

## Social Audit: Its Relevance and Challenges

Capt N Sridhar

Amel Consulting, Golf View, Yaprul, Secunderabad 9849200551

\*\*\*

**Abstract-** A lions share of India’s Union Budget is allocated to the welfare of the citizens of the country or to be more specific its aimed at the marginalized sections of the society for their welfare and upliftment.

The eventual benefits if and whether they are reaching the target population is the biggest challenge for the Government of the day.

With lakhs of crores of Rupees involved and the gargantuan nature of the task involved it certainly has been afflicted with some malaises ie, there certainly has been chronic problem of corruption, leakages of funds, misappropriation of funds and there was also the problem of a nexus between the administration, political representatives and the consequent diversion of funds.

This leads to the primary objective being defeated and the targeted beneficiaries not being passed on the intended benefit after all.

Therefore it becomes imperative that the participation at the level of the stakeholder/beneficiary is of utmost importance. Thus emerged the concept of social audit which analyses the implementation of various Government schemes, their eventual roll out, metrics for measuring the outreach to the beneficiaries and methods and steps to improve upon the system and plug loopholes if any.

**KeyWords-** Audit, schemes, Stakeholders, Welfare, Beneficiary

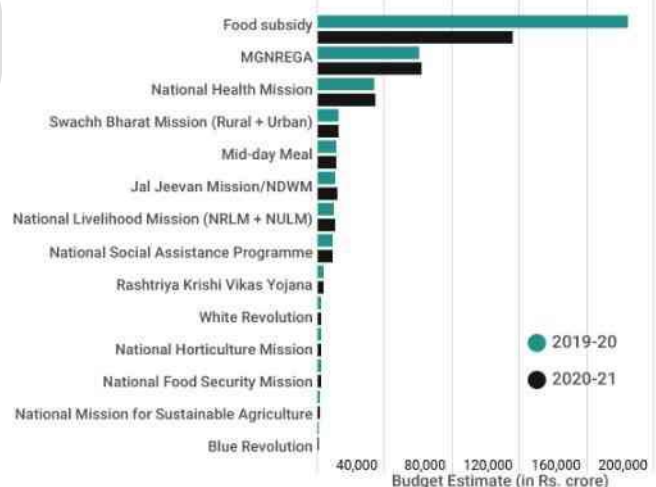
### 1. INTRODUCTION

Governance in a country which has a population of 130 Crores or 1.3 Billion is not a child’s play. The governance becomes a big issue considering the huge numbers involved. To illustrate the magnitude lets take the example of a very highly developed nation like Italy. Italy has been intentionally chosen because India has a sobriquet ie it was called Italy of the East. A few of the examples of similarities being that both Italian as well as most of the Indian languages have a classical status. If Himalayas are the crown of India, Italy has Alps and it does also have an equivalent of the Kashmir in Lombardy region. The populations of both countries have wide range of demographics, long coastline and a peninsular region and the major commonness is that of a burgeoning middleclass and a lot of farming and worker community. That’s it, the

similarities end there !! The biggest differentiator between both the countries happens to be the population. Yes, the population. Italy is of course geographically a much smaller country compared to India but the population of Italy is just around 60 million people or roughly 6 crore people only.

Now compare it with the 1300 million people of India. Obviously the welfare measures reaching the targeted population which is marginalized is very much a challenge, especially keeping in view the large network of personnel involved, huge geographies to be covered, fragile infrastructure and lack of any monitoring mechanism or simply put the beneficiaries who are unaware of their entitlements.

### Allocations To Nutrition-Sensitive Schemes Fell 19%

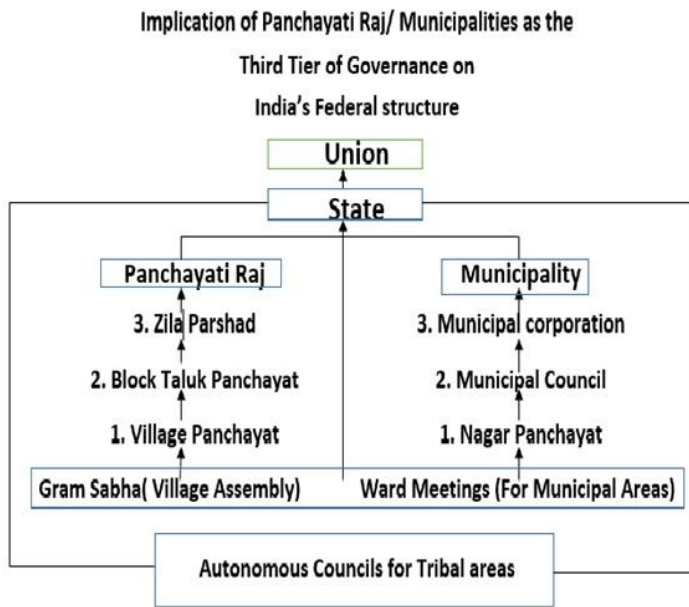


(Source:national+food+security+++fund+allocation+2020&tbm)

The quantum of money which is spent in India on the social welfare schemes for the upliftment of the poor is almost mind boggling. The amount which has to be disseminated is very huge with most of the beneficiaries not exactly being aware of what is due to them.

The funds are channeled through to the local self government bodies called the Panchayat Raj Dept. So, an amount in excess of Rs 2,00,000 crores(Rupees 2 Lakh Crores) finds its way to these bodies and with limited resources available in terms of manpower, inadequate disbursal and monitoring mechanisms and added to that the deficiencies in accounting, accounting and tracking mechanisms poses a huge challenge to the system.

Given below is the hierarchy of the local self Government



education among the common masses. An attempt made to highlight the loopholes in the system including irregularities and corruption before the Government but no action was taken.

Here are some suggestions have been made that could be used to make the social audits more effective and efficient.

**2. REVIEW OF LITERATURE**

**SandeepTambe, SarikaPradhan, BB Rai**

Afridi and Vegard(2014) indicate that the persons resorting to corruption are always way ahead. Adequate caution has been the effectiveness of the social audit in various phases. A social audit is like a reality check of the health of the programme and provides a clear picture of its implementation and shortcomings. The senior bureaucrats who design the implementation framework of the programme need to keep a close eye on the social audit findings , to be able to detect patterns in the leakages and tighten the programme framework. Based on the diagnosis by the social audit, prescriptions are needed from the programme division in the form of punitive action for the present as well as preventive action for the future. Here any

punishment will hinder the person concerned from committing the irregularity again even prevention is a very good measure in this regard. This ever- tightening policy framework after every cycle of social audit will help in sustaining the sharpness of social audits, as committing the same irregularity becomes more difficult, easier to detect, and consequently riskier. This way the programme framework becomes robust with each cycle of social audit, and keeps ahead of the curve. The result framework can be adopted to manage and measure social audits.

Swapan Kumar Roy: The concept of “Social Audit” has been derived from the concept of Corporate Social Responsibility that is followed by corporate entities around the globe. It has become a popular tool to determine a company’s social impact in the community. It is a process by which an attempt is made to find out whether the benefits of the projects/activities reach the people for whom it is meant. The objectives of social audit are- to look at what the social enterprise is doing, to evaluate how well the public resources are being used to meet the real needs of target beneficiaries, to ascertain where improvements need to be made and what those improvements to strengthen accountability and transparency in local bodies and many more. Generally Government and funding agencies, Private enterprises and Civil Society are the users of Social Audit. Social Audit benefits the disadvantaged groups, increases accountability.

**3. OBJECTIVES OF THE STUDY**

1. To understand the Dynamics of Welfare activities
2. Social Audit and its Challenges

**4. RESEARCH METHODOLOGY**

Secondary sources happen to be the source for this study. Whereas the data has been collected from research done in the field of activity, publications, websites and various documents of the Government of India Dept. of Personnel and Training and the census of India.

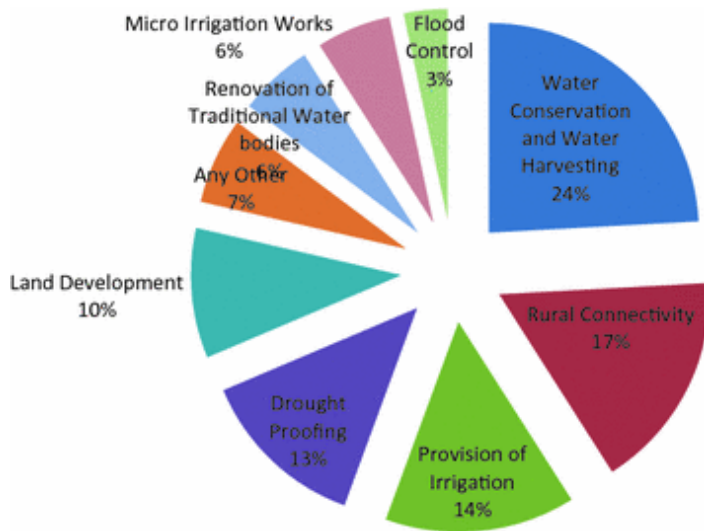
**5. DISCUSSION**

**Social Audit- An inclusive growth plan**

Social Audit as a statutory mandate was unprecedented in the history of India. Social Audit as a statutory requirement was kicked into place with MNREGA.

**MNREGA**

Mahatma Gandhi National Rural Employment Guarantee Act is primarily on the lookout for increasing the livelihood security of rural folks. Its aim is to guarantee hundred days of work to adult members of a family in an year to discharge unskilled labour work which is on volunteer basis.



Source : Springer link

### The Social Audit

Social audit is the process which consists of checking the veracity of the programme wherein the beneficiaries are themselves active participants they cross check the work on ground with what is there on the record. The MNREGA has mandated social audit of all works executed under the scheme. Social audit is different from financial audit. Financial audit involves inspecting and assessing documents related to financial transactions in an organization to provide a true picture of its profits, losses and financial stability of that company. Whereas, social audit focuses on the performance of a programme in fulfilling its intended social objectives and ethical vision through consultation with a range of stakeholders including social programme beneficiaries community members, government officials and verifying information obtained with documents and physical evidence. Thus, social audits examine and assess the specific programmes and policies.

The social audit basically synchronises the audit process with a monitor on activities, works completed and the attendance. It is necessary to promote peoples participation in the audit along with the support provided by independent social organization that facilitates the process. The social process is a fact finding process, the work of the auditor is to investigate by method of cross verifying works at the site. They are to function like auditors and not prosecutors.

### Benefits of Social Audit

It informs and educates the people about their rights and entitlements.

A correct forum for people to collectively enquire about their rights and self monitor the works on a regular basis.

It prompts peoples participation in all stages of implementation of programmes. It aims to bring efficiency into the process it strengthens decentralized governance and brings about clarity in process and follows up the concerned people responsible for the effective implementation.

### Key features of Social Audit

The most important feature is fact finding and not fault finding

Opportunity for awareness building on entitlements and processes.

Creating the space and platform for dialogue among various schools of stakeholders.

Timely grievance redressal.

Strengthening the democratic processes and institutions.

Building peoples pressure for better implementation of programmes.

### Steps involved in Social Audit

The SAU(social audit unit) prepares the social audit calendar for the gram panchayat in the state.

Selection of the Village resource person(VRP) is carried out by the SAU's in each state and preferably should be done from members of the SHG's or the Self Help Groups and also from

persons belonging to the SC, ST, Notified tribes, de-notified tribes/ other marginal groups, youth from rural groups , Nehru Yuva Kendra and Bharat nirman volunteers.

### Trg of VRP's

Training should be imparted to the Village Resource Persons in the process of social accountability and social audit.

### Consolidation of Records

The documents are provided by the concerned office for the verification process. This is followed up by the audit team for the needful process.

### Verification Process

The social audit team will verify the documents received from the programme officer and gram panchayat. Through door to door verification they will meet all the workers who have worked under MNREGA during the financial year and it is to be verified if full wages have been paid to the workers.

They will visit all the worksites, take the measurements and check the quality of work. They will conduct 100 percent verification of executed work. This has proved to be a very effective strategy as the contractors and other people in process chain have become more cautious because of the relentless follow up.

### Report Preparation

The social audit team collates all the findings and evidences from the verification stage and prepares an issue wise social audit report for Gram sabha. In the Gram sabha, the stakeholders peruse the details for necessary interpretations and action points.

### Social Audits in Various Parts of the Country

#### Society for Social Audit, Accountability and Transparency, Telangana

SSAAT is an independent society set up by the department of Rural Development, Government of Telangana to conduct social audits of its flagship programme ie MGNREGS. In recent years SSAAT has been entrusted with the mandate to conduct social audits of the welfare schemes of other departments within the Government of Telangana. This includes the SSP(social security pension), Integrated watershed management programme(IWMP) and Aam Admi BeemaYojana(AABY).

In FY 2012-13, SSAAT audited public funds to the tune of Rs 50 Billion and has trained over 35000 members from the beneficiary families. It has also conducted 1100 public hearings wherein beneficiaries could present issues faced by them such as delay in payments or information about frauds to the officials directly.

SSAAT lends its technical skills and expertise in helping programmes and governments both nationally and internationally. At the national level, the programmes include Government of India's centrally administered(coordinated) mid day meal scheme(MDM) which is the world's largest hunger intervention programme for children. Government of Jharkand's Swarnajayanti Gram SwarojgarYojana(SGSY) scheme for promoting community managed rural livelihoods. On the international platform SSAAT has provided technical guidance to many programmes including constituency development fund in Kenya and refuse collection and sanitation programme in South Africa. This was really a proud moment in the history of the country.

Source: <http://www.socialaudit.ap.gov.in/SocialAudit>

### Social Audit in Rajasthan

The mass social audit under the employment guarantee scheme in Dungarpur is the most significant feature of the MNREGA.

Launched on 02/Feb/2006 included Dungarpur as one of the 200 districts of India. One of the poorer districts located in southern Rajasthan, Dungarpur is also the place of origin for the RTI act.

As per the 2001 census the BPL households are almost 50 percent and as an awareness drive a padayatra was undertaken across the 237 panchayats employing about 1.5 lakh labourers across 1700 worksites.

The factors responsible for making social audit a reality in Rajasthan are firstly the presence of activist groups that monitored the spending of public money on drought and relief works and the second aspect is the involvement of working class in demanding employment as an entitlement. Moreover, for the first time in a public programme the MNREGA included transparency and public scrutiny as the statutory provisions under sections 23 and section 17 of MNREGA guidelines.

The tampering with the muster rolls is one of the cankers eating into the efficiency. After the process adoption the corruption dropped to as low as less than 3 percent. Building water harvesting structures is also an important priority in the drought prone district. It also had some significant aspects like reduction of out migration and above all the participation of women(more than 80%) in the employment guarantee scheme. The need for effective management of tasks, timely payment of wages and provision of support facilities at work sites has also been emphasized.

### Social Audit in North Eastern Region

Meghalaya became the first state in the country to operationalize the Meghalaya Community participation and public services Social Audit Act, 2017, a law that makes social audit of government programmes a part of government practice.

Prior to this law, social audits of government programmes were done at the initiative of the civil society organizations. These social audits had no official legal sanction. The first of its kind social audit law in country was passed by Meghalaya state assembly in april 2017 and was followed by pilot social audits for 26 schemes in 18 villages of the north eastern state. Its presently applicable to 11 departments and 21 schemes in Meghalaya.



The law makes social audits part of the system as earlier on it was the civil society initiative rather than government mandated. The social audit will make the implementation easier. The people will have a say in how the money is spent. It basically ensures that at grassroots level the auditing is being resorted to by the people themselves, it basically is an extension of the institutionalization of participatory audit process by the public. The introduction of this law has brought about radical changes in the field, it has resulted better monitoring by the people who are the beneficiaries.

Source: <https://currentaffairs.gktoday.in/meghalaya>

### CONCLUSION

The huge chasm which exists between what is set out to be delivered and the target audience or in other words what the intended beneficiaries actually end up getting is a matter of great concern. With the major objectives being to improve the standard of living, introducing education, efforts to arrest the number of dropouts, improving health and all this being enabled with a sense of dignity ie being able to earn a living in a dignified way. That is what is the aim of MNREGA is which is to ensure that the intended benefits reach the beneficiaries. So, here comes the role of social audit where in, it is slightly different from a typical audit and helps to assist the beneficiaries and government departments as well.

The process basically entails for making a social audit effective and efficient. The aim of the social audit should be clear and the identification of the stakeholders has to be carried out properly. It has to be ensured that the marginalized sections of the society who also happen to be the intended beneficiaries do have a control in the proceedings and could also be heard on the subject.

This active role in the process of ensuring the bridging the gap can also be tailored for bringing in more effectiveness. The system should be provided with teeth to fine tune the policy implementation and ensuring better compliance and greater outreach of the intended benefits.

### REFERENCES

1. Roy, SK, "Social Audit in India - An overview", International Journal of Scientific Research.
2. Aakella, KV, and S Kidambi. 2007 "Challenging Corruption with Social Audits" Economic and Political Weekly
3. Aiyar Y And Samji S. 2009 "Transparency and Accountability in NREGA" A case study of Andhra Pradesh
4. Yadav S., "Bhilwara Boost for Social Audit", Civil Society (2009)
5. Shankar, S. 2010 "Can Social Audit Count" ? ASARC working Paper New Delhi: Centre for Policy Research  
Report of Task Group on Social Audit, Civil Society(2009)

### WEBSITES

- [www.ssaat.telangana.gov.in](http://www.ssaat.telangana.gov.in)
- [www.nrega.net](http://www.nrega.net)
- [www.nird.nic.in](http://www.nird.nic.in)
- [www.fao.org.in](http://www.fao.org.in)