Social Audit: Concept and Application

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Pro-poor Development

- Four essential components necessary for pro-poor development
  - Participation – people need to be involved in schemes which aim to address the difficult situations they are in
  - Inclusion – Many schemes meant for the poor exclude the poor, women, disadvantaged communities
  - Accountability – have to explain why certain decisions were taken / not taken and then have to face the consequences for that
  - Transparency – Transparency is necessary to enforce accountability and also help with participation
- Social Audit is one of the social accountability tools that promote all of the above

What is social audit

- Can be interpreted in many ways
- Assessment of how well a company has discharged its social obligations
- In development programmes, social audit is a process by which the people, the final beneficiaries of any scheme, programme, policy or law, are empowered to audit such schemes, programmes, policies and laws.
- A social audit is an ongoing process by which the potential beneficiaries and other stakeholders of an activity or project are involved from the planning to the monitoring and evaluation of that activity or project.
- However, 'social audit' can also be understood in a broader sense, as a continuous process of public vigilance.

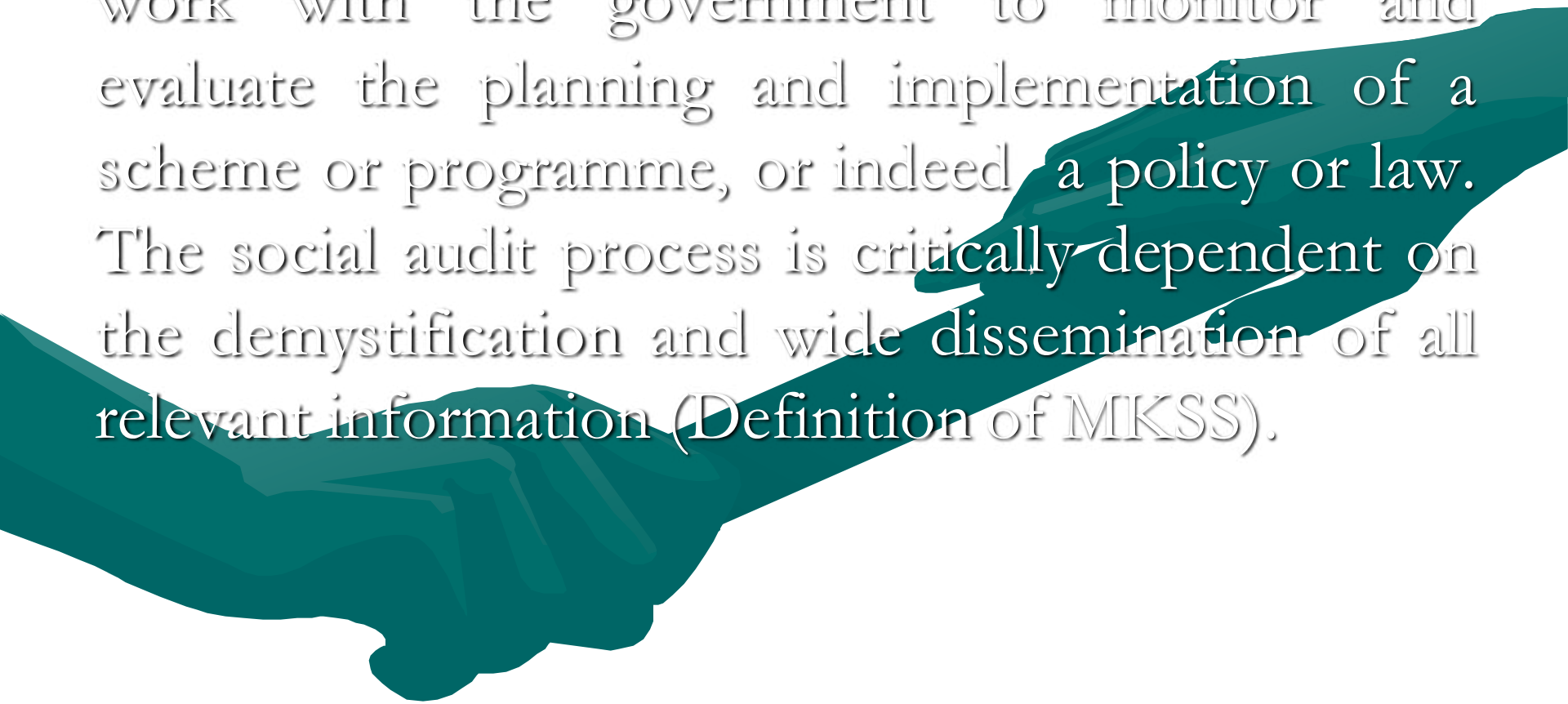
Meaning of Social Audit

Social Audit is the process in which, details of the resource, both financial and non-financial, used by public agencies for development initiatives are shared with the people, often through a public platform. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives.

(Vision Foundation)

Meaning of Social Audit

A social audit is a process in which the people work with the government to monitor and evaluate the planning and implementation of a scheme or programme, or indeed a policy or law. The social audit process is critically dependent on the demystification and wide dissemination of all relevant information (Definition of MKSS).



Why Social Audit

- One approach to strengthen good governance through a process, which promotes transparency and accountability
- To increase public participation
- To enable people/ children exercise their rights
- For the effective implementation of the scheme
- To control irregularities

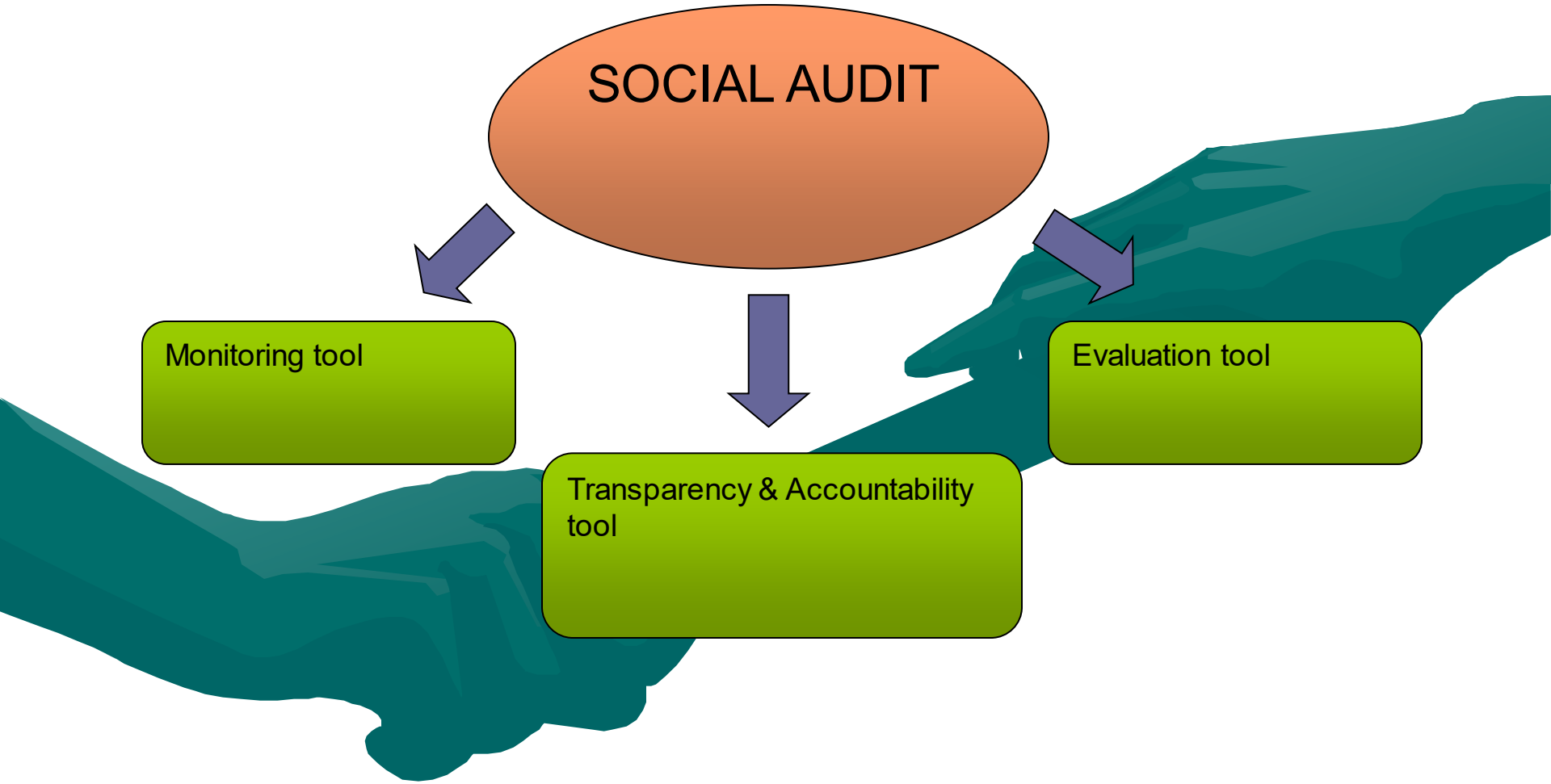
Origin of Social Audit

- To casual observer social auditing is a new phenomenon.
- In reality, the concept of a social audit was formed much earlier
- In 1940's by Theodore Kreps from Stanford university
- Howard Bowen in 1953 and modern version in 1970
- Mostly called on companies to acknowledge their responsibilities to citizens, how well discharged its social obligations and organisations social performance.

Principles of Social Audit

- Transparency
- Participation
- Representative participation
- Consultation and Consent:
- Accountability
- Redressal:

Scope of Social Audit



Types of Audits

- Government or Institutional Audits

  (External and Internal)- Financial audits, Performance Audits
- Public Audits- Peoples audit
- social audit

- Government audit –
- usually by professional auditors without significant involvement of affected people.
- Assesses primarily procedural integrity and outputs,
- Little ability to get public perceptions or verify outcome

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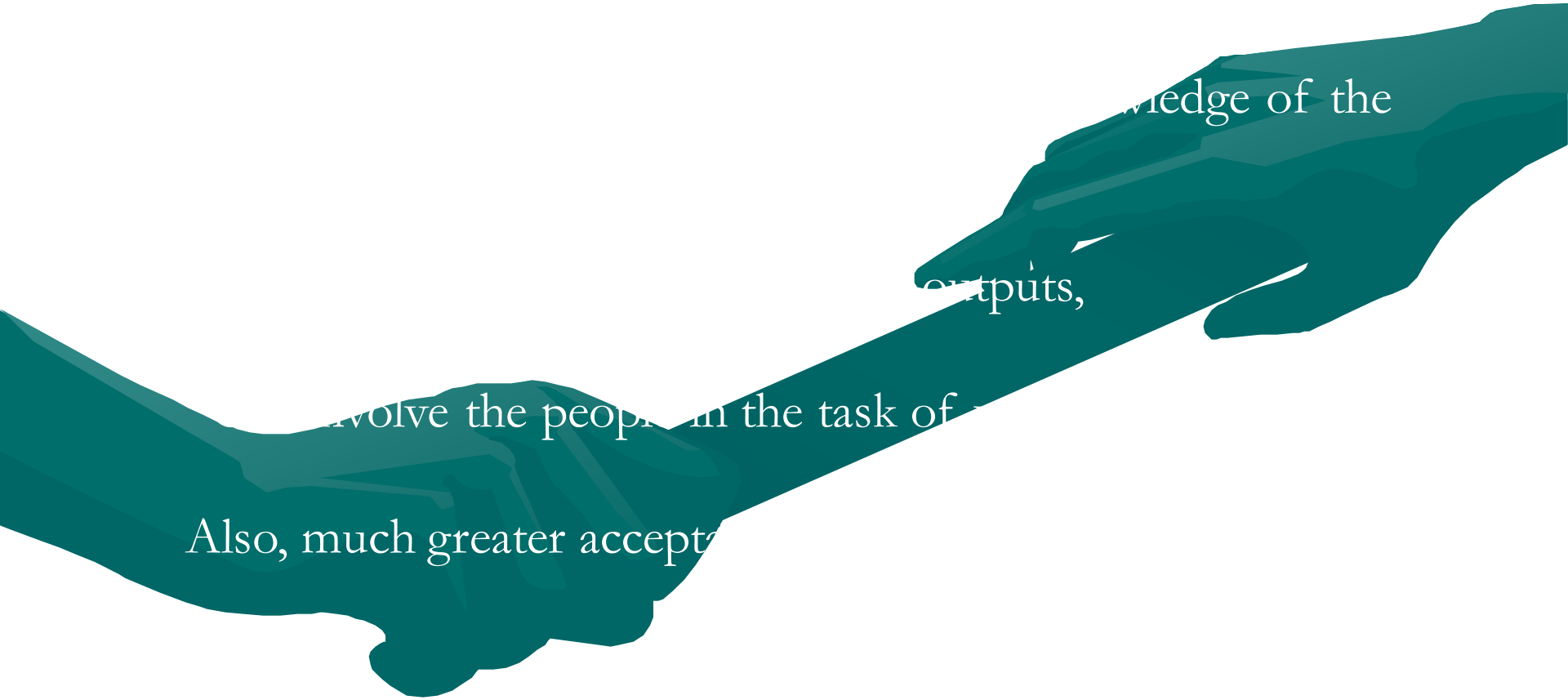
However, low acceptance of findings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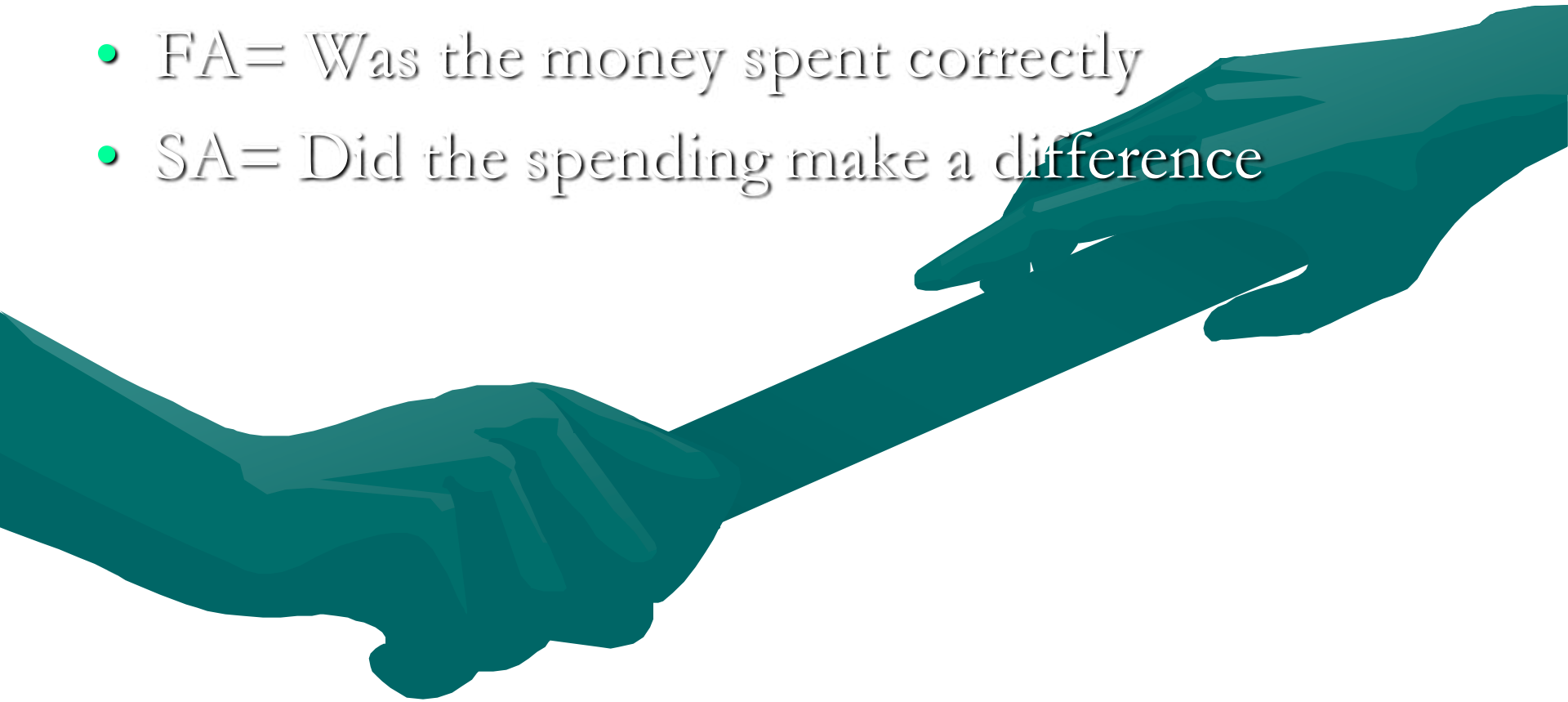
Social audit V/s Financial Audit

- FA= Was the money spent correctly
- SA= Did the spending make a difference



Modes of carrying out Social Audit

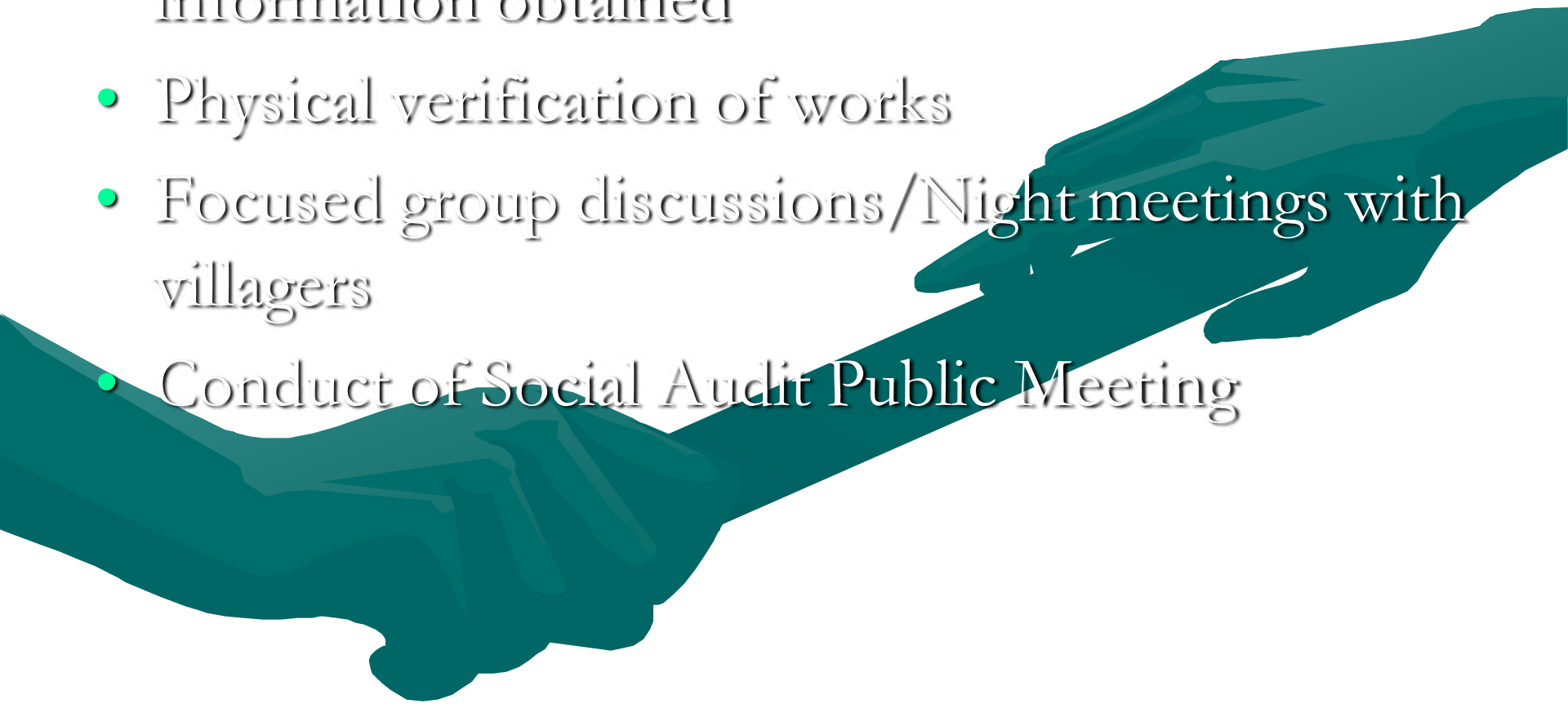
- Campaign Mode
- By VMCs(community based organisations)
- Separate Institution
- Third party like NGOs
- Mostly remained to one gramsabha

Social Audit Rules

- Called as Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules,2011
- Published with vide notification of GoI in MoRD number GSR 307(E) dated 6th April,2011
- State Government s shall establish an independent organization (social audit unit) to facilitate Social audit Gram Sabhas
- Funding to social audit units
- Social audit now is mandated to take up for many development schemes like PMAY, Programmes cover under food security Act like ICDS, MDM,PDS and also Supreme court has given a direction to take it up to ICPS etc
- MoRD in consultation with C&AG constituted a Task Force in 2015 for looking into process of Social Audit and it has come out with auditing standards

Steps in Social Audit

- Verification of facts and figures with record and information obtained
- Physical verification of works
- Focused group discussions/Night meetings with villagers
- Conduct of Social Audit Public Meeting



Process of Social Audit

- Social audit unit prepare the annual calendar
- Calendars will be sent to all DPCs or implementing agencies
- The resource persons along with primary stakeholders shall verify the documents
- On the basis of information available primary stakeholders must be met and figures on records must be verified with actual facts on grounds

- Through FGDs and one to one interviews, the details of implementation of scheme must be found out
- If discrepancies are found thorough verification of facts, written note of them duly signed by the labourers concerned must be taken. This should be included in social audit report
- The information must be filled in social audit formats and must be analyzed
- Public meeting should be arranged to discuss the findings of Social audit
- The implementation team (PRI members and officials) will be present in the gramsabha

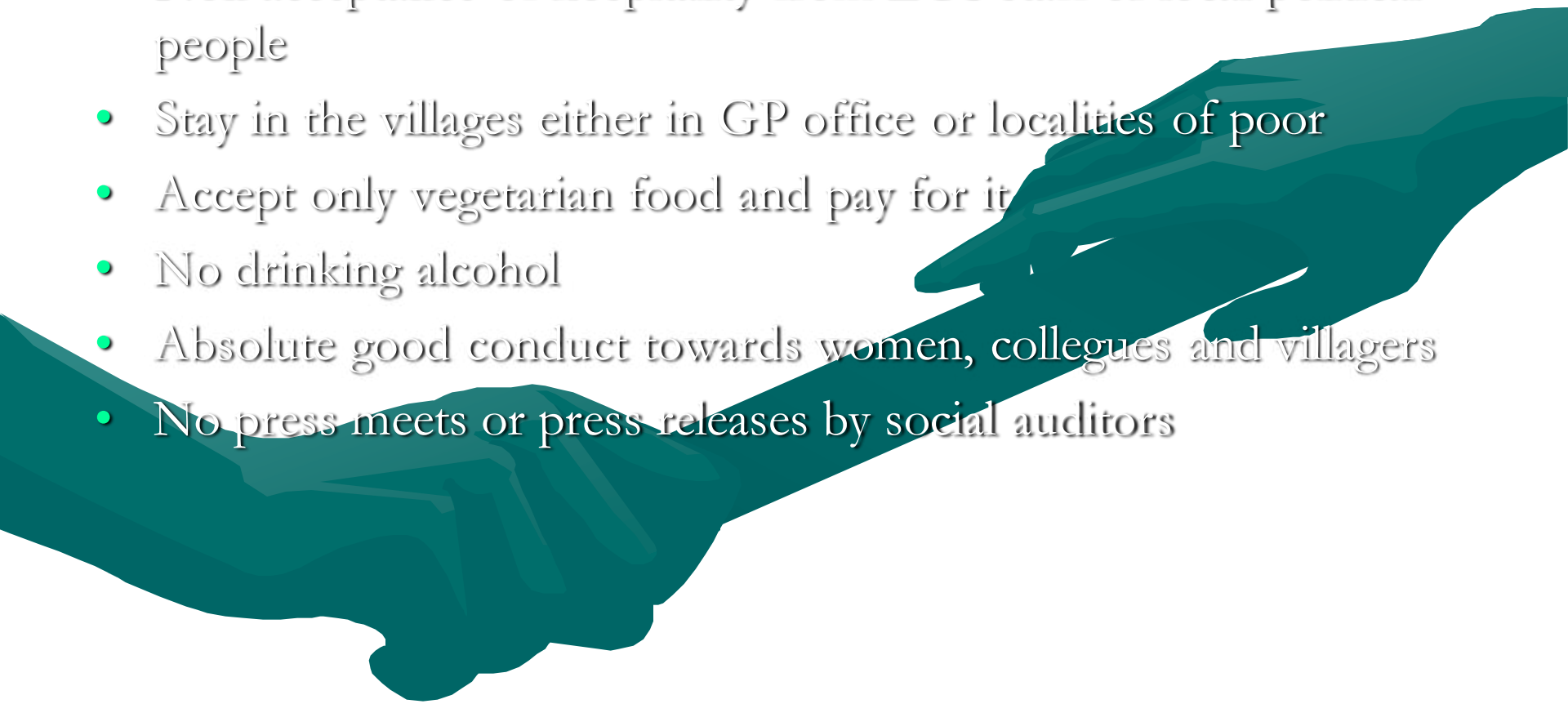
- Gramsabha should provide an opportunity to the beneficiaries to seek any other information needed
- DPC should attend or nominate appropriate official to the gramsabhas
- The social audit reports shall be prepared in local language
- The action taken report of the previous social audit will be read out
- Build Awareness among primary stakeholders on the provisions of the schemes

Social Audit in AP

- Under administrative reforms pilots were done in three villages of Nalgonda for NFFW in collaboration of MKSS
- Strategic Performance Innovative Unit (SPIU) was started
- SSAAT started in 2009
- After bifurcation of the state AP SSAAT became full pledged with independent director in 2016
- Structure of SSAAT
- Separate three tire vigilance system to take actions

Non- negotiable of Social Audit Resource persons

- Strict code of conduct for social auditors
- Non acceptance of hospitality from EGS staff or local political people
- Stay in the villages either in GP office or localities of poor
- Accept only vegetarian food and pay for it
- No drinking alcohol
- Absolute good conduct towards women, collegues and villagers
- No press meets or press releases by social auditors

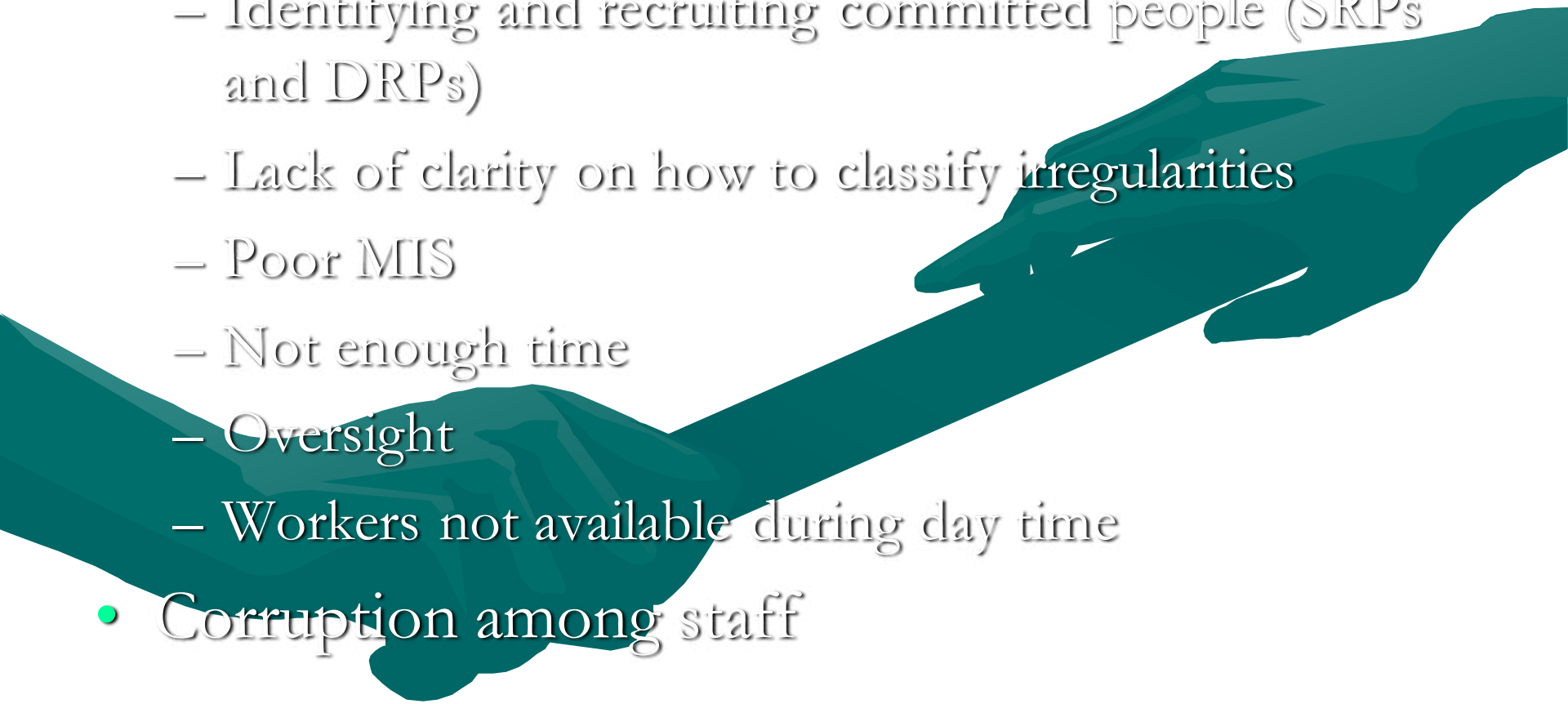


Issues/concerns during the social audit

- Political and administrative commitment – there are still many states which do not have a social Audit Unit
- Identification of VRPs and their training
- Lack of cooperation from district administration
  - In Getting records, even records are given most of the time Incomplete records
  - Getting independent observer and officials to attend gram sabha
  - No Block Level Public Hearing
  - No response, no action taken, no sufficient fund
- Obstruction, threats during social audit

– State Rules have not been framed

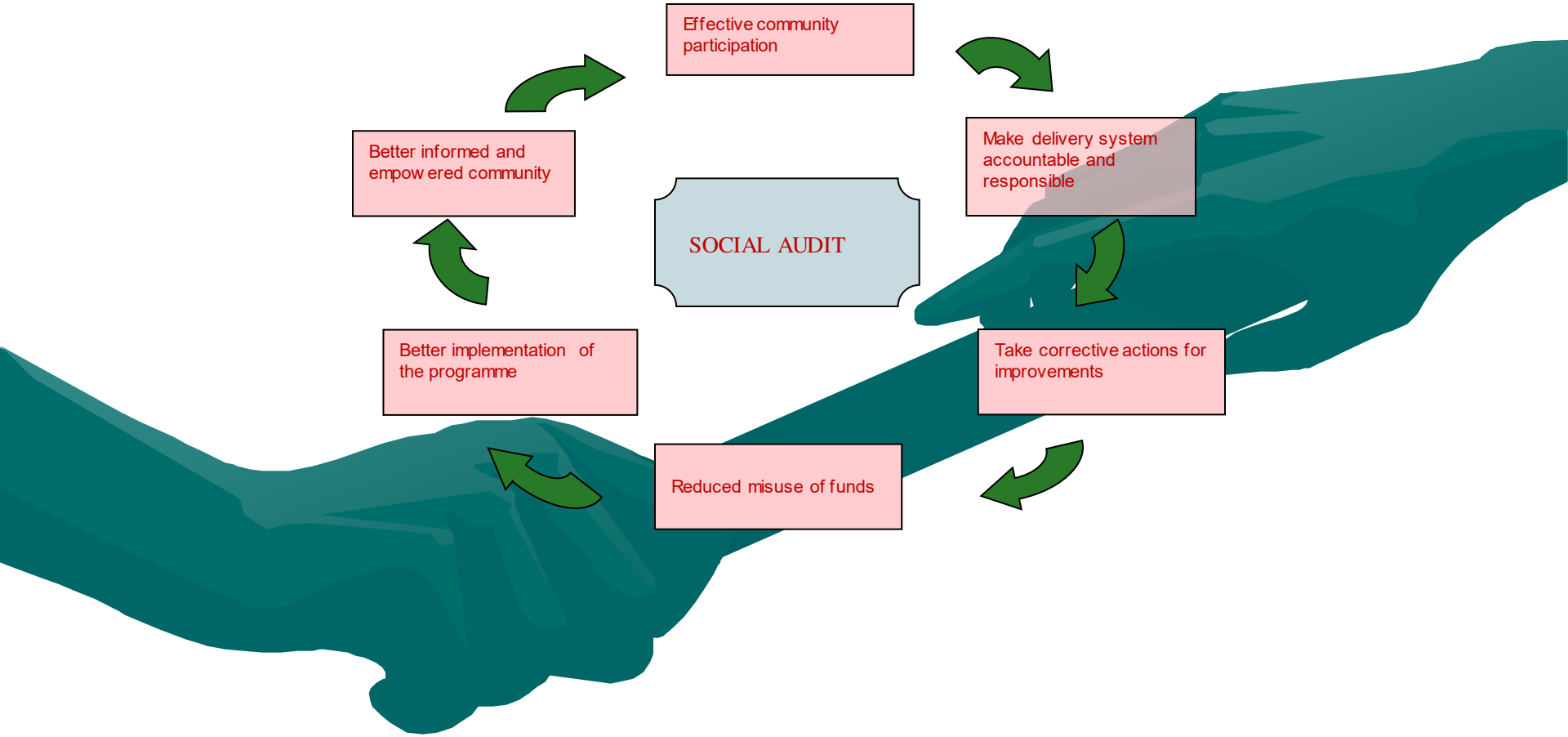
- Logistics
  - Identifying and recruiting committed people (SRPs and DRPs)
  - Lack of clarity on how to classify irregularities
  - Poor MIS
  - Not enough time
  - Oversight
  - Workers not available during day time
- Corruption among staff



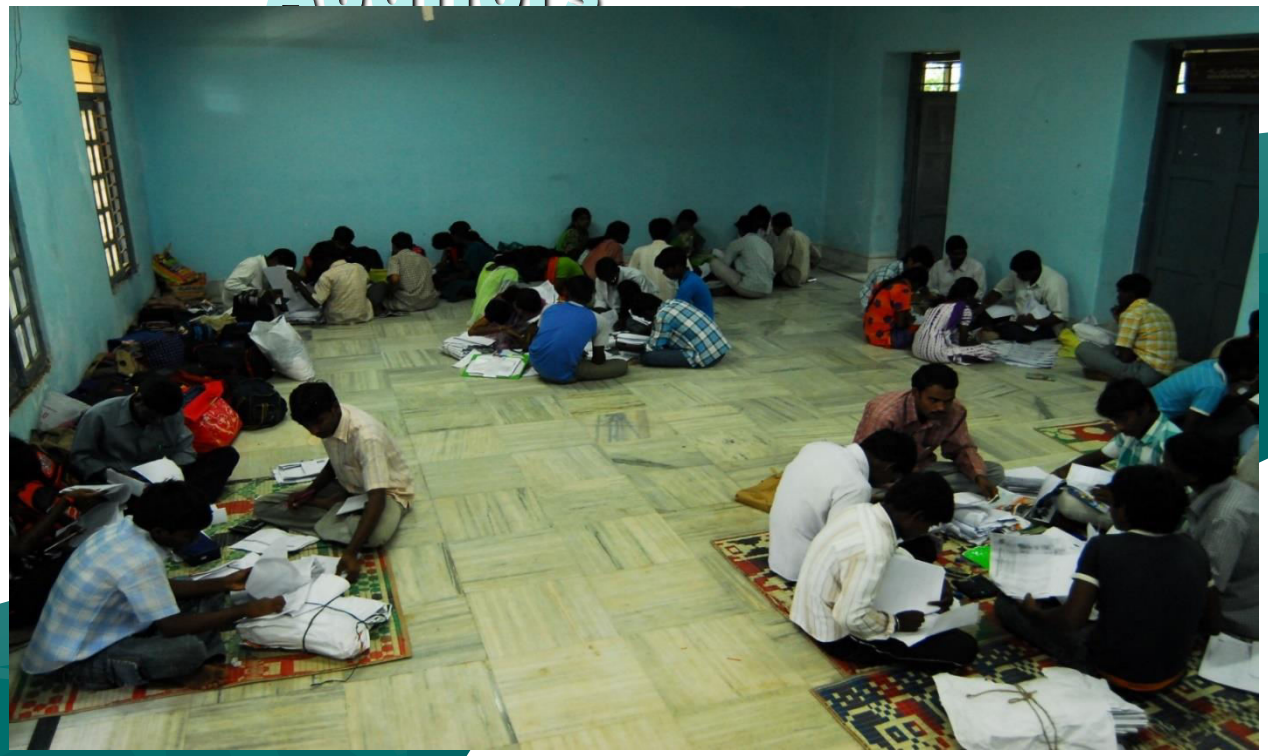
Benefits of Social Audit

- Awareness generation
- Monitoring
- Evaluation and Impact assessment
- Grievances Redressal and follow up of corrective actions

Empowerment of community/ children



Verification of Records by Village Social Auditors



Verification in the Villages with the labour

Labor testifying in the public

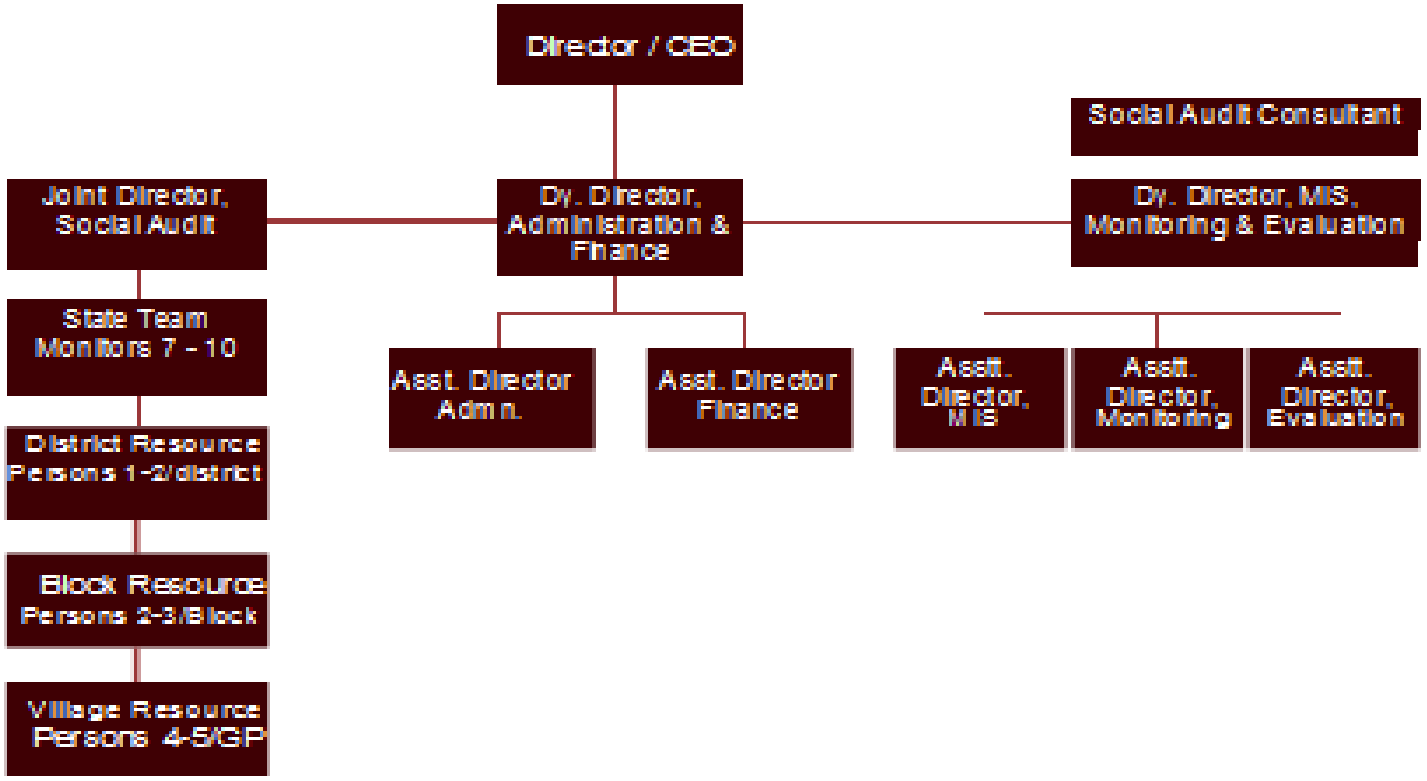
More testimonies

Public in a social audit meeting

Thank You!

ANNEXURE-31

A FULLY FUNCTIONAL SOCIETY/DIRECTORATE FOR SOCIAL AUDIT WOULD HAVE A STRUCTURE SHOWN BELOW



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