

Draft Concept Note on the Social Audit Mechanism to be followed in Karnataka.

(This note will be shared with the SIRD for further actions. The role of SIRD includes the following. (1) To prepare a job chart of people put at various levels and their working conditions. (2) Identify Resource Persons at the State, District and Taluka levels. (3) Facilitate the GPs to identify the VSAs (4) Capacity building at various levels. (5) The SIRD should aim to withdraw from the picture in three years after ensuring that the mechanism is self-reliant.)

1. Introduction

Sec 17 of the NREG Act makes it mandatory to conduct social audit for all the activities under the scheme. The Operational Guidelines explain this as a continuous process. Though social audit has been conducted in many of the Gram Panchayats during the last three years, it cannot be claimed that all the GPs are aware of the finer details of the social audit. Various decisions of the state government to streamline the implementation of NREGA have ensured that the works are being taken up in all the GPs of the state. This necessitates further clarity at the conceptual level coupled with continuous efforts towards capacity building at various levels. It against this background that Government of Karnataka has prescribed institutional mechanism and methodology for conducting the social audit as explained below.

2. Principles

The social audit is the process of vigilance and monitoring kept by the society to ensure that the public money is being spent in the most prudent way adhering to all the stipulated guidelines. The major principle that guides the social audit is that it should be done by the society itself. The society should be helped by the trained people. The process of the audit itself should act as a process of capacity building to the villagers. Independent people who do not implement the scheme should help the Society in conducting the social audit. There should be mechanisms to address the grievances that come out as a result of the social audit. The findings of the social audit should be taken seriously by the administration. Corrective actions have to be initiated immediately on receipt of the report of the Social Audit.

3.1 Institutional Set-up for Social Audit at Village Level.

The social audit has to be conducted at each stage of the implementation of the NREGS. The major agency for Social Audit and Vigilance in the village will be the Vigilance and Monitoring Committees. There will be once VMC for each village. If the GP or the Gram Sabha thinks fit, there could be more VMCs either for each ward or for each work. The VMC shall be selected by the Gram Sabha. The composition of the VMC will be as follows.

Member of the GP from the village. (Chairperson)

(Senior most member if there are more members)

Other members of the GP

Two representatives of registered labourers who have worked under NREGA.

Two representatives from the Self help groups working in the village.

All members of the VMC should be the permanent residents of the village. At least one third of the members of the VMC should ladies. At least one member of the committee should be belonging to the SC/STs. The tenure of the VMC will be for one year. The members are eligible to be selected again to these committees. There will not be any sitting fees or any other kind of honorarium to the VMC members. The VMC will be responsible for monitoring the NREGA process in the village on a regular basis. The VMCs are responsible for the verification of the Muster Rolls to ascertain the voracity of the entries. This can be done by calling out the names of the people in the muster rolls at the worksite in case of live NMR. For those NMRs that are already paid, the entries have to be verified after meeting the workers whose name figure in it.

Another responsibility of the VMC is to check the status of record keeping and its updation in the GP. In order to assist the VMC for these jobs, the Grama Sabha can select Village Social Auditors (VSA). These will be people from the same village, who will check the various aspects of the implementation. The VSA will check the status of record keeping and the voracity of muster rolls in the villages that come within GP. This work will be entrusted to the VSAs by the GP from a panel of such people on rotation basis. They will be working for two or three days a month for this purpose. They will report their findings to the GP and to the Taluka Social Auditor on a monthly basis. This report should also include the findings of the VMCs during their regular monitoring process. The VSAs will be paid an honorarium of Rs. 100/ a day. Further, the reports of the VSAs and their

findings will have to be placed before the Social Audit Forum (Special Gram Sabhas called for this purpose once in six months)

Thus the Village Social Auditors would work as an independent agency to verify the NREGA process. They can be used by the Programme Officer/ District Programme Co-ordinator to conduct independent enquiries into the complaints received at various levels if required. Specials teams can be formed for enquiries in major allegations. The team should comprise of the VSAs from different villages. The responsibility of the VSA can be summarised as *Inspection of records, works and NMR verification*.

3.2 At the Taluka level.

There will be one Taluka Social Audit co-ordinator (TSAC) to organise the activities of the Social Audit. The major responsibility of the Taluka Co-ordinator is the overall supervision and coordination of the activities of the VSAs. The TSAC will consolidate the reports coming from various GPs and present it to the Programme Officer and to the set-up at the District level. The Programme Officer or the DPC can utilise the services of the TSAC to enquire into the complaints regarding NREGA received through any of the channels prescribed in the Grievance Redressal Rules 2009. The TSAC will be selected by the SIRD on the lines of the Resource Persons working for them. They will be paid Rs 200/ per day and TA/DA as per actual.

3.3 At the District Level

There will be a District Social Audit Co-ordinator. The major responsibilities of the DSAC include coordination of the Social Audit activities in the district. He may be asked to enquire into any complaints arising against anybody in the district by the DPC or the District level Committee to review the Grievance Redressal as prescribed in the State Grievance Redressal Rules 2009. The DSAC will consolidate monthly reports from the GPs. He will prepare a note on the remedial action required as a follow up of these reports and submit it to the DPC. The DSAC will also follow up the corrective measures being taken up after the social audits. The DSAC will help the DPC in ensuring that all the GPs are complying with the mandatory requirement of conducting Social Audit Forum meetings once in six months. He will also help the DPC in ensuring that the NMR verification is done as per the procedure prescribed. The DPC can utilise the TSACs as a pool of independent observers to ensure the conformity to the rules by the GP and TPs. The DPC can form specials teams as and when required for enquiring into major

complaints coming from the field. The DSAC will be selected by SIRD and they will report to the Director SIRD. A copy of all major findings should be forwarded to the SIRD as well. The DSAC will be majorly responsible for the capacity building and training of the Taluka Co-ordinators, Village Social Auditors and the members of the VMC. They will be appointed for full time on contract basis. The designation will be Coordinator, Social Audit and Grievance Redressal. The DPC can take the help of experts in considering the complaints on technical matters. For example, if there are some allegations against functionary of the Forest Department on technical matters, an Expert in the Forest activities can be called by the DPC. This expert can be a retired officer or a professor in the college/University.

3.4 At the state level

There will be one Social Audit Co-ordinator in the state cell. He will be based at SIRD. The major role of the SAC is to develop enough competencies at the village, block and district level to carry out effective social audit. The aim should be empower at least one third of the GPs to conduct Social Audit on their own without any external help in the first year. Thus, after three years, the role of the Social Audit co-ordinators at all levels will be to guide and train the personnel at the GP and monitor their functioning. The Service conditions of the Social Audit Co-ordinator and DSACs are to be prescribed by the SIRD. The Social Audit Co-ordinator shall develop the tolls that can be used for conducting the verifications of records, works and payment details. The formats that have been developed by various districts can be used for this purpose as a baseline.

There will be a Technical Support Group (TSG) functioning at the State level. The Director, NREGA, will head this. The members would be Director, SIRD, representatives from the NREGA Directorate, selected DPCs and PO from the field. There will be a few academics also in the TSG. This group will function as the think tank in implementing the social audit process in the state. This group will be responsible for developing materials and curriculum for training the personnel involved in Social Audit.

4. Methodology

SIRD will prepare proper guidelines for conducting Social Audit following the essentials prescribed in the Operational Guidelines of NREGA, 3rd Edition. The mandatory round of Social Audit Forums to be held in May after the elections will be guided by the Resource Person at various levels. These will serve to test

validity and reliability of the tools being contemplated to be used for Social Audit in the state. The tools and formats will be finalised after that. The next round of Social Audit Forums will be conducted with the help of tools thus finalised.

5. Abbreviations Used

CEO	Chief Executive Officer, Zilla Panchayat.
DPC	District Programme Co-ordinator (CEO, ZP)
DSAC	District Social Audit Co-ordinator.
GP	Grama Panchayat
PO	Programme Officer (Executive officer, Taluka Panchayat)
SAC	Social Audit Co-ordinator
SIRD	State Institute of Rural Development, Mysore
TP	Taluka Panchayat, (Intermediary Panchayat)
TSAC	Taluka Social Audit Coordinator
TSG	Technical Support Group
VMC	Vigilance and Monitoring Committee
VSA	Village Social Auditor.

NREGA is being implemented in all the districts of the state from April 2008. The funding is on 90:10 ratio. This is a demand-based programme. The budgetary allocation for the year 2008-09 was 1100 crores.

Fund position for 2008-09

Budgetary Allocation	1100 crores
OB	209.77 crores
Central Releases	390.23 crores
Central release of 07-08	4.05 crores
State Share	36.80 crores
Total Available	638.94
Expenditure (31/03/2008)	344.74 (54.11%)
Unspent Balance	292.4

Notes on Issues

The implementation of the programme has been streamlined including the issuing of new Schedule of Rates, extending the benefit of the programme to small and Marginal farmers. Attempts are made to rope in the line departments also in a major way. The major issue is the shortfall in the release of state share to the districts in the fag end of the year. This amounts to 13.05 crores. The FD had agreed to provide the amount from the budgetary allocation of 2009-10.

The provisional allocation for the year 2009-10 in the State Budget is 1200 crores. The labour budget approved for the state is 1086 crores. The state government can revise the labour budget depending on the performance after six months. The money will be released by the Ministry to the State Employment Guarantee Fund. We will in turn release the money to the GPs through Internet banking depending upon the performance of GPs as reported in the web-based MIS.

The pattern of Expenditure by the Districts

0-25%	Udupi, Ram Nagara, Dakshin Kannada, Bangalore Rural, Bangalore Urban, Tumkur, Mysore, Mandya, Hasan, Chamaraja Nagara (10 Districts)
26-50%	Ballary, Davangere, Gadag, Shimoga, Uttar Kannada (5 Districts)
51-75%	Belgaum, Bijapur, Chikamagalur, Dharwar, Gulbarga, Haveri, Kodagu, Raichur (8 Districts)
75-100%	Bagalkote, Bidar, Chikaballapura, Chitradurga, Kolar, Koppal. (6 Districts)