Concept and Methods of Social Audit

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The Black’s Law Dictionary (7th Edition, 1999) defines the audit as “a formal examination of an individual or organisation’s accounting records, financial situation, or compliance with some other set of standards”. There are various types of audits.

- Internal audit: an audit performed by an organization’s personnel to ensure that internal procedures, operations, and accounting practices are in proper order.
- Compliance audit: an audit conducted by a regulatory agency, an organization, or a third party to assess compliance with one or more sets of laws and regulations.
- Independent audit: an audit conducted by an outside person or firm not connected with the person or organization being audited.

The concept of social audit stems out of the concept of the independent audit. These form the requirements of good governance. The term governance indicate that the process of government functioning should be more concerned with the process than the product. This means that the way a government programme is implemented is as important as the final result of the programme itself. This is more important in the case of NREGS where the process of the scheme is more important than the amount spent under the scheme.

Thus, the social audit is required to ensure transparency in the implementation of any scheme. This should be done along with the physical, financial and performance audit. It should not be in replacement of the existing but to complement the existing system for making it more effective. It should be carried out by the villagers with the facilitation from the government officials and civil society organisations. This requires a high level of commitment and understanding from the part of the citizens and all other participants.

Social audit forum

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The social audit will be carried out through the meetings of the all the villagers in the form of Grama Sabha at least twice in a year. At these Social Audit Forums, information will be read out publicly and people will be given an opportunity to question officials, seek and obtain information, verify financial expenditure, examine the provision of entitlements, discuss the priorities reflected in choices made and critically evaluate the quality of work as well as the services of the programme staff.

Comprehensive public hearings to be called social audit forums relating to works and individual entitlements must be held twice a year at the gram sabha level for all works done in the preceding period. The forum will give people the opportunity to review compliance with the ongoing requirements of transparency and accountability, and will also serve as an institutional forum where people can conduct a detailed public audit of all NREGS works that have been carried out in their area in the preceding six months. An effective social audit forum will focus on the dissemination of information among the public and the mandatory agendas of the social audit forum. The forum should discuss the matters like non-availability of information, lack of people’s participation in NREGS, failure of grievance redressal mechanisms and such other issues.

Some questions related to publicity, preparation and compilation of documents that can be asked:

1. Does the file have all the documents required?
2. Were all the documents available for scrutiny at least 15 days before the social audit forum?
3. Were charts of the summary sheets available for public display and scrutiny before and during the social audit forum?
4. Was the muster roll summary read out aloud to check for discrepancies?
5. Was the summary of the bills read out aloud to check for discrepancies?
6. Was the measurement book summary read out aloud?
7. Were the photographs taken before, during and after the work made available for public display and scrutiny during the social audit forum?
8. Was the monitoring and vigilance committee formed as per the norms?
9. Has the vigilance committee submitted its report?

**How to conduct Social Audit?**
The social audit should be conducted throughout various stages of the implementation of the NREGS. There are questions to be asked about the scheme at different stages of the implementation of the scheme. The following are the possible questions that can be asked during the process of social audit.

Like any activity, the preparation is as important in the success of social audit as the process itself. Following are required to be taken in to notice while preparing for the social audit in the village. The most important step in the success of the social audit process is the participation of the citizen. The participation becomes meaningful only if the citizens are aware of the scheme, the process of social audit and the location and time of the social audit. The major task will be to bring together people belonging to various caste and community and political groups. The part of the elected members of the GP is very important. Representative committees and user groups can be formed to represent public interest at different levels so that continued monitoring of the implementation of the scheme can be ensured.

People must be intimated sufficiently in advance so that they can take part in the process. All relevant material must be compiled and made available to the public in a user-friendly form. People should be made aware about the sources of information. The process of the social audit must be made in simple and understandable manner. Participation of government officials concerned in the meetings should be ensured.

**Stages of NREGA social audit**

The social audit is required to be carried out at all the stages of the programme from the beginning. Since the programme has been implemented in the district for more than one year, all the stages of the scheme that have been implemented so far could made during the present campaign. The process of social audit

**1. Registration of families**

The following questions can be asked in the Grama Sabha regarding the registration of families.

1. The process of registration is transparent. It should be carried out publicly, with facilities for people to verify their own details or those of others.
2. Do the GP secretary refuses to accept the application for the registration.
3. The process of registration is open throughout the year.
4. Absence of the concerned functionary for registration.
5. Denial of registration to eligible applicants/ rejection of ‘incomplete’ registration forms.
6. Registration of bogus families/individuals.
7. Asking for money for registering names/families etc.

2. **Job cards**

After registration, job cards are issued. Some procedures to look out for:

1. The job cards are prepared, issued and updated in a transparent manner.
2. Job cards are issued within 15 days of registration.
3. The list of job cards is regularly updated and put up for public verification.
4. Job cards are issued free
5. Job cards have been issued to all eligible applicants and there are no pending complaints.
6. Delay in receiving job cards
7. Issue of false job cards
8. Issue of job cards to ineligible persons such as non-residents and minors
9. Issue of cards to those who are not members of the listed family.
10. The job cards are in the custody of the labourers only. It should not be with anybody else.

3. **Applications for Work.**

1. Whether applications for work are being treated as per the norms
2. Whether workers are receiving dated receipts for their application for work.
3. Whether there are any hassles in submitting the applications.
4. Whether the GP refuses to accept the applications for work.
5. Whether a Demand for Work register is kept in the GP?

4. **Planning and work sites**

1. Was there Grama Sabha conducted for planning.
2. Did the GP prepare Perspective Plan and shelf of projects?
3. The proceedings of the Grama Sabha, copies of shelf of projects and perspective plan are available in the GP
4. Selection of low priority works. What is the % of the roads in the overall expenditure of the GP?

5. Poor selection of worksite. Was the work site selected to serve any vested interest?

6. Lack of public support/cooperation for that work.

5. Estimate and work order

1. Whether the works taken up have been approved by the GP and included in the shelf of projects?
2. Display of list of projects and works finalised at the gram panchayat office.
3. Was the technical estimate prepared by the junior engineer prior to the start of the work?
4. Exaggerated or inaccurate estimate. Whether the estimates are done as per DSR?
5. Does the estimate include any unnecessary expenditure?
6. Whether work order has been issued by the Implementing Agency for each work? If not, how many such works have been there?
7. Who selected the worksite and on what basis? How is the allocation of the workers to various sites made? Problems faced in these processes....

6. Allotment of work to individuals

The work plans and work requirements should be explained to the labourers before the work commences. Public announcement of work allocation should be made, and work allocation orders must be available to the public for verification. The people must be informed of the work allotted or ready to be allotted, along with the names of allottees, their date of application, location and type of work and other relevant information.

1. Is the allotment of work being done in a transparent manner, with lists of work allotments being put up on the panchayat notice board for public notice and display?
2. Whether there is demand for work outweighs the availability in the GP?
3. Are there any complaints regarding the refusal of the application for work? Are the people getting work within the mandatory time period of 15 days from placing the demands before the GP?
4. Is there any Grievance redressal mechanism/Complaint Register existing in the GP? If so, how is it managed? Entries in the register? Averaged time taken for attending the complaints?

5. Are there any pending complaints about the receipt of work applications, allotment of work and the payment of unemployment allowance?

6. Is the 33% quota for women being satisfied in the allotment of work?

7. What is the share of women, SC/ST and disabled in the total workers?

8. Is the roster based on date of application received being followed for the allocation of work?

9. Are there any cases where labourers are allotted work outside 5 KM radius? Are those people given transport and living allowance equal to 10 percent of the minimum wage?

10. Was the list of all the EGS works sanctioned in the preceding six-month period read out aloud along with the amount sanctioned and the amount spent on the works in the gram panchayat area?

11. Has the gram panchayat board been updated with the list of works painted on it?

7. Implementation and supervision of works

1. Was there a board at the worksite giving details of the sanctioned amount, work dimensions and other requisite details?

2. Was a meeting held before the commencement of the work to explain the work requirements to the workers, including the labour and material estimates as per the technical sanction? "Open Project Meeting"

3. Were the muster rolls available for public scrutiny at all times at the worksite?

4. Was a worksite material register maintained, along with verification by workers whenever material came to the site?

5. Was the final measurement of the work (for weekly wage payments) done by the junior engineer in the presence of a group of workers?

6. Was there any delay in making the measurements of the works leading to the delay in making timely payments?

7. Did members of the vigilance committee make regular visits to the worksite and monitor the implementation of various aspects of the work?

8. Were any complaints made? Were they addressed within seven days by the grievance-redressal authority as specified in the NREGA?
9. Was a meeting held within seven days of completion of the work, where all those who worked on the site, and residents of the village where the work took place, were invited to look at the entire records?

10. Were the worksite facilities like drinking water and baby-sitter provided as mandated by the NREGA?

11. Was the payment made in time? Is there any complaints regarding the delay in making payments?

12. What is the status of making payments? Where are the accounts of the labourers opened? What is the average distance from the Bank? Please get details of the bank accounts of the GP under various accounts.

8. Payment of wages

1. What is the wage norm? What constitutes a full day’s work?

2. Were wages paid within seven days? If delayed, what is the delay in making the payments?

3. Were wages paid through accounts in banks/Post offices?

4. Were all payment details available for public scrutiny before the payments were made (through putting up muster roll copies on notice boards, etc)?

5. Were payments made by an agency other than the one implementing the work?

6. Was a record maintained of payments made beyond the specified time limit?

7. Are any wage payments still due?

8. Have there been any instances of workers earning less than the minimum wage, and if so, why?

9. Is there any instance where those who did the work did not get the payment? Wrong people got the payment?

9. Evaluation of work

1. Whether the measurements have been made properly? Is there any complaints regarding the faulty measurement?

2. Whether the work has been carried out as per the estimate and the work order?

3. Whether the entries in the NMR and the MB recordings tally with each other?

4. Data recorded in a confusing or incomprehensible manner

5. Completion date is made public in a people-friendly format.