of SA Team
 - e. Facilitate Convergence Meetings

Support Required

SAU needs support from State governments in terms of timely submission of records of Convergence Departments; biometric attendance, e-office and IMT (Internal Monitoring Team), review meetings.

Areas of Concern

The Governing Body of the SAU has not met even once after constitution of State SAU.

Best Practices

Social Audit Process

- As part of social audit process, 100 per cent verification of wage seekers at their doorsteps will be done.
- 100 per cent physical verification of works will be done in presence of mates, field assistants, technical assistants and ECs.
- Measurement sheets will be maintained for all the works verified and documented properly there and then in the field by capturing signatures of Mate, FA, TA or EC whoever were present at the workplace.

Follow-up Action

- **Public Hearings:** Social audit public hearings are conducted at the block office where all the Gram Panchayat reports are read out by the DRPs in presence of all wage seekers, all Gram Panchayat and block level implementing officials, public representatives, etc. The Project Director (Addl. DPC) will chair the public hearing and act as a presiding officer and take decisions on social audit observations identified by the social auditors. All the public hearing proceedings are video graphed.
- **Follow-up by Vigilance wing:** There is a separate Vigilance wing in all districts to

follow up the decisions taken in the block public hearing. The District Vigilance Officer will do the follow-up action. As per the circulars issued by the State government, the follow-up action on social audit observations must be done within 72 hours after completion of public hearing.

- Coordination meetings in the month of April at State & district level to all departmental officials and share the previous year social audit observations.
- Monthly joint review meetings with Vigilance wing, Quality Control wing and Social Audit State Monitoring teams & State Resource Persons is held at State Level in the office of Commissioner, Rural Development.
- Wage seekers' grievances were redressed mostly during the process of social audit, especially issuing new Job cards, delay payments, medical allowances and first aid kits, etc.

Monitoring System:

- 3-tier monitoring system, State Team Monitor (STM) for 2-3 districts, Internal Team Monitor (IMT) for each district and State Resource Person (SRP) for each block (mandal)
- Proceedings of all block level public hearings are fully monitored by the State Team Monitors from head office. They will submit a special report immediately after completion of the public hearing which will enable the Commissioner to take actions of the responsible employees

IT Interventions

- Apart from NIC, a separate MIS is also used within the SAU; data will be captured immediately after the public hearing at Block level with 2-tier data validation by DRP & SRP
- All social audit reports are available in the public domain in tabular & graphical view
- HRMS application developed by CGG (Centre for Good Governance)
- EFMS application is used for all financial transactions through FTOs
- E-office is adopted for all file movements provided by State government
- The IT wing has developed Rapid Social Audit Report (RSR) Tool to capture the observations after the social audit public hearing,
- Tab based application is under pilot mode
- Developed different types of analytical reporting formats for monthly/quarterly/annual reports for monitoring and conducting reviews, etc.
- All the social audit reports are made available on a public website for anyone to check



10.2 Arunachal Pradesh

SAU Structure and Independence

SAU has been created to conduct social audit and it is functioning under a Society. The unit was established by Development Commissioner (Finance, Planning and investment) Govt. of Arunachal Pradesh. SAU has an independent bank account and it is operated by Director and Social Audit Expert of SAU. Development Commissioner (Finance, Planning and Investment), Govt. of Arunachal Pradesh is the chairperson of the Governing Body. There are nine members in the Governing Board including PAG. There are two representatives from the civil society. Governing Board approves annual budget and calendar. SAU has submitted its annual report to Governing Body. Governing Board met once during 2018-19.

SAU Personnel

SAU has a director who is holding it as an additional charge. As a temporary measure, Director of Audit and Pension has been entrusted the duty of Director, SAU. Recently, the Arunachal Pradesh Staff selection board has been requested to select the director after following proper procedure. Open advertisement was issued to select other SAU personnel. VRPs are selected based on open advertisement and the minimum qualification is Class X.

Currently three SRPs and three office staff are employed on monthly salary while 138 VRPs and 22 BRPs are empanelled and they are working on daily wages. 13 District Research Officers are given the additional responsibility of DRP. SAU does not have adequate resource person to facilitate social audit at this stage. Many resource persons (BRPs and VRPs) are leaving SAU due to low wages in comparison to State govt. Common HR issues being faced include financial issues and lack of proper training.

Funds

Received Rs.37.53 lakh from MoRD and spent Rs.32.24 lakh in 2017-18 while they are yet to receive grants for the year 2018-19. They received an additional support of Rs. 9.38 lakh from the State government in 2017-18. Expenditure on facilitating social audit in one GP comes to Rs.16200. All costs are borne by the SAU.

Number of audits

There are 1827 GPs in the State. In 2018-19, they facilitated audits in 310 GPs as per the UC. They are planning to do social audit once in 515 GPs in 2019-20.

Social Audit Process

The time taken for social audit process in a GP is 4-5 days including Gram Sabha. Two VRPs facilitate social audit in a GP with additional support from one BRP and one DRP who will be in charge of social audit of multiple GPs at the same time. VRPs will not be from the same GP. VRPs will have to stay in the village during door-to-door visits and worksite verification. Resource persons do 25 persons of door-to-door verification and 100 per cent worksite verification. SAU team creates awareness during field visits to beneficiaries on their rights and entitlement and also give details of sanction amount against work executed in the GP. DPC deputes an independent observer to attend the Gram Sabha. It is presided by one of the

job card holders. Minutes are written by resource person from SAU.

Common problems

The major problem being faced by SAU is non-availability of documents or poor maintenance of records at BDO office; non-availability of job card holders during door-to-door visits, inability to do verification of data at GP level due to non-functioning of Panchayat office.

Follow-up on Social Audit Findings

Social audit findings are discussed in the exit conference at district level and in the review meeting at State level.

Suggestions, Feedback, Support Required

Independent power for SAU in financial management; flexibility in non-admissible items and permission to recruit resource person below Director level at SAU will help make the SAU more independent.

Regarding support from MoRD, SAU wants additional fund for hilly areas, enhancement of salary of SAU staff and separate fund for purchasing laptop/printer in all the districts.

From the State government, they want state support in celebrating Rozgar Diwas and Jan Sunwai together to minimise expenditure; funding support for organising Jan Sunwai; vehicle for Jan Sunwai; strict action against erring officials; provision of documents for social audit in time and make sure convergence partner release fund in time and also present during Jan Sunwai.

From NIRDPR, SAU needs training for 25 newly recruited BRPs and 12 DRPs who are going to be recruited. They do not have a separate MIS official and want their SRP to be trained in handling MIS activities. Apart from this, since this is a newly established unit, the resource persons need practical training to conduct social audit in collaboration with states already having experience. For staff of State unit including Director, they want training in the areas of social audit report writing, MIS uploading, document verification and organising public hearings. They also want exchange visits and on-field training for the SAU staff.

Independent observers must not be below the rank of APCS officer and they must be independent of implementing agency. Minutes of the meeting should be written by independent observer for unbiased report of the public hearing.

Areas of Concern

- 1) Full-time director has not been appointed
- 2) DRPs have not been appointed (District Research Officers serve part-time as DRP)
- 3) SAU does not have a website
- 4) Code of Ethics for staff personnel has not been drafted
- 5) Social audit report is not available within the GP for people to check
- 6) They are not uploading social audit findings in NREGASoft.

- 7) Block level officials are not attending the Gram Sabha at GP.
- 8) There is no block-level public hearing
- 9) There is no vigilance set-up at State level to look into the detected irregularities.



10.3 Assam

SAU Structure and Independence

The Assam Society for Social Audit (ASSA) was established on 3rd December, 2016 under the Societies Registration Act, 1860. SAU has a bank account operated by Director of ASSA and Sr. FAO, Department of P&RD. Chief Secretary is the Chairperson of the Governing Board of ASSA and there are total 18 members. PAG is one of the members. SAU gets its annual budget and annual calendar approved from Governing Board. One meeting of the Governing Board has been held in the FY 2018-19.

SAU Personnel

The Director is a government officer from Assam Civil Service and has additional charge of ASSA. Other staff of SAU have been recruited through open advertisement. Village Resource Persons were selected from amongst the SHG member of Intensive Block under Assam State Rural Livelihood Mission Society (ASRLMS). The minimum educational qualification for the VRP is HSLC pass. Out of 27 sanctioned posts of DRPs, 22 are deployed. Also, 153 BRPs are deployed.

Funds

In the year 2017-18, SAU received Rs. 3.68 crore from MoRD and Rs. 1 crore from State government as grant but did not receive any money in 2018-19.

Social Audit Process

Usually takes six days to complete social audit in one GP. Till now, Village Resource Persons have not been engaged in the social audit process under Assam Society for Social Audit. Block Resource Persons are from the same district and don't stay in GP during the social audit process. Approximately 40 per cent of the total households are verified and approximately 90 per cent of the worksites are visited by resource persons during social audit. Block level implementation officials attend the Gram Sabha at the GP level. Participants of the Gram Sabha select the president of the social audit Gram Sabha from among themselves.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 35,850. Administration/GP bear the cost of shamiana/tent and microphone used in the Gram Sabha.

Follow-up on Social Audit Findings

Social audit findings get discussed in a meeting at the district level.

2019-20 Plan

The plan of Assam Society for Social Audit (ASSA) is to conduct Social Audit in 2678 Gram Panchayat out of the total 2678 Gram Panchayat in the Financial Year 2019-2020.

Suggestions/Feedback/ Support Required

Social audit frequency may be once a year in all Gram Panchayats. Financial support and support in developing guidelines for follow up of social audit report within a period of 30 days are needed from MoRD. Financial autonomy to Director is suggested for making the SAU more independent.

Areas of Concern

- 1) There is no full-time Director currently and there have been four Directors in the past three years.
- 2) Posts of Social Development Specialist and SRPs are vacant.
- 3) There is no financial autonomy to the Director SAU. Approval of commissioner P&RD is required for payment to resource persons. Sr. FAO of P&RD Department is the joint signatory for the SAU bank account.
- 4) There is no civil society representative in the Governing Board.
- 5) SAU does not prepare an annual report for submission to the Governing Board, PAG or SEGC.
- 6) It does not have a website and grievance redressal officer has not been appointed.
- 7) The resource persons in the SAU have not been paid for many months
- 8) The social audit is facilitated only by the BRPs. Even though VRPs were trained and empanelled, they are not being utilised to facilitate social audits.
- 9) Test audits are not done.
- 10) State level review of findings of social audit and action taken does not happen.
- 11) Block level public hearing is not held.
- 12) DPC does not depute an independent observer to social audit Gram Sabha.
- 13) Implementation agency is not responding to the social audit findings in the MIS

Recommendation

State government should appoint full-time Director and adequate staff. The GB should be restructured as per the auditing standards and the implementation officials should not have any role in the functioning of the society. social audit processes need to be improved.





10.4 Bihar

SAU Structure and Independence

A society for the purpose of social audit has been created in the State in 2015. The Governing Body of the Society has 25 members and is headed by the Development Commissioner. PAG is not a member and there is no civil society representative in the Governing Board.

The Director of the SAU is a serving Additional Secretary of the Department of Rural Development. Bank account of the Society is also operated by Additional Secretary-cum-Director, SAU and Deputy Secretary in the Department of Rural Development who is also Advisor to SAU. It requires approval of implementing authorities for making payments to resource persons or to spend money on social audit. SAU gets its annual budget, annual calendar and annual report approved by the Governing Board. The Governing Board has met only once in 2018-19.

SAU Personnel

One SRP and 31 DRPs have been deployed. There are 534 sanctioned posts of BRPs but none have been deployed. VRPs were selected from SHGs members through nominal written test and viva. About 4000 VRPs were trained during 2018-19. Minimum educational qualification for VRPs is 8th pass.

Funds

In the year 2017-18 SAU received Rs. 5,43,68,000 from MoRD. The SAU spent Rs. 78,47,917 in 2017-18 and Rs. 1,86,87,664 in 2018-19.

Social Audit Process

Usually, it takes eight days for 13 VRPs to facilitate social audit in one GP. VRPs do not belong to the GP under social audit. Since there is no BRP, one of the capable VRPs is designated as the 'Master VRP' (team leader). Numbers of resource persons deputed for audit vary according to the amount of expenditure, size of the GP, number of hamlets, etc. One DRP oversees audit in five GPs. These resource persons stay in the GP during the social audit process. Block level officials attend the Gram Sabha. Observers are deputed by the DPC to attend the Gram Sabha. A person selected by Gram Sabha from among present members presides over the social audit Gram Sabha. Panchayat Sachiv writes the minutes of social audit Gram Sabha meeting.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 72,400. Administration or GP do not bear any cost.

Follow up on Social Audit Findings

Block level hearing on social audit findings does not happen in the State. At district level too, there is no review of social audit findings and action taken report. However, at the State level, discussion on social audit findings happens.

MGNREGS Social Audits and Findings

Social Audit of MGNREGS was started only in the year 2018-19. In this year, social audit was conducted only in 255 Gram Panchayats. In 2019-20, SAU plans to facilitate audits in 6840 GPs out of a total of 8300 GPs.

Social Audit of Other Schemes

SAU has not facilitated social audit of any scheme other than MGNREGA till FY 2018-19. However, in 2019-20, they have taken up social audit of PDS, PMAY-G and Lohiya Swachh Bihar Abhiyan. The Bihar State Food & Civil Supplies Corporation Limited has transferred Rs 7 crore to the SAU for facilitation of social audit of the PDS.

Suggestions, Feedback, Support

Frequency of social audit may be once a year. Support from MoRD required include timely allocation of funds for Social Audit Society; clear and common guidelines for social audit in States; capacity building of SAU staff at national level; monthly review of social audit activities; guidelines on HR policy of SAU. Separate office, infrastructure and independent staff are required for independent functioning of SAU. The SAU has conducted VRP training and need reimbursement of Rs.1.4 crore from MoRD.

The State government should publicise social audit among all stakeholders, provide additional financial support and review the social audit process and findings every month.

Areas of concern

An independent full-time Director is yet to be appointed. There have been many directors in the last few years which also leads to instability. Currently, the Additional Secretary (RD)

is holding the additional charge of social audit. There are no civil society representatives in the Governing Board. Most of the sanctioned SAU posts (BRPs and DRPs) have not been filled. There is inadequate transparency in functioning of SAU. There is no follow-up on the findings of social audit and action taken at the block and district level. Payments to VRPs are done through Jeevika (SRLM) which leads to substantial delays. The cost for facilitating social audit/GP is high.

Recommendations

- 1) Governing Body needs to be reconstituted as per the Auditing Standards. The SAU's bank account should be operated by officials of SAU and not by officials of the Department.
- 2) A full-time Director should be selected through open advertisement.
- 3) The SAU should take the lead role in the facilitation of social audits rather than relying on Jeevika to do this. For this, all approved positions in the SAU, including that of BRPs, should be filled as soon as possible through an open and transparent selection process. The BRPs should be trained and they should lead the team of VRPs in the Gram Panchayat. The SAUs should transfer the honorarium to all the resource persons rather than go through Jeevika which leads to substantial delays.
- 4) A system of regular review of findings and ATR to be set up including block level public hearings.
- 5) SAU should set up a website and host all data relating to the SAU and the social audits in the public domain.
- 6) MoRD has to reimburse the amount (Rs 1.40 crore) that the Bihar SAU has spent for the SHG VRP training. A total of 4347 people were given the four-day training in 2018-19.





10.5 Chhattisgarh

SAU Structure and Independence

SAU is functioning under a Society which has been registered on 22.2.2014. SAU has two independent bank accounts among which one is operated by Director, SAU and Finance Manager of SAU while the other is operated by Director, SAU and Accounts officer, MGNREGA. SAU requires the approval of implementing authority (Joint Director, Finance/Accounts Officer of MGNREGA) to make payments to resource persons or to spend money on social audit. Chief Secretary, Govt. of Chhattisgarh is the Chairperson of the Governing Body of the Society. There are 11 members in the Governing Body including PAG. It consists of four people from the civil society organisations. Governing Body approves annual budget and annual calendar and SAU submits its annual report to Governing Body for approval. There is no Executive Committee for SAU. A notification has been issued regarding composition and periodicity of its meetings.

SAU Personnel

SAU has a full-time Director. The position was filled following an open advertisement and selected by a four-member panel headed by Chief Secretary. Other SAU personnel are also selected through open advertisement by the same panel. Minimum Qualification of VRP-

should be 12th pass and should belong to MGNREGA worker family. DRPs and BRPs visit various Gram Panchayats and mobilise the youth mostly between the age group of 18-25 years of age. Suitable and eligible VRPs are chosen based on their writing and communication skills. Of the 584 sanctioned positions, 480 positions are filled. Few resource persons are leaving SAU as salary has not revised for the last five years. In FY 2018-19, 2 SRPs, two DRPs, and 10 BRPs have resigned from SAU.

Funds

From MoRD, SAU received Rs.12.69 crore in 2017-18 and received Rs. 7.03 crore in 2018-19. From NIRDPR the SAU received Rs.2.14 crore. SAU accounts were audited by an independent chartered accountant in 2017-18.

Social Audit Expenditure

Rs. 11,217 is the expenditure of social audit process per GP in Chhattisgarh. GP bears the cost of tent for the Gram Sabha.

Social Audit Process

Social audit process in a GP takes six days per GP and four VRPs belonging to other GPs along with one BRP facilitate social audit. The size of team is fixed and the resource persons stay in the GP during the social audit process. Resource persons do 100 per cent door-to-door verification and 100 per cent worksite verification. FGDs in wards, rallies in GP and wall paintings are being used for raising awareness and mobilising people for the Gram Sabha. Block level implementation officials attend the Gram Sabha sometime and the DPC deputed independent observer also attends the Gram Sabha sometimes. An MGNREGA worker presides over the social audit Gram Sabha. Usually, GP Secretary and when they refuse, BRPs write the minutes of social audit Gram Sabha meeting. Social audit report is available in the GP office. Data entry facilitators upload the social audit findings in NREGASoft.

Follow-up on Social Audit Findings

Mechanisms exist at two levels. Firstly, at the State Level, status of social audits and action taken on social audit reports is sent to the ACS, P&RD by SAU in response to which, ACS sends letter regarding expediting the process of action taken. Secondly, at the district level, DRPs send letters to DPC informing about social audit findings and request action, as per rules. Block level public hearings are taking place. In FY 2018-19, block level public hearings were held generally within three months of the date of social audit conducted by Gram Sabha. The meetings were presided over either by SDM/Tehsildar or any officer not below the rank of Deputy Collector. Social audit findings are not discussed at the district level. At the State level, the findings are discussed in review meetings/VCs organised by department and chaired generally by ACS, P&RD. Only a few districts are submitting ATRs.

Quality Control

Surprise visits, complaint registration mechanism against erring resource persons and frequent checking of quality of social audit reports are steps being taken to ensure that there is no corruption in the social audit process. Some complaints were received against

BRPs for tampering social audit report by including VRPs who had not actually audited the GP and a fact-finding committee was constituted which conducted an enquiry. Following the findings of the committee SCN has been issued against the BRPs. To verify the quality of social audits, test audits were conducted in nine GPs in FY 2018-19. Some reports revealed that in some GPs the due process was not followed in conducting social audit. Based on the reports of test audits, respective BRPs were called and warned to not repeat these mistakes in carrying out social audit.

Suggestions, Feedback, Support Required

SAU would like to do repairs and maintenance of SAU State office and make EPF payments to resource persons; currently, all these fall under the inadmissible item list. Since SAU has proposed pilot social audits of PMAY-G, NSAP, FFC and SBM, it would be helpful if NIRDPR can organise training programmes regarding social audit of these schemes. NIRDPR should also organise inter-State exposure visits on social audit of NSAP, SBM, PMAY and FFC.

Common Problems in Conducting Social Audit

Complete records are not provided for social audit; on an average, approximately 70 per cent records are provided. Line Departments (Water Resources, Forest, etc.) show limited coordination.

Threats and inducements to social audit teams are an issue. At the GP level, residential facilities, toilets/bathrooms are not provided for the SAU team.

In some Gram Panchayats, due to hostility between two opposing groups, social audit team could not take up Gram Sabha and it had to be re-scheduled multiple times.

In some districts, chairpersons nominated for Public Hearings are not able to attend the hearings due to which the dates often get postponed and process is delayed. In some cases, chairperson of public hearing orders re-audits/ re-verifications which leads to delay in action taken and in some cases, non- action on social audit reports.

In many districts, action is not being initiated on the social audit findings. In many cases, social audit team has to face hostility due to non-action on social audit findings and complaints against corruption.

Innovative practice that can be considered for replication in other States.

- 1) On-the-Spot Fines during Public Hearings** - In order to take decisions on the social audit findings, block level public hearings are conducted which are chaired by the SDM/Tehsildar/Deputy Collector. As a salient feature, practice of on-spot fines during public hearings has been started in various districts of Chhattisgarh. In block level public hearing (exit conference) conducted at Block Lormi, District Mungeli, on-the-spot fines were levied by the SDM for many of the discrepancies. Those who were fined were issued receipts from the CGTC 6 receipt book. SDM took a stand that if the Registers are not complete, a fine of Rs. 50 should be levied on the spot. Some Secretaries and Gram Rozgar Sahayaks were fined. All the responsible persons had to immediately deposit the fines. This practice has been effective in reducing the cases of deviations and procedural violations.

- 2) Wall writings about entitlements, implementation details by resource persons
- 3) Formation of committees in some districts at the district level to initiate action on social audit findings

Areas of Concern

- 1) Financial Misappropriation of nearly Rs.42 crore has been reported but only Rs.58 lakh has been recovered (about 1.3 per cent)
- 2) The State government has not established the 3-tier vigilance mechanism as specified in the AMC to follow up on the irregularities identified by the SAU
- 3) The percentage of issue closed as per the MIS is less than 20 per cent.
- 4) The appointment of an Additional Director from the department (with responsibility of administration, finance and recruitment) who does not report to SAU Director has created lot of governance issues in CGSAU.
- 5) The percentage of GPs where audit was conducted has gone down in 2018-19 (compared to 17-18) and it is only 60 per cent.
- 6) The Governing Body did not meet even once in 2018-19

SHG women success story

Name: **Taaram Bai Sahu**

Gram Panchayat- Mokha, Post- Rajoli

Gunderdehi Block, Balod District



"I have attained my Education till 8th standard as had to leave my further studies due to poor economic condition of my parents. Since the age of 14, I have been working as a labourer and I got married at the age of 18. I have three children who are pursuing their higher studies and I have the responsibility to cater to all their needs. I have struggled very hard in making the ends meet. However, engagement with SHG provided me with a positive direction.

I have been engaged with self-help groups since 2003. Our SHG Ekta Swa-Sahayta Samuh got affiliated to State Rural Livelihood Mission, Bihan in 2017. I got chosen as the chairperson and bookkeeper of my SHG by the members. Soon after, I was informed about social audits and was offered to receive training on the same. I agreed at once. After receiving four-day training along with 33 other SHG women on social audit, I have been engaged in conducting social audits in Gram Panchayats since 23-10-2017 as Village Resource Person. I have successfully conducted social audits in 24 Gram Panchayats.

Engagement with social audit as a VRP has not only rendered me financial support but has also provided me with a sense of ownership towards Gram Panchayats and its development. My experience as a Social Auditor has given me a chance to raise awareness amongst the community due to which I have experienced changes in the community. Working as an auditor has given me an opportunity to do a fair verification of various works and present the facts before the community. It has also instilled confidence in my personality and brought about positive changes in my work patterns and working capacity for which I wish to express my sincere gratitude."



10.6 Gujarat

SAU Structure and Independence

A separate society with name of Gujarat State Social Audit Society has been created in the State. SAU has an independent bank account. However, the Account Officer (MGNREGA), CRD is a co-signatory along with the SAU Director. SAU requires approval of implementing authority to make payments to resource persons or to spend money on social audit.

Chief Secretary is the chairperson of the Governing Board of SAU and there are total 12 members. PAG is one of the members and there are five civil society representatives in the Governing Board. First meeting of the Governing Board was held on 19.01.2018. No meeting of the Governing Board has been held in the FY 2018-19.

SAU Personnel

SAU does not have a full-time Director. The Deputy Commissioner of RD is holding additional charge as Director. Village Resource Persons are selected by Director, DRDA and BDO. For selection, VRPs must be semi-literate/literate, should have worked in MGNREGS or have family members who have worked in MGNREGS and should not be related to PRI members, mate of any officials of implementing agencies. Preference is given to women and those from SC/SC community.

Out of six sanctioned posts of SRPs, only one is filled and out of 20 sanctioned posts of DRPs, only four are filled. 279 BRPs are on the empanelled list. Approximately, 1500 VRPs are used for conduct of social audit in the State.

Funds

In the year 2017-18 SAU received Rs. 1,83,15,000 from MoRD and Rs. 19,71,689 from State government as grant. In the year 2018-19, SAU did not receive any fund from MoRD and State government. The implementation agency at the district and block level continue to take care of the expenses of social audit and the SAU was not able to tell how much expenses have been made for social audit.

Social Audit Process

Usually, it takes four days to complete social audit in one GP. Only one VRP along with one BRP facilitates social audit in one GP. The VRP and BRP do not belong to the GP but they do not stay in the GP during social audit process. Block level officials attend social audit Gram Sabha. However, DPC does not depute independent observer to Gram Sabha. An independent leading person in the GP presides over the meeting of social audit Gram Sabha and the BRP writes the meeting minutes of the Gram Sabha.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 2500.

Follow-up on Social Audit Findings

Director, DRDA conducts regular monthly review meetings at district level. At State level too, social audit findings and action taken are reviewed.

Suggestions/Feedback/ Support Required

Social audit frequency may be fixed as once a year in all Gram Panchayats. SAU requests that training related to administration, financial management, human resource management and office procurement be done for all SAUs. They also require the 30-day training for all their staff.

SAU suggests that the honorarium, TA, DA of BRPs and VRPs should be decided at MoRD level for maintaining uniformity across the nation.

Areas of concern

- 1) The Director was not selected through an open advertisement process. The Accounts Officer of the CRD is a co-signatory of the SAU account. Implementation officials at the district and block level select the VRPs. There is a large gap between sanctioned posts and filled posts of social audit resource persons at state and district levels. Finance department is not giving clearance for hiring additional people that are required.
- 2) Most of the VRPs and none of the BRPs have been trained. The social audit expenses are made by the implementation agency directly and SAU has not received any amount for social audit from MoRD in 2018-19. DPC does not depute an independent observer for the social audit Gram Sabha. The number of days and the number of people facilitating social audit is fixed and does not vary from Panchayat to Panchayat.
- 3) Apart from grievances, there are no other social audit issues either in the financial misappropriations, financial deviation or process violation cases. This shows that the social audit process is ineffective and is done only as a ritual.
- 4) SAU does not have a website; it does not prepare an annual report and has not appointed a grievance redressal officer. No quality control measures such as test audits or evaluation of resource persons is in place.
- 5) The Governing Body has not met even once in 2018-19.

Recommendations

The Accounts Officer, CRD should not be a co-signatory of the SAU account. SAU should bear the expenses of the social audit directly and not depend on the implementation agencies. It should also not depend on the implementation agency to either select or manage the resource persons. It should hire adequate number of people. All resource persons facilitating social audit should be trained. The quality of social audits should be monitored and improved. The number of resource persons facilitating social audit and the number of days for the social audit should be determined based on the amount of expenditure in the Panchayat, number of workers and number of hamlets. The SAU should create a website and host all reports and documents in the public domain.

10.7 Himachal Pradesh

SAU Structure and Independence

Himachal Pradesh SAU was established on 18.2.2016 through a society created for this purpose. The unit was established by Rural Development Department of H.P. SAU has an independent bank account and it is operated by Director and Section officer (F&A) of Rural Development Department. Project Officer, DRDA has to certify the attendance of DRPs as DRPs are posted in DRDA offices of various districts. Mr. Prabodh Saxena, Principal Secretary, Urban Development is the chairperson of the Governing body. There are 10 members in the Governing Board including PAG. There are two representatives from the civil society in the Governing Body. GB does not approve annual budget or the annual calendar. SAU did not submit annual report to GB. In 2018-19, GB did not meet even once. There is no executive committee for the SAU. A notification is issued on the composition of the GB and periodicity of its meetings.

Transparency and Accountability of SAU

SAU is sending quarterly reports (as per MoRD specified format) to the PAG.

State Support for Social Audit

Rules were framed by the State government for fixing accountability for provision of records within a fixed time frame. A letter was issued in this regard on 23.3.18. Government has issued a circular detailing action to be taken based on social audit findings. While the level of support at GP, block and district is satisfactory it is good at the State level.

SAU Personnel

At the moment, there is no full-time Director at HP SAU. After completion of tenure of previous Director on 02.02.19, the charge of SAU is assigned to Joint Director, Dept. of R.D. till the appointment of a new Director. SAU Director is involved in the implementation of MGNREGA as he is the Joint Secretary (MGNREGA) to HP Government. The previous full-time Director was selected following an open advertisement and he was selected by a committee headed by Chief Secretary. Other SAU personnel are selected through open advertisement and by the same committee which selected the Director. Minimum qualification for VRPs is Class XII. A committee was constituted at the block level to select GP resource person and VRPs. Total staff who were paid monthly salaries were 18 including DRPs. Social audit in 2018-19 was facilitated by 203 VRPs and 188 BRPs who were paid daily wages. Two from the State office, 4 DRPs and 94 BRPs are women.

SAU has adequate number of people to facilitate social audit. But people are leaving jobs in large numbers due to uncertainty of the future as retaining policy is not there. Steps to retain resource persons must be framed by State/Centre governments. A fixed remuneration and TA should be paid to BRP and VRP. Common HR issues being faced by SAU are pertaining to payment of remuneration (VRPs and BRPs), lack of rules regarding leaves, lack of increments and uncertainty of jobs.

Funds

SAU received Rs 1.40 crore from MoRD in 2017-18 and Rs 1.60 crore in 2018-19. They also received Rs. 90,750 from Women and Child Development Department in 2017-18 and 2018-19. They received a grant of Rs. 1,80,070 from HP building and other constructions welfare board.

Social Audit Process

The time taken for social audit process in a GP is six days including Gram Sabha and it is facilitated by one VRP and BRP each. The resource persons are not from the same GP. 85 per cent door-to-door verification and 90 per cent worksite visits are being done by the resource persons. In order to raise awareness and mobilise people for Gram Sabha, information is given during door-to-door visit, ward sabha community mobilisation, banners and posters and through public announcements. Either BDO or a person deputed by him/her attends the Gram Sabha at GP level. DPC deposes an independent observer to attend the Gram Sabha. It is presided by an elderly person of that GP. Minutes are written by Secretary of the GP. Social audit report is available within the GP for people and BRPs upload the findings in the MGNREGA website. Social audit did not face any threats/obstacles during social audit process.

SAU facilitates social audits twice in a year in all GPs.

Common problems faced during social audit process are lack of awareness among the community and interference of political people. Availability of records for conduct of social audit is satisfactory but in some GPs records are not being maintained as per MoRD guidelines.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 5350. All costs are borne by the SAU.

Follow up on Social Audit Findings

Block level public hearing takes place. Social audit findings are discussed at the district level and State level. The State has issued directions regarding utilisation of money recovered.

Support Required

SAU is planning to do social audit in 3226 GPs twice during 2019-20. SAU is planning to recruit two DRPs, two VRPs and 18 BRPs who need to be trained. The State unit has also requested for refresher training to its resource persons and exchange visits.

Social Audit of Other Schemes

- 1) Government run Bal/Balika ashram of Women and Child Development Department – four audits in 2017-18 and six audits in 2018-19
- 2) HP Building and other construction workers welfare board – 24 audits in 2018-19
- 3) NSAP – 475 audits in 2018-19.

Areas of Concern

- 1) SAUs do not have a full-time Director. A Joint Director from the RDD has been given additional charge which is a conflict of interest
- 2) DRPs are posted in the office of the Project Officer, DRDA who certifies his/her attendance
- 3) There is no Vigilance set-up at the state level to look into the detected irregularities.
- 4) The BDO is also part of the committee which selects the VRPs
- 5) RDD official is a joint signatory to the SAU account.
- 6) SAU does not send annual report to SEGC. SAU does not have a website.
- 7) A code of ethics has not been drafted.



10.8 Jharkhand

SAU Structure and Independence

A separate independent cell has been established under a Society called Jharkhand State Livelihoods Promotion Society (JSLPS). Registration of a separate Society is under process and will be completed after model code of conduct. SAU is using JSLPS account operated by CEO, COO and SPM (Finance) of JSLPS. SAU does not require approval of implementing authority to make payments to resource persons or to spend money on social audit. Officials of implementation agency are not involved in the functioning of SAU. Governing Body of SAU is headed by Pr. Secretary (RD) and has seven members. Representative of PAG is member of the Governing Body. There are two civil society representatives in the Governing Board. SAU gets its annual budget, annual calendar and annual report approved from the Governing Board. In the year 2018-19, a total of two meetings of Governing Board were held.

Transparency and Accountability of SAU

Annual report for one year has been sent to PAG so far. However, SAU does not send quarterly reports (as per MoRD specified format) to the PAG often. SAU has its own website (www.saujharkhand.org). Grievance Redressal Officer has been nominated by SAU. Grievance Redressal Committee has also been formed to decide on complaints.

State Support for Social Audit

An advisory on irregularities identified under MGNREGA has been issued by State government. Many departments have requested the SAU to facilitate audits of their schemes. State is keen on follow-up action and is supporting public hearings at many levels.

Collaboration with Other Organisations

There is very good synergy with PAG. Representative of PAG participates in steering committee meetings, State level public hearings and as resource person in trainings. Ombudsmen are jury members in block and district level hearings. CSOs are also collaborating as jury members, in ATR review meetings and also in trainings.

SAU Personnel

The SAU is headed by Director along with six State level functionaries, 24 district resource persons, 267 block resource persons and 1126 village resource persons. In total, 4423 women SHG members are also trained as village resource person by SAU. Director is a civil society person hired through open advertisement and is working on full-time basis and does not have any involvement in implementation of MGNREGA. Other posts in SAU are also filled through open advertisement. VRPs are selected through a field immersion and interview and they should be literate.

Account Statement

From MoRD, SAU received Rs. 8,11,74,000 in 2017-18 and Rs. 4,14,48,000 in 2018-19. SAU also receives funds from many departments for conducting social audit of their schemes. In 2019-20, they received Rs 1 crore from the State government for infrastructure and additional personnel.

Social Audit Process

Social audit process in one GP takes seven days including Gram Sabha and public hearing. Usually, a team consisting of seven members (one BRP and six VRPs) facilitate social audit of one GP but number may increase or decrease depending on number of works and labourers. VRPs do not conduct audit in their own GP. DRPs monitor 5-7 GPs in each round. Entire social audit team stays in GP office during social audit exercise. Block level officials of DPC appointed observers do not attend Gram Sabha but participate in GP level hearings as there are eight Gram Sabhas in a GP on an average. Traditional Pradhan presides over Gram Sabha in Fifth Schedule areas whereas a selected representative from participants of Gram Sabha who is not involved in implementation presides over the Gram Sabha meeting.

Social Audit Expenditure of One GP

Social Audit of one GP costs total Rs. 29650. Administration bears cost of logistic arrangements for GP level hearing such as public address system, banner, publicity, tent, chair, tables, etc.

Follow-up on Social Audit Findings

After completion of all GP level hearing, block level public hearing is organised in which actions taken on social audit findings in GP level hearings are reviewed. Similarly, after completion of all block level hearings, district level public hearing is organised in which social audit findings and action taken are reviewed by implementing authority. State level hearings is also organised which is presided by the Development Commissioner.

Quality Control

Some complaints against social audit teams such as asking for monetary/non-monetary benefits, manipulation of reports, influencing audit, obstructing audit, asking for bribes to give job in social audit unit, etc., have been received and appropriate corrective actions such as dropping from social audit round, show-cause notice and warnings, etc., have been taken. Test audits are conducted in 150 GPs. Special audits were conducted in 272 GPs in 2017-18 and in 169 GPs in 2018-19.

MGNREGS Social Audit Findings

In 2017-18, social audit was conducted once in a year in total 1741 GPs while in the year 2018-19 social audit was conducted once in a year in total 1983 GPs. In none of the GPs, social audit was conducted twice a year.

Social Audit of other Schemes

The SAU has facilitated social audit of many schemes.

Table 10-1: List of schemes that have been social audited in Jharkhand

S. No.	Name of the Scheme	Number of audits done in 2017-18	Number of audits done in 2018-19 & 2019-20
1	Mahatma Gandhi NREGS	1772 GPs	1874 & 530 GPs
2	14th Finance Commission Fund	1500 GPs	
3	Swacch Bharat Mission	200 GPs	1500 GPs
4	Watershed Projects	124 Projects	
5	JTDS 150 GPs	150 GPs	
6	JSSCDC	1200 Beneficiaries	
7	Direct Benefit Transfer (DBT)		1 Block
8	Cluster Facilitation Team (CFT)	76 Blocks	
9	Mid-Day Meal		10 Schools (Pilot)
10	Mid-Day Meal		1251 Schools
11	Samagra Shiksha Abhiyan		1252 Schools
12	PMAY-G (Rural)		39 GPs
13	PMAY-U (Urban)		1500 House Holds
14	Zero Drop Out in Schools		178 GPs
15	100% Literate Panchayats	72 Blocks	119 GPs (72 Blocks)
16	Community Base Services under National Health Mission		80 GPs in 5 Districts

Plan for 2019-20

SAU will cover 50 per cent GPs in 2019-20. Social audit of other schemes, namely MDM, PDS, ICDS, NSAP, SBM, Building and Construction Workers, Samagra Shiksha Abhiyan, PMAY-G will be conducted.

Support Required

Push from MoRD to State government for entry of ATR on MIS, training on ATR entry for department, push for separate Society, financial support for hiring State and district level staff, finalising advisory on ATR protocols, national level hearing.

Best Practices

1. Public Hearings from Panchayat level to State level with Jury System:

SAU, Jharkhand has successfully established the system of public hearings from Gram Panchayat to State level, wherein reports are read out, decisions are taken, action taken reports (ATRs) are reviewed and policy decisions are

formulated. The public hearings are facilitated by a jury comprising the nominee of District Programme Coordinator (DPC), self-help group (SHG) federation leader, Panchayati Raj Institution (PRI) member, Ombudsman and one MGNREGA worker. The State hearings are being conducted on different schemes on a regular basis where the concerned district officials, block officials also have to respond. State level hearing are being conducted under the chairmanship of Development Commissioner along with presence of Principal Secretary, RDD, Commissioner-NREGA, representative of Principal Auditor General, Labour Commissioner and representative of CSOs. This has made the decisions more democratic, transparent and accountable. SAU, Jharkhand is the first in the country to conduct State level hearings for schemes audited. The hearings from Panchayat to State level help to resolve 99 per cent grievances identified during social audit. It also creates accountability of implementation agency towards people and system at each level.

2. Advisory for Action: To enable smooth functioning and informed decision making by the jury, with the support of Planning Cell of MGNREGA division, SAU has prepared an advisory through a consultative workshop of all stakeholders. This is a reference document for jury members for each possible irregularity and with its suggested action. This is of use to officials while dealing with issues related to irregularities under MGNREGA and imposing penalty under Section 25 of MGNREG Act

3. Special Social Audits: Based on complaints from individuals, CSOs, people's representatives and media, special social audits are conducted with a special team. So far, 256 Gram Panchayats are audited apart from those already notified in the Social Audit Calendar. Under this process, MGNREGA expenditure of one entire block and two entire districts were social audited in FY 16-17.

4. Test Audits:

To ensure the quality of social audit process, test audits of five per cent of GPs have been conducted by the social audit unit. This process helps to improve the process of social and take corrective action if there is any collusion or compromises made by the team.

5. Disciplinary Committee:

A committee with CSO representatives has been formed to hear to all complaints against social audit unit personnel. The committee hears the complaints and takes corrective and disciplinary actions based on the evidences given. Till now, five meetings of the committee have been held and actions are taken as per guideline. This has helped to maintain the integrity of the team.

6. Involvement of Civil Society Members:

The active involvement of civil society members who have been associated with right based work and MGNREGA since long, are part of the State resource group for the SAU. They are voluntarily associated with social audits as guest lecturers, jury members, disciplinary committee members and as social audit monitors. Their presence enables the social audit teams to carry out their jobs effectively, particularly in difficult circumstances and in remote areas.

7. Cultural interventions:

Jharkhand has a rich cultural heritage and this has been made it process to win the trust, acceptance and even enthusiasm of citizens. Through cultural workshops, songs, skits and folk dances has been developed in eight regional languages. This intervention has helped in better community mobilisation and awareness generation of rights and entitlements.

8. Formation of Mazdoor Manch:

Apart from social audits, the teams initiate the formation of Village Monitoring Committees (VMCs) as mandated in MGNREGA in the Gram Sabhas. This is the most suitable platform to identify the active members for this committee. Till now, these committees have been constituted in 2000 villages and now being trained by SAU for regular monitoring and concurrent audits.

9. Synergy with Self Help Groups:

The SAU has also trained 4242 women members from SHGs as community cadres to conduct social audits. This has tapped into the potential of the already empowered women to further take forward the social audit process. The trained SHG women members are engaged in conducting social audits of schemes.

10. Synergy with C & AG:

SAU has initiated the synergy workshop with PAG office to share the experiences and enhancing the skills of the resource person on verification and report writings. The members of PAG office are part of steering committee and State level jury for public hearings.

11. ATR Review Committee:

To establish an independent mechanism to review the action taken report by the implementation agencies, the SAU has constituted the 'Action Taken Report Review Committee' which includes one PAG member, two persons from academic institutes, three representatives from media and three representatives of the civil society.



10.9 Karnataka

SAU Structure and Independence

SAU has been functioning under a Society created for the purpose of conduct of social audit. SAU has its own bank account operated jointly by the Director, SAU and Financial Advisor, Department of RDPR. For financial expenditure, Director SAU has to take approval of the Department of RDPR. There are total 16 members in the Governing Council headed by Principal Secretary (RDPR). The Governing Council approves annual budget, annual calendar and annual report of the SAU. In the year 2018-19, a total of four meetings of the Executive Council were held.

SAU Personnel

The full-time Director is a retired government officer selected through open advertisement. However, the tenure of the Director is fixed for two years by the State government as against the MoRD guidelines for three years. Director, SAU is not involved in implementation of MGNREGA. Other SAU personnel are also selected through open advertisement. VRPs are being selected locally who are having the background of MGNREGA works. Candidates with SSLC qualification are preferred. As per MoRD guidelines, SHG women are trained in social audit and their services are also being utilised. In 2018-19, 1760 VRPs, 164 BRPs, 27 DRPs and 3 SRPs facilitated social audit across the State.

Funds

In the year 2017-18, SAU received Rs. 8.16 crore from MoRD and Rs. 7.00 crore from State government. In the year 2018-19, it received Rs. 9.50 crore from MoRD.

Social Audit Process

Usually, it takes six days to facilitate social audit in one GP. In one GP, a total five VRPs belonging to other GPs facilitate social audit. The VRPs are guided by a BRP who is in charge of social audits in two GPs. Numbers of resource persons deputed for audit vary according to the amount of expenditure. These resource persons do not stay in the GP during the social audit process. Only, a few block level implementation officials attend the Gram Sabha at the Panchayat level. Nodal officer are deputed by the DPC to attend the Gram Sabha. Nodal officer presides over the social audit Gram Sabha. Taluk Resource Person writes the minutes of social audit Gram Sabha meeting.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 13,800. Some Gram panchayats are bearing the cost of public address system, shamiana, etc.

Follow up on Social Audit Findings

Block level public hearing does not happen in Karnataka. Social audit findings are discussed in the quarterly review meetings at the district level with Gram Panchayat Development Officers and other implementing officials. The audit findings are also discussed in the quarterly review meetings of Zilla Panchayat Chief Executive officers (DPC) presided by the Hon. Minister for RD&PR.

Quality Control

Test audits in the form of cross verification are conducted where the social audit findings are less and MGNREGA expenditure is high. Cross verification have been done in 115 GPs of the 14 districts. Special audits have been conducted in 76 GPs in 13 districts where the expenditure is high. Whenever there has been any complaint against social audit resource persons, enquiry has been conducted. So far, 34 SAU staff have been relieved from the job (three DRPs, 28 TRPs and three Assistant taluk coordinators).

Social Audit of Other Schemes

Other than MGNREGA, SAU has facilitated social audit of SBM (ODF), Rural Drinking Water Supply, Mid-day Meal Programme, PDS, 14th FC and fodder scheme in the State. During the year 2019-20 apart from MGNREGA, SAU is planning to conduct social audit of NSAP, NFSA 2013 (PDS) and Fourteenth Finance Commission Grant in all GPs.

Suggestions, Feedback, Support

The allocation for social audit should be directly transferred to the SAU account. Strict directions have to be given to implementing agency to submit ATR. Strict directions have to be given to other line departments to provide their documents for social audit and show their works for social audit. IEC activity should be the part of social audit. So, IEC wing should come under the social audit unit.

Areas of Concern

- 1) Director, SAU does not have independence in spending sanctioned budget.
- 2) Delay in receiving funds has affected the social audit – employees have not been paid for many months.
- 3) ATR is not being submitted by implementing agencies.
- 4) SAU does not have its own website.
- 5) Some GPs have not provided records to social audit teams.
- 6) SAU does not send quarterly report in MoRD specified format to PAG.
- 7) Implementation agencies are not responding to social audit findings in the NREGASoft MIS

Recommendations

- 1) Civil society representatives should be nominated to the Governing Council and the Governing Council should meet often.
- 2) The SAU needs to be independent of the implementation agency. For this, the EC committee should be reconstituted to not have any of the implementation officers (like Commissioner, MGNREGS) of the programmes that the SAU audits. The Financial Advisor of RDPR should not be the joint signatory of the SAU account. It can be some other person in the SAU.

- 3) State government should ensure that the line departments give cooperation for social audits – give records on time, attend the Gram Sabha and take appropriate action on the social audit findings. State government should transfer the money to the SAU within 15 days of receiving it from MoRD.
- 4) The State should hold block level public hearings as specified in the Act.
- 5) An independent website should be created.

Best Practices

Awareness Creation by Social Audit Team to Enable Disaster Affected People Get MGNREGA Benefits: During 2017-18, many areas of Karnataka faced severe drought condition forcing people to migrate to other parts of the State. Nandawadagi GP in Hunagunda taluk of Bagalakot district was also one of the GPs severely affected. During social audit exercise, VRPs came to know of villagers' plan to migrate. As the GP till then was among one of the lowest MGNREGA expenditure GPs, social audit team planned information education and communication (IEC) activities for generating demand under MGNREGA. VRPs did street plays about the MGNREGA, distributed pamphlets and organised sensitisation meetings for SHG groups. Soon after these IEC activities, farmers started showing more interest in taking up individual works under MGNREGA. In 2018-19, a total of 61 works had been implemented, including 42 individual works. Expenditure on wage component was Rs.1,00,91,101 and on material component was Rs 28,31,056.

Kodagu district witnessed a major disaster of landslide and floods in the month of August 2018. As many as 19 GPs of two taluks were severely affected. MGNREGA, which was a slow picker in the district due to various reasons, played a major role in disaster relief and rehabilitation. The social audit team did IEC activity and created awareness about the MNREGA resulting into demand articulation by flood-hit households in all the affected GPs. Works such as retaining walls, temporary silt removal, canals and housing were taken up. Santicoppa GP in Somwarpet Taluka took up the initiative of building community cattle shed for 50 cattle worth Rs.10 lakh.

Cross-verification to Monitor Effectiveness of Social Audit

Test social audits/cross-verification is an important mechanism to identify the lacunae in the functioning of social audit teams and review the quality of social audits. Special audits are audits conducted based on specific requests from implementation agency/others about irregularities in specific Gram Panchayats.

The quantum of social audit findings is very low in some GPs. In such cases, SRPs conduct test social audits on random basis. They form a small team of three to four members of resource persons (DRPs and TRPs) from neighbouring districts. The team evaluates the social audit report of the previous audit and conducts random checking. If there are serious discrepancies, then action is taken against the resource persons. Based on the test/special audits conducted so far, 37 staff have been dismissed and warning letters have been given to 46 BRPs and five DRPs.



10.10 Kerala

SAU Structure and Independence

SAU is functioning under a Society which has been created following a Government Order dated, 30.12.2015 and the society was registered on 31.1.2017. The unit was established under the auspices of Local Government Department of Kerala and is supported by it in carrying out the SAU activities. SAU has an independent bank account operated by Director. SAU does not require approval of implementing authority to make payments to resource persons or to spend money on social audit. The Secretary, Water Resources Department is the Chairperson of the Governing Board of the Society. There are 11 members in the Governing Board including PAG. Governing Board approves annual budget and annual calendar. Governing Board met twice during 2018-19. There is an Executive Committee for SAU and it met twice during 2018-19.

SAU Personnel

The position of SAU Director is full-time. The position was filled following an open advertisement and selected by a panel headed by Chief Secretary. Director, SAU is not involved in implementation of MGNREGA. Other SAU personnel are also selected through open advertisement. The recruitment process carried out was top-heavy with many of the personnel at the district, block and village level yet to be recruited. Against a sanctioned strength of 206 personnel, only 71 are selected with 99 BRPs and 34 DRPs yet to be selected. Selection of VRPs also is not completed. Candidates with educational qualification of Plus Two and below 30 years of age are to be selected. Due to this, SAU does not have adequate numbers to carry out social audit.

An advertisement was issued for empanelling VRPs. The minimum qualification was Plus Two, but among the 67,000 applications that were received, there were many graduates and post-graduates. SAU plans to select three VRPs per GP (based on their merit while giving sufficient reservation for women, SC/ST community and those from MGNREGS households).

Funds

SAU received Rs.4.18 crore in 2017-18 from MoRD but did not receive any money in 2018-19 since the expenditure in 2017-18 was less.

Social Audit Process

Usually, it takes seven days per ward in a GP (18-20 Wards in each GP) with six days for social audit and report writing and one day for Gram Sabha in one GP. In one ward, six VRPs belonging to other GPs facilitate social audit. Number of resource persons deputed for audit varies according to the amount of expenditure. The resource persons stay in the GP during the social audit process. Working hours are from 9 AM to 6 PM every day. Resource persons do door-to-door verification. At the moment, they are covering only 80 per cent households but would like to 100 per cent in future. But they do 100 per cent worksite verification. A nodal officer is deputed by the DPC to attend the Gram Sabha. One of the workers presides over the social audit Gram Sabha. Block Resource Person writes the minutes of social audit Gram Sabha meeting.

MGNREGS Social Audits and Findings

SAU has started facilitating social audits at the ward level in 2019-20. The Gram Sabha happens at the ward level because the size of Panchayats in Kerala is huge. It has facilitated audits in 224 wards in 152 GPs as on 15 Sep 2019.

Suggestions, Feedback, Support

From MoRD, they would like to have support for web application developed for social audit; support for training of VRPs; from NIRDPR they would like to receive training on NSAP, NFSA, etc., and facilitation of exchange visits with other States for their BRPs/VRPs. SAU wants to involve the VMCs in the social audit process in future.

Positive Aspects

- 1) Systematic selection process for empanelment of VRPs
- 2) SAU has its own website (socialaudit.kerala.gov.in) which has GB minutes and staff details.
- 3) Development of mobile app for file verification.

Areas of Concern

- 1) Many BRPs and DRPs are yet to be hired and empanelment of VRPs is also slow.
- 2) SAU has facilitated very few audits.
- 3) Political representatives have been appointed in the Governing Body
- 4) SAU is yet to send reports (as per MoRD specified format) to the PAG
- 5) SAU has not prepared an annual report
- 6) Social auditing of PMAY & NSAP has been given to KILA. Multiple agencies facilitating audit of different schemes is not a good idea. All audits should happen in a coordinated manner.
- 7) Code of Ethics/Conduct has not been prepared

Recommendations

- 1) SAU should complete the hiring process soon and start facilitating audits in scale
- 2) The facilitation of social audits of NSAP, PMAY and other State-wide programmes should be given to the social audit unit and not to other organisations.
- 3) The Secretary of RD Department should be made a member of the Governing Body
- 4) The political representatives in the Governing Body should be replaced with either civil society members or professionals from training/education institutions.
- 5) SAU should upload the SA findings in NREGASoft
- 6) NREGASoft allows only for data entry at Panchayat level. If SAU is going to facilitate social audit at the ward level, then NREGASoft should be modified to accommodate this. They should write to MoRD on this.

Best Practices – Mobile App

Kerala has 14 districts, 152 blocks, 941 Gram Panchayats and 15962 GP wards. Since SA of all works taken up under MGNREGS has to be conducted twice in a year, approximately 31924 SA Gram Sabha will have to be facilitated and day-to-day works of 2989 RPs have to be monitored. For this purpose, SAU has developed a **SUTHARYA**, a mobile-based app for

- i. File verification
- ii. Field verification

- iii. Door-to-door verification
- iv. Creations of Draft Audit report for presenting in the Gram Sabha.
- v. A tool for the monitoring of the implementation of NREGA (case records)

Each file (case records) will be verified for all the 22 documents at the initial level. Further, the details found in the file will be noted in the app and will be taken to the field for verification. During the field verification and later door-to-door verification, the quality and quantity of the work, the payment to the workers and all such requirements for the preparation of social audit report will be collected through this app.

As soon as a resource person uploads the data from the field, the same will be captured in a dashboard on the website of the Kerala SAU. Later, the various implementing agencies at Gram Panchayat, Block Panchayat, District Panchayat and State level also will be encouraged to use the specific audit information available in the public domain. This process will ensure the quality implementation of the MGNREGA in ground level.

Geo-Tracking:

A simple open source software is used to track the field level activities of the Village Resource Persons (VRP/VSA) during her/his work. This app will geo-track the field work and field verification activities. This is done with the purpose of creating evidence during field measurement process. The .gpx file that is created as part of this process will be uploaded along with the social audit report.





10.11 Madhya Pradesh

SAU Structure and Independence

A society has been created in 2013 to conduct social audit and it is created for this sole purpose. The unit was established by Rural Development Department of MP. SAU has an independent bank account and it is operated by Director and Accounts officer of SAU. At the State level, society does not require any permission. Governing body does not have a specific chairperson. There are 19 members in the Governing Board including PAG. There are five CSO representatives. Governing Board approved annual calendar, budget and SAU has submitted its annual report to Governing Body for approval. Governing Board met once during 2018-19. There is an Executive Committee for SAU and the Governing Body of executive committee was constituted following a notification.

Transparency and Accountability of SAU

SAU is sending quarterly reports (as per MoRD specified format) to the PAG. It also sends annual report to PAG and SEGC. SEGC prepares annual report for submission in State Legislature and it includes findings of social audit. SAU does not have a website, but exclusive space allocated in the website of DoRD, MP where social audit reports are being uploaded.

Collaboration with Other Organisations

Despite the absence of an MoU or contract, prominent civil society organisations in MP like Samarthan, DEBATE, Vikas Samvad and Pradan are giving their services in supervising social audit process in GPs, designing of training module and identification of VRPs.

SAU Personnel

SAU has a Director, which is a full-time position, and it is filled by a government officer on deputation. There was an open advertisement for the position of Director but due to non-

availability of competent people, department has deputed Additional Director from within as Director of SAU. Other SAU personnel are selected through open advertisement. VRPs are identified from women SHG members, and grassroots level functionaries from CSOs. Minimum qualification has not been notified for VRPs.

Funds

The SAU received Rs 8.8 crore from MoRD 2017-18 while in 2018-19 it received Rs 22.2 crore. SAU has also received money from the State government (Rs.99 lakh in 2017-18 and Rs.27 lakh in 2018-19). SAU also received Rs.1.96 crore from NIRDPR towards SHG VRP training in 2017-18 and spent the total amount. The accounts of 2017-18 were audited by an independent chartered accountant.

Social Audit Process

The time taken for social audit process in a GP is seven days including Gram Sabha. Three VRPs are allocated for facilitation of social audit in a GP and it is the same irrespective of size/population. VRPs will not be from the same GP and no other resource person is being used to facilitate social audit. VRPs stay in the village during door-to-door verification and work timings are not specified as they have to work based on availability of workers and beneficiaries. Generally, it is 6-7 hours per day. 100 per cent door-to-door verification is being done in all Panchayats in each social audit. Wall writings, information during door-to-door visit by VRPs and announcement through conventional method are the processes followed for raising awareness and mobilise people for Gram Sabha. DPC deputes a nodal officer for each Gram Sabha as independent observer. It is presided by any person from the Gram Sabha who does not belong to the Panchayat or implementing agency. Minutes are written by a person deployed by DPC and does not belong to any implementing agency. Social audit report is available within the GP for people and BRPs upload the findings in the MGNREGA website at district level. Social audit did not face any threats/obstacles during social audit process.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 13,630. All costs are borne by the SAU.

Follow-up on Social Audit Findings

At State level, social audit issues are reviewed in different review meetings. There is no Vigilance set-up at the State level to look into the detected irregularities. Block level public hearing takes place when there are serious issues and the public hearing will be presided over by a panel of three members chaired by CEO, ZP. It is mandatory to include social audit report in agenda of general body meeting both at district and block level. Social audit findings are widely discussed in governing body and EC meetings of SAU which are held at least once a year. These findings are also discussed in MGNREGA council's executive council and general body meetings. There is no instruction regarding utilisation of recovered money and the DPC submits periodic report of action taken and recoveries made. DPC submits a report to SAU as and when recovery is done.

Special Audits

Three special audits were done so far –

- 1) Kurral block, Seoni district 2014-15 covering 63 GPs
- 2) Silwani block, Raisen district in 2017-18 covering 67 GPs
- 3) Panagar block, Jabalpur district in 2018-19 covering 22 GPs

Social Audit of Other Schemes

In the Antyodaya Gram Panchayats, Social Audit of SBM, 14th Finance Commission Grants, SRLM and PMAY-G have been conducted in 2461 GPs. NFSA was audited in 22 GPs in 2018-19.

Suggestions, Feedback, Support Required

- 1) SAU is planning to conduct social audit in all 22,808 GPs at least once during 2019-20. Once a year in all the GPs and twice if MGNREGS expenditure exceeds Rs. 20 lakh in the previous year.
- 2) Regarding support from MoRD, SAU wants clear instructions regarding recruitment/engagement of BRPs and their 30-day certification course; inclusion of other necessary post like accounts, MIS, technical, etc., as core staff of SAU; hands-on sessions on social audit MIS; guidelines to engage CSOs in social audit process and guidelines to utilise recovered amount.
- 3) Some of the changes to be made in the inadmissible list are payment towards provident fund, payment to CSOs/NGOs and repair/construction/refurbishment of SAU office.
- 4) SAU wants the support of State government in taking prompt action on findings of social audit; an exclusive grievance redressal mechanism should be developed to address the complaints received during social audit process and participation of implementing agency in social audit process at each level.
- 5) From NIRDPR, they want permission for training all BRPs in 30-day certificate course; intensive training for State level staff and exposure visit to best States in the implementation of social audit.
- 6) To make SAU more independent, should come under the authority of CAG.
- 7) Innovative practices followed are: utilising services of barefoot technicians as VRPs; deployment of an exclusive person who does not belong to implementing agency to record minutes of Gram Sabha; inclusion of social audit report in the agenda of general body meeting at both block and district level; constitution of Gram Sampariksha Samiti at GP level by Gram Sabha to conduct social audit process through stakeholder participation.
- 8) Availability of records for conduct of social audit is satisfactory but should be better as the delay in receiving documents is often hindering the social audit process.
- 9) MIS 'Basic Information' section has many irrelevant data which may be removed.

Areas of Concern

- 1) The newly appointed BRPs were working as MGNREGS cashiers (in charge of implementation before). The DRPs were also working for the implementation agency as social auditors. Recruitment of these personnel who do not have any experience working on transparency/accountability/rights of the poor is against the MGNREG Audit of Scheme Rules and will seriously affect the quality of the audits.
- 2) The DRPs are continuing to get the same amount that they were getting which is 50 per cent higher than what the SRPs are getting.
- 3) Frequent change of directors.
- 4) Current Director is from the department and is holding this position as an additional charge. The government was not able to find a person because they wanted to hire only serving officers. The position should be open to people from civil society also.
- 5) GB is not as per standards.
- 6) CEO, ZP is authorised to make payments under social audit process and approves the attendance and salary of DRPs which is contrary to the Audit of Scheme Rules which say that the implementation agency should not interfere in the conduct of social audit.
- 7) Quality of audits is poor based on the number of issues identified during social audit
- 8) Follow-up action by the State government is poor.
- 9) There is no grievance redressal official and Code of Ethics also has not been drafted.





10.12 Maharashtra

SAU Structure and Independence

The SAU was first created as a Directorate under the EGS department. On January 17, 2018 a Society has been registered to make the SAU more independent. However, the Directorate has not been dissolved neither the staff of the Directorate been transferred to the Society. The SAU is still functioning under the Directorate.

The bank account of the Directorate has the Joint Director as the mandatory signatory; the Society bank account mandates that the signature of the Deputy Secretary, EGS is the compulsory signature. This undermines the autonomy of the SAU.

All files require the administrative and financial approval of Secretary, EGS. Even after formation of Society and GB, files will move as per the earlier process since no power has been devolved to the Director.

Social audit expense per GP is approved for the year. Once approved, the payments are disbursed with Director's sanction. The SAU has no staff of its own at the Division or District level; the expenditure for social audit- both on honorarium and contingency- is disbursed to the DPC where SA is scheduled; the honorarium of Village/Cluster/Block Resource Persons is paid by the Block Office (the PO/BDO) on endorsement of the District Resource Persons; the DRP are empanelled by the SAU and are paid directly by the SAU. Except for salaries of SAU staff and the honorarium to empanelled SRP/DRP, all other payments are disbursed by the Block Office; the SAU gets a CA-certified UC of the amount spent.

The Governing Body of the Directorate is headed by Pr. Secretary (RDD) and has 17 members,

including the Director, and the Governing Body of the Society has eight members including the Director. Three CSO representatives are in the GB of Society and Six in GB of Directorate. GB approves the annual budget, annual report and the annual calendar of the SAU. The GB of the Directorate was formed in September 2017 and it met in October 2017. The Society was formed in January 2018. The GB of the Society met twice in FY 2018-19; in June 2018 and January 2019.

SAU Personnel

The Director is full-time staff on contract and is a civil society person selected through open advertisement. There is a very slow movement on recruitments of key personnel resulting in dependence on engaging retired government officials for administrative as well as social audit functions. Open advertisement has been issued only for SRP/DRP and MIS Analyst, Accountant & Jt. Director. All other positions including those of two State Coordinators have been filled by nomination and recommendation of the EGS and other departments.

Village Resource Persons are selected through an ad-hoc selection committee at the block level; this committee comprises the PO, the BDO/ABDO, a representative of a local NGO known to the SAU or suggested by the local administration and the SRP/DRP.

In 2018-19, total 6003 VRPs, 23 BRPs, 115 CRPs, 27 DRPs and three SRPs facilitated the social audit. Out of them, DRPs and SRPs are empanelled with a package while others are hired on daily basis. Four State staff, one SRP and seven DRPs are women.

Funds

In the year 2017-18, SAU received Rs. 5.21 crore from MoRD and Rs. 2 crore from the State government. In the year 2018-19, it received Rs. 4.55 crore from MoRD. However, this amount was only 0.2 per cent of the MGNREGS expenditure in 2017-18. Also, this tranche was received only at the end of the year vide order dated 14th March 2019 and the amount came to the SAU bank account only in the following FY on 4th April 2019. (So, in effect, no tranche was received in 2018-19).

Social Audit Process

Usually, social audit takes seven days in one GP with five days of record, household and physical verification, one day for preparing report and one day for Gram Sabha. Three VRPs per Gram Panchayat are generally deployed; both of these vary as per number and spread of habitations, physical terrain, and number of job card holders.

Social audit in 20 GPs of a block is facilitated simultaneously. Along with the 60 VRPs, there are five Cluster Resource Persons with each CRP scrutinising documents of four GPs; one BRP attends to the logistics, the movement of VRP, the coordination with local officials, follow-up on documents, etc. This entire team of 66 resource persons is overseen by a DRP who could be handling two such teams at a time in the district. The SRP is expected to monitor at least two DRPs and their teams at a time and ensure coordination with the district officials for smooth functioning of SA.

It is mandatory for the VRP to stay in the GP during the SA process; they either stay in the GP office/local government school/samajmandir/quarters of the local ZP teacher, etc. The APO/

Technical Officer/Extension Officers are directed by the Nodal Officer (appointed for the SA process by the DPC) to attend the Gram Sabha. However, there is no Independent Observer appointed by the DPC for the Gram Sabha.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 22,500. The administration bears the cost of downloading formats to be filled by the SA Team and the photocopying of documents. The Jan Sunwai is mostly held in the hall of the Panchayat Samiti at the block as the cost of shamiana is likely to exceed the fund allocated. All other costs are borne by the SAU.

Follow-up on Social Audit Findings

A block level public hearing or Jan Sunwai for SA findings is held at the end of every round of SA in a given block; so once 20/40/60 GPs are audited as per the calendar and the Gram Sabhas are held, there is a block level public hearing for issues that are not resolved at the Gram Sabha level. The Ombudsmen are the Chairperson for the Panel of the Jan Sunwai as per the GR delineating the SA process. CSO members are also invited to be on the Jan Sunwai panel.

The Commissioner, MGNREGA conducts review meetings every month with the District Collectors regarding various aspects of implementation of the scheme. SA findings and ATR submission have now been included in these review meetings.

MGNREGS Social Audits and Findings

Missing saplings, payment to persons who did not work, fake bills, missing work are some of the issues that have been recorded in the MIS. However, for many of the financial irregularities, the amount of misappropriation has not been entered. Application for payment of skilled work/material cost in individual work was a common grievance.

PMAY and NSAP

Social audits of both PMAY and NSAP were taken up in a pilot basis. The pilot audits were conducted in 37 Gram Panchayats in 2019-20.

2019-20 Plan

Out of total 28,619 GPs in the State, social audit of 5,146 GPs (18 per cent) is planned for the year 2019-20.

Areas of Concern

- Even though a society has been registered, the SAU still functions as a Directorate. The Society is not functional.
- The Social Audit Director does not have any powers to take operational decisions
- The Society has been so constituted that the Commissioner MGNREGA, the DS, EGS and the US, EGS are all members of the Executive Committee under the chairmanship of the Secretary, EGS.
- Society does not have the freedom to hire required staff. The number of staff in the SAU

and the nature of employment is a serious bottleneck that limits the functioning of the SAU. It is difficult to attract good people when there is no security of employment. SRPs and DRPs are empanelled and paid a fixed package based on number of days of an audit round whereas the other resource persons (VRPs, BRPs and CRPs) are engaged on a daily honorarium basis.

- At the State level, there are very few people and even they have not all been hired through open processes. There is an overwhelming dependence on engaging retired government officials for administrative as well as process related positions.
- Though the percentage of GPs that were audited has improved in 2018-19, it is still quite low (7 per cent). The number of findings is also very low.
- The cost of social audit facilitation per GP is high relative to the MGNREGS expenditure
- Since social audit is facilitated by a new set of VRPs every time and since they do not have a block resource person to guide them, the quality of social audits is poor. There is a restriction that people from one taluk cannot facilitate social audit in another taluk which forces the SAU to get new VRPs without any experience every time.
- BDOs are part of the committee that selects the VRPs and they also make payments to the resource persons; thus the social audit team is dependent on the implementing agency for its functioning.
- During the social audit, the functionaries do not give the records on time. Follow-up action on the social audit findings is not taken.
- The EGS department officials are not responding to the social audit findings in the NREGASoft MIS.

Recommendation:

- 1) The department should close the directorate, cede control of the society and allow it to function in an independent manner.
- 2) The Executive Committee of the society needs to be reconstituted. Usually, in most societies the EC is a subset of the members of the Governing body. However, in Maharashtra, the EC consists of members who are not in the Governing Body and it is mostly filled with EGS officials (Commissioner, Deputy Secretary, Under Secretary) leading to serious conflict of interest and reducing the independence of the SAU.
- 3) The Director should have full financial independence and powers to run the society and execute the decisions of the Governing Body. SAU related files should not go through any of the EGS officials.
- 4) The SAU should hire adequate staff on a yearly contract through open and transparent process.
- 5) The capacity of the resource persons and the quality of social audits needs to be improved.



10.13 Manipur

SAU Structure and Independence

A society for facilitating social audit was registered in January 2014, but the SAU started functioning only in late 2017. Rural Development Department of Manipur government established the SAU and supports it. SAU has an independent bank account and it is operated by Member Secretary, Governing Body and Director, Manipur Social Audit Agency. An order had been issued on 22.8.2016 regarding the composition of GB and the periodicity of its meetings. There are 16 members in the Governing Body including PAG. There are two representatives from the civil society. Annual budget and calendar are not approved yet.

State Support for Social Audit

Rules (Manipur Gazette No.211 dated 12.9.2018) were framed by the State government for fixing accountability when records are not provided in a fixed time frame and the same Gazette details actions to be taken on different types of social audit findings. There is a lack of awareness on social audit among the elected members.

SAU Personnel

The Director of the SAU is an officer from the government, who is holding the additional charge. Director is not involved in any way with the implementation of MGNREGA. Other SAU personnel are selected through open advertisement by a committee headed by ACS, Government of Manipur. VRPs are the women bookkeepers from Manipur State Rural Livelihoods Mission (MSRLM) under NRLM. There is one SRP and nine DRPs.

Funds

From MoRD, they received Rs. 74.31 lakh and spent Rs.9.07 lakh in 2017-18 and spent Rs.35.95 lakh in 2018-19.

Social Audit Process

It takes 5-8 days depending upon the distance from district headquarters, accessibility and difficulty of terrain and size of GP and 2-3 VRPs along with the support of one DRP will facilitate the social audit in GP. The resource persons stay in the GP during the social audit process if the GPs are located in a remote area without proper transportation services. Wall paintings are used for creating awareness. Block level implementation officials attend social audit Gram Sabha at the Panchayat level. A neutral, literate person from the GP who is not involved in implementation will preside over the Gram Sabha. Minutes of the meeting are written by DRPs/GP Secretary. Social audit report is available in GP office for people.

Challenges

Hilly areas constitute ninety per cent of the total area in the State of Manipur (161 GPs in the valley and 2989 villages in the hills); villages are small, many places do not have public transportation and houses are far apart.

Common problems being faced are: some members of PIA at district/block/GP level do not cooperate and they lack commitment; transportation to interior GPs which are not motorable

and hence it may take 1-2 days to reach the site; job card holders usually have low level of awareness about rights and entitlement especially in hilly areas and their participation is low.

Plan for 2019-20

For 2019-20, social audit of 412 GPs is the target. Along with MGNREGA, they want to do FFC and PMAYG

Suggestions, Feedback, Support

From MoRD, they want MIS training for SAU staff on an urgent basis. They also want refresher training on technical aspects and to support inter-State exposure visits.

From State government, they want support for additional staff- BRPs and VRPs- to be recruited. Orientation programmes for PIA on the importance of social audit will make social audits more effective.

Positive Aspects

- 1) SAU has started facilitating social audits nearly five years after registering the society. They did only 18 pilot audits in 2018-19 but have done about 150 in 2019-210
- 2) There are 10 FTEs who have completed the 30-day certificate course.

Areas of Concern

- 1) The SAU does not have a full-time Director.
- 2) The GB is headed by the Minister, a political personality.
- 3) The BRPs who underwent training work full-time in the implementation department and hence should not be facilitating audits.
- 4) The SAU has empanelled 33 VRPs from among SRLM bookkeepers. SRLM is active only in four blocks and the currently empanelled VRPs come from these areas. Twenty-two of them are unwilling to facilitate audit and hence there are only 11 now.
- 5) The SAU does not have a website, has not uploaded any of the reports on the NREGA website.
- 6) The SAU is dependent on senior officials for approval of the report.
- 7) GB did not meet even once during 2018-19.
- 8) SAU is not sending quarterly reports to PAG.
- 9) It is not preparing annual report.
- 10) The ACS, RD&PR is one of the joint signatory of the bank account.
- 11) SAU has not drafted a 'Code of Conduct' for its employees.
- 12) The percentage of villages they can cover is quite less.

Recommendations

- 1) Reconstitute the GB as per auditing standards (chairperson should not be a political person, it should not be the secretary of the implementation department)



- 2) Recruit a full-time director; one SRP and as many BRPs as are required.
- 3) The identification of VRPs should not be restricted to SRLM groups. The DRP/BRP should have the freedom to identify youth in the villages who can be trained and then employed as VRPs.
- 4) The SAU needs to think about how to do audit in a cost-effective manner so that as many villages as can be covered as possible.

10.14 Meghalaya

SAU Structure and Independence

The Meghalaya Society for Social Audit and Transparency was formed on 14th November, 2014 and registered on 25th February, 2015. The unit was established by Programme Implementation and Evaluation Department. SAU has an independent bank account and it is operated by Director and Treasurer of SAU. Director has full financial power within the budget approved by the governing body. Chief Secretary to Government of Meghalaya is the chairperson of governing body. There are 14 members in the Governing Board including PAG. There are two representatives from civil society. Governing Board approves annual budget and authorises SAU Director to prepare the annual calendar for social audit. SAU has submitted its annual report to Governing Body for in 2015-16 and 2016-17. Governing Board met twice during 2018-19. There is no Executive Committee for SAU and there is a notification on composition of governing body and periodicity of meetings.

SAU Personnel

MSSAT has a full-time Director, who is a retired government officer. He is not involved in implementation of MGNREGA. There was an open advertisement for the position of Director and he was selected by a committee headed by Chief Secretary of the State. Director is a member of the State Employment Guarantee Council. Other SAU personnel are selected through open advertisement. VRPs were selected through a process and minimum qualification is Class X. All the sanctioned positions till VRP level are filled and total staff, who were paid monthly salaries, were 330 including VRPs. 45 per cent of the staff at State and district level are women. They have adequate staff to facilitate social audit and are not facing any HR issues.

Funds

Received Rs.3.14 crore from MoRD in 2017-18 and Rs.3.11 crore in 2019-20. SAU received Rs.18.6 lakh from State government in 2017-18 and Rs.34.56 lakh in 2018-19.

Social Audit Process

The time taken for social audit process in a GP is three to five days depending on the size of the village. Two VRPs are allocated for facilitation of social audit in a GP and they will not be from the same GP. Along with VRPs, BRPs, DRPs and SRPs too take part in the facilitation during social audit process. The number of resource persons deputed for audit and the

number of days for social audit depend on the amount of expenditure/size of GP and number of hamlets. Resource person stay in the GP. Normal office timings are seven hours per day but depending on the size, distance and transport service, working hours vary from 7-15 hours per day and might include night stay in the villages. Implementing agency is doing wall paintings. Gram sevak or the technical assistant attends the Gram Sabha. The DPC is deputing independent observer to attend Gram Sabha in two districts (West Jaintia and South West Khasi Hills). Gram Sabha at the village level and public hearing at the block level is presided by a person who is not from the implementing agency. Minutes are written by representative of the district administration and DRP. Social audit report is available within the GP for people and DRPs upload the findings in the MGNREGA website at district level. Some of the problems being faced are: non-participation of people in few areas, non-attendance of VEC functionaries for public hearing and delay in receiving documents from Block.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 7500. The implementing agency bears the cost of wall paintings, shamiana and public address system, etc.

Follow-up on Social Audit Findings

Block level public hearing takes place and social audit finding get discussed in district level meetings also. Social audit findings are forwarded to State government but MSSAT has no idea whether they are discussed at any State level meeting. There is no instruction regarding utilisation of recovered money. Periodic report of action taken by DPC is mentioned in the annual report of SAU.

MGNREGS Social Audits and Findings

In 2017-18 & 2018-19, the SAU facilitated audit twice a year in all GPs. The total issues filed in both the years were 21,140; a significant fraction of these were grievances. The total misappropriation reported was Rs.27.42 lakh but only Rs 1.88 lakh has been recovered.

Social Audit of Other Schemes

MSSAT facilitated audit of IAY schemes in 2017-18 and PMAY-G in 2018-19.

Suggestions, Feedback, Support Required

In 2019-20, MSSAT is planning to do social audits for MGNREGA, PMAYG, NSAP, NHM, MDM and BADP. Social audit frequency will be twice a year (MGNREGA and NSAP); once a year (PMAYG, NHM, MDM and BADP). Regarding support from MoRD, SAU wants funding support, social audit MIS and Monitoring and inspection of SAU. SAU wants the support of State government – in early release of fund sanctioned by MoRD preferably within 15 days failing which interest amount to be deposited. From NIRDPR, they want 30-day training for 36 BRPs and four DRPs and inspection of social audit being done by MSSAT to improve the quality of social audit.

They also want certain changes to be made in GNREGAs soft MIS – in calendar entry page currently with the district/block-wise calendar date entry, all GPs will not have the same dates; there should be an option to select multiple GPs to enter details – this will allow

selection of multiple GPs with similar dates at one go.

MSSAT mentioned that resource persons and director should be provided with refresher training and there is a requirement for exchange visits between SAUs regarding on-field training.

Positive Aspects

- 1) SAU is sending annual report to the PAG and SEGC.
- 2) SAU has a website (<http://mssat.nic.in>), and social audit reports are being uploaded. GB Minutes, EC meeting minutes and staff details (except audited financial statement) are uploaded in the website.
- 3) Audit of PMAY-G happens along with MGRNEGS
- 4) In April 2017, Meghalaya became the first State in the country to pass a social audit legislation, the Meghalaya Community Participation and Public Services Social Audit Act. This Act mandated social audits across 21 schemes and 11 departments.
- 5) State gives 10 per cent for social audit of MGNREGS

Areas of Concern

- 1) There is no grievance redressal official in the SAU and Code of Ethics also not drafted though VRPs are instructed to meet the travel and food expenses from their own and not accept bribe or money from the village/community.
- 2) Annual reports 2017-18 and 2018-19 are not available yet because it has not been laid in the legislature.
- 3) The resource persons require training on PMAY-G
- 4) Poor grievance redressal: even though many grievances have been filed, there is no information about how many of these have been reviewed.
- 5) At State level, there is no review of social audit findings.
- 6) There is no Vigilance set-up at the State level to look into the detected irregularities. The amount recovered is very less.

Recommendations

Follow-up action is very important. The State government should create a Vigilance cell to follow up on the social audit findings. State government should focus on grievance redressal.



10.15 Mizoram

SAU Structure and Independence

Mizoram Society for Social Audit, Accountability and Transparency (MISSAT) has been registered in the year 2012. It has its own independent bank account operated jointly by the Director and Accounts Manager of SAU. The SAU does not need approval of implementing authorities in spending funds. Social audit resource persons are not supervised by any implementing agency official. There are total seven members, one Member Secretary, one Convener and six Special Invitees in the Government Board and Chairperson is selected on rotation basis from among members. There are four civil society representatives in the Governing Board. The Governing Board approves annual budget, annual calendar and annual report of the SAU. In the year 2018-19, Governing Board has not met.

SAU Personnel

The Director of SAU is a government officer on deputation selected through an open advertisement and is not involved in implementation of MGNREGA. Other staff of SAU were also selected through open advertisement. The SAU core staff comprises one State Resource Person, one Social Audit Expert at State level who take care of the entire State and only five District Resource Persons who take care of the entire eight districts. Due to non-availability of Village Resource Persons (VRPs) in Mizoram, Bharat Nirman Volunteers (BNV) are deployed in the village. In total, 120 BNVs and 40 BRPs were used for the conduct of social audit in the year 2018-19.

Funds

In the year 2017-18 SAU received Rs. 74,32,000 from MoRD and in 2018-19, it received Rs. 48,48,000 from MoRD.

Social Audit Process

Usually, it takes three days to facilitate social audit in one GP. Two Bharat Nirman Volunteers (BNV) are deployed per village to facilitate the social audit. Two Block Resource Persons are given charge of social audit of multiple Panchayats. While BRPs are outsiders, BNVs are from same village. Resource persons stay at whatever accommodation they can be provided on condition that the owner/care-taker of the accommodation has no connection with the Local Self Government/Village Council or a member of the Programme Implementing body. Due to severe inadequacy of funds, the resource persons are given only three days to audit one village during which 3 to 5 worksites are visited based on random selection basis. Block level implementation officials attend the Gram Sabha. DPC deputed an independent observer to attend the Gram Sabha. A chairman is selected amongst the beneficiaries (excluding members of the Village Council or VEC) based on voting system to preside over the Gram Sabha meeting.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 15,447. Administration/GP do not bear any of the cost for the conduct of social audit.

Follow-up on Social Audit Findings

Entry and Exit conference at the Block level is usually presided over by the Director, Social Audit Unit. No discussion on social audit findings happens at the district level. At the State level, discussion on social audit happens during the meetings of SEGC.

Social Audit of Other Schemes

Other than MGNREGA, SAU has facilitated social audit of Pradhan Mantri Krishi Sinchayee Yojana, Pradhan Mantri Awas Yojana – Gramin and Shyama Prasad Mukherji Rurban Mission. Pilot social audit of National Social Assistance Programme is also planned.

Suggestions, Feedback, Support

Frequency of social audit may be once a year. Support is required from MoRD in the form of revision of funds for SAU Mizoram or special package to overcome inadequacy of funds and revision of remuneration of core staff.

Areas of Concern

- 1) SAU does not send quarterly or annual report to PAG.
- 2) SAU does not have its own website.
- 3) SA resource persons facilitating social audit are from the same GP which is against the specified norms in MGNREG Audit of Scheme Rules.
- 4) Social audit is conducted in only 30 to 40 per cent of villages and verification of only 3 to 5 worksites are done.
- 5) There is no system of public hearing at any level and follow up on social audit findings seems to be compromised.

Recommendations

State government may provide additional grant to SAU so that adequate staff and resource persons can be engaged during social audit exercise. Block and district level public hearings and State level review of findings of social audit and action taken reports should be institutionalised. BNVs from one Panchayat may be asked to facilitate social audit in a neighbouring Panchayat instead of doing it in their own Panchayat.





10.16 Nagaland

SAU Structure and Independence

The SAU was created in March 2013 and there is a plan to create an independent society for audit unit in the near future. Bank account is being operated by Director and Member Secretary. SAU does not require approval of implementing authority to make payments. The chairperson of the Governing Body was selected as per the guidelines of MoRD. There are 13 members in the Governing Body of the Society including PAG and five members from the civil society. GB approves the annual budget and calendar of SAU. GB did not meet in 2018-19. There is no executive committee for the SAU. Account General (Audit) is a member of GB and representatives from the AG (Audit) are deputed as independent observer during district level public hearings.

Transparency

SAU has independent website (www.saunagaland.com). Social audit reports, minutes of GB meetings, audited financial statement and staff details are available on the website. A Code of Ethics has been made for the SAU.

SAU Personnel

The Director is a full-time civil society person selected through open advertisement. Director was selected by a committee comprising the Chief Secretary, Nagaland. Other SAU personnel were selected through open advertisement by a committee headed by Director. VRPs are identified and trained by the DRPs. Minimum qualification required for VRPs is pass in Class VIII.

In 2018-19, total 33 VRPs, 22 BRPs, 24 DRPs and two SRPs were used for social audit. Out of these BRPs, DRPs and SRPs are empanelled with a package while VRPs are hired on daily basis. Two State staff, one SRP, 14 DRPs and eight BRPs are women. The SAU does not have adequate staff to facilitate social audit. They need more BRPs for 100 per cent conduct of social audit. But due to inadequate fund release, appointment of BRPs is being held back. Many resource persons, especially at VRP level, are leaving due to low wage rates.

Funds

In the year 2017-18 SAU received Rs 132.59 lakh from MoRD and it received Rs 113.15 lakh in 2018-19.

Social Audit Process

Usually social audit takes 3-7 days in one GP and 3-4 VRPs per GP are generally deployed; both of these vary as per number and spread of habitations, physical terrain, and number of job-card holders. Resource persons stay in the GP during social audit. Working hours are from 9 AM-4 PM and door-to-door verification is carried out approximately in 95 per cent households while 100 per cent worksite verification is carried out.

Prior to conduct of social audit, one-day awareness training on MGNREGA is being conducted in all GPs. One-day orientation programme at the district level for village functionaries and during door-to-door campaign, awareness generation regarding beneficiaries' rights and entitlements and mobilisation of people is being carried out. DPC is deputing an independent observer to attend the Gram Sabha. A non-political person, someone who is respected by all and is decided mutually to be chosen by the Gram Sabha, presides over it. A non-political educated person is chosen to write the minutes of Gram Sabha. Social audit report is available within the GP for people and DRPs upload the social audit findings in the NREGASoft.

Public hearing does not take place at block but happens at district level and it is chaired by the DPC. At the State level, social audit findings are reviewed by Commissioner/Secretary, Rural Development. A Code of Conduct is issued to the resource persons to ensure that there is no corruption in the social audit process.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs.47,000. The administration does not bear any cost for social audit.

Challenges

Challenges being faced include delay in sanction for the conduct of social audit; attrition of temporary employees due to low wages; not being able to carry out social audit due to geographical factors like monsoon and sowing/reaping season is affecting the coverage of projected GPs.

Lack of transportation facility and poor mode of transport/communication; high transportation cost; poor road connectivity; not feasible to conduct social audit during monsoon and sowing/reaping season.

Suggestions / Feedback / Support Required

Enhancing human resources and timely release of funds would help the SAU. Social audit frequency is only once due to time constraint and lack of man power to cover all GPs twice a year.

Due to the high cost in mode of transport especially in remote districts, purchase of vehicle may be permitted subject to availability of funds and approval. Support from State government is required in redressal of issues in a time-bound manner; documents to be furnished to the auditors promptly; MS update/upload in a time-bound manner. Require master trainer training for SRPs in the schemes of NSAP and MGNREGA.

Periodical refresher course is required at State and inter-State level to consult and exchange ideas in order to be effective and broaden the scope for the conduct of social audit in MGNREGA and NSAP. HRM and ToT on MGNREGA and NSAP training are required for Director and State unit. Exchange visits and on-field training to Mizoram and Meghalaya is requested by SAU to share and learn the process of social audits for effective conduct of social audit in the State.

MIS

- 1) Timely assistance is to be provided from MIS cell (MoRD). Many a time social audit findings are kept pending for uploading in MIS
- 2) There are constant error occurrences and the MIS page disappears without saving the uploaded data resulting lot of wastage in time.
- 3) Updates made in MIS are not being communicated due to which errors were committed in data entry. Hence, need training on MIS updates.
- 4) Since reshuffling of the DRPs is made periodically, the edit/update option under MIS registration for the resource persons is required.

Areas of concern

- 1) An independent society is yet to be formed
- 2) The percentage of GPs audited is very small (only 7 per cent)
- 3) SAU is not sending quarterly/annual reports to PAG, and also not sending it to SEGC.
- 4) The cost for facilitation of social audit per GP is high relative to the MGNREGS expenditure



10.17 Odisha

SAU Structure and Independence

A Society named OSSAAT has been created to conduct social audits in the State. SAU has an independent bank account operated by Director and Accounts Officer of OSSAAT. The Director, SAU has been given a financial power up to Rs.1 lakh. For expenditures above Rs.1 lakh, it needs the approval of principal Secretary, PR & DW Department cum the Chair Person of Executive Committee of OSSAAT. Chief Secretary is the Chairperson of the Governing Body of OSSAAT. PAG and two civil society representatives are members of the Governing Body. SAU gets its annual budget, annual calendar and annual report approved from the Governing Board. Two meetings of the Governing Board were held in the FY 2018-19.

SAU Personnel

Director of the SAU was selected through open advertisement by selection committee headed by Development Commissioner cum ACS and does not have any involvement in implementation of MGNREGA. Other staff of SAU were also selected through open advertisement. A block level committee under the chairmanship of Block Development Officer was formed for selection of VRPs as community cadre from among the women SHGs. The minimum qualification of VRP was fixed as pass in Class 8.

Account Statement

In 2017-18, SAU received Rs. 5.32 crore from MoRD and in 2018-19, it received Rs 5.97 crore.

Social Audit Process

OSSAAT follow seven days' social audit process including the Gram Sabha. Three VRPs, not belonging to the GP, facilitate social audit in each GP. A BRP supports them but he/she is doing this for multiple Panchayats at the same time. Number of resource persons facilitating social audit in a GP does not vary. The resource persons do not stay in GP. In few places, block level officials do not attend social audit Gram Sabha. An eminent person selected by the people in the Gram Sabha presides over the Gram Sabha meeting. Educated MGNREGS beneficiary participating in the Gram Sabha writes the minutes but in approximately 10 per cent of Gram Sabha, GP officials are helping to write minutes. Social Audit of one GP costs total Rs. 22,345. Administration also bears some cost of it.

Follow-up on Social Audit Findings

The Block level Public hearing is chaired by the representatives of the DPC not below the rank of ADM. In the district level review meeting chaired by DPC, social audit findings are discussed. At the State level reviews, social audit findings and actions are discussed with DPCs and block level officials.

Suggestions / Feedback / Support Required

Following support from MoRD is required: prompt and timely response to the request letters of SAU; support in ensuring the implementation of the clauses for social audit in the AMC & Auditing standard by the State; provision for support staff for SAU; review of the progress of social audit along with the review of the implanting agencies; suggestive cost norm

on salary and other aspects of the SAU needs to be revisited. Changes to MIS should be communicated well. MIS issues raised by SAU should be quickly attended to. A relaxation in the inadmissible item list is needed. Additional funds for social audit should be provided as 0.5 per cent is not sufficient.

Support from State government: Ministerial staff for SAU. Provision of timely records and prompt action on the findings.

Suggestions: Audit once a year is good. Implementation agencies are involved in many activities and will find it difficult to support two social audits. VRPs can also include BNVs, unemployed youth and not be only from women SHGs.

Good Practices

- 1) The Governing Body meets once a year and the executive committee meets more often.
- 2) SAU facilitates social audit of 100 per cent of all GPs in the state in a year. SAU is entering data within 15 days of the social audit Gram Sabha.
- 3) Staff of the SAU have been hired through an open and transparent process.
- 4) SAU publishes an annual report every year collating the main findings.
- 5) SAU sends quarterly report to the PAG.
- 6) SAU is one of the first to take up social audit of NSAP in scale (314 GPs in 2018-19) on receiving letter from MoRD.
- 7) SAU collaborated with NGOs to facilitate social audit of NFSA.
- 8) Action has been taken on 168 employees in response to social audit findings
- 9) Proposals have been submitted to do audit of Rural Housing Scheme and Drinking Water Scheme

Areas of Concern

- 1) The BRPs are not FTEs but are on an empanelled list.
- 2) BRPs not paid directly but the BDO pays NGOs which then pays the BRP.
- 3) Representation of women and persons from SC/ST is poor.
- 4) SAU do not have a website to host the actual social audit reports in local language.
- 5) Conflict of Interest
 - a. Many implementation officers who are not part of the Governing Body are part of the Executive Committee.
 - b. SAU Director and SRPs have been given instructions to monitor implementation of MGNREGS. The resource persons are also assigned some of the tasks of the implementation agency at the field level.
 - c. The DRPs report to PD, DRDA who also certifies his/her attendance every month.
 - d. The BRPs are placed under the supervision of BDOs.

- e. BDO is the chairperson of the committee that selects VRPs.
- 6) Dependence on the BDO for getting printouts, system, etc.
- 7) SA Process – The VRPs do not stay in the villages, the BRP is in charge of multiple panchayats at the same time. Audit is done by VRPs without much experience. The total issues identified through social audit is less.
- 8) Capacity of resource persons needs improvement.
- 9) Tracking of the action taken on the findings is poor (SAU does not have details of the action taken on the issues it files)
- 10) Quality Control Mechanisms (test audits, evaluations) are not in place.
- 11) State Support
 - a. Implementation agencies do not submit records on time.
 - b. Non-cooperation from line department officials in giving records, in attending Gram Sabhas. Some GPs also do not give records on time
 - c. Independent observer on behalf of the DPC is not deputed to the Gram Sabha only in 30 per cent of the districts.
 - d. Findings are disputed and appropriate action is not taken on the findings. Only one per cent of issues have been closed and only one per cent of misappropriation amount recovered

Recommendations

- 1) All the arrangements with conflict of interest detailed above needs to be removed. The implementation officials (Commissioner in the EC, PD supervising DRP, BDO selecting VRPs, BDO paying BRPs) are involved in the social audit process in every step. This has to be stopped. The DRPs should report directly to the SAU. BRPs need to be hired as FTEs. SAU needs to do conduct capacity building programmes for all resource persons.
- 2) Social Audit Process needs to be strengthened (A BRP should be in charge of only one GP at a time. The BRP and VRPs should stay in the GP, good VRPs should be identified and provided opportunities for at least 12 audits in a year so that they become good at facilitating audit. The number of resource persons deployed and the days for facilitation should vary depending on the expenditure, number of hamlets, etc.).
- 3) The State level team needs to be strengthened by including IT person, CB person, programme heads, support staff, etc. This will greatly help in improving the quality of social audits. A website needs to be built and all reports hosted there.

Best Practices

- 1) Effective Mechanism of Record Keeping: OSSAT has created a robust record keeping mechanism. Hard copy of social audit findings is submitted to PO, DPC and SAU for further action. One copy is maintained with SAU at block and district level for future

reference. The findings are also recorded in Gram Sabha proceeding register and read out in the next social audit Gram Sabha along with the action taken report. The proceeding of the social audit Gram Sabha is written by an independent person other than the Panchayat Executive Officer/GRS/Sarpanch. The evidences collected by VRPs are kept ready with the issues and findings by the BRP at block level. The data collection formats and MIS formats are also kept with the BRP. After Completion of all social audit process, the District Social Auditor submits a consolidated report to DPC/SAU of their assigned district. The SAU also submits a quarterly report to C&AG. All the findings are uploaded in NREGASoft within 15 days from completion of social audit Gram Sabha.

- 2) Inclusion of People with Disabilities (PWDs) in MGNREGA: The social audit teams, with the involvement of CBOs, worked for inclusion of People with Disabilities (PWDs) in MGNREGA. With active involvement of local CBOs engaged in social audit works with OSSAAT & District Social Audit Unit, VRPs identified PWDs during FGD & Community meetings, wherein focus was on submitting applications for work demand during social audit Gram Sabha & household verification process. Starting with Saintala, Titilagarh, Bongomunda, focus of social audit unit was more on migrant pockets. Special efforts were made to include PWD women in distribution of drinking water supply and plantation works. With a continuous effort of the social audit teams, number of PWDs included in MGNREGA works witnessed a regular increase. In 2016-17, it was 241, in 2017-18 it was 379, and approximately 500 applications were submitted in 2018-19 by PWDs in Titilagarh, Bongomunda, Turekela, Saintala and Muribahal blocks.





10.18 Punjab

SAU Structure and Independence

Punjab SAU was created following the creation of PSSSAAT on 21.10.2016. SAU has an independent bank account and it is operated by Director and DDEP. Additional Chief Secretary, Development is the chairperson of the governing body. There are nine members in the Governing Body (GB) including PAG and five of them are representatives from civil society. GB approves annual budget and annual calendar. SAU has submits its annual report to GB every year. It met once during 2018-19. There is an Executive Committee for SAU, which also met once during 2018-19 and there is a notification on composition of governing body and periodicity of meetings.

SAU Personnel

Punjab SAU has a full-time Director, who is a retired government officer. There was an open advertisement for the position of Director and he was selected by a committee headed by Chief Secretary of the State. Other SAU personnel are selected through open advertisement by a five-member committee headed by chief secretary or his nominee. VRPs are selected from Nehru Yuva Kendras, SHGs, educational institutions and civil society and the minimum educational qualification is Plus Two. Of the seven sanctioned posts, three are filled and three DRPs selection process is ongoing. 235 VRPs and 25 BRPs are on daily wages. Nehru Yuva Kendra and SHG groups provided women for being trained as VRPs and have been assigned the work of social audit at GP level.

Funds

SAU has received Rs.1.32 crore from MoRD and Rs.1.12 crore in 2018-19.

Number of audits done

SAU has facilitated audits in 3700 GPs in 2017-18 and 4800 in 2018-19.

Social Audit Process

The time taken for social audit process in a GP is three to five days including Gram Sabha. Two VRPs are allocated for facilitation of social audit in a GP and they will not be from the same GP. One BRP will be coordinating the block during social audit process. Information during door-to-door visit, announcement through public system and procession in GP along with MGNREGA workers are the processes followed for raising awareness and mobilise people for Gram Sabha.

Block level officials attend the Gram Sabha sometimes. The DPC is deputing independent observer to attend Gram Sabha. A neutral person from the Gram Sabha with consensus of those present will preside over it. Minutes are written by Gram Rozgar Sevak. Social audit report is available within the GP for people and BRPs upload the findings on the MGNREGA website.

Un-updated records/passbook is a problem detected during SA. Also, the MB is not being signed by authorised official and in most cases ICICI Bank is not providing passbooks to MGNREGA workers. Most significant problem is lack of awareness among GP members regarding funding process of completed projects. Payment of material pertaining to last year is not being shown in the format of 2-B in the current year. In some GPs, SAU faced threats while conducting social audit.

Social Audit Expenditure

Details pertaining to expenditure were not given except mentioning that VRPs are paid Rs.500 per day and BRPs Rs.600 per day including everything. Banner and sitting arrangements during GP meeting are made by district administration.

Follow up on Social Audit Findings

Findings are shared with Commissioner, MGNREGA at the State level. There is no Vigilance set-up at the State level but Commissioner, MGNREGS sets up a committee of experts to conduct enquiry of major findings. Social audit findings as of now are not being discussed at block/district levels but the 2017-18 level sent to State government.

Quality Control

A Model Code of Conduct to be signed by the resource persons and they are also warned not to accept any kind of hospitality and gift at any level. Removal of VRPs against whom complaints were received from the empanelled list has proved to be a deterrent. Social Audit Experts (SAEs) carry out test audits in each district to verify quality of social audit. Two special audits under SAEs were conducted in 2017-18 and once in 2018-19.

Suggestions, Feedback, Support Required

In 2019-20, SAU is planning to do social audit once in 7000 GPs. According to the SAU social audit shall be done only once as it will also be more effective and convenient for district administration. It would also provide sufficient time for uploading ATRs.

Regarding support from MoRD, SAU wants a review of honorarium to staff as it was fixed long ago and in many States, including Punjab where staff are working at minimum wages without increment or incentive. Clear-cut guidelines for the deduction of PF for the social audit staff should be there. Support staff for accounts, MIS must be included along with core staff at the state level. MoRD must also take it up with the implementing agency on the issue of time bound ATRs, otherwise the objective of social audit will not be achieved. Lastly, when any committee is appointed to enquire the serious findings of social audit, they should not include any member from the implementing agencies. Purchase of AC and refrigerator for the State office to be removed from inadmissible list.

SAU wants the support of State government in early release of fund sanctioned by MoRD preferably within 15 days failing which at least within 30 days, ensuring safety and security of SAU staff and time-bound action on social audit findings and sanctioning support staff for accounts, data entry, etc.

From NIRDPR, they want at least one national level meet every year to share experiences and having interaction on vital issues and provide study material on social audit prepared by NIRDPR.

Areas of Concern

- 1) SAU does not have a website and documents pertaining to SAU are not publicly available.
- 2) Social Audit has identified more than Rs.15 crore of misappropriation but only Rs.3.75 lakh have been recovered.
- 3) Only 20 per cent of the issues have been closed.

Best Practices in Punjab SAU

- Social Audit is being conducted strictly as per Audit Schemes Rules 2011.
- The Village/Block Resource persons have been adhering to the strict instructions of not Accepting hospitality at any level.
- SAU has maintained individual record for each VRP/BRP of the days they have worked
- Though rules permit that any literate above 18 years of age can be engaged for social audit but keeping in view the nature of the job we have preferred graduates having computer knowledge with rural background giving due representation to the women and SC candidates while selecting the VRPs and BRPs

- Before starting social audit in the district, a meeting is arranged with the district administration to ensure active cooperation of the field (MGNREGA) staff with the audit teams
- SAU has collaborated with educational institutions. They have provided not only out-going graduate & post graduate students for empanelment of VRPs but also provided AC hall and infrastructure free of cost for conducting training workshops.
- The SAU conducted five workshops at Anandpur Sahib, Doraha, Jalandhur, Ludhiana and Gurdaspur with the collaboration of college staff without spending any amount from the government funds and trained about 170 potential VRPs. The only expenditure was on the printing of booklet on social audit prepared by SAU in local language.
- The SAU, to know the ground realities, conducted a pilot social audit in 10 GPs selecting one GP from each district. A special audit of 10 other GPs by spending around Rs. 50 lakh was conducted by SAE. The Department has written to the concerned about the irregularities pointed out by the team.





10.19 Sikkim

SAU Structure and Independence

Voluntary Health Association of Sikkim, a registered NGO, has been identified by State government to function as SAU. For this purpose, a Memorandum of Understanding (MoU) has been signed between VHA Sikkim and Rural Management & Development Department, Government of Sikkim. SAU has an independent bank account operated jointly by the President of VHAS, the Director of SAU and the Treasurer of VHAS. The SAU does not require approval of implementing agency for spending fund for social audit. Implementing agency officials do not supervise social audit resource persons. There are a total of 13 members in the Governing Board headed by the Secretary RM&DD. PAG and three civil society representatives are member of the Governing Board. SAU gets its annual budget, annual calendar and annual report approved from the Governing Board. In the year 2018-19, one meeting of the Governing Board has been held.

SAU Personnel

Director of SAU is a civil society person and working full time. Director has been in place since the establishment of Social Audit Unit Sikkim. Director is also a member of the State Employment Guarantee Council. All other existing staffs of SAU are in place since the establishment of SAU-Sikkim. In Sikkim, the District Resource Persons (DRPs) conduct social audit at Gram Panchayats level and State does not have BRPs and VRPs.

Funds

In the year 2017-18 SAU received Rs. 64,98,000 from MoRD and Rs. 47,72,000 from State government. In the year 2018-19, it received Rs. 19,16,000 from MoRD and Rs. 40,00,000 from State government.

Social Audit Process

In Sikkim, DRPs are responsible for facilitating Social Audit at GP level. Sikkim State has developed and followed two models of Social Audit process for MGNREGA, which are called Intensive Model and Paired Model. In the Intensive model, all step-wise process/activities would be held for the particular GP by the District Resource Persons (DRPs) concerned. The DRPs would complete one Gram Panchayat at a time. In Paired Model of Social Audit, the process will remain same as intensive model and doesn't reduce the scope of the audit, however, complete the social audit in two Gram Panchayats at a time. It takes six days to complete social audit of one GP. Two DRPs are responsible for facilitating Social Audit in a Gram Panchayat. There are no VRPs and BRPs. Block level implementation officials attend the Gram Sabha at the GP level. DPC does not depute an independent observer to attend the Gram Sabha. Zilla Panchayat member presides over the Gram Sabha/Jan Sunwai as they are not involved in implementation of the MGNREGA in Sikkim. Government has issued notification regarding presiding of SA Jan Sunwai by Zilla Panchayat

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 20,650. Administration or GP do not bear any cost.

Follow up on Social Audit Findings

Public hearing is conducted at GP level & exit conference is held at district level at the end of social audit process. Block level hearing does not happen. Detail social audit finding get discussed in Exit Conference in the presence of DPC or his/her representative. SAU has been conducting meeting with State Department to discuss the findings of social audit at State level.

Quality Control

A system of regular monitoring of all resource persons from SAU and DRI level along with regular field visit and feedback from public are in place to ensure corruption free social audit process. SAU has been planning to conduct test audit from financial year 2019-20.

Suggestions, Feedback, Support

Frequency of social audit may be once a year. SAU expects support from MoRD in terms of release of grant-in-aid to the social audit unit in the beginning of the financial year; review meeting at least once in a year at national level; inter-State exchange programme for social audit unit staff. SAU suggests timely submission of Action Taken Report (ATR) to make social audit more effective.

Positive Aspects

- 1) SAU has published a simple and easy to understand cartoon 'Social Audit Handbook' which other SAUs may consider using.
- 2) The social audit resource persons along with implementation officials have published many academic papers on their experience with social audit and how it has helped to reduce corruption

- 3) State is supporting the SAU by giving additional funds
- 4) SAU sends quarterly report in MoRD specified format and also annual report to PAG.

Areas of Concern

- 1) The website SAU www.mgnregasikkim.org is down
- 2) Even though the SAU was established long time ago and the State government is satisfied with the importance of SAU's work, no additional schemes have been taken up.

Best Practices

IEC Campaign for Gram Sabha Mobilisation and Capacity Building: DRPs conduct IEC campaign by pasting posters and by making announcements through public address system during their field visit days to inform public about the venue and date of social audit Gram Sabha / Jan Sunwai and to ensure maximum participation of public. Social audit process also served as means of capacity building of elected representatives and officials of GP. During the course of social audit, it was verbally mentioned by the GP Members that they were unaware about their responsibilities in MGNREGS social audit and that workers and villagers were also unaware about the importance of their participation in MGNREGS Jan Sunwai/ social audit Gram Sabha. To overcome such situation, a detailed discussion with Project Director (MGNREGA Cell) was held and it was decided to publish various IEC materials to build capacity and generate awareness among Gram Panchayats, Workers and Citizens. These IEC materials were provided to Gram Panchayat offices and displayed at various conspicuous places in GPs. The IEC materials were also used as training materials during trainings on MGNREGA.

30% Quorum for Social Audit Jan Sunwai/Gram Sabha: During the conduct of Social Audit since 2013, it was observed that in some GPs participation of public and job card holders in social audit Gram Sabha/ Jan Sunwai was very less. To overcome this challenge, State government has come up with a notification (Notification No.13/RMDD/MGNREGA, dated: 10/03/2014) that minimum 30 per cent active job card holders must be present in order to conduct social audit Gram Sabha/Jan Sunwai. After this notification, GP officials and DRPs are making all efforts to ensure fulfilment of quorum resulting in enhanced public participation.



10.20 Tamil Nadu

SAU Structure and Independence

SAU has been created to conduct social audit and it is functioning under a Society which has been created for this purpose. The unit was established by Rural Development and Panchayat Raj Department of Tamil Nadu. SAU has an independent bank account and it does not require approval of implementing authority to make payments to resource persons or to spend money on social audit. Additional Chief Secretary, Rural Development and Panchayat Raj Department of the Government acts as Chairperson of the Governing Board of the Society. There are 23 members in the Governing Board including PAG. Governing Board approved annual calendar, and SAU has submitted its annual report to Governing Body. Governing Board met once during 2018-19. There is an Executive Committee for SAU and the governing body of executive committee was constituted following a notification.

SAU Personnel

The SAU does not have a director now. The SAU has two Joint Director positions and one Assistant Director position in the SAU. Officers from the Rural Development and Panchayati Raj department are deputed to work in the SAU. Other SAU personnel are selected through open advertisement. SHG members who have worked under MGNREGS for at least 25 days and cleared 8th standard are being selected as VRPs. The SAU has 584 fixed tenure employees most of whom are block resource persons.

Funds

The SAU received Rs. 26.78 crore in 2017-18 and Rs 30.27 crore in 2018-19 from MoRD. Accounts of 2017-18 were audited by an independent chartered accountant and accounts of SAU were audited by CAG office during March 2019.

Social Audit Process

The time taken for social audit process in a GP is five days including Gram Sabha. Depending on the area/expenditure/population of a GP, the number of required VRPs is decided. VRPs will not be from the same GP. An awareness meeting is being conducted on the first day of social audit in the Village Panchayat. Also, coordination meeting and habitation meeting is being conducted on the first day of the social audit in the Panchayat. People are informed during these meetings regarding the importance of participating in the special Gram Sabha. Block level officials and an independent observer is deputed by DPC attend the Gram Sabha. It is presided by an elderly person of the village panchayat. Minutes are written by an educated person from the GP. Social audit report is available within the GP for people and BRPs upload the findings in the MGNREGA website.

Common problems faced during social audit process are: some of the job card holders are not available during the door-to-door verification because of which 100 per cent verification is not possible. Social audit did not face any threats/obstacles during social audit process.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 22,950. All costs are borne by the SAU.

Follow up on Social Audit Findings

High level committee headed by the District Collector meets on a periodic manner and the social audit findings are settled. There is no Vigilance set-up at the State level to look into the detected irregularities. Block level public hearing doesn't take place. There is no instruction regarding utilisation of recovered money and the DPC submits periodic report of action taken and recoveries made.

Suggestions, Feedback, Support

Due to Parliamentary elections, social audit could not be carried out in April and May of 2019. Since June, social audit is being carried out. The frequency of social audit is once a year in all Panchayats. Regarding support from MoRD, SAU wants detailed guidelines for social audit of each scheme; uniform staff pattern and salary payment and regional State level interactions with other social audit units may be organised. They want State support in getting records, finalisation of ATR during the public hearing itself and an official from DRDA to be nominated as nodal officer to look after social audit activities. One challenge being faced by SAU is the delay in redressal of individual grievances which will reduce the trust of the people in the long run.

A separate social audit wing should be formed at the Government of India level for independent monitoring. A separate team of resource persons may be formed for effective social audit of each scheme. Edit option maybe provided on MGNREGA website in social audit.

Yearly refresher training should be provided for all the resource persons and inter-State field visit for SAU resource persons should be organised.

Positive Aspects

- 1) Good staff strength at field level
- 2) SAU covers 100 per cent of GPs
- 3) The SAU has recorded the maximum issues with implementation in the MIS

Areas of Concern

- 1) SAU does not have a website
- 2) SAU has had four directors in the last three years and is functioning without a director for nearly a year.
- 3) GB is chaired by secretary, has the commissioner of rural development, additional director of MGRNEGS and other implementation officers as members; there are no civil society representatives.
- 4) The SAU has three officers of the implementation department working in the SAU
- 5) Does not have sufficient staff at state level

- 6) Transparency is poor
- 7) Test audits are not conducted.
- 8) Block level public hearings mandated by the act are not conducted
- 9) The implementation agency has not taken action on the people responsible for huge misappropriations.
- 10) The percentage of money recovered is low when compared to the financial misappropriation amount reported.
- 11) The implementation agency is not marking the action taken in the MIS
- 12) The grievances registered are not redressed.
- 13) Social audit of housing scheme has not been started even though the government issued a GO.
- 14) There has been no external assessment of the SAU.

Recommendations

- 1) A full-time Director should be appointed
- 2) The GB should be reconstituted as per the auditing standards
- 3) A website should be created and all documents including GB meeting minutes, EC meeting minutes, audited financial statements, social audit reports should be uploaded.
- 4) Implementation agency should respond to the social audit findings in the MIS
- 5) Implementation agency should take action on the persons responsible for financial misappropriation and recover the full amount.



Tamilnadu-Salem District Collector Participated Gramsabha Meeting

10.21 Telangana

SAU Structure and Independence

Society for Social Audit Accountability and Transparency (SSAAT) has been created as an independent Society. After bifurcation of the State of Andhra Pradesh, the existing society has been retained for the state of Telangana. SAU has an independent bank account. The Director and Accounts Officer are jointly operating the Accounts. Sri V. M. Manohar Prasad, IAS (Retd.) is the chairperson of the governing body. There are total 13 members including PAG and five civil society members. SAU gets its annual budget, annual calendar and annual report approved by the governing body. Governing body has met once in the year 2018-19. SAU sends its reports (as per MoRD specified format) to the PAG on a quarterly basis. SAU has its own website (<http://www.socialaudit.telangana.gov.in>) and all reports and information are posted on it. SSAAT has formed a committee with some of the GB members to work out the modalities of identification, appointment of Grievance Redressal Officer and his/her functioning.

SAU Personnel

The Director is full-time civil society person on contract and is selected by a Selection Committee. All other staff of SAU are appointed through open advertisement in SSAAT website and Devenet Jobs India website. VRPs are being selected from wage-seekers' families at the village level who have job cards and work in the MGNREGS. They must have capacity to read and write. There are 24 staff at the State level, four Social Audit Experts, six SRPs, 41 DRPs and 295 BRPs. Due to strenuous work and requirement of remaining away from family, attrition rate among resource persons is around 30 per cent every year.

Funds

In the year 2017-18, SAU received Rs. 16,26,28,524 from MoRD and spent Rs. 13,05,15,451. In the year 2018-19, the SAU received Rs. 12,77,14,000 and spent Rs. 12,06,45,982. SAU has not received any additional financial support from State government for MGNREGA social audit. However, SAU has received grants from various other departments for conduct of their respective schemes.

Social Audit Process

It takes minimum four days and maximum six days for conduct of social audit in one GP. Two to four Village Resource Persons guided by a Block Resource Person facilitate the social audit process in the Gram Panchayat allotted to them. The duration and number of VRPs depends on the Gram Panchayat expenditure/works/habitations and number of wage seekers. After completion of one Gram Panchayat, the BRP and VRPs will move to another Gram Panchayat. A group of 10 BRPs and one DRP and approximately 21 VRPs facilitate the audit in all Panchayats in a block. The resource persons stay in the Gram Panchayat building only. If the Gram Panchayat building is not available, the resource persons stay in other Government buildings, viz. schools/community buildings, etc. Block level implementation officials attend the Gram Sabha at the Panchayat level. In some instances, MPDOs and APOs attend Gram Sabha in their respective blocks. DPC deputed an independent observer who

presides over the Gram Sabha. Panchayat Secretary / Karobar write the meeting minutes of the Gram Sabha.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 12,128. The social audit expenditure in SAU Telangana is calculated per mandal. The values given per GP is an approximation arrived at based on the total mandal expenditure and divided by the number of Gram Panchayats. Administration/Gram Panchayat does not bear any of the cost for the conduct of social audit.

Follow up on Social Audit Findings

Vigilance wing with District Vigilance Officers headed by Chief Vigilance officer is established in the state to take follow-up action on the social audit paras. Public hearing is held after completion of the audit in the GP. The block level public hearing is held at block office for all the GPs which is presided over by the DRDO/Addl. DRDO/Asst. PD. The social audit findings get discussed at the block level public hearing where decisions are taken. Subsequently, no meeting or discussion is being held with the social audit team regarding these findings at the district level. Social audit findings get discussed at State level review meeting held by Panchayat Secretary with the social audit teams. The money recovered after a social audit is categorised as recovery and fines. The recovery amount due to the labour should be paid back to the wage-seeker within seven days. No clear directions are there on the rest of the recoveries, except that it should be remitted back into the EGS account.

Quality Control

Steps such as test audits, constant monitoring, widespread awareness regarding the contact number of the SAU and Director where any complaint regarding the social audit process and any deviation can be registered, immediate response to any complaint or call received for any complainant about the social audit process, reviews on the performance of the social audit personnel, and cross-verification on a random sample basis of the social audit reports have been taken to ensure that there is no corruption in the social audit process. There were no complaints regarding corruption during the years 2017-18 and 2018-19.

No internal assessment has been done but the Director and Deputy Director assess the performance of staff on a regular basis. No external assessment has been done but lot of agencies did research on SSAAT and process of conduction of social audits by SSAAT. Annual inspection of accounts on the O/o Director, SSAAT was conducted for the period 2015-19 during Jan-Feb 2019 by PAG and statutory audit has been conducted by chartered accountant up to the financial year 2017-18.

List of other schemes that are being social audited by SAU

Scheme	Audits 2017-18	Audits 2018-19
Social Audit of AWCs in Telangana	1794 AWCs	570 AWCs
Social audit of selected AWCs in Wanaparthy	178 AWCs	
SA on schemes sanctioned to SC beneficiaries	2391 units	
ODF verification in ODF declared villages	84081 HHs	
ODF verification in ODF declared villages I-IV; V-VII	1008028 HHs	474638 HHs
ODF verification in ODF declared villages-VII		279579 target
SA of MDM in 10 districts of Telangana	60 schools	
Growth monitoring of data validation process in selected AWCs		557 AWCs
Verification of beneficiaries under milch animals scheme in Mahabubnagar district		3019 beneficiaries
Sustainability verification (2 nd level) in ODF declared villages of Siddipet district		179812 target HHs
Sustainability verification (2 nd level) in ODF declared villages of Telangana State		1405965 HHs covering 21 districts of Telangana
Social Audit of ICPS	2 Pilot audits	

Suggestions, Feedback, Support Required from SAU

In 2019-20 SAU plans to complete one round of social audits in all the GPs. Plans to strengthen the Gram Sabha/public hearing process and build a robust grievance redressal system.

Only one round of social audits is possible in all the Panchayats of a State. The 0.5 per cent release is insufficient to conduct two rounds of social audit of the MGNREGS across the State (especially lower spending States) The Social Audit process that is taken up in Telangana is so comprehensive that it takes 15-20 days to complete the audit of a Mandal (Block) consisting of 20-25 GPs with a team of 10 BRPs, one DRP and 25-30 VRPs. If social audits of other RD schemes are introduced, then the number of resource persons required for doing two rounds of social audit of MGNREGS plus the audit of other schemes will have to double. Audit fatigue also needs to be guarded against in the long run when all schemes begin to get audited.

From MoRD, SAU wants timely release of funds, flexibility with the MIS to incorporate the requirements of the State as well as addressing the bugs identified in a timely manner, and a separate fund for capacity building (especially the 30-day training for all resource persons)

From the inadmissible list, repairs has to be removed since the SAU has no other source of funds to make repairs), purchase of ACs (again since the SAU has no other source of funds this is also problematic), and internship / research studies by other individuals and organisations

From the State government, they want timely release of funds, stringent follow-up mechanism so that the social audit process doesn't become redundant, and greater interaction processes

which promote sharing of information and findings of the social audit so that changes can be made at the policy and implementation level.

From NIRDPR, they would like to have an external assessment of SAU, and support for 30-day capacity building for RPs and thematic trainings for SAU staff (on HR/Accounting procedures/ethics/code of conduct, etc.).

Challenges being faced by SAU include high level of attrition of resource persons and lack of continuity of social audit of other schemes and funding.

Areas of Concern

The State government is not responding to the social audit findings in the NREGASoft MIS

Best Practices from Telangana SAU

1. The Society for Social Audit, Accountability and Transparency (SSAAT), was the **first Social Audit Unit to be set up in the country, with a legal mandate through Rules passed by the State Assembly to facilitate social audits, functional independence to operate without interference from the Department of Rural Development and with a dedicated budget of 0.5 per cent of the previous year's expenditure by the State on the MGNREGS.**
2. A **protocol for social audits** was developed in the very first two years of the establishment of the society and **one full round** of social audits in **every Gram Panchayat** of the State has been facilitated since the year 2010.
3. The SAU was the first to **build a dedicated cadre of social audit facilitators** from **Village Social Auditors** (now called VRPs), **BRPs, DRPs, State Team Monitors, Programme Managers** to ensure **seamless facilitation** of social audits at the field level and ensuring that the **quality of the audits are monitored** on a continuous basis. The **entire cadre** has been **drawn from the MGNREGS labourers' families**, the first generation literate youth who are identified as VSAs. Only VSAs who have completed the facilitation of three social audits are allowed to appear for the written exam that has to be cleared to qualify as a BRP followed by an interview. Similarly BRPs can apply for the DRPs position based on their work experience. They also have to clear a written exam and interview to qualify as a DRP. The entire process of recruitment is tamper proof and gives equal opportunity to all based on their skills.
4. A **Vigilance wing** was set up in the year 2011 both at the State and the district level to ensure seamless **follow-up action** is taken on the **social audit paras,**

including a **protocol for follow-up action**, along the line of the CCA Rules, to ensure standardisation as far as **disciplinary/criminal action** is concerned. Necessary steps have been taken to develop **relevant screens in the software** for the issue of **show-cause notices, suspension orders**, recovery statement and status of the case and recoveries made, the entire process has been automated to **reduce the work load and pressure** as the number of social audit paras tend to be quite high. Other features are available in the HRMS module to evaluate an employee's performance based on which the contract for the employee is either terminated or renewed. Same screen are also deployed to the Vigilance wing to make the entire process transparent. The Principal Secretary regularly reviews the follow-up action to ensure that there is a timely disposal of cases. Feedback is continuously sought from the social audit teams so as to further improve and streamline the implementation of the scheme.

5. The **APSA PCP Act(Andhra Pradesh Promotion of Social Audit and Prevention of Corrupt Practices, Act 3 of 2012)**, the same was adopted by the **Telangana government post-bifurcation**, ensuring the setting up of **mobile courts in Medak and Karimnagar**, with the support of the High Court, to try cases in the villages by a first class judicial magistrate. This is an Act to provide for the **trial of offences committed by persons indulging in corrupt practices** during implementation of government schemes and programmes including those **as brought out by social audit** and for matters connected therewith or incidental thereto. Under this Act, government have accorded sanction for creation/establishment of six (6) Special Mobile Courts covering nine districts vide G.O. Ms. No. 19, Law (LA&J-Home-Courts. C) Department, dt.21-02-2012 and G.O. Ms. No. 26, Law (LA&J-Home-Courts. C) Department, dt.12-03-2012
6. The government vide G.O. Ms. No. 98, PR&RD (RD-II) Department, dt.09-03-2010 have taken a decision for inviting objections and suggestions by appointing independent observers for each social audit Gram Sabha/Ward Sabha, to ensure effective, free and fair social audits.
7. The Society has also been governed by a **Governing Body of eminent people** since the inception. In fact, the GB has 13 members including the PAG and the Principal Secretary, PR & RD and has **equal representation of both government and non-government members**. The Chairperson of the Society is not from the government.
8. The Society has a **robust organisational structure with 7 verticals-** Admin, Accounts, HR, Programs, IT, CB and Field, with Section heads and is **well staffed**. SAU is **governed by a set of comprehensive Rules** and a **Memorandum of Society** (compliant with the Auditing Standards issued by the MoRD in

consultation with the C&AG), **approved by the GB**. Rules include – **Financial Rules, Recruitment Rules, Disciplinary Rules, Code of Conduct, and TA&DA Rules**, etc.

9. The Society **established a synergy with the CAG/PAG** on social audit. The **PAG was a special invitee** to all the **GB Meetings since 2010** even before being inducted as a member of the GB. SSAAT has also **conducted many training programmes with field immersion for the AG Office staff** on social audit. The **AG staff** is also regularly called to **train the social audit teams** during the **induction/refresher** training programmes.
10. SSAAT has had an **independent website from the year 2010**, (www.socialaudit.telangana.gov.in) designed and created to be **compliant with the Section 4 of the RTI** promoting **suo-moto disclosure**. The website hosts **all the circulars, GOs, budgetary and expenditure details** pertaining to the society, including the **original social audit reports (in the local language Telugu)** which are scanned and uploaded on the public domain and can be downloaded by anybody who wants to read it. The social audit teams also do data entry of the social audit paras both in the SSAAT database and the MoRD database.
11. SSAAT is **audited by the AG's office every three years**. The first **comprehensive inspection audit of the SAU** (including the accounts) was taken up in the year **2015 along with the CAG's compliance audit** of SAUs based on the request made by the SAU covering the period since inception till 2015. The **second AG inspection audit** was taken up in the year 2019 covering the period from 2015 to 2019. In both audit reports the AG has found **no major deviations**. The 2019 inspection report had **nil paras**.
12. In the Past SSAAT has been nominated as nodal agency for trainings on social audits for all the States that are in the process of setting up similar institutions.
13. Multiple **independent research agencies, universities and researchers, governments** have been **encouraged to visit** the field to study the social audit process in Telangana whenever they have **expressed an interest** to do so. Papers related to the social audit process have also been published in leading national and international journals.
14. Many **organisations, universities both national and international**, have sent their **employees/students to intern** with SSAAT, to understand the social audit process at the field level and the institutional structure that has managed to create widespread awareness on rights and entitlements.
15. SSAAT has also **hosted international trainings for Government/CSOs/ International Supreme Audit Institutions** of other countries to learn about the social audits based on their interest and whenever they have approached SSAAT.



10.22 Tripura

SAU Structure and Independence

Social Audit Unit of Tripura has been created under the Department of Finance of the Government of Tripura. It is not registered as a Society. There are total 22 members of the Governing Board of the SAU which is chaired by the Chief Secretary. PAG and four civil society representatives are also members of the Governing Board. SAU gets its annual budget and calendar approved by Governing Board. During FY 2018-19, two meetings of the Governing Board have been held.

SAU has its own bank account operated by the Director of SAU. Although SAU does not require approval of implementing authorities to spend money on social audit, resource persons are supervised by Block Development Officers and District Magistrates.

SAU Personnel

The Director is a government officer from Tripura Civil Service and is working full-time. He does not have any involvement in implementation of MGNREGA. Other staff of SAU have been recruited through open advertisement. There are 19 DRPs and 66 BRPs in the SAU. VRPs are identified by DRPs following provisions of social audit manual. Minimum educational qualification for VRPs is to have appeared in Madhyamik (Class 10). Total 259 VRPs facilitated social audit in the year 2018-19. Resource persons regularly leave SAU because of low payments (Rs 20,000 per month for DRPs, Rs 12,000 per month for BRPs and Rs 300 per day for VRPs)

Funds

In the year 2017-18, SAU received Rs. 300.43 lakh from MoRD and spent Rs. 207.64 lakh. In the year 2018-19, it received Rs. 208.74 lakh from MoRD and spent Rs. 203.80 lakh.

Social Audit Process

Usually, it takes eight days to complete social audit in one GP. A team led by a BRP and supported by 4-5 VRPs is generally deployed to facilitate social audit in a GP/VC. The VRPs do not belong to the GP and stay in the GP during the social audit. Approximately 60 to 95 per cent households are verified and 70 to 95 per cent worksites are verified. Block level officials attend Gram Sabha at GP/VC level but only some times. DPC deputes an independent observer to Gram Sabha but they do not attend. An elderly person is selected by participating Gram Sabha members for chairing social audit Gram Sabha meeting. Line Department representatives do not attend Gram Sabha.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 19,780. Administration/ GP bears the cost of shamiana/tent and refreshment of villagers/stakeholders.

Follow up on Social Audit Findings

After completion of social audit of all GPs/ VCs in RD block concerned, a block level public hearing is held. DM & Collector or his/her representative presides over the public hearing.

District level review meetings are held on monthly basis with PO of the district concerned and social audit findings are discussed as one of the agenda items in the meeting. State level meeting with DPCs are held periodically through video-conference which is presided over by Pr. Secretary/ Secretary RD Department and social audit findings and action taken are discussed. PO/DPCs upload the ATR in social audit MIS.

2019-20 Plan

Out of total 1,178 GPs in the State, social audit of 50 per cent of GPs is planned in 2019-20. In addition to PMAY-G and MGNREGS, they plan to take up social audit of FFCG and NSAP also.

Best Practices

The SAU Director writes a letter to the BDO detailing the social audit findings and requests for action to be taken and uploaded in the MIS. The letter also has some recommendations based on the social audit.

A presentation on the social audits conducted and the key findings are made to the SEGC chaired by the Chief Minister.

SAU has analysed the implementation of MGNREGS across two years based on the social audit findings. It looked at the following parameters – record maintenance, availability of worksite facilities, presence of information boards at worksite, production of records for social audit, custody of Job Card, and ease of getting job card. In all these parameters, they found that the performance is better in the 2018-19 compared to 2017-18. This shows the effectiveness of social audit and how it can lead to improvements in the implementation of MGNREGS.

Social Audit of Other Schemes

In addition to MGNREGS, the SAU facilitated social audit of Mid-day Meal Scheme in 208 schools in the year 2017-18 and of PMAY-G in 579 GPs/VCs in the year 2018-19.

Suggestions, Feedback and Support required

They suggest that the amount provided by MoRD for facilitation of social audit should be increased from 0.5 to 1 per cent at least for the smaller States.

State government should insist that all the stakeholders including block officials and line department/officials attend the Gram Sabha. Line Departments should be instructed to submit all records and registers to the SAU 15 days before the start of social audit. State Data Centre should support the storage of soft copies of social audit reports. Office space for the social audit unit at the district and block level should be provided.

Refresher training should be provided to existing resource persons and training on social audit of PMAY-G, NSAP, MDMS and FFCG to be provided to the resource persons.

Social Audit MIS needs to be more stable and issues addressed immediately. Provision should be provided for uploading pdf files/images when the resource persons upload findings. This will enable upload of testimonials and other records associated with the issue. PO

requires these documents to take appropriate action. The PO should also be able to upload evidence of the action taken on the finding. Any changes that are made to the MIS should be communicated to all. Training or documentation detailing the changes should be provided to all resource persons.

Main Issues

Independent Society for the purpose of social audit has not been formed. Annual reports for last two years are yet to be prepared and hence could not be placed before the Governing Board. Resource persons are under the supervision of block and district administration. No steps have been taken for ensuring quality of social audit. A separate website for the SAU is yet to be created. The SAU plans to audit only 50 per cent of GPs in a year due to paucity of funds. Financial misappropriation of Rs 1.55 crore has been reported in 2017-18 and 18-19 but no action has been taken on these.

Recommendations

- 1) An independent society for the facilitation of social audit should be created. Steps to do audits in all GPs at least once a year should be taken. Like in Sikkim, the State government may be requested to provide additional funds for social audit. As social audit is a very effective IEC tool, the State government may give some funds meant for IEC to the SAU. An independent website should be created and all SAU documents and SA reports should be hosted there.
- 2) SAU should do test audits to verify the quality of social audits. It should have sufficient State staff to monitor the field staff. The field staff should not report to any officials in the district or block as done currently.
- 3) The State government should ask all stakeholders to attend the social audit Gram Sabha and public hearings. It should ensure that appropriate actions on the social audit findings are taken and marked in the MIS.

Figure 10-1: Impact of SA and best practices from Tripura

S. No.	Issues	Best Practice
1.	Record maintenance	During conduct of social audit in the financial year 2017-18 with periodicity of 2016-17, it was noticed that most of the registers like JC Register, Gram Sabha Resolution Register, Employment Register, MR Received Register, MR Copies, Job Card, FTO Register, Works Register, Bill / Vouchers, Completion Reports, Administrative Sanction, Technical Sanction, Estimate Copy & Wage List, etc., were not being updated and maintained properly in GP/VC and the said issues were raised in Social Audit Gram Sabha and accordingly, the issues were also uploaded in Social Audit MIS Portal. But during conduct of social audit in the next FY, i.e. 2018-19, it was observed that they have maintained 7 th Register in all GP/VCS and most of the registers were updated and maintained properly.

2.	Worksite Facilities	During conduct of social audit in the financial year 2017-18 with periodicity of 2016-17, it was noticed that most of the GP/VCs did not provided work site facilities to the MGNREGA workers at worksites due to non-availability of fund for the said purpose. But presently, i.e. FY- 2018-19, a decision has been taken in consultation with the higher authority and such facilities are being provided as per scheme guidelines.
3.	Worksite Signboards (Citizen Information Board)	During conduct of social audit in the financial year 2017-18 with periodicity of 2016-17, it was noticed that most of the GP/VCs did not erect worksite signboards (Citizen Information Board) at worksites. During physical verification of worksites, no worksite signboards were found installed at worksite in case of most of the MGNREGA works. The reply of the authority of GP/VC in social audit Gram Sabha indicated that the signboards were put up at worksites but these were stolen by unknown persons or damaged by natural calamities. But at time conduct of social audit in FY- 2018-19, it is seen that provision of MGNREGA guidelines and instruction of the social audit are being followed by placing the signboards at each worksite.
4.	Record produce	During conduct of social audit in the financial year 2017-18 with periodicity of 2016-17, it was noticed that most of the GP/VCs and some implementing offices under Line Departments like Animal Resource Development Department, Fishery, Horticulture, Agriculture, Zonal Development Office & Forest did not produced copies of records like: NMR copies, Administrative Sanction, Technical Sanction, Estimate copy, MR bunch, Bill / Vouchers, work order copies, etc., were not produced to SAT though they had been requested for disclosure of photocopies of all records through kick-off meeting held before 15 days of holding Gram Sabha and letter on submission of requisition to the GP/VC at the time of conduct of social audit. But in the financial year 2018-19, most of the GP/VCs and Line Departments provide documents in time.
5.	JC Custody	During conduct of social audit in the financial year 2017-18 with periodicity of 2016-17, it was noticed at the time of door-to-door visit that the job cards were not found under the custody of the job card holders. The job card holder concerned reported to the Social Auditor that they had submitted the job cards to the authority of GP/VC for updating or renewal, but these were not returned to them even after a lapse few months or years and the said issues were raised in social audit Gram Sabha and accordingly, the issues were also uploaded in Social Audit MIS Portal. However, during social audit in the financial year 2018-19, it is seen that there are not job cards found in possession of the Authority of GP/VC and all job cards are found updated.
6.	New Job Card	As per Muster Circular 2016-17, Para-2 Scheduled –II, it shall be the duty of the Gram Panchayat, after making such enquiry, as it deems fit, to issue a Job Card within fifteen days from the date of such application. During conduct of Social Audit in the financial year 2017-18 with periodicity of 2016-17, cases of non-issue of new job cards after 15 days of receipt of application were noticed. However, no such cases of irregularities were noticed at the time of conduct of social audit during 2018-19.

7.	Awareness	<p>Creation of awareness among the stakeholders and job seekers about their rights by reading out the 10 entitlements in local language during social audit Gram Sabha. As a result peoples become interested about their entitlements and their participation is increasing day by day in the social audit Gram Sabha.</p> <p>Use of Local language for IEC Activities like ten entitlements of MGNREGA as per Master circular, process & objective of Social Audit through Postering, Distribution of leaflet, etc., also attract villagers as well as increase of their understandings.</p>
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10.23 Uttarakhand

SAU Structure and Independence

Uttarakhand Social Audit, Accountability and Transparency Agency (USAATA) was established in 2016 under the Societies Registration Act. SAU has an independent bank account and it is operated by Director and Finance controller of SAU. Chief Secretary to Govt. of Uttarakhand is the chairperson of governing body. There are 18 members in the Governing Board including PAG. Governing Board approves annual budget and calendar for social audit. There is an Executive Committee for SAU and there is a notification on composition of governing body and periodicity of meetings.

SAU Personnel

SAU has a full-time Director who is an IAS officer. Other SAU personnel are selected through open advertisement by a committee headed by Principal Secretary, Rural Development. VRPs were selected based on a minimum qualification (Class X). Out of sanctioned positions of six, five are filled. Social audit was facilitated by 250 VRPs, 39 BRPs, 10 DRPs and two SRPs in 2018-19. They were helped by four data entry operators. There are a total of six women employees of which five are DRPs and one from State office.

Funds

Received Rs.2 crore from State government in 2017-18 and Rs 1.805 crore from MoRD. The accounts of 2017-18 were audited by an independent chartered accountant.

Social Audit Process

The time taken for social audit process in a GP is 5-7 days depending on the size of the works, schemes and geographical conditions. 5-6 VRPs are allocated for facilitation of social audit in a GP and they will not be from the same GP. The number of resource persons deputed for audit and the number of days for social audit depend on the amount of expenditure/size of GP and number of hamlets. 100 per cent door-to-door verification and worksite verification is being done.

Block level implementing officials are not attending the Gram Sabha. The DPC is deputing independent observer to attend Gram Sabha which is presided by a senior citizen chosen by villagers. BRPs/VRPs write minutes of Gram Sabha. Social audit report is available within the GP for people. SRPs/DRPs/BRPs and some VRPs upload the findings in the NREGASoft. Some of the problems being faced are non-participation of people in few areas, lack of awareness of scheme and mismatch of MIS data. Social audit team has faced threats. They informed higher officials and in one place the team and official filed an FIR also.

Social Audit Expenditure

Expenditure on facilitating social audit in one GP comes to Rs. 31390. GPs expenditure depends on works and job cards. The implementing agency bears the cost of microphone, shamiana and video recording.

Follow up on Social Audit Findings

At State level, there is a mechanism to review social audit findings on a periodic basis. Block level public hearing takes place and are attended by one official belonging to a technical department, one other government official, one social worker and State coordinator, SAU. There is no instruction regarding utilisation of recovered money. Periodic report of action taken by DPC is mentioned in the annual report of SAU.

Social Audit of Other Schemes

SAU has facilitated audit of MDM (done in 20 GPs in 2017-18 and in 10 GPs in 2018-19) and NHM (30 GPs).

Plan

In 2019-20, MSSAT is planning to do social audits in 4230 GPs. SAU is planning to do social audits in PMAY-U, NSAP and Women Empowerment & Child Development schemes.

Suggestions, Feedback & Support Required

- 1) Frequency of social audit should be once a year in all GPs and twice a year in certain GPs. It is not possible to do twice a year in all Panchayats due to difficult terrain, high risk disaster factor and less budget in Uttarakhand.
- 2) SAU wants increased budget allocation, permission to recruit staff as per requirements and inter-State exchange programme along with training programmes on SECURE, BHUVAN, GIS Mapping, MIS, Geo Tagging and GEO MGNREGA from MoRD.
- 3) State government should help with timely provision of documents for social audit.
- 4) Changes in NREGASoft MIS – Add some designation and reporting lines as per State and remove account details from mandatory field.
- 5) Training on MIS for SAU and implementing agency.
- 6) Training on MIS, MGNREGA and on technical aspects is required for Director, State office staff and resource persons. NIRDPR should support the 3rd batch of 30-day training programme.
- 7) SAU wishes to have inter-State exchange programme with a State having similar geographical conditions.

Best Practices

- 1) SAU has established jury system for public hearings based on the Jharkhand experience.
- 2) Proposed social audit session during training of newly elected three-tier Panchayat representative (Pradhan, BDC member and ZP members) with implementing agencies and public representatives.
- 3) Proposal sent to Administrative Training Institute (ATI, Nainital), Uttarakhand Institute of Rural Development and Panchayati Raj (UIRD), Udham Singh Nagar & State Administrative & Finance Training Institute, Dehradun for incorporating the topic of Social Audit in all training programmes.

- 4) Provision of first aid kit and accidental insurance for every social audit team member and SAU personnel
- 5) Organised pre-audit meeting with implementing agency personnel, villagers and public representatives at Gram Panchayat level
- 6) Organised awareness session on social audit and its process through projector at village Level.
- 7) Organised awareness session on social audit and its process through street play, rallies at block and village level.
- 8) Developed mobile app for office inventory, MIS and marking resource persons' attendance and activity tracking.
- 9) SAU has a website, sends annual report to SEGC and code of ethics for SAU staff has been drafted.
- 10) SAU is organising regular workshops and training for public representatives, officials and resource persons.

Areas of Concern

- 1) The amount of expenditure/social audit as a percentage of MGNREGS is high. SAU may try to do social audit of other schemes at the same time as MGNREGS social audit so that the total cost is shared among the different programmes.
- 2) Social audit is happening twice a year in certain Panchayats even though there are a huge percentage of Panchayats which are not covered at all.



10.24 Uttar Pradesh

SAU Structure and Independence

Constituted under Societies Registration Act, 1860 on 3rd August 2012, the Governing Body of social audit unit of Uttar Pradesh is headed by the Chief Secretary whereas Executive Council is headed by the Principal Secretary (Rural Development). It has its independent account. SAU does not require approval of implementing authority to spend money. Implementing authorities do not oversee functioning of social audit resource persons. Governing Board approves annual budget and annual report but does not approve annual calendar of SAU. Only one meeting of the Governing Board has been held in the year 2018-19.

SAU Personnel

SAU has a full-time Director, who is retired government officer, and has been appointed through open advertisement. Other staff of SAU have also been selected through open advertisement. VRPs are selected through district level advertisements and minimum educational qualification is Class 8 pass.

There is one District Social Audit Coordinator for every district and one Block Social Audit Coordinator for every block deployed and paid monthly professional fee. At the block level, a Block Resource Person is also deployed and paid per audit fee.

Account Statement

In 2017-18, SAU received Rs. 1046.06 lakh from MoRD and Rs. 500 lakh from State Govt. as grant and spent the entire amount. In 2018-19, SAU received Rs. 1110 lakh from MoRD and spent Rs. 781.73 lakh.

Social Audit Process

For every group of 10 GPs, one social audit team consisting of four VRPs with representation of SC/ST, OBC, General castes and a woman is created for facilitating social audit. These VRPs are from other GPs. There are other RPs too. Social audit in the GP is conducted in three days. On the first day, details of MIS is verified with records. Next day physical verification of works and verification of payments made to wage seekers is done. On third and final day, draft report of social audit is presented before the Gram Sabha and based on the discussion in the Gram Sabha, the report is finalised and uploaded for follow-up action. For three days, resource persons stay in the GP only. Block official attend and DPC nominates observer to Gram Sabha chaired by a senior member selected by participating Gram Sabha members from among themselves.

Social Audit of one GP costs total Rs. 12,050. Administration or GP does not bear any cost.

Follow up on Social Audit Findings

In the exit conference at the block level, social audit findings are discussed. Findings are also discussed at the district level. At the State level, in review of Principal Secretary (RD), social audit findings are discussed. DPC submits monthly report on action taken on findings.

Quality Control

To maintain quality of social audit teams are reconstituted every year and District Magistrate nominates an observer to social audit Gram Sabha. In the current financial year, three complaints have been received which have been referred to District Magistrate concerned for investigation.

Suggestions/Feedback/Support Required

SAU prefers to facilitate social audit only once a year because of large number of GPs. SAU needs support from MoRD in the form of a joint workshop on uploading social audit report and ATR for SAUs and implementing agencies. State government must ensure presence of all implementing agencies in the block level exit conference. SAU requests NIRDPR to organise training for social audit resource persons. Availability of records for social audit is a challenge. SAU suggests making available financial, administrative and technical resources available to Director of SAU for it to function more effectively and independently.

Good Practices

- 1) SAU sends quarterly reports to PAG (as per MoRD specified format)
- 2) SAU has its own website (www.socialauditup.in) and all reports are uploaded on it.
- 3) Other than MGNREGS, SAU has conducted social audit of PMAY-G. Social audit of PMAY-G social audit was conducted in 1967 GPs in 2017-18 and in 13487 GPs in 2018-19 (The number is less than the GPs where MGNREGS audit was facilitated because no PMAY-G audit was done in places where there no houses)
- 4) SAU is uploading all the findings in the MIS and Implementation officials are also responding to the findings in the website.

Areas of Concern

- 1) Only 34 per cent of GPs are audited last year. In 2017-18 it was only 5 per cent - the SAU could not function due to many pending court cases.
- 2) DRPs, BRPs and VRPs are under the control of district and block administration.
- 3) There is no civil society representative in the Governing Board of the Society.
- 4) SAU does not do any test audits to evaluate the quality of social audits.
- 5) SAU does not prepare an annual report detailing the work done in the previous year.
- 6) The percentage of grievances that are redressed is low. The percentage of recovery is also very low. Many financial irregularities are being closed without recovering money.

Recommendations

SAU should prepare an annual social audit report. It should institute a quality control programme. It should manage the human resources in a better manner / and or respond appropriately to the court cases so that it does become a showstopper. An external agency should evaluate the SAU. Social audit processes need to be improved – good VRPs should be identified and they should be given more opportunities for audit.



Best Practices:

Awareness and Sensitisation for Active People's Participation in Social Audit: In the beginning of social audit, it was noticed that there is inadequate participation of villagers in the process of social audit and officials also did not cooperate. To overcome this challenge and to ensure people's participation in social audit, the social audit unit is now using various means to generate awareness and to sensitise people on the need and importance of social audit. Every quarter of the year, an advertisement is published in all newspapers with high circulation across the State to make people at large aware of social audit. In Vikas Bhawan (District Office) of all districts, a hoarding of 15x10 ft. size on social audit has been installed to generate awareness among visitors. Through website and social media platforms such as Facebook, Twitter and YouTube, information on social audit activities are disseminated for the benefit of resource persons and for common people. Rallies with banners and slogans are organised before the conduct of social audit. In these rallies, Block Development Officers, Assistant Development Officers, Gram Sachiv, Block Social Audit Coordinators, team members, teachers and villagers participate. Entry conference also serves as forum to make officials and elected representatives aware about their role in the social audit and to sensitise them to cooperate with social audit team and to actively participate in the process. During the social audit process too, villagers are made aware of importance of social audit and encouraged to participate actively. A few districts, such as Hamirpur, have composed songs on social audit which has become very popular. Pamphlets and posters on social audit are distributed and also pasted at public places such as shops, crossroads, religious places, schools, GP offices, etc. Before Gram Sabha meeting, mobilisation is done with the help of announcements through public address systems and also by visiting households. In such visits and announcements, date, time, place and agenda of the Gram Sabha is communicated to one and all. Such awareness campaign has resulted in increased participation in the social audit Gram Sabha, increased cooperation from villagers and also GP officials during the record verification and physical verification process.

10.25 West Bengal

SAU Structure and Independence

SAU is functioning under West Bengal State Rural Development Agency (WBSRDA - a Society which implements many schemes). SAU has an independent bank account operated by SAU Director and Special Secretary & Additional CEO, WBSRDA. Chairperson of the Governing Board of the Society is not yet decided. There are seven members in the Governing Board including PAG. There are four civil society representatives in the Board. Governing Board approves annual budget and annual calendar. There is no Executive Committee for SAU.

SAU Personnel

SAU does not have a full-time director. An officer of the RD Department is holding additional charge of SAU Director. There are four SRPs and 100 DRPs. SAU does not have any BRPs, but VRPs have been empanelled. New VRPs are selected from self-help groups in collaboration with State Rural Livelihood Mission. The minimum educational qualification for VRPs is 10th Standard pass.

Funds received

In 2017-18, SAU received Rs. 3332.63 lakh from MoRD and in 2018-19, it received Rs. 1,506.17 lakh from MoRD. It also received funds for social audit of NSAP from the State government.

Audits Conducted

In 2017-18, social audit was conducted once in a year in 2169 GPs altogether while in the year 2018-19, social audit was conducted once in a year in 2753 GPs. In none of the GPs, social audit was conducted twice a year.

Social Audit Process

West Bengal is conducting social audit of three schemes (MGNREGS, PMAY and NSAP). Social audit of each GP is facilitated by 10 VRPs over 15 days. The VRPs are from other GPs. No other resource persons facilitate the social audit. Resource persons don't stay in the GP during the social audit period. There is a provision of deputing one block level official to Gram Sabha but in some cases deputed official does not attend. DPC does not send any observer. A non-political person from the villagers presides over the Gram Sabha meeting and VRP writes the meeting minutes of the Gram Sabha. District Resource Persons uploads the social audit findings in the NREGASoft MIS.

A block level public hearing is held after completion of social audits of all GPs in the block followed by an exit meeting at the district level.

Common Issues faced during the Social Audit

Due to the absence of the display board at worksite, social audit team found it difficult to identify the proper schemes and were misguided many times. In some places, team was not allowed to make free conversation with the wage-seekers and were threatened. Panel members do not give a clear decision during the block level public hearing. Social Audit

team faced resistance from implementing agencies during field visit.

Social Audit of other Schemes

In addition to MGNREGS, social audit of PMAY-G and NSAP has been conducted in 2169 GPs.

2019-20 Plan

In 3046 GPs, MGNREGS audit is planned for once in 2019-20.

Support Required

In 2019-20, a total of one SRP and 25 DRPs need to be hired and trained. Refresher training for VRPs is to be imparted. From MoRD, support is needed for review, regular follow-up and regular mentoring.

Positive Aspects

- 1) The percentage of GPs audited has been going up over the last few years
- 2) The SAU facilitates social audit of PMAY-G and NSAP in addition to MGNREGS
- 3) The SAU is entering data in NREGASoft
- 4) Every year test audits have been done after completion of social audit at field. Seven GPs have been test audited.

Areas of Concern

- 1) An exclusive society to facilitate social audits has not been created.
- 2) There is no full-time Director
- 3) SAU does not have any block resource persons
- 4) No meeting of Governing Board was held during 2018-19.
- 5) Implementing Agency does not mark its response to the social audit findings on the website.
- 6) There is no follow-up of action taken on the findings of social audit at the State level.
- 7) SAU does not prepare an annual report
- 8) SAU has not drafted a Code of Ethics for its employees
- 9) The SAU is not transparent about its work and does not respond to questions or clarifications of its work.
- 10) State government has not implemented a Vigilance system.
- 11) The State government decided that social audit of PMAY-G and NSAP will be conducted along with social audit of MGNREGS and that the cost for the entire exercise will be shared in the ratio 60 (MGNREGS) : 25 (PMAY-G) : 15 (NSAP). However, the SAU has not received any money from the PMAY-G division.

Recommendations

- 1) Create an independent society for the social audit.
- 2) Appoint a full-time Director through a transparent and open recruitment process and ensure that the person remains in the post for at least three years.
- 3) BRPs need to be recruited.
- 4) More persons should be hired for the SAU at the state level.
- 5) Social audit process needs improvement – may be Ward Sabhas should first be done before conducting a Panchayat level public hearing. The population of the GPs in West Bengal is quite high.



11 Recommendations

11.1 Central Government

Based on the evaluation of social audits of different schemes in six districts of Odisha, a recent IDS report (12) concluded that it led to all round improvement in the performance of ICDS, MDM, TPDS and Mamata scheme (detailed in Section 3.5). It is time to roll out social audit across all development schemes.

The report of the Joint Task Force Working Group on Expanding the Scope of Social Audit (4) mentioned that six ministries other than the MoRD had volunteered 11 of their schemes for social audit but no action has been taken on this so far.

The Central government should support social audit across programmes from different departments. The same team that facilitates social audit of MGNREGS and other rural development programmes in a Gram Panchayat should also facilitate the social audit of the Public Distribution System (Ministry of Consumer Affairs, Food and Public Distribution), Mid-day Meal Scheme (Ministry of Human Resources Development), Integrated Child Development Services (ICDS) Scheme (Ministry of Women & Child Development), Drinking Water (Ministry of Jal Shakti), National Health Mission (Ministry of Health and Family Welfare) and Fourteenth Finance Commission Grants (Department of Panchayati Raj).

Since the schemes that matter to rural poor are run by different ministries, facilitating social audit becomes a logistical hurdle. The Central government should address this problem and develop a common framework/structure/scheme which will facilitate social audit of all relevant schemes in a Gram Panchayat by the Gram Sabha.

11.2 C&AG

C&AG had constituted a task group on social audit in 2009 which made many recommendations including 'Social audits strengthen and adds depth to CAG's audits and should be mainstreamed into our processes for audit of all social sector programmes'. C&AG, in collaboration with MoRD, helped draft the MGNREG Audit of Scheme Rules in 2011. C&AG conducted a workshop in 2015 on Social Audit which was attended by officials from the Central and State governments and representatives of CSOs in which the CAG urged all his officers to adopt a positive outlook towards social audit. CAG members were part of the different working groups of the Joint Task Force (MoRD and C&AG) that made many recommendations for taking social audit forward. The Auditing Standards that was prepared by one of the working groups was communicated by MoRD to all States for adoption in 2016. The PAG in each State is a member of the Governing Body of the social audit unit.

C&AG should help in institutionalising social audit across different programmes, capacity building of resource persons and in strengthening SAUs. The 2010 report of the task group made the following recommendation:

'Procedures should be established to necessarily build social audits into the scope of audit by way of utilisation of voluntary or commissioned social audits. A protocol may be established for sustainable ongoing partnership with the major social audit organisations within the country and their findings used in developing the findings and conclusions as a standard

procedure in all audits of the social sector programmes. In turn, the synergy protocol should also provide for assistance in capacity building of the social audit groups and encouraging social audits in the States where it has not taken off in a significant manner. '

11.3 MoRD

11.3.1 Roll-out of social audit across other rural development programmes

The Ministry has been keen to roll out social audit across all the rural development schemes for some time now, but this has not happened in practice for different reasons. For MGNREGS, even though the Act enacted in 2005 and Rules enacted in 2011 clearly say that social audit has to be done, it is only in the last few years that social audit units have been established in most States. To operationalise social audit across different schemes, the Ministry should take the lead and do the following:

- 1) Ministry should transfer funds required for facilitating social audit directly to the social audit units instead of asking the States to transfer a fraction of the administrative funds to the SAU. This practice was started in MGNREGS two years ago and has been critical to establish the SAUs and make them functional.
- 2) Ministry should create a separate social audit division/cell and staff it with sufficient personnel who will work across different programme divisions and support the social audit units in the States. This division/cell should pool in the funds from different programme divisions and release money to the social audit units for social audit facilitation of all programmes. Last year, there were five consultants in MGNREGS division to support social audit but currently there are no consultants.
- 3) Ministry should build good Management Information Systems that will support the social audit processes.

11.3.2 Joint Review Meetings with C&AG

The first action point listed by the Ministry of Rural Development in the letter communicated along with the Auditing Standards (5) is ***'The MoRD and the C&AG may hold joint periodic reviews on the progress of social audits at least twice a year'***. However, this has not happened even once. It is most important that this be done to ensure that social audit units are set up as per the auditing standards, that the bottlenecks which prevent the SAUs from functioning effectively are rectified and appropriate follow up action is taken on the social audit findings.

11.3.3 Implement recommendations of Joint Task Force Reports & MoRD Committee

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 other three reports were submitted by the following working groups:

- 1) Working Group on overseeing the establishment, roll out and progress of Social Audit Units
- 2) Working Group on Expanding the Scope of Social Audit
- 3) Working group on Strengthening Synergies on Social Audit

In January 2019, the Ministry of Rural Development created a committee chaired by the Additional Secretary to make recommendations for extending social audit to selected Rural Development (RD) programmes. The other members of the committee included five Joint Secretaries of different programmes and DG, NIRDPR. The committee submitted its report in March 2019 (7). The report has many valuable recommendations for the different stakeholders that may be implemented.

11.3.4 Increase funds for Social Audit

The amount of funds allocated for the social audit unit currently (0.5 per cent of previous year's MGNREGS expenditure) is not enough to facilitate social audit of all gram Panchayats in a State. In 2013, MoRD had written to all States stating that up to one per cent of total MGNREGS expenditure (16) may be used for social audit. The recommendations of the Joint Task Force Committee also recommended one per cent of MGNREGS expenditure.

However, the Ministry reduced the amount to 0.5 per cent of the MGNREGS expenditure subsequently while stating that social audits should be rolled out in at least 50 per cent of the Gram Panchayats in the 2016-17 Annual Master Circular (17). But now, the SAUs have become stable and are expected to cover all Panchayats in a year as per the 2019-20 Annual Master Circular (18). Hence, the amount of money released for social audit may be raised to 1 per cent of MGNREGS expenditure of the previous year.

11.3.5 NREGASoft

The Social Audit Module in NREGASoft is a very critical component in the social audit process. Thousands of resource persons are uploading their social audit findings in the system on a weekly basis. Thousands of programme officers have to respond to the social audit findings with the action they have taken. The software has improved over the last year but the pace is not fast enough, bugs/issues continue to be reported on a daily basis and there are many important features that need to be added. This is a serious bottleneck that limits the potential of social audit.

A test environment for providing hands-on training to resource persons and implementation officials is not available. Administration module, Human Resource Management System, payment of wages to resource persons through eFMS and better reports that help with identification of systemic issues needs to be implemented. NIC should depute additional personnel to improve the stability of the system, respond to issues promptly, prepare user-friendly manuals and add the required features. List of missing issues is given in Appendix C.

11.3.6 MGNREGS Division

While some SAUs are independent and are functioning effectively, many are not independent (they have too much interference from the implementation agency), they are unable to hire adequate resource persons and the capacity of the resource persons needs improvement. MGNREGS Division should review the structure of the SAUs and give directions to make them independent.

MGNREGS Division should continue to support the one month certificate training for all resource persons, facilitate exchange visits, organise regional meetings and review the social audit findings and the action taken reports on a regular basis.

The Utilisation Certificate format requires that SAUs provide the number of issues identified, misappropriation amount, and amount recovered. However, these values are only for the most recent period. Ministry should also track the cumulative data and insist that action be taken on all pending social audit issues. The format should also require grievance related data.

The MGNREGS division should specify what to do with the recovered money.

As specified in the Action Points (5), MoRD should collect annual social audit reports from all SAUs and may include a summary in the annual report laid in the Parliament.

11.4 State Governments

Most State governments actively support the social audit process since it helps increase people's participation and gives them valuable feedback that can be used to improve the quality of the programme. They can strengthen the social audit by taking the following steps:

Framework for Social Audit

- 1) Issue rules mandating provision of records for social audit by the implementation agencies and specify penalties for failure to do so.
- 2) Issue rules specifying the action to be taken corresponding to different irregularities.
- 3) Issue rules/orders to ensure that all implementation officials including Line Department officials participate in the social audit and public hearings and respond to the findings and questions by the people.
- 4) Take steps to operationalise Section 25 of the Act which specifies penalties (up to Rs.1000) for persons who contravene provisions of the MGNREG Act.
- 5) Establish a 3-tier vigilance mechanism as specified in the AMC and a strong grievance redressal system for effective follow-up action on the social audit findings.
- 6) Ensure that the implementation agencies take prompt action on the social audit findings and upload the same in NREGASoft.
- 7) Roll out social audits to all development schemes, including State government schemes.
- 8) Review the social audit findings and action taken reports on a periodic basis.
- 9) As per MGNREG Audit of Scheme Rules, SEGC should prepare an annual report including summary of social audit findings and action taken report and submit it to the State Legislature. State government should ensure that this is followed.

Social Audit Unit

- 10) Ensure that the SAU is independent and is set up as per the auditing standards – full-time Director not from implementing agency; Governing Body should not be headed by Secretary of Rural Development department; governing body should contain CSO representatives and should not contain implementation officials.

- 11) Ensure that adequate posts are sanctioned for the effective functioning of the society and the posts are filled.
- 12) In case a new Director has to be appointed, the government should start the process early so that there is no gap between when the old Director leaves and the new one arrives.
- 13) Provide additional funds and resources for the conduct of social audits. Money may be provided from the IEC component since social audit is a very effective method of ensuring that people are aware of their rights and entitlements.

The Auditing Standards specify the responsibilities for the State government

'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"

'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.'

MGNREG Audit of Scheme Rules, 2011 says

'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'

11.5 SAUs

11.5.1 Independence

The SAU should not depend on the support of implementation officials at any level. It should monitor and supervise all the resource persons directly and make payments to them directly.

11.5.2 Human Resources Management

The SAU should have good resource persons committed to transparency, accountability, people's participation and people's rights. There should be no compromise on this as it has a huge impact on the effective functioning of the SAU. Resource persons should be carefully selected, trained and deployed. Performance assessment of all resource persons should be done periodically and contract of resource persons who perform well should be renewed.

Good VRPs (from among SHG women, youth from labourers' families) should be identified and they should be given opportunities to facilitate many social audits (at least one in a month). The quality of social audit facilitated by VRPs with more experience is likely to be better. A pathway should be provided for exceptional VRPs to join the SAUs as BRPs or DRPs.

There should be an effective grievance policy for the resource persons. SAUs should ensure that there is gender balance among the staff in the SAU and that people from different social groups are represented.

11.5.3 Social Audit Process

The SAU should prepare an annual calendar, plan social audits in advance, interface with all stakeholders and ensure the smooth conduct of social audit at the field level. The number of personnel facilitating the social audit and the number of audit days should not be a uniform number for all Panchayats but be different depending on expenditure, number of hamlets, etc.

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. SA teams should not skip any of these.

The SAU should ensure that the social audit findings are entered in the MIS in a timely manner, review the action taken and close the issues after appropriate action has been taken.

SAUs should also facilitate concurrent social audit by assisting the Gram Sabha to select a Vigilance and Monitoring Committee (VMC). The SAU should mentor the VMC members and help them to conduct the concurrent audit.

11.5.4 Quality Assurance

The SAU should establish a continuous quality improvement programme and get itself evaluated periodically. It should conduct test audits with the assistance of senior resource persons to find out the quality of social audits and take appropriate action if the quality of the audit was found to be poor.

11.5.5 Transparency and Accountability

SAU should be an exemplar for pro-active disclosure as per Section 4 of the RTI Act. It should host all key documents and social audit reports on a public website.

Recruitment for all positions in the SAU should be done following an open advertisement. SAU should frame a code of conduct for all resource persons and set up a complaint mechanism to handle complaints against SAU staff. The SAU should monitor the resource persons continuously and immediately enquire into any complaints against the resource persons.

SAU should send periodic reports in the specified format to PAG. It should prepare an annual report at the end of each year summarising the key activities and key findings and send it to SEGC, PAG, State government and MoRD.

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Appendix A Issue Types, Categories and some example sub-categories

The MIS has 4 types, 28 categories and a total of 234 sub-categories. Each issue encountered in the field has to be classified into one of the 234 sub-categories and entered in the MIS along with a description of what the issue is about.

Issue Type: Financial Misappropriation	
Category	Example of sub-categories
Payment to person who did not work	Payment to non-existent person
	Payment to migrated person
Bribes	Complaint - money was collected for issuing Job Card
	Complaint - money was collected for taking photograph
Work Related	Work was done through contractors
	Work was done with machines
Material Procurement	Materials have been procured at higher rates
	Poor quality material has been used
Others	Skilled expenditure has been paid at higher rates
	Wages have been withdrawn from the worker's account but has not been paid to the worker

Issue Type: Financial Deviation	
Category	Examples of sub category
Records not produced	NMRs not produced for Social Audit
	Mbooks not produced for Social Audit
Work Selection	Work taken up without Gram Sabha approval
	Work on private land - beneficiaries were not selected as per norms
Work Records	Payment has been made without Mbook entries
	Payment made as per NMR is higher than amount recorded in Mbook
Work Execution	Significant differences between measurements at worksite and recorded values in Mbook
	Full amount paid for partially constructed IHHL

Issue type: Process Violation	
Category	Examples of sub-category
Denial of Entitlements	No process to collect work applications
	Non-payment of compensation for delayed wages
Transparency & Accountability	Job cards are not with workers
	NMRs are not maintained in the worksite
Financial	Advance received for administrative expenses has not been settled
	Material expenses issue
Work Selection	Work selection is not done through Gram Sabha resolutions
	Shelf of works is not available

Work Execution	Work has not been completed for a long time
	Overseer / TA does not visit the worksite regularly
Work Quality	Quality of work is poor
	Work is not useful for the community
Maintenance of Registers, records	Difference in the days worked and wages earned between JC and online entry
	Multiple job cards have been issued to the same family
Administration	Staff vacancies have led to poor implementation
	Irregularity in selection of mate

Issue Type: Grievance	
Category	Examples of sub category
JC Related	Complaint - unable to get job card
	Complaint – unable to add additional family member
Aadhaar / Bank account related	Complaint – unable to open bank account
	Aadhaar account linked with wrong bank account
Work Related	Application for work
	Complaint - Unable to get work
Worksite facilities	Complaint - non-provision of drinking water at worksite
	Complaint - non-provision of first-aid kit at worksite
Wages Related	Complaint - application for payment of non-paid wages
	Complaint - application for payment of skilled work/material cost in individual work
Injury / Death	Complaint - application to pay wage compensation for injury arising out of and in the course of employment
	Complaint - application to compensate for permanently disability/death by accident arising out of and in the course of employment
Individual Assets related	Application for provision of IHHL
	Application for provision of Animal Shelter
Public Works Related	Application for public canal work to be taken up
	Application for public tank work to be taken up
Gram Sabha related	Works are not selected in the Gram Sabha
	Mates are not selected in the Gram Sabha
Complaint on specific individuals	Complaint on Worksite Supervisor
Others	Complaint on Banking Correspondent
	Complaint - Application to redress grievance was not registered or acted upon
	Complaint - Application to address discrimination (in the allotment of work; payment of wages; work selection, etc.)

Appendix B Number of resource persons requiring training

The table below presents the list of people who have to undergo the one month certificate course on social accountability and social audit.

S. No.	State Name	Number facilitating audits	Number trained	Number to be trained	Additional people who need to be trained	Total people to be trained
1	Andhra Pradesh	498	490	8	10	18
2	Arunachal Pradesh	28	16	12	25	37
3	Assam	175	175	0	17	17
4	Bihar	566	32	534	33	567
5	Chhattisgarh	426	365	61	23	84
6	Gujarat	286	0	286	19	305
7	Himachal Pradesh	220	200	20	0	20
8	Jharkhand	281	281	0	56	56
9	Karnataka	194	183	11	1	12
10	Kerala	68	68	102	0	102
11	Madhya Pradesh	50	46	4	166	170
12	Maharashtra	30	30	0	41	41
13	Manipur	38	38	0	0	0
14	Meghalaya	67	62	37	5	42
15	Mizoram	86	45	41	0	41
16	Nagaland	48	48	0	0	0
17	Odisha	348	343	5	59	64
18	Punjab	27	25	2	28	30
19	Sikkim	20	20		20	20
20	Tamil Nadu	610	610	0	0	0
21	Telangana	403	394	9	11	20
22	Tripura	85	85	0	18	18
23	Uttar Pradesh	644	543	101	5	106
24	Uttarakhand	51	51	0	5	5
25	West Bengal	103	102	1	26	27
	Total	5352	4252	1234	568	1802

Appendix C MIS features to be added

The Social Audit Module in NREGASoft is a very critical component in the social audit process. Thousands of resource persons are uploading their social audit findings in the system on a weekly basis. Thousands of programme officers have to respond to the social audit findings with the action they have taken. The software has improved over the last year but still the pace is not fast enough.

The following core features are missing:

- 1) Test environment for hands-on training to resource persons and implementation officials on how to enter data and respond to issues
- 2) User/Training Manual on what features are available
- 3) Payment to resource persons through EFMS
- 4) Human Resource Management System to keep track of all resource persons who are facilitating audit and what their performance is
- 5) SAU should be able to download data for a specific period that could span multiple financial years. Social audit period should cover the recent past. For instance, if the audit happens in August 2019, the period can be 1st July 2018 – 30th June 2019
- 6) System should allow for user to enter issue number that corresponds to the issue in the physical report.
- 7) Ability to upload pdf/photos of issue description, evidence – without this, implementation officials find it difficult to respond to the issue
- 8) Input forms for social audit needs improvement and some data is missing
- 9) Exception reports (or Alerts) need to be added which will help social audit teams to focus on potential irregularities (like list of persons who have supposedly worked on the same day in different worksites as per NMR data)
- 10) Admin Module needs work
- 11) Reports need improvement
- 12) The stability and user-friendliness of the system needs to be improved
- 13) Ability to correct data entry mistakes by SAU DBA / Director along with availability of reports which show the changes that were made.
- 14) In addition to year-wise reports, cumulative reports also needs to be added.
- 15) Ability to tag the job card number, work id and responsible persons to the issue being filed.
- 16) Phone-based application should be developed for entering the social audit findings and viewing reports.



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