

Status of Social Audits in India 2021



Centre for Social Audit

National Institute of Rural Development and Panchayati Raj

Ministry of Rural Development, Government of India

Rajendranagar, Hyderabad - 500 030, India



Status of Social Audits in India, 2021

CENTRE FOR SOCIAL AUDIT, NIRDPR

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Glossary

| | |
|-----------------|--|
| 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 Scheme |
| 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 |
| SAFAR | Social Accountability Forum for Action and Research |
| 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 by NIRDPR Director

Social audit is a powerful tool to bring transparency and accountability in the implementation of development programmes. Over the years, considerable progress has been made in institutionalizing this tool for the social audit of MGNREGS and there has been increasing interest in the roll-out of social audit to other flagship poverty alleviation schemes as well.

In this background, there is a need to systematically look at all aspects of the social audit process and identify what has been done well and what needs improvement. The Centre for Social Audit in NIRDPR has been doing this periodically and bringing out the 'Status of Social Audits in India' reports. This report is the third in the series.

The report details summaries of MGNREGS social audit findings, action taken reports and has few case studies also. Due to Covid restrictions since March 2020, social audit gram sabhas could not be conducted in many states. Social audit units in these states did concurrent social audit and this is detailed in a separate chapter. In addition to the Ministry of Rural Development, other Ministries have also been promoting social audit recently and the report provides the status of these efforts.

The SAUs are evaluated on key parameters including their independence from the implementation department, staff strength, capacity building, quality control mechanisms, preparation of annual reports and transparency provisions. The social audit process followed in different states is detailed so that the best practices from the well performing states may be adopted by others. Suggestions and recommendations to strengthen the social audit and make it more effective for different stakeholders have been given. A profile of social audit unit in each state is given along with key recommendations to improve the quality of social audits and bring them in compliance with the auditing standards.

I wish that the report is widely read and the recommendations indicated are implemented so that social audit becomes more effective.

Director General, NIRDPR

Acknowledgements

We had brought out the report 'Status of Social Audits in India, 2019' which was released by the Honourable Minister of Rural Development during the National Seminar in Delhi in November 2019. The former Additional Secretary of MoRD, Shri Sanjeev Kumar felt that the status report is a powerful tool to take stock of the current status of social audit, identify bottlenecks and make key recommendations for strengthening the social audit process. At the end of the last year, he requested us to bring out the next version and then we started the process. We thank him for motivating us to take up this work again.

We first prepared a questionnaire based on the 'Social Audit Assessment Index' tool released by MoRD a few months earlier and then sent it to all the SAUs. We thank all the SAU staff for providing us with the requested information and patiently answering our follow up questions. This report would have not been possible without their cooperation.

We dedicate this report to all the field workers who actually facilitate the social audit at the field level under difficult circumstances. Their commitment to ensuring that MGNREGS is implemented well and people are able to access the rights guaranteed to them deserves full support and appreciation.

In this report, we have requested few people from the civil society to contribute certain pieces and they readily obliged. We thank Anindita Adhikari, Anjali Kanitkar, Jyothi Krishnan, Mouleshri Vyas, Rakshita Swamy, Vineet Bhambu and Yogesh Kumar.

We would like to thank the Secretary, Additional Secretary of MoRD and the different programme divisions for their continued support and encouragement. We also thank the Director General of NIRDPR for writing the foreword and for appreciating and supporting our work.

Executive Summary

This is the third report on the status of social audits in India published by NIRDPR. Previous reports were published in 2018 and 2019. This report has four sections.

The first section contains an introduction, recent initiatives, details about social audits of MGNREGS and social audit of other schemes. The second section contains details on the social audit units that have been facilitating social audit – how they were set up, their governing bodies, staff structure, their funding, and the social audit process. The third section contains feedback from the SAUs about their requirements and key recommendations based on the study and interactions with different stakeholders. The last section profiles each of the SAUs in detail, gives details about the social audits they have done, their best practices, areas of concern and recommendations on what needs to be done to strengthen the social audit process in the state. Contributed pieces from different civil society representatives and practitioners have been included in the boxes throughout the report.

Section I – Social Audit of MGNREGS, Concurrent Audit, Social Audit of other Schemes

Chapter 1 – Introduction

History of social audit and overview of different chapters.

Chapter 2 – Recent Initiatives

Recent initiatives from MoRD, other Ministries and SAUs are presented here.

Chapter 3 - Social audit of MGNREGS

This section has 5 sub-sections. In the first sub-section, cumulative data (corresponding to data from 2017-18 to 2020-21 present in the MIS) has been presented. In the second, data corresponding to 2019-20 and in the third data corresponding to 2020-21 are presented. The fourth sub-section has cumulative financial misappropriation data and amount recovered as reported by the SAUs and the last sub-section has few case studies from different states.

The number of social audits facilitated is a key parameter to measure the functioning of the SAU. In 2019-20, social audits were carried out at least once in 1,68,111 Gram Panchayats which is 63% of the total Gram Panchayats in the country. In the previous year (2018-19), the % of GPs audited at least once was 47%. The number of regular social audits in 2020-21 is much less (11%) due to Covid-19 restrictions. However, many states conducted concurrent audit and this is detailed in the next section. Ignoring 2020-21, the number of Gram Panchayats where social audit has been conducted has been going up steadily.

The number of issues identified per audit may be used as a metric to evaluate the quality of social audits. Out of 26 states, six of them have reported more than 10 issues / social audit.

MoRD has created a module in NREGASoft for managing social audit findings and action taken reports. For 2018-21, the % of data entered in the relation to the audits conducted is 92%. Eight states have entered less than 90% of the audits they had facilitated.

Issues have been categorized into four different types – financial misappropriation, financial deviation, process violation and grievance. The total number of issues reported in the MIS is 17,76,841. Five states (Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Jharkhand) together have reported 92 % of the total financial misappropriation issues.

The list of top 20 common issues and the number of times they have been reported at the national level has been given. The top 3 among the most frequent issues are ‘Significant differences between measurements at worksite and recorded values in Mbook’, ‘Payment to person who did not work’ and ‘Rozgar Diwas is not conducted once every month’.

As part of the social audit, the resource persons fill a checklist on the core aspects of the scheme – based on data from 2019-20, it was found that all labourers do not have job cards with them in 37 % of Gram Panchayats, Job cards have not been fully updated in 51 % of Gram Panchayats, there is no process to register demand and give receipts in 45 % of the Gram Panchayats, that there is unmet demand for work in 51 % of Gram Panchayats, that labourers face problems in getting their wages in 44 % of Gram Panchayats, that citizen information boards for community works have not been displayed in 36% of Gram Panchayats, that citizen information boards for all individual works have not been displayed in 53 % of Gram Panchayats, that drinking water is not provided in all worksites in 33 % of Gram Panchayats, that first-aid kit is not available in all worksites in 57% of Gram Panchayats.

The Ministry has said that the state government should take appropriate action on the social audit findings within 30 days of the gram sabha. This is also essential for people to have faith in the social audit process. However, only 16 % of the total reported issues have been closed satisfactorily as per data in the MIS.

The Audit of Scheme Rules 2011 says that appropriate action (including initiating criminal and civil proceedings or termination of services) is initiated against individual or class of individuals or persons who misutilized or embezzled amount meant for schemes under the Act. However, this has not been followed; though nearly 4 lakh financial misappropriation issues have been filed, the response has been poor - only 95 FIRs have been filed, 1094 employees have been suspended, 629 employees have been terminated and 16,214 employees have been fined. Most of the actions taken are from Andhra Pradesh, Telangana, Jharkhand and Chhattisgarh.

Since social audits have begun, they have reported financial misappropriation amount of Rs 1784 crores. 90 % of the total misappropriation amount detected is from the four southern states - Tamil Nadu, Karnataka, Andhra Pradesh and Telangana. Other states which have reported high financial misappropriation include Jharkhand, Chhattisgarh, Punjab and Tripura. From among the

total amount that has been misappropriated, only 10.4 % has been recovered which points to serious lacunae in the follow-up action.

A few case studies from different states have been presented in the final section.

Chapter 4 – Concurrent Social Audit of MGNREGS

With the advent of Covid-19 and the restrictions relating to the conduct of gram sabha, SAUs could not conduct regular social audits. Following the initiative of Telangana and Jharkhand which started to do concurrent social audits (audits of on-going works by SAU resource persons without a gram sabha at the end), the Ministry issued guidelines for concurrent social audits. During 2020-21, twelve states did concurrent social audit, six states started concurrent social audit but then switched back to regular social audits when the Covid situation improved; nine states continued to do regular social audits even during the pandemic period.

Even though MGNREGS implementation was in full swing in most states and the amount of expenditure in 20-21 was 80% more than in 2019-20, most states were reluctant to do either regular social audit or concurrent social audit. When they did take up concurrent social audit, the scale at which it was done was much lower than what was required to achieve good real-time monitoring of the scheme. Non-availability of funds was also an important reason why many states were not able to do better in the conduct of concurrent social audits (discussed in detail below).

Telangana focussed mostly on grievances and ensured that the registered grievances were redressed. Some SAUs including Chhattisgarh, Jharkhand and Telangana focussed on returned migrants and helped them get Job Cards and work under MGNREGS.

The social audit module in NREGASoft required minor modifications to store concurrent audit data, but since these were not done, the SAUs did not enter the social audit findings in the MIS. SAUs maintained their data in spreadsheets and consolidated data from the SAUs have been included. A total of 11,36,690 issues were reported and out of this 3,21,264 issues (28 %) were resolved.

Because concurrent social audit was very helpful in real-time monitoring and provided the opportunity for corrective action (as opposed to only disciplinary action and recovery in a regular social audit), few states are considering doing this in an ongoing basis even after the covid restrictions are removed. The Jharkhand RDPR Secretary and SAU coordinator have written short pieces on concurrent social audit and its importance. A few case studies have also been included.

Chapter 5 – Social audit of other schemes

While NFSA mandates social audit of fair price shops and other welfare schemes, only pilot social audits have been done in few states with the exception of Bihar where social audits of fair price

shops are done along with social audit of MGNREGS and PMAY-G. A box details the pilot social audit of fair price shops in Kerala.

Though the Ministry issued guidelines for social audit of NSAP and PMAY-G in November 2019, social audits of NSAP has been done only in West Bengal, Tripura and Mizoram; social audits of PMAY-G in scale has happened only in Uttar Pradesh, West Bengal, Bihar and Meghalaya.

The Department of School Education and Literacy has taken steps to introduce social audit of the Samagra Shiksha Scheme. In Jharkhand, social audit of 4910 schools was done in 2019-20. Andhra Pradesh also conducted social audit of their 'Mana Badi: Naadu Nedu' scheme which aims to provide basic infrastructure in all schools. Telangana, Karnataka and Jharkhand SAUs have facilitated social audits of the Mid Day Meal Scheme.

During the Covid period, Rajasthan facilitated pilot social audit of Mid Day Meal and the ICDS scheme (a box details the process and findings). Earlier, civil societies have facilitated social audit in Odisha and Bihar. In 2017-18, Telangana SAU facilitated social audit in 5% of Anganwadis in the State.

In June 2021, the Ministry of Panchayati Raj published the guidelines for social audit of Fifteenth Finance Commission Grants (XV FCG). In 2020-21, Karnataka did social audit of utilization of Fourteenth Finance Commission Grants in all the panchayats.

Section II – SAU, SA Process, Funding

Chapter 6 – Funding for social audit of MGNREGS

The Auditing standards specify that 0.5% of previous year's expenditure should be allotted for social audit. However, SAUs have not been receiving this amount. Moreover, the % of amount given to SAUs has been going down over the years – from 0.36 % in 2017-18 to 0.16 % in 2020-21. In terms of the amount, it has gone down from Rs 203 crores to Rs 105 crores, a nearly 50 % reduction. All aspects of the functioning of the SAU has been severely affected by this. Ministry needs to concentrate on the fund release and ensure the timely release of the full amount that the SAUs require.

Chapter 7 – Social Audit Unit

It is essential that the SAUs be independent in order to function effectively and without fear or favour. The auditing standards, rules and other guidelines define what independence means. SAUs have been evaluated on these parameters.

West Bengal, Jharkhand and Nagaland have not set up an exclusive society to facilitate social audit. The Union Territories and Goa are yet to set up an SAU. In eleven states, the social audit unit requires the signature of an RD&PR official to operate their bank account. The RD Secretary is the chairperson of the Governing Body in 3 states which is against the guidelines and in another

three states, no chairperson has been appointed. In twelve states, the Governing Body does not have adequate number of civil society organisations. In nineteen states, an MGNREGS/implementing agency official is a member of the SAU Governing Body/Executive Committee which is a violation of the guidelines and standards.

The Auditing Standards says that Governing Body should meet once in three months, but 14 SAUs have not met even once in the last two years. In 2020-21, Governing Body meetings were held only in seven SAUs.

In many states, the payment to resource persons facilitating social audit is done by implementation officials and in some states the implementation officials have a role in the selection and supervision of the resource persons which compromises the independence of the social audit process.

The Ministry has said that a full-time, independent director should be appointed to head the SAU. However, only 16 states have appointed a full-time director. Few states have appointed an RD official as the Director which is against the norms. Frequent changes also weaken the SAU.

SAUs require adequate administrative staff & resource persons for financial management, human resource management, capacity building, monitoring, analysing data and preparing reports. But 17 SAUs have said they do not have sufficient staff for these tasks. District Resource Persons anchor the social audit process at the district level. Only 65 % of the sanctioned posts have been filled. Block Resource Persons are the key personnel who lead the team that facilitate the audit at the Gram Panchayat. Against an estimated requirement of 8761, there are currently only 4863 resource persons (55 %). Moreover, many states have not hired BRPs as Fixed Tenure Employees, but are empanelled; these BRPs are not provided work on a continuous basis and their commitment to the process is also less.

A 30 day certificate course was designed in 2016 and more than 5039 resource persons have completed the course. There are still 1693 resource persons who are yet to do this course. A 4 day training programme was rolled out in 2017 for VRPs and so far, 98209 persons have participated in this programme. However, all of them are only from 11 states.

One of the objectives of social audit is to promote transparency. However, only 10 out of 28 SAUs have a public website. Out of this, only three of them display the social audit reports in the website. Social audit reports should be displayed in the notice board of the GP. However, only 13 out of 28 SAUs do this.

Ten out of 28 SAUs have appointed a grievance redressal officer / ombudsperson for taking complaints from citizens about the staff and practices of SAU. MoRD has mandated that SAUs should send quarterly reports to PAG, but nine states are not doing this.

According to GFR, all grantee institutions are supposed to prepare an annual report. However, only 11 states have said they do this and out of this only five are accessible.

The MGNREG Audit of Scheme Rules says that 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. However, only four states have done this.

Chapter 8 – Social Audit Process

The Ministry has said that 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 help him/her. However, due to the shortage of staff mentioned earlier, this is being done only in 13 states out of 28 (46 %). The quality of social audits which are not led by a certified person tend to be poorer as VRPs complete only a 4 day course (as opposed to the 30 day certification course) and their experience is also less (as they do very few audits in a year).

The MGNREG Act, Schedule II says block level public hearings should be conducted following the gram sabha. In the public hearings, decisions are taken on the action to be taken for different irregularities. However, only 14 out of 28 state conduct the public hearings.

The Ministry has specified the different types of irregularities / grievances that may be seen in the field and the social audit team categorizes the issues based on these. To ensure that appropriate action is taken on the issues filed, states need to specify what action should be taken for each irregularity. However, only six out of 28 states have done this.

The MGNREGS Annual Master Circular mandates that a 3-tier vigilance mechanism including State and District Vigilance Cells should be created to follow up on issues identified during social audit. However, only Andhra Pradesh and Telangana have done this.

For closing issues, clearly defined protocol has not been specified and different states are following different approaches. In Sikkim, the Gram Sabha listens to the action taken report in the next year and decides whether to close the issue or not. Tamil Nadu and Karnataka have a team at the district / taluk level who decide whether to close the issue or not. However, since most of the team members are implementation officials, they tend to close issues even when appropriate action has not been taken. Jharkhand has an 'Action Taken Report' review committee at the district and state level consisting of members from civil society, journalists, academics and self-help group members. This team ensures that the issue is closed only if the appropriate action is taken. It is recommended that other states also follow the Jharkhand approach.

Section III – Feedback and Recommendations

SAUs have given feedback about the issues they face and the support that they require from MoRD.

Based on the analysis of the social audit findings, action taken reports, current status of social audit and discussions with many people, some broad recommendations for different stakeholders have been given.

C&AG

C&AG should do a compliance audit of all SAUs and implementation agencies. They should assist in the capacity building programmes for resource persons. They should do a periodic review of the social audit findings and action taken reports, observe social audits and give feedback to improve the process and outcomes. They should also develop standards for follow-up action after the social audit.

Ministry of Rural Development

A separate unit should be formed to support social audit across all programmes. It should commission eminent institutes in each state to evaluate the social audit unit and the process. It should periodically review the social audit findings & action taken reports. Funds (0.5 % of previous year's expenditure) for social audit unit should be released on time at the start of the year. For smaller states and SAUs covering all Gram Panchayats in a year, the % of funds may be increased. It should continue to support the capacity building programmes for all resource persons. Long pending MIS issues should be addressed. Funding for social audit of PMAY-G and NSAP should be provided.

Concurrent social audit is effective in helping to identify and correct many irregularities at the field level. Ministry may consider making this a regular activity to be done along with the regular social audits facilitated by the SAUs.

State Government

State should ensure that the SAU is independent – it should appoint an independent Governing Body; the governing body or executive committee should not have any representatives of implementing agency; the chairperson of the governing body should not be secretary of RD & PR Department. It should appoint an independent full time Director. It should allow the Governing Body to hire required staff and formulate the HR Policy.

State government should issue orders for submission of documents on time for social audit and mandate the attendance of independent observers, PRI representatives and implementation officials in the gram sabha and public hearings. It should issue rules specifying the action to be taken on different irregularities. It should organise public hearings at regular intervals to review

the social audit findings and ensure that appropriate action is taken in a timely manner. It should ensure that there is no interference in the closure of issues

The State Employment Guarantee Council should prepare an annual report incorporating the social audit findings and action taken reports and place it in the state legislature.

Social Audit Units

The Governing Body of the SAU should meet periodically and approve the budget and calendar. It should appoint an ombudsperson to receive complaints / grievances against resource persons or the process. It should ensure that SAU is staffed adequately, the staff are paid reasonably and are provided adequate health coverage and life insurance.

SAU should ensure that audits are done effectively and as specified by the auditing standards; they should create a public website and host all social audit reports in it. SAUs should prepare annual report and disseminate it widely.

Section IV – SAU Profile

Chapter 10, SAU Profile: For each state, an overview of the structure of the SAU, social audit process, key findings, best practices, areas of concern and recommendations are given.

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's 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 taken up under the scheme within the Gram Panchayat.

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. The Supreme Court has also said that the Social Audit Unit facilitating Social Audit of MGNREGS should facilitate the audit of NFSA.

To ensure social audits are done well, 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, 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 Jan 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 [6].

NIRDPR has been publishing a report on the status of social audits in India. The first was published in April 2018 [7] and the second was published in 2019 [8]. This report is a continuation and is the third in the series.

The next chapter gives a brief overview of the latest updates on social audit. Chapter 3 details the findings from the social audit of MGNREGS. Most of the reports have been taken from the social audit reports in NREGASoft. Due to Covid restrictions in 2020-21, many states took up concurrent audit instead of regular audit and the details of this is presented in Chapter 4.

Chapter 5 gives a brief overview of social audit in schemes other than MGNREGS. Chapter 6 gives the details on the funds granted for social audit and issues faced by SAUs with respect to delay in funding. Chapter 7 is about the social audit units that have been established in the states – their independence, staff strength, capacity building and transparency & accountability provisions. Chapter 8 details the social audit process followed in different states. Chapter 9 gives the suggestions and requests made by different SAUs and broad recommendations for different stakeholders.

Finally, chapter 10 contains an individual profile of each of the Social Audit Units in the states.

Social Audit Gram Sabha in Andhra Pradesh



Box 1-1: Social Audit of MGNREGS

There is wide variation in how the social audit is conducted across different states. But typically, a social audit facilitation team headed by a Block Resource Person and with 3-5 Village Resource Persons spend about 3-5 days in a Gram Panchayat meeting all the workers who had worked in the previous year, checking whether the days they worked and wages received match what is recorded in the MIS, checking the quality and measurements of the works that were done and registering grievances. They prepare a draft report and help the gram sabha to audit all the works done under MGNREGS in their Gram Panchayat. Implementation officials and PRI representatives attend the gram sabha and respond to the issues in the draft report and to questions and comments from the people. A public hearing is then conducted at the block level (presided by a panel or a senior administrative officer) where for each issue noted in the gram panchayat report, a decision is taken on the appropriate follow up action that needs to be done.

The social audit facilitation team also creates awareness on MGNREGS, shares information on implementation of MGNREGS and mobilizes people to participate in the social audit exercise and gram sabha. This is done through rallies, focused group discussions, folk songs, wall paintings, pamphlet distribution and public announcement using a microphone.

2 Latest Updates

Due to the restrictions relating to conducting gram sabhas, Telangana and Jharkhand took up concurrent social audit of MGNREGS. Based on their model, the Ministry released guidelines for conducting concurrent social audit [9]. A total of eighteen states conducted concurrent social audit for some time in 2020-21. Details are given in Chapter 4.

The Ministry released the Social Audit Assessment Index [10] in November 2020, a tool to measure the performance of social audits. States were requested to use this index to do an honest self-assessment and develop a plan to address the issues revealed by the index.

The Ministry conducted a virtual seminar on Social Audit of MGNREGS [11] in November 2020 and stressed the importance of ensuring that the social audit units are independent in letter and spirit, the necessity for the states to take prompt and appropriate action on the social audit findings and to place a summary report of the social audit findings and action taken reports in the State Legislatures.

In January 2021, the Ministry communicated to the states a standard format [12] for the annual report to be placed before the state legislature. This format includes sections on current status of social audit unit, support provided by administration for social audit, number of social audits conducted, summary of social audit findings and action taken reports.

Ministry of Social Justice & Empowerment has developed a social accountability framework and has decided to roll out social audit of institutions receiving grant-in-aid.

In June 2021, the Ministry of Panchayati Raj released social audit guidelines for the social audit of Fifteenth Finance Commission Grants to Panchayati Raj Institutions. In 2020-21, Karnataka had facilitated social audits of Fourteenth Finance Commission Grants in all Gram Panchayats.

The Ministry of Education has prepared social audit guidelines for the social audit of its flagship Samagra Shiksha Scheme.

Tripura has registered an independent society for facilitation of social audit and a new Director has been appointed in March 2021. New Directors have also been appointed in Jammu & Kashmir (January 2021), Manipur (March 2021), Assam (January 2021) and Haryana (January 2020).

Assam appointed Social Development Specialist and State Resource Persons in Feb 2021. Assam started audits of PMAY-G, NSAP, FFCG along with MGNREGS from February. Haryana has started social audits of MGNREGS in 2020-21 and conducted it in 2843 Gram Panchayats.

3 Social Audit of MGNREGS

3.1 Cumulative Data

In this section, the key data from the R9 reports in the NREGASoft MIS [13] are presented. The data given below is cumulative data from when the SAUs started entering data (2017-18 for few and 2018-19 for the rest).

3.1.1 Number of social audits conducted

MGNREGA 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 GP every six months and a copy of the calendar shall be sent to all the District Programme Coordinators for making necessary arrangements.”

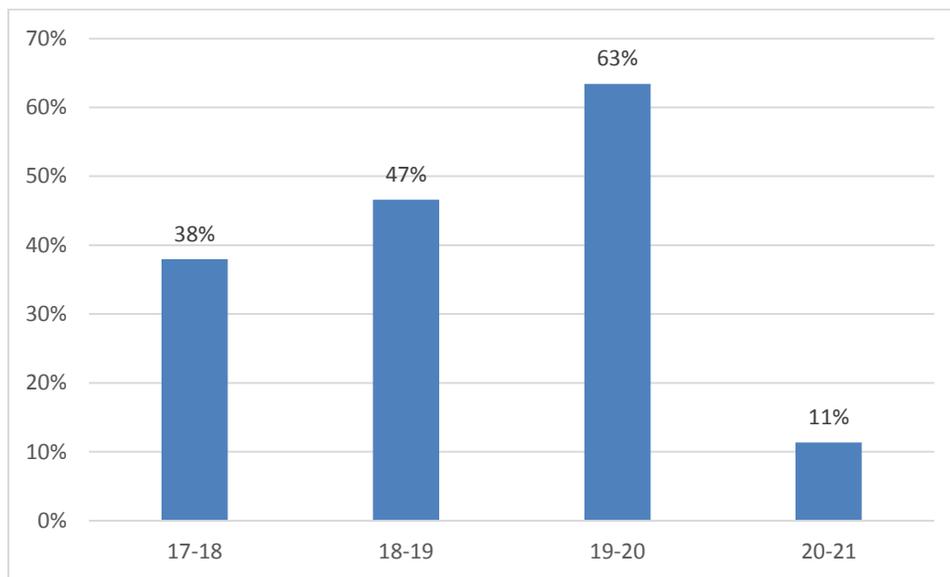
The Auditing Standards say

“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 specific 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 GPs 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 2019-20, social audits were carried out at least once in 1,68,111 Gram Panchayats which is 63% of the total GPs. In the previous year (2018-19), the % of GPs audited at least once was 47%.

Figure 3-1: % of Gram Panchayats in India audited at least once in a year



Source: Data from SAUs and from R9.2.3 Social Audit Issues Reported

When compared to 2018-19, Bihar, Uttar Pradesh, Manipur, Nagaland and Mizoram have conducted double the number of audits in 2019-20. Bihar, Nagaland and Uttarakhand went from less than 10% of GPs audited in 2018-19 to more than 30% of GPs audited in 2019-20. Still, Maharashtra and Jammu & Kashmir have covered less than 20% of GPs in 2019-20.

The number of regular social audits in 2020-21 is much less (11 %) due to Covid-19 restrictions. However, many states conducted concurrent audit and this is detailed in the next section. Ignoring 2020-21, the number of Gram Panchayats where social audit has been conducted has been going up steadily.

While the number of social audits is important, it's also important to do social audits of good quality. The number of issues registered per audit may be used as a metric to monitor the quality of the audits. Based on this parameter, SAUs have been classified in the table below.

Table 3-1: Quality of social audits based on number of issues identified per audit

| Number of issues / audit | Number of states | State Names |
|---------------------------------|------------------|--|
| < 1 issue / audit | 4 | Assam, Madhya Pradesh, Gujarat, Rajasthan |
| Between 1 and 5 issues / audit | 10 | Uttar Pradesh, Mizoram, Himachal Pradesh, Chhattisgarh, Haryana, Odisha, Meghalaya, Maharashtra, Jammu & Kashmir, Punjab |
| Between 5 and 10 issues / audit | 6 | Sikkim, Andhra Pradesh, Manipur, Bihar, Karnataka, Tripura |
| More than 10 issues / audit | 6 | Jharkhand, Nagaland, Uttarakhand, West Bengal, Telangana, Tamil Nadu |

Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

A further classification based on the quality of issues has to be done as some states report mostly process violations such as 'Rozgar Diwas is not conducted once every month' or 'Pay slips are issued to workers' both of which are quite common and very easy to identify and report.

3.1.2 MIS data entry

The Ministry had added the social audit module to NREGASoft in Jan 2018. States were requested to start data entry and 22 states entered their social audit data. But since there were some teething issues, states were not mandated to enter the data for 2017-18. However, from 2018-19, all SAUs were mandated to enter the social audit data in the MIS. If we consider the last three years (2018-21), most states have entered the data. However, the states below have entered data for less than 90% of the social audits they had conducted.

Table 3-2: States with less than 90% of Social Audits entered in MIS (2018-21)

| S No | State Name | No of Social Audits conducted | No of Social Audits entered in MIS | % of Social Audits entered in MIS |
|------|-----------------|-------------------------------|------------------------------------|-----------------------------------|
| 1 | Jharkhand | 3396 | 2982 | 88% |
| 2 | Telangana | 17237 | 12079 | 70% |
| 3 | Meghalaya | 18573 | 12461 | 67% |
| 4 | Jammu & Kashmir | 1819 | 1162 | 64% |
| 5 | Maharashtra | 8266 | 5068 | 61% |
| 6 | Manipur | 645 | 300 | 47% |
| 7 | Assam | 3134 | 331 | 11% |
| 8 | Kerala* | 2831 | 0 | 0% |

Source: Response to SAU Questionnaire and R9.2.3 Social Audit Issues Reported (Category-wise)

* - # of wards social audited for Kerala and Gram Panchayats for the other states

In the case of Kerala, they have done audits at the ward level, but the Ministry has not made provision for entry of data at the ward level. Telangana was maintaining data in a separate MIS initially. Other states have faced different problems with data entry.

At the National level, the % of social audit data entered in the MIS is 92% for these 3 years and 86% for last 4 years. Because of this, details of issues identified in the next sections are less than the actual number.

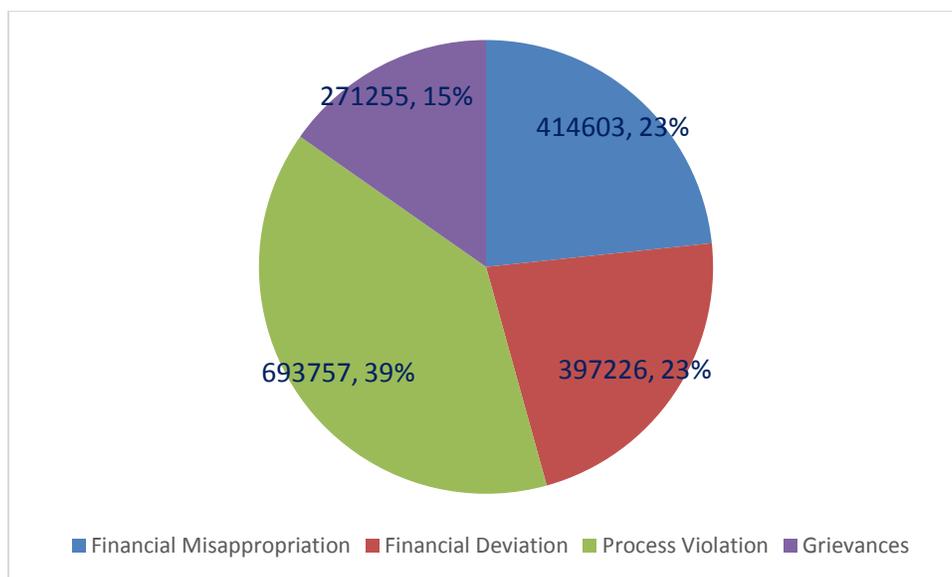
3.1.3 Issue Details

Social Audit resource persons categorize issues into four types. These types along with an example category are given below. More examples of categories and sub-categories are given in Appendix A.

Table 3-3: Examples of different issue types

| Issue Type | Example issue |
|----------------------------|---|
| Financial Misappropriation | Payment to person who did not work |
| Financial Deviation | Work on private land - beneficiaries were not selected as per norms |
| Process Violation | Job Cards are not with workers |
| Grievances | Complaint – unable to get Job Card |

Figure 3-2: Number of issues reported in MIS



Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

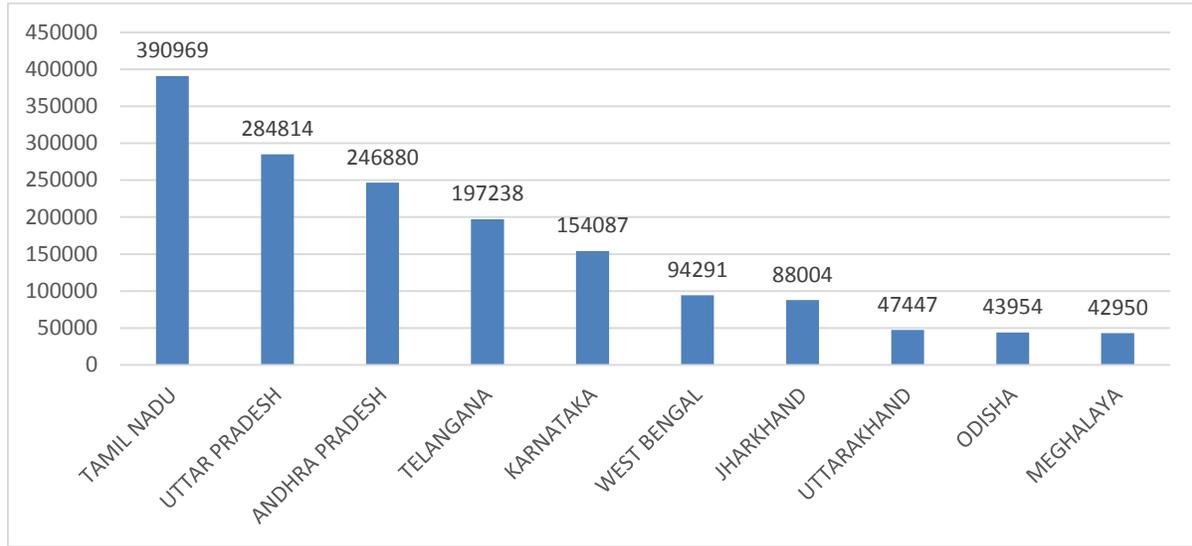
The number of issues classified by type for different states are given in the table below.

Table 3-4: State wise number of issues reported in the MIS

| S No | State Name | No of Financial Misappropriation Issues | Number of Financial Deviation Issues | Number of Process Violation Issues | Number of Grievances | Total Number of Issues | Number of issues / audit |
|------|-------------------|---|--------------------------------------|------------------------------------|----------------------|------------------------|--------------------------|
| 1 | ANDHRA PRADESH | 112457 | 123636 | 6537 | 4250 | 246880 | 7.8 |
| 2 | ASSAM | 105 | 388 | 1600 | 257 | 2350 | 2.4 |
| 3 | BIHAR | 2056 | 2376 | 9021 | 4034 | 17487 | 6.0 |
| 4 | CHHATTISGARH | 9583 | 2296 | 16331 | 12671 | 40881 | 2.4 |
| 5 | GUJARAT | 10 | 101 | 1359 | 3937 | 5407 | 0.1 |
| 6 | HARYANA | 15 | 665 | 2411 | 2485 | 5576 | 2.0 |
| 7 | HIMACHAL PRADESH | 5023 | 1601 | 15071 | 9986 | 31681 | 3.6 |
| 8 | JAMMU AND KASHMIR | 96 | 316 | 1326 | 347 | 2085 | 1.5 |
| 9 | JHARKHAND | 17629 | 19422 | 29956 | 20997 | 88004 | 18.3 |
| 10 | KARNATAKA | 41971 | 70744 | 39712 | 1660 | 154087 | 6.7 |
| 11 | MADHYA PRADESH | 491 | 1332 | 5278 | 2392 | 9493 | 0.3 |
| 12 | MAHARASHTRA | 300 | 2596 | 4673 | 1002 | 8571 | 1.7 |
| 13 | MANIPUR | 16 | 32 | 1870 | 812 | 2730 | 7.5 |
| 14 | MEGHALAYA | 79 | 3080 | 28555 | 11236 | 42950 | 1.9 |
| 15 | MIZORAM | 158 | 888 | 3480 | 685 | 5211 | 3.7 |
| 16 | NAGALAND | 477 | 367 | 7117 | 1538 | 9499 | 12.9 |
| 17 | ODISHA | 1300 | 7594 | 26963 | 8097 | 43954 | 2.3 |
| 18 | PUNJAB | 2509 | 11912 | 5447 | 4076 | 23944 | 1.2 |
| 19 | RAJASTHAN | 7 | 39 | 13 | 476 | 535 | 0.1 |
| 20 | SIKKIM | 476 | 1361 | 3753 | 414 | 6004 | 9.4 |
| 21 | TAMIL NADU | 158716 | 75749 | 88068 | 68436 | 390969 | 10.4 |
| 22 | TELANGANA | 49188 | 30421 | 94468 | 23161 | 197238 | 13.8 |
| 23 | TRIPURA | 860 | 2249 | 9944 | 1700 | 14753 | 5.2 |
| 24 | UTTAR PRADESH | 6569 | 31496 | 186167 | 60582 | 284814 | 4.1 |
| 25 | UTTARAKHAND | 1606 | 4298 | 36574 | 4969 | 47447 | 13.6 |
| 26 | WEST BENGAL | 2906 | 2267 | 68063 | 21055 | 94291 | 12.2 |
| | Total | 414603 | 397226 | 693757 | 271255 | 1776841 | 4.7 |

Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

Figure 3-2: Number of issues reported in the top 10 states

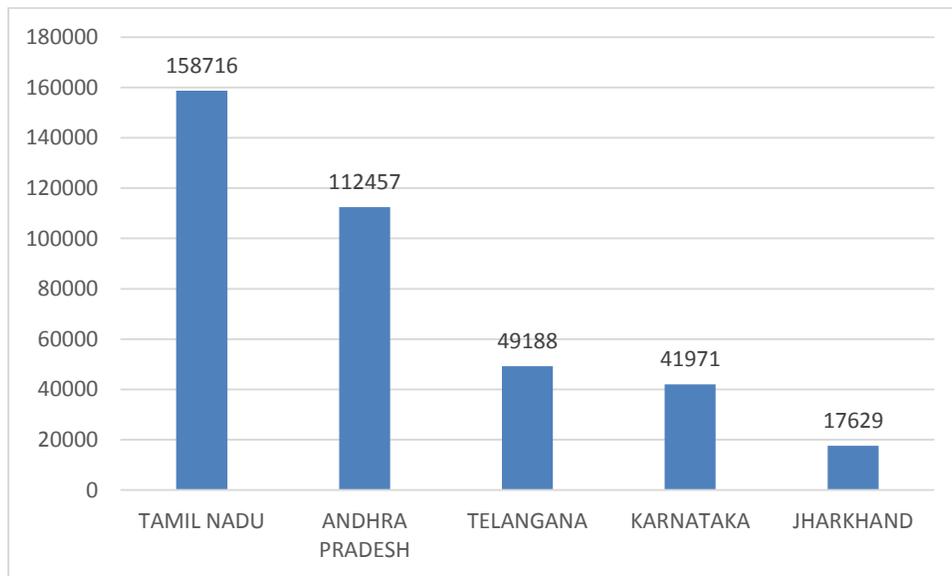


Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

The issues reported by the top 10 states is given in the figure above. They constitute 90% of the total issues filed by the states.

States reporting high financial misappropriation issues include Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Jharkhand. Together these five states represent 92% of the total financial misappropriation issues reported across the country.

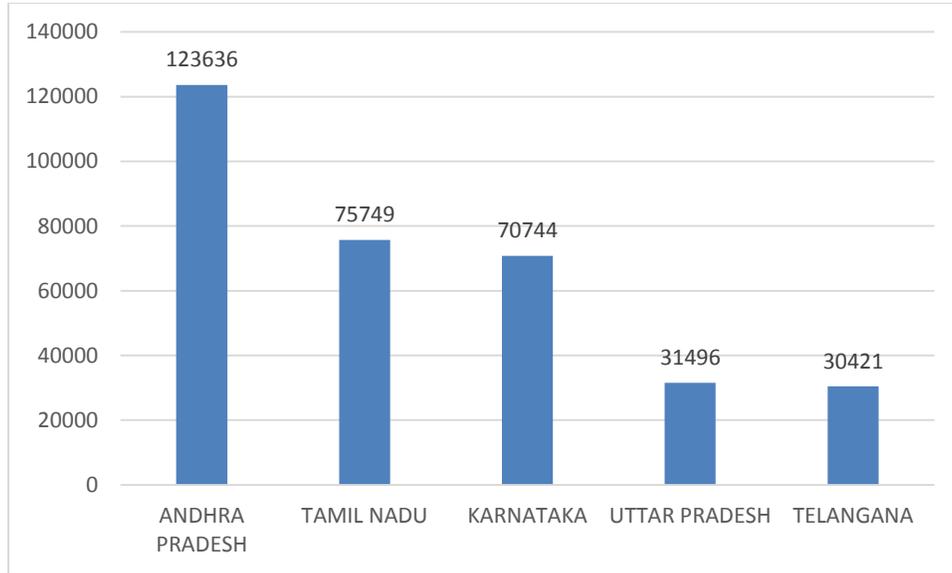
Figure 3-3: Number of Financial Misappropriation filed by top 5 states



Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

States reporting high financial deviation issues include Andhra Pradesh, Tamil Nadu, Karnataka, Uttar Pradesh and Telangana. Together these five states represent 84% of the total financial deviation issues reported across the country.

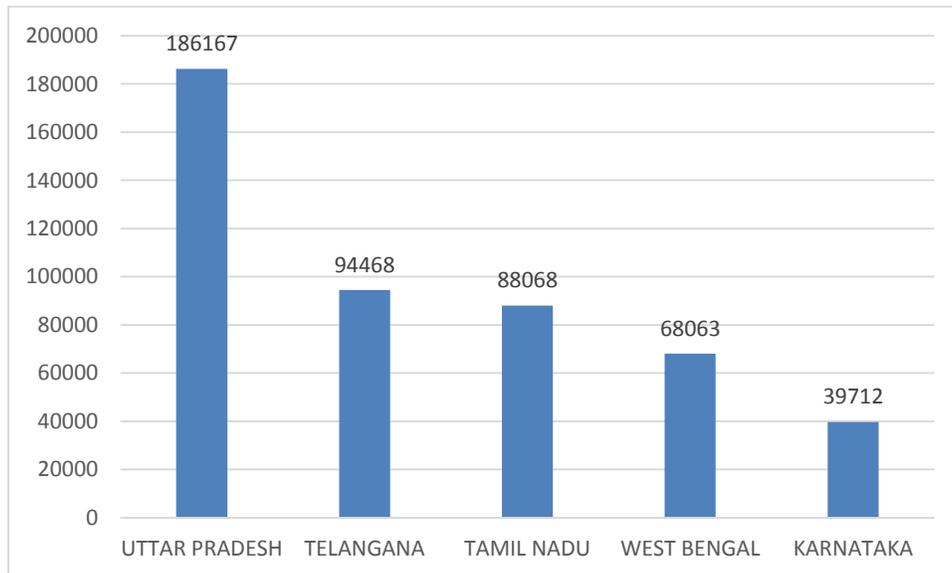
Figure 3-4: Number of Financial Deviation Issues filed in the top 5 states



Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

States reporting high process violation issues include Uttar Pradesh, Tamil Nadu, West Bengal, Telangana and Karnataka. Together these five states represent 69% of the total process violation issues reported across the country.

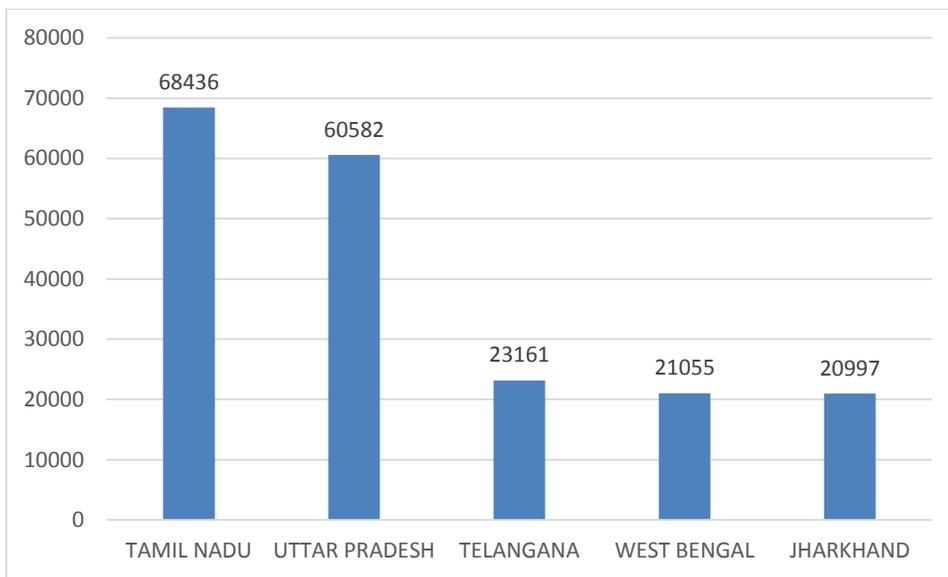
Figure 3-5: Number of Process Violation Issues in top 5 states



Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

States reporting high grievances include Tamil Nadu, Uttar Pradesh, West Bengal, Jharkhand and Telangana. Together these five states represent 72% of the total grievances reported across the country.

Figure 3-6: Number of grievances filed in the top 5 states



Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

In this section, we have not reported the amount associated with the issues even though they were entered in the MIS. This is because social audit resource persons have made mistakes while entering the amount (for instance in an audit done in Mizoram (issue no MZ-ISSUE-2882), the resource person had entered 52,22,858 when the actual amount to be entered was 5,22,858). SAUs have repeatedly requested MoRD to make provision in the software for the State office to correct such wrong entries but this has not been done yet. The misappropriation amounts as received from the SAUs (instead of taking it from the MIS) are reported in Section 3.4 below.

3.1.4 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. Together, these issues represent 56 % of the total issues that have been filed.

Table 3-5: Frequency of top 20 issues that have been reported in the MIS

| 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 | 181170 |
| Financial Misappropriation | Payment to person who did not work | Payment to person who did not work | 115674 |
| Process Violation | Transparency & Accountability | Rozgar Diwas is not conducted once every month | 81483 |
| Process Violation | Transparency & Accountability | Citizen Information boards are not put up | 74535 |
| Financial Misappropriation | Work Related | Work was not done | 72019 |
| Process Violation | Maintenance of Registers, records | Other records irregularity | 52351 |
| Financial Deviation | Records not produced | Records not produced for social Audit | 48103 |
| Process Violation | Transparency & Accountability | Wall writings have not been done | 48076 |
| Process Violation | Maintenance of Registers, records | NMRs have been maintained poorly | 37740 |
| Process Violation | Transparency & Accountability | Pay slips are not issued to workers | 36469 |
| Grievance | Work site facilities | Complaint – non-provision of worksite facilities | 34993 |
| Process Violation | Maintenance of Registers, records | Panchayat registers have been maintained poorly | 31656 |
| Grievance | JC Related | Application for new Job Card | 29793 |
| Process Violation | Maintenance of Registers, records | Job cards have been maintained poorly | 28935 |
| Financial Misappropriation | Payment to person who did not work | Person has got more wages than what was due to him | 26473 |
| Process Violation | Denial of Entitlements | Worksite facilities are not provided | 24788 |
| Financial Misappropriation | Payment to person who did not work | Amount misappropriated by individuals through fake entries | 24198 |
| Process Violation | Maintenance of Registers, records | Photos in 3 stages not available | 22884 |
| Financial Misappropriation | Payment to person who did not work | Payment made but no work was done | 20595 |
| Process Violation | Transparency & Accountability | Awareness on MGNREGS and implementation processes is very poor | 19796 |

Source: R9.2.4 Frequency of Reported Issues (available at nrega.nic.in)

3.1.5 Action on Findings

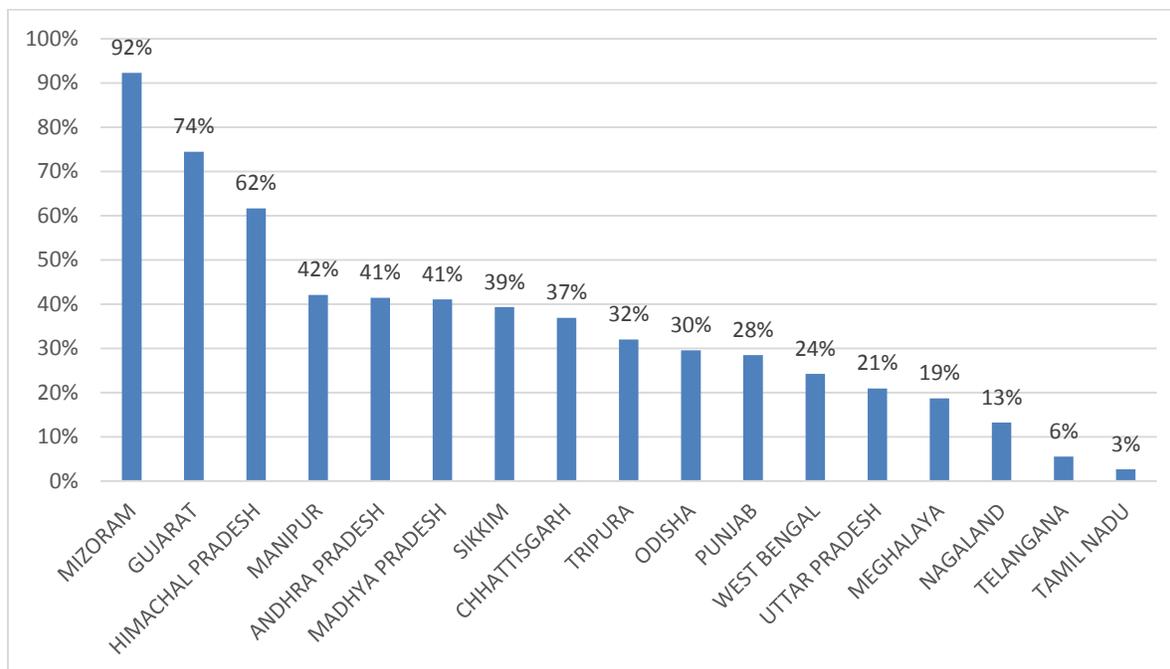
The Audit of Scheme Rules says that the State Government is responsible for taking action on the findings of the social audit. The Ministry has written to all states [14] requesting them to respond

with the action taken report for each social audit finding in the MIS itself and to do this within 30 days.

Eighteen states have started responding to the social audit findings in the MIS, but they are unable to upload proof of the action taken in the MIS. This is a long pending feature request that the NIC team has not addressed. The SA team leader that facilitated the audit in the Gram Panchayat is supposed to go through the ATR and then decide to either close the issue or to escalate it to the higher authority (DPC or State Commissioner) in case the action taken is not according to guidelines issued by the state. After closing an issue, the resource person also marks the action taken as either satisfactory or not-satisfactory. In practice, in states such as Tamil Nadu and Karnataka, the committee that decides to close an issue has many implementation officials compromising the process. In Jharkhand, there is an independent Action Taken Report Review Committee that goes through the ATR and then decides whether to close the issue or not.

At the national level, only 16% of the issues have been closed satisfactorily.

Figure 3-3: Percentage of issues closed satisfactorily



Source: R9.3.2 Social Audit Pending Issues Report (available at nrega.nic.in)

Recommendation: To ensure credibility in the closure of issues, states should define a matrix specifying what action has to be taken for each issue (Six states including Telangana, Andhra Pradesh and Jharkhand have done this), define a standard protocol for closing issues (no implementation official should be involved in deciding whether an issue can be closed; Jharkhand has set up an ‘Action Taken Review Committee’ to review the response) and upload the action taken report in the MIS.

3.1.6 Disciplinary and Criminal Action

There is wide variation in the action taken by different states as seen in the table below.

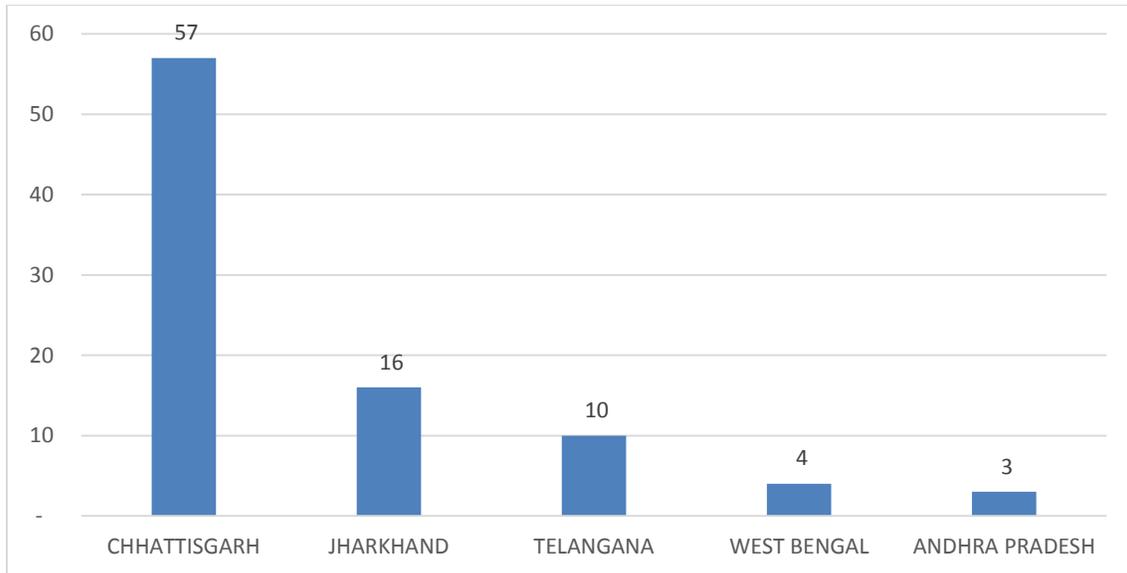
Table 3-6: Disciplinary and criminal action on social audit findings

| SR# | State Name | Number of FIRs filed | No of employees suspended | Number of employees terminated | Number of employees fined | Amount of fine paid (Under Sec-25) | Number of employees censured/warned |
|-----|------------------|----------------------|---------------------------|--------------------------------|---------------------------|------------------------------------|-------------------------------------|
| 1 | ANDHRA PRADESH | 3 | 546 | 182 | 1,827 | 14,90,973 | 11,356 |
| 2 | ASSAM | - | - | - | - | - | 6 |
| 3 | BIHAR | - | - | - | 1 | - | 13 |
| 4 | CHHATTISGARH | 57 | 1 | - | 15 | 3,376 | 1,156 |
| 5 | GUJARAT | - | - | - | - | - | 2 |
| 6 | HIMACHAL PRADESH | 1 | 1 | 14 | 78 | 10,034 | 3,465 |
| 7 | JAMMU & KASHMIR | - | - | - | - | - | 72 |
| 8 | JHARKHAND | 16 | 3 | 77 | 1,769 | 19,74,494 | 1,475 |
| 9 | KARNATAKA | - | - | - | 36 | 33,894 | 264 |
| 10 | MADHYA PRADESH | - | - | 1 | 1 | 4,000 | 716 |
| 11 | MAHARASHTRA | - | - | 8 | - | - | 1,326 |
| 12 | MANIPUR | - | - | 2 | - | - | 134 |
| 13 | MEGHALAYA | - | - | 4 | - | - | 94 |
| 14 | MIZORAM | - | - | 7 | - | - | 118 |
| 15 | NAGALAND | - | 4 | 6 | - | - | - |
| 16 | ODISHA | 1 | 1 | 1 | 8 | 21,600 | 6,029 |
| 17 | PUNJAB | - | - | 6 | - | - | 3,519 |
| 18 | SIKKIM | 1 | - | 3 | - | - | 90 |
| 19 | TAMIL NADU | - | 1 | 1 | 89 | - | 85 |
| 20 | TELANGANA | 10 | 469 | 243 | 12,168 | 68,345 | 97,174 |
| 21 | TRIPURA | 2 | - | 1 | - | - | 3 |
| 22 | UTTAR PRADESH | - | 15 | 58 | 7 | - | 29,366 |
| 23 | UTTARAKHAND | - | - | 2 | 215 | 15,652 | 2,338 |
| 24 | WEST BENGAL | 4 | 53 | 13 | - | - | 3,409 |
| | Total | 95 | 1,094 | 629 | 16,214 | 36,22,368 | 1,62,210 |

Source: R9.3.1 Social Audit Action Taken Report (available at nrega.nic.in)

Chhattisgarh has filed 57 FIRs, Jharkhand has filed 16 FIRs, Telangana has filed 10 FIRs, West Bengal has filed 4 FIRs and Andhra Pradesh has filed 3 FIRs. Taken together, 95% of the FIRs filed come from these three states.

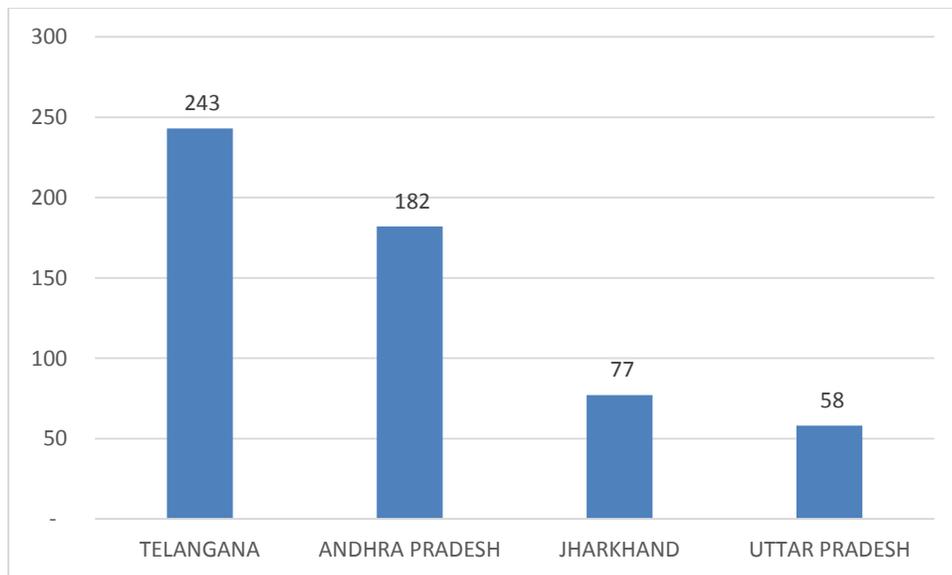
Figure 3-4: Number of FIRs filed in top 5 states



Source: R9.3.1 Social Audit Action Taken Report (available at nrega.nic.in)

Telangana has terminated 243 persons, Andhra Pradesh has terminated 182 persons, Jharkhand has terminated 77 persons and Uttar Pradesh has terminated 58 persons. Together, 89% of employees terminated come from these four states.

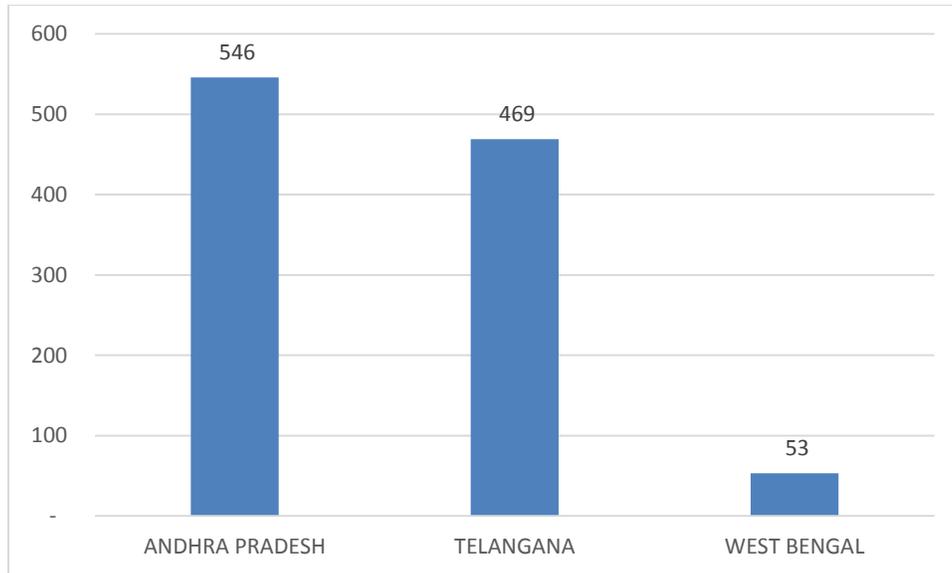
Figure 3-5: Number of persons terminated in top 4 states



Source: R9.3.1 Social Audit Action Taken Report (available at nrega.nic.in)

Andhra Pradesh has suspended 546 persons, Telangana has suspended 469 persons and West Bengal has suspended 53 persons. Taken together, 98% of employees suspended come from these three states.

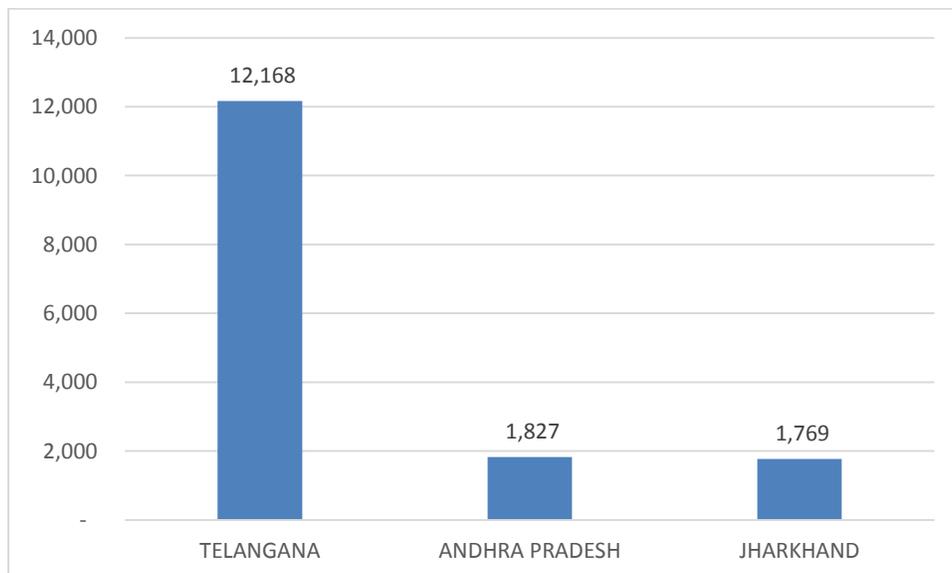
Figure 3-6: Number of people suspended in top 3 states



Source: R9.3.1 Social Audit Action Taken Report (available at nrega.nic.in)

Telangana has fined 12,168 persons, Andhra Pradesh has fined 1827 persons and Jharkhand has fined 1769 persons. Taken together, 97% of employees fined come from these three states.

Figure 3-7: Number of persons fined in the top 3 states



Source: R9.3.1 Social Audit Action Taken Report (available at nrega.nic.in)

In comparison to serious action like suspension and termination, which very few states have done, more states have fined/warned their employees. However, it's not clear whether this has any deterrent value. The top three states here are Telangana, Andhra Pradesh and Uttar Pradesh. Twenty two states have warned one or more of their employees.

In summary, it can be said that it's mostly Andhra Pradesh and Telangana which have taken most of the disciplinary action following the social audit findings. One of the reasons could be the presence of a 3-tier Vigilance and Monitoring Cell which regularly follows up on the social audit findings and recommends action to be taken to the implementation agency. Such a cell has been mandated by the Ministry, but no other state has set up this.

3.2 2019-20 Data

3.2.1 Number of social audits conducted and Issues reported

The % of GPs social audited during 2019-20 along with % of the issues reported is given in the below table. SAUs from 8 states have facilitated social audits in more than 90 % of GPs.

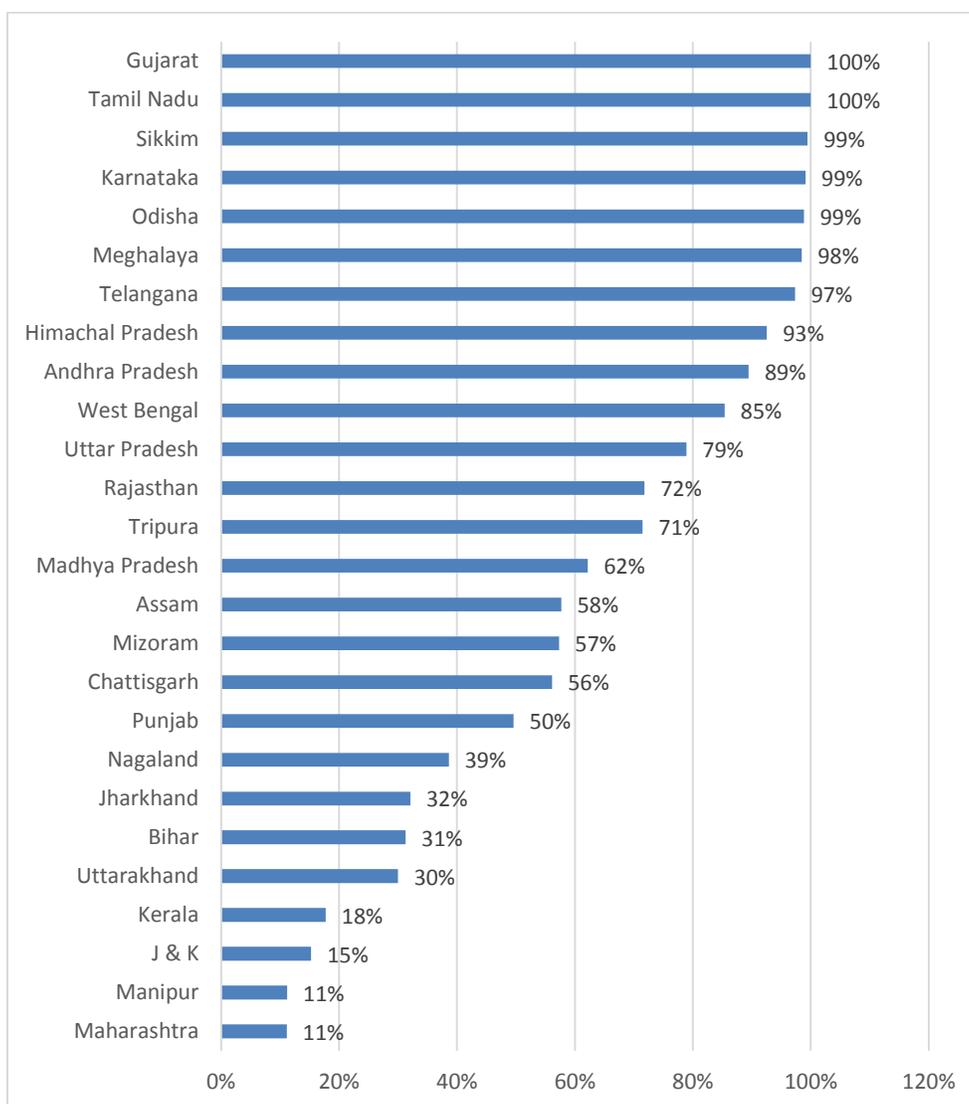
Table 3-7: Percentage of the GPs audited and issues reported

| S.No | State Name | % Of the GPs audited | Total Number of Issues Reported | % of the issues reported |
|------|-------------------|----------------------|---------------------------------|--------------------------|
| 1 | ANDHRA PRADESH | 88.86 | 126103 | 16.49 |
| 2 | ARUNACHAL PRADESH | 0.00 | 0 | 0.00 |
| 3 | ASSAM | 58 | 1425 | 0.19 |
| 4 | BIHAR | 31.03 | 16930 | 2.21 |
| 5 | CHHATTISGARH | 56 | 13841 | 1.81 |
| 6 | GUJARAT | 100 | 1712 | 0.22 |
| 7 | HARYANA | 0.16 | 15 | 0.00 |
| 8 | HIMACHAL PRADESH | 93 | 10904 | 1.43 |
| 9 | JAMMU AND KASHMIR | 15 | 47 | 0.01 |
| 10 | JHARKHAND | 32 | 32092 | 4.20 |
| 11 | KARNATAKA | 99.40 | 53091 | 6.94 |
| 12 | KERALA | 18 | 0 | 0.00 |
| 13 | MADHYA PRADESH | 62 | 7017 | 0.92 |
| 14 | MAHARASHTRA | 10.94 | 4987 | 0.65 |
| 15 | MANIPUR | 11 | 1149 | 0.15 |
| 16 | MEGHALAYA | 98.31 | 14286 | 1.87 |
| 17 | MIZORAM | 57 | 2220 | 0.29 |
| 18 | NAGALAND | 39 | 6486 | 0.85 |
| 19 | ODISHA | 98.69 | 19592 | 2.56 |
| 20 | PUNJAB | 49.89 | 8168 | 1.07 |
| 21 | RAJASTHAN | 72.40 | 560 | 0.07 |

| | | | | |
|----|---------------|-------|--------|-------|
| 22 | SIKKIM | 99.46 | 1824 | 0.24 |
| 23 | TAMIL NADU | 100 | 110831 | 14.49 |
| 24 | TELANGANA | 97 | 66798 | 8.74 |
| 25 | TRIPURA | 71 | 4169 | 0.55 |
| 26 | UTTAR PRADESH | 79 | 192484 | 25.17 |
| 27 | UTTARAKHAND | 29.87 | 27407 | 3.58 |
| 28 | WEST BENGAL | 85.20 | 40559 | 5.30 |

The % of GPs social audited during 2019-20 is given in the figure below. SAUs from 8 states have facilitated social audits in more than 90 % of GPs.

Figure 3-8 : State wise % of GPs audited at least once in a year in 2019-20



Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

3.2.2 Reported issues and Action taken data

The number of issues reported, percentage wise issues reported under each category, number of issues closed and the action taken in response to the issues in 2019-20 is given in the below tables.

Table 3-8: Category wise percentage of the issues reported

| SR# | State Name | % of FM Issues reported | % of FD issues reported | % of PV issues reported | % of GV issues reported |
|-----|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 1 | ANDHRA PRADESH | 49.98 | 47.11 | 2.40 | 0.51 |
| 2 | ARUNACHAL PRADESH | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | ASSAM | 0.77 | 20.56 | 70.39 | 8.28 |
| 4 | BIHAR | 11.29 | 13.57 | 52.36 | 22.78 |
| 5 | CHHATTISGARH | 27.05 | 7.21 | 39.43 | 26.31 |
| 6 | GUJARAT | 0.06 | 0.93 | 16.18 | 82.83 |
| 7 | HARYANA | 0.00 | 0.00 | 66.67 | 33.33 |
| 8 | HIMACHAL PRADESH | 31.14 | 7.75 | 43.75 | 17.36 |
| 9 | JAMMU AND KASHMIR | 4.26 | 4.26 | 63.83 | 27.66 |
| 10 | JHARKHAND | 16.26 | 25.71 | 38.84 | 19.19 |
| 11 | KARNATAKA | 27.38 | 45.62 | 25.80 | 1.20 |
| 12 | KERALA | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | MADHYA PRADESH | 5.57 | 15.70 | 60.25 | 18.47 |
| 14 | MAHARASHTRA | 4.53 | 35.05 | 51.77 | 8.64 |
| 15 | MANIPUR | 0.00 | 0.26 | 84.51 | 15.23 |
| 16 | MEGHALAYA | 0.20 | 9.06 | 65.14 | 25.61 |
| 17 | MIZORAM | 4.73 | 18.60 | 65.90 | 10.77 |
| 18 | NAGALAND | 4.66 | 4.27 | 75.38 | 15.70 |
| 19 | ODISHA | 4.43 | 23.35 | 56.66 | 15.57 |
| 20 | PUNJAB | 10.72 | 54.42 | 17.24 | 17.62 |
| 21 | RAJASTHAN | 1.25 | 7.14 | 2.32 | 89.29 |
| 22 | SIKKIM | 9.59 | 19.63 | 65.41 | 5.37 |
| 23 | TAMIL NADU | 36.70 | 21.15 | 27.46 | 14.68 |
| 24 | TELANGANA | 30.96 | 13.18 | 43.76 | 12.10 |
| 25 | TRIPURA | 4.25 | 17.53 | 69.35 | 8.88 |
| 26 | UTTAR PRADESH | 2.45 | 10.94 | 65.18 | 21.43 |
| 27 | UTTARAKHAND | 2.15 | 7.14 | 80.01 | 10.70 |
| 28 | WEST BENGAL | 3.69 | 2.26 | 73.41 | 20.64 |

Table 3-9: Issues reported and action taken in 2019-20

| SR # | State Name | Total number of issues reported | Total number of issues closed | Number of employees fined | Number of employees censured/warned | Number of employees suspended | Number of employees terminated |
|------|-------------------|---------------------------------|-------------------------------|---------------------------|-------------------------------------|-------------------------------|--------------------------------|
| 1 | ANDHRA PRADESH | 1,25,674 | 79,049 | 1,064 | 5,512 | 448 | 115 |
| 2 | ASSAM | 4 | 0 | 0 | 0 | 0 | 0 |
| 3 | BIHAR | 16,930 | 0 | 1 | 12 | 0 | 0 |
| 4 | CHHATTISGARH | 13,787 | 3,469 | 0 | 310 | 1 | 0 |
| 5 | GUJARAT | 1,670 | 1,357 | 0 | 0 | 0 | 0 |
| 6 | HARYANA | 15 | 0 | 0 | 0 | 0 | 0 |
| 7 | HIMACHAL PRADESH | 10,255 | 5,441 | 45 | 876 | 1 | 2 |
| 8 | JAMMU AND KASHMIR | 39 | 0 | 0 | 0 | 0 | 0 |
| 9 | JHARKHAND | 27,949 | 0 | 626 | 268 | 2 | 11 |
| 10 | KARNATAKA | 52,976 | 3 | 12 | 61 | 0 | 0 |
| 11 | MADHYA PRADESH | 6,700 | 2,765 | 1 | 701 | 0 | 1 |
| 12 | MAHARASHTRA | 4,969 | 2 | 0 | 868 | 0 | 0 |
| 13 | MANIPUR | 141 | 13 | 0 | 2 | 0 | 0 |
| 14 | MEGHALAYA | 14,256 | 2,435 | 0 | 72 | 0 | 2 |
| 15 | MIZORAM | 2,228 | 2,209 | 0 | 86 | 0 | 1 |
| 16 | NAGALAND | 6,486 | 1,704 | 0 | 0 | 3 | 5 |
| 17 | ODISHA | 19,497 | 5,333 | 5 | 1,803 | 1 | 0 |
| 18 | PUNJAB | 8,133 | 915 | 0 | 286 | 0 | 1 |
| 19 | RAJASTHAN | 528 | 0 | 0 | 0 | 0 | 0 |
| 20 | SIKKIM | 1,824 | 757 | 0 | 40 | 0 | 3 |
| 21 | TAMIL NADU | 1,10,539 | 2,568 | 25 | 9 | 0 | 1 |
| 22 | TELANGANA | 65,438 | 10,081 | 4,830 | 31,671 | 175 | 70 |
| 23 | TRIPURA | 3,249 | 731 | 0 | 0 | 0 | 0 |
| 24 | UTTAR PRADESH | 1,92,347 | 24,963 | 4 | 11,265 | 0 | 11 |
| 25 | UTTARAKHAND | 28,776 | 12,676 | 136 | 1,206 | 0 | 2 |
| 26 | WEST BENGAL | 39,931 | 10,389 | 0 | 1,133 | 0 | 0 |
| | Total | 7,54,341 | 1,66,860 | 6,749 | 56,181 | 631 | 225 |

Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

3.2.3 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. This data is 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.

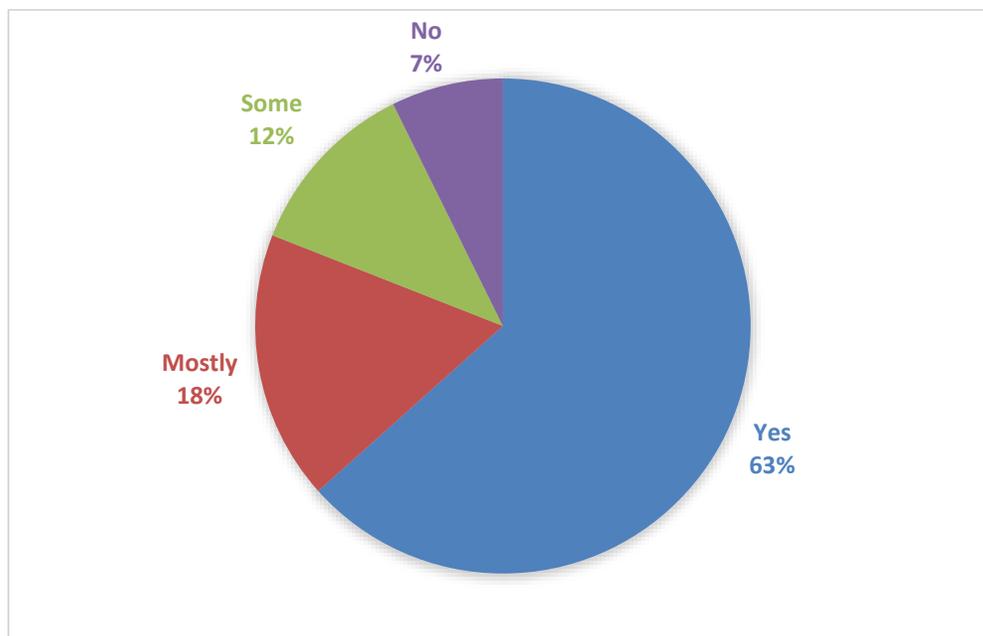
In 2019-20, SAUs facilitated audits in 1, 66,691 Panchayat in 26 states. The data in this section are from the checklists that were filled in these panchayats.

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 63% of the panchayats that were audited in the country, the job card was with the people and in 7% of the GPs, the job card is not with the people. In 12% of the GPs that were audited only some people in the GP had the Job Cards and in 18% of GPs that were audited, most of the people had job cards with them.

Below the pie chart, the states with the highest % of violation in that parameter is listed.

Figure 3-9: Are Job cards with people?



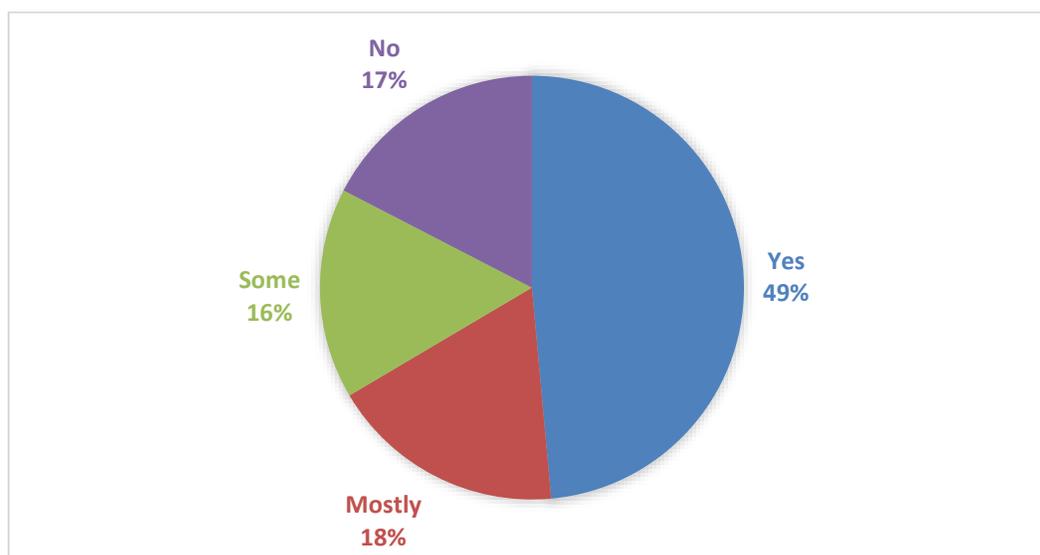
The highest percentage of GPs where the job cards are not with people are in Nagaland, Punjab, Bihar, and Uttarakhand. (All greater than 20 percent)

Table 3-10: Job cards with people status

(Considered states where GPs audited at least 25% above)

| S.No | State Name | Yes% | Mostly% | Some% | No% |
|------|------------------|-------|---------|-------|-------|
| 1 | ANDHRA PRADESH | 84.16 | 13.84 | 1.65 | 0.34 |
| 2 | BIHAR | 5.89 | 9.20 | 59.56 | 25.35 |
| 3 | CHHATTISGARH | 83.60 | 9.76 | 5.11 | 1.53 |
| 4 | GUJARAT | 89.13 | 6.28 | 3.09 | 1.50 |
| 5 | HIMACHAL PRADESH | 37.61 | 43.40 | 16.80 | 2.19 |
| 6 | JHARKHAND | 19.61 | 48.42 | 29.27 | 2.70 |
| 7 | KARNATAKA | 30.19 | 18.71 | 40.05 | 11.05 |
| 8 | MADHYA PRADESH | 66.07 | 16.77 | 10.75 | 6.42 |
| 9 | MEGHALAYA | 94.44 | 0.33 | 0.23 | 5.01 |
| 10 | MIZORAM | 72.24 | 5.31 | 6.69 | 15.75 |
| 11 | NAGALAND | 28.63 | 2.28 | 3.32 | 65.77 |
| 12 | ODISHA | 44.58 | 21.50 | 27.49 | 6.43 |
| 13 | PUNJAB | 32.53 | 22.75 | 16.25 | 28.47 |
| 14 | RAJASTHAN | 82.10 | 16.52 | 1.06 | 0.32 |
| 15 | SIKKIM | 95.63 | 1.09 | 1.64 | 1.64 |
| 16 | TAMIL NADU | 94.74 | 5.14 | 0.11 | 0.01 |
| 17 | TELANGANA | 70.27 | 14.46 | 9.87 | 5.39 |
| 18 | TRIPURA | 82.15 | 16.16 | 0.90 | 0.79 |
| 19 | UTTAR PRADESH | 51.32 | 27.05 | 11.02 | 10.61 |
| 20 | UTTARAKHAND | 53.72 | 18.95 | 4.73 | 22.60 |
| 21 | WEST BENGAL | 42.88 | 37.19 | 15.36 | 4.57 |

Figure 3-10: Are Job cards updated?



The highest percentage of GPs where the job cards are not updated are in Bihar, Punjab, Nagaland, Telangana, Odisha, West Bengal, Uttar Pradesh and Uttarakhand. (All greater than 25percent)

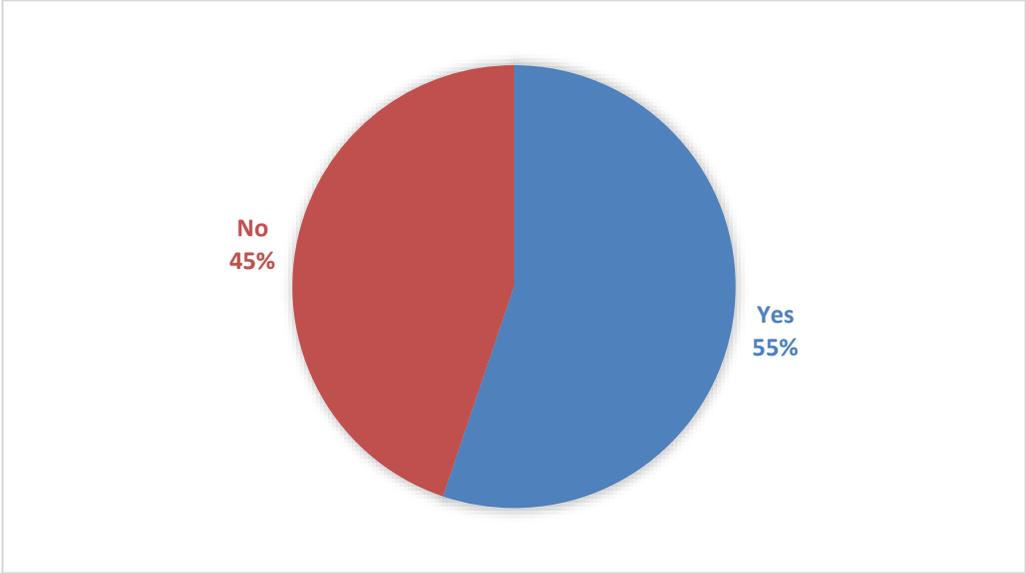
Table 3-11: Job cards updated status

(Considered states where GPs audited at least 25% above)

| S.No | State Name | Yes% | Mostly% | Some% | No% |
|------|------------------|-------|---------|-------|-------|
| 1 | ANDHRA PRADESH | 64.43 | 26.79 | 5.46 | 3.32 |
| 2 | BIHAR | 1.14 | 4.41 | 23.19 | 71.27 |
| 3 | CHHATTISGARH | 60.00 | 18.46 | 14.37 | 7.17 |
| 4 | GUJARAT | 78.65 | 13.69 | 4.88 | 2.78 |
| 5 | HIMACHAL PRADESH | 18.36 | 41.70 | 31.03 | 8.91 |
| 6 | JHARKHAND | 6.41 | 30.81 | 45.56 | 17.22 |
| 7 | KARNATAKA | 20.53 | 16.73 | 40.74 | 22.00 |
| 8 | MADHYA PRADESH | 54.56 | 21.03 | 14.04 | 10.37 |
| 9 | MEGHALAYA | 88.63 | 0.77 | 0.56 | 10.04 |
| 10 | MIZORAM | 78.15 | 3.54 | 9.45 | 8.86 |
| 11 | NAGALAND | 31.12 | 8.30 | 15.98 | 44.61 |
| 12 | ODISHA | 10.59 | 23.87 | 35.00 | 30.53 |

| | | | | | |
|----|---------------|-------|-------|-------|-------|
| 13 | PUNJAB | 14.59 | 18.04 | 17.83 | 49.53 |
| 14 | RAJASTHAN | 84.87 | 13.71 | 0.87 | 0.55 |
| 15 | SIKKIM | 88.52 | 5.46 | 3.83 | 2.19 |
| 16 | TAMIL NADU | 91.18 | 8.23 | 0.55 | 0.05 |
| 17 | TELANGANA | 30.20 | 16.23 | 21.04 | 32.53 |
| 18 | TRIPURA | 67.34 | 26.49 | 3.48 | 2.69 |
| 19 | UTTAR PRADESH | 31.50 | 21.85 | 21.41 | 25.25 |
| 20 | UTTARAKHAND | 50.15 | 20.07 | 4.68 | 25.10 |
| 21 | WEST BENGAL | 9.31 | 38.38 | 25.98 | 26.33 |

Figure 3-11: Is there a process to register demand and give receipts?



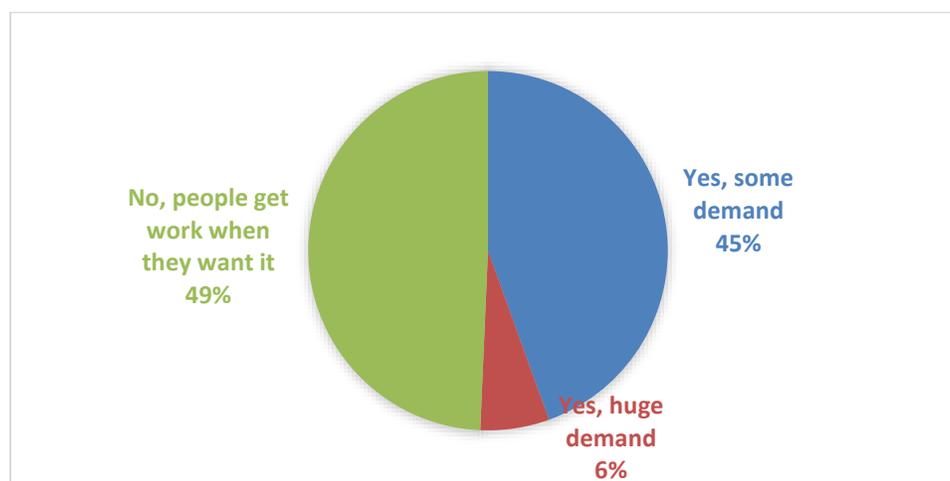
The highest percentage of GPs where there is no process to register demand for work and give receipts are in Bihar, Punjab, Uttarakhand, Nagaland ,Jharkhand, UP, and Telangana (all greater than 60 percent).

Table 3-12: Work demand and give receipts status

(States where GPs audited at least 25% above)

| S.No | State Name | Yes% | No% |
|------|------------------|-------|-------|
| 1 | ANDHRA PRADESH | 87.03 | 12.97 |
| 2 | BIHAR | 9.12 | 90.88 |
| 3 | CHHATTISGARH | 72.41 | 27.59 |
| 4 | GUJARAT | 50.83 | 49.17 |
| 5 | HIMACHAL PRADESH | 50.97 | 49.03 |
| 6 | JHARKHAND | 28.80 | 71.20 |
| 7 | KARNATAKA | 56.46 | 43.54 |
| 8 | MADHYA PRADESH | 60.31 | 39.69 |
| 9 | MEGHALAYA | 68.98 | 31.02 |
| 10 | MIZORAM | 83.66 | 16.34 |
| 11 | NAGALAND | 25.73 | 74.27 |
| 12 | ODISHA | 54.08 | 45.92 |
| 13 | PUNJAB | 15.51 | 84.49 |
| 14 | RAJASTHAN | 98.97 | 1.03 |
| 15 | SIKKIM | 92.35 | 7.65 |
| 16 | TAMIL NADU | 92.70 | 7.30 |
| 17 | TELANGANA | 35.12 | 64.88 |
| 18 | TRIPURA | 81.14 | 18.86 |
| 19 | UTTAR PRADESH | 33.34 | 66.66 |
| 20 | UTTARAKHAND | 23.29 | 76.71 |
| 21 | WEST BENGAL | 68.75 | 31.25 |

Figure 3-12: Is there a demand for work that is not met?



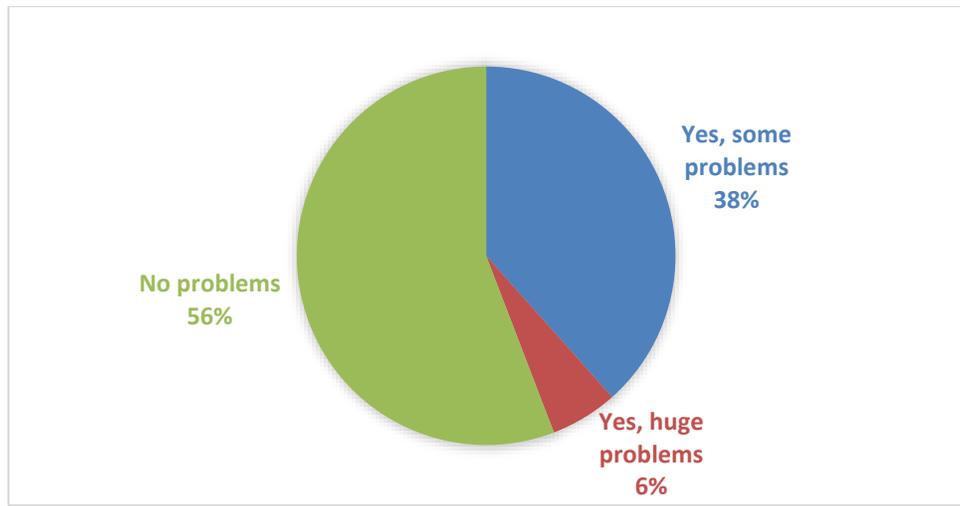
The highest percentage of GPs where there is a huge demand for work that is not met are in Bihar, Jharkhand, Tripura, Odisha, Telangana, Himachal Pradesh, and Karnataka, (all greater than 10 percent)

Table 3-13: Is there a demand for work that is not met?

(States where GPs audited at least 25% above)

| S.No | State Name | %of GPs audited | Yes, some demand | Yes, huge demand | No, people get work when they want it |
|------|------------------|-----------------|------------------|------------------|---------------------------------------|
| 1 | ANDHRA PRADESH | 88.86 | 82.28 | 8.70 | 9.02 |
| 2 | BIHAR | 31.03 | 36.64 | 34.09 | 29.27 |
| 3 | CHHATTISGARH | 56.77 | 30.85 | 6.55 | 62.60 |
| 4 | GUJARAT | 99.05 | 27.99 | 3.34 | 68.67 |
| 5 | HIMACHAL PRADESH | 83.82 | 35.85 | 12.15 | 52.00 |
| 6 | JHARKHAND | 29.46 | 59.38 | 22.70 | 17.92 |
| 7 | KARNATAKA | 99.40 | 59.80 | 11.62 | 28.58 |
| 8 | MADHYA PRADESH | 57.75 | 31.83 | 4.05 | 64.12 |
| 9 | MEGHALAYA | 98.31 | 8.04 | 0.02 | 91.93 |
| 10 | MIZORAM | 58.41 | 56.69 | 0.39 | 42.91 |
| 11 | NAGALAND | 37.99 | 13.90 | 0.41 | 85.68 |
| 12 | ODISHA | 98.69 | 67.00 | 13.65 | 19.35 |
| 13 | PUNJAB | 49.89 | 53.78 | 5.06 | 41.15 |
| 14 | RAJASTHAN | 72.40 | 59.05 | 2.36 | 38.59 |
| 15 | SIKKIM | 99.46 | 3.28 | 0.55 | 96.17 |
| 16 | TAMIL NADU | 99.94 | 75.63 | 4.65 | 19.72 |
| 17 | TELANGANA | 52.22 | 73.96 | 13.56 | 12.48 |
| 18 | TRIPURA | 73.01 | 26.04 | 20.31 | 53.65 |
| 19 | UTTAR PRADESH | 78.41 | 28.63 | 3.53 | 67.84 |
| 20 | UTTARAKHAND | 29.87 | 70.35 | 2.45 | 27.20 |
| 21 | WEST BENGAL | 85.20 | 44.99 | 3.16 | 51.85 |

Figure 3-13: Do labourers have problems getting wages from the payment agency?



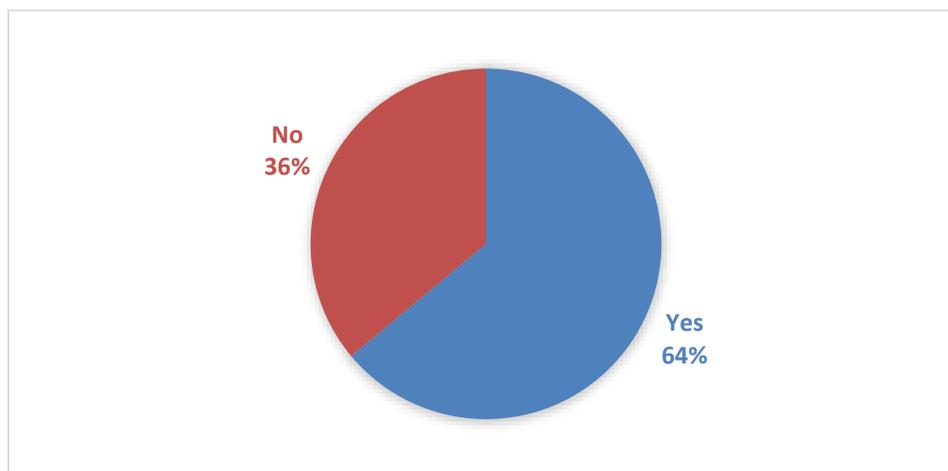
The highest percentage of GPs where labourers face huge problem withdrawing their wages from the payment agency are in Bihar, Jharkhand, Telangana, Odisha, and Andhra Pradesh. (All greater than 10 percent)

Table 3-14: Do labourers have problems getting wages from the payment agency?

(States where GPs audited at least 25% above)

| S.No | State Name | Yes, some problems | Yes, huge problems | No problems |
|------|------------------|--------------------|--------------------|-------------|
| 1 | ANDHRA PRADESH | 73.06 | 11.43 | 15.51 |
| 2 | BIHAR | 51.43 | 31.85 | 16.72 |
| 3 | CHHATTISGARH | 33.42 | 9.29 | 57.29 |
| 4 | GUJARAT | 9.88 | 1.78 | 88.34 |
| 5 | HIMACHAL PRADESH | 31.49 | 4.77 | 63.74 |
| 6 | JHARKHAND | 54.37 | 26.19 | 19.44 |
| 7 | KARNATAKA | 49.83 | 8.00 | 42.16 |
| 8 | MADHYA PRADESH | 19.19 | 2.05 | 78.76 |
| 9 | MEGHALAYA | 8.06 | 0.03 | 91.91 |
| 10 | MIZORAM | 27.02 | 0.20 | 72.78 |
| 11 | NAGALAND | 4.36 | 0.00 | 95.64 |
| 12 | ODISHA | 62.92 | 11.83 | 25.25 |
| 13 | PUNJAB | 44.32 | 8.23 | 47.45 |
| 14 | RAJASTHAN | 12.20 | 0.00 | 87.80 |
| 15 | SIKKIM | 6.01 | 1.09 | 92.90 |
| 16 | TAMIL NADU | 56.60 | 2.85 | 40.54 |
| 17 | TELANGANA | 69.17 | 13.86 | 16.96 |
| 18 | TRIPURA | 22.14 | 2.29 | 75.57 |
| 19 | UTTAR PRADESH | 32.37 | 3.66 | 63.97 |
| 20 | UTTARAKHAND | 59.66 | 1.29 | 39.05 |
| 21 | WEST BENGAL | 52.12 | 1.26 | 46.63 |

Figure 3-14: Have Citizen Information boards been erected for community works?



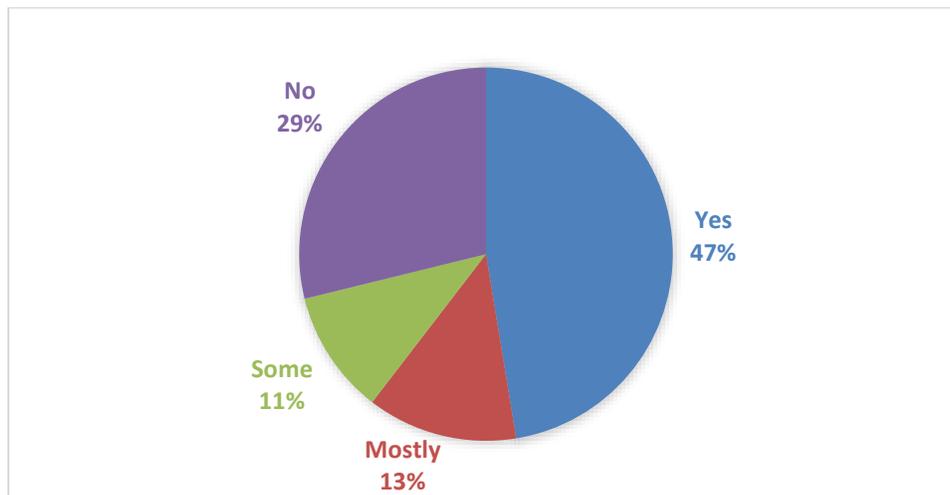
The highest percentage of GPs where information boards have not been erected for community works are in Uttar Pradesh, Punjab, Nagaland, Telangana, and Uttarakhand (all greater than 60 percent)

Table 3-15: Citizen Information boards been erected for community works?

(States where GPs audited at least 25% above)

| S.No | State Name | Yes% | No% |
|------|------------------|-------|-------|
| 1 | ANDHRA PRADESH | 67.60 | 32.40 |
| 2 | BIHAR | 46.75 | 53.25 |
| 3 | CHHATTISGARH | 89.24 | 10.76 |
| 4 | GUJARAT | 87.85 | 12.15 |
| 5 | HIMACHAL PRADESH | 79.55 | 20.45 |
| 6 | JHARKHAND | 51.97 | 48.03 |
| 7 | KARNATAKA | 80.12 | 19.88 |
| 8 | MADHYA PRADESH | 82.88 | 17.12 |
| 9 | MEGHALAYA | 94.22 | 5.78 |
| 10 | MIZORAM | 52.95 | 47.05 |
| 11 | NAGALAND | 32.78 | 67.22 |
| 12 | ODISHA | 88.85 | 11.15 |
| 13 | PUNJAB | 27.45 | 72.55 |
| 14 | RAJASTHAN | 99.06 | 0.94 |
| 15 | SIKKIM | 86.34 | 13.66 |
| 16 | TAMIL NADU | 97.54 | 2.46 |
| 17 | TELANGANA | 33.15 | 66.85 |
| 18 | TRIPURA | 93.04 | 6.96 |
| 19 | UTTAR PRADESH | 22.27 | 77.73 |
| 20 | UTTARAKHAND | 35.37 | 64.63 |
| 21 | WEST BENGAL | 78.63 | 21.37 |

Figure 3-15: Have citizen information boards been created for individual and household works?



The highest percentage of GPs where information boards have not been erected for individual and household works are in Uttar Pradesh, Nagaland, Punjab, Bihar, Telangana, and Uttarakhand. (All greater than 30 percent)

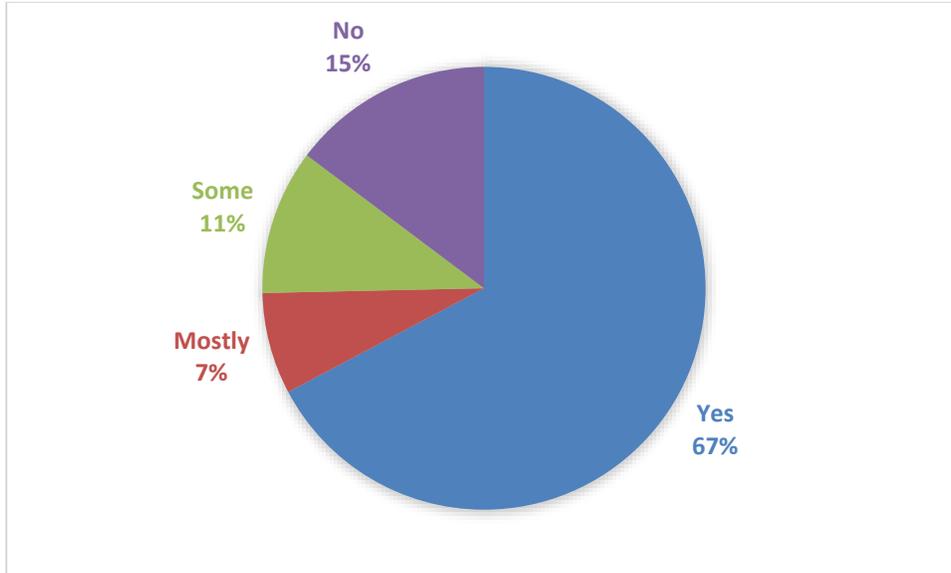
Table 3-16 Table 3-16: Citizen Information boards been erected for individual and household works?

(States where GPs audited at least 25% above)

| SR# | State Name | Yes% | Mostly% | Some% | No% |
|-----|------------------|-------|---------|-------|-------|
| 1 | ANDHRA PRADESH | 45.71 | 28.62 | 9.73 | 15.94 |
| 2 | BIHAR | 23.72 | 7.22 | 28.51 | 40.55 |
| 3 | CHHATTISGARH | 57.17 | 17.07 | 15.28 | 10.48 |
| 4 | GUJARAT | 76.56 | 15.28 | 4.96 | 3.19 |
| 5 | HIMACHAL PRADESH | 34.21 | 36.48 | 18.89 | 10.43 |
| 6 | JHARKHAND | 33.05 | 14.90 | 22.39 | 29.65 |
| 7 | KARNATAKA | 23.78 | 26.23 | 40.26 | 9.73 |
| 8 | MADHYA PRADESH | 64.40 | 17.46 | 10.47 | 7.67 |
| 9 | MEGHALAYA | 87.40 | 1.55 | 1.16 | 9.89 |
| 10 | MIZORAM | 46.06 | 16.14 | 12.20 | 25.59 |
| 11 | NAGALAND | 13.28 | 4.98 | 12.03 | 69.71 |
| 12 | ODISHA | 59.00 | 23.43 | 13.47 | 4.10 |
| 13 | PUNJAB | 18.16 | 6.18 | 8.71 | 66.94 |
| 14 | RAJASTHAN | 97.08 | 0.39 | 0.00 | 2.53 |
| 15 | SIKKIM | 55.19 | 24.59 | 12.02 | 8.20 |
| 16 | TAMIL NADU | 87.07 | 10.61 | 1.28 | 1.04 |
| 17 | TELANGANA | 18.58 | 14.08 | 28.52 | 38.82 |
| 18 | TRIPURA | 76.21 | 14.37 | 6.40 | 3.03 |

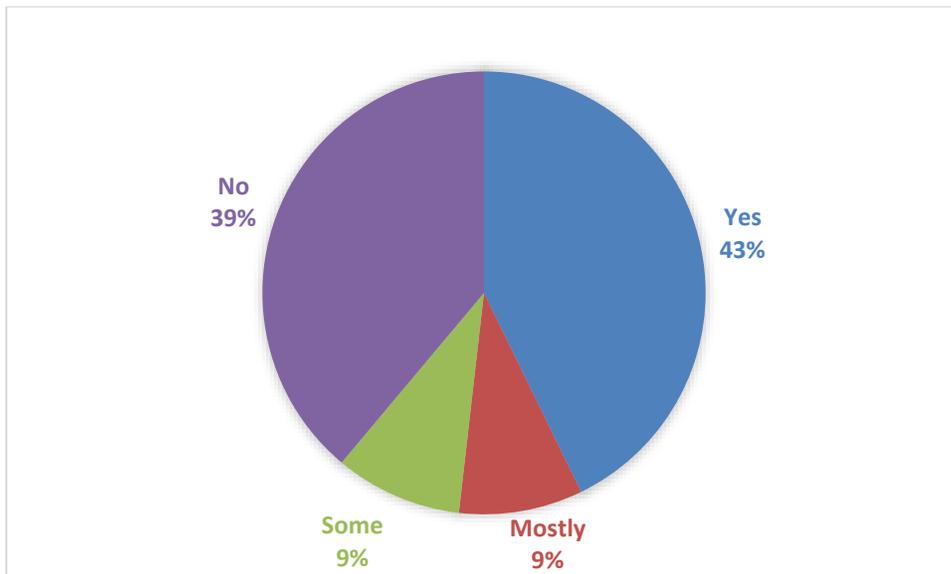
| | | | | | |
|----|---------------|-------|-------|-------|-------|
| 19 | UTTAR PRADESH | 17.59 | 4.40 | 6.29 | 71.72 |
| 20 | UTTARAKHAND | 29.74 | 22.39 | 9.80 | 38.07 |
| 21 | WEST BENGAL | 38.59 | 25.98 | 15.89 | 19.54 |

Figure 3-16: Is drinking water provided at the worksite?



The highest percentage of GPs where drinking water is not provided at the work site are in Bihar, Jammu Kashmir, Maharashtra, Meghalaya, Mizoram, Tripura and Uttarakhand.

Figure 3-17: Is first aid kit available at the worksite?



The highest percentage of GPs where first aid kit is not available at the work site are in Bihar, Himachal Pradesh, Jammu Kashmir, Maharashtra, Mizoram, Punjab, Tripura, Uttar Pradesh and Uttarakhand. (All greater than 50 percent)

3.3 2020-21 Data

Due to covid restrictions, many states could not conduct regular social audits. They instead conducted concurrent social audit which is detailed in the next section. The data from the MIS relating to the few states that conducted regular social audit in at least 1 % of GPs in the state is given below.

3.3.1 Number of social audits conducted and Issues reported

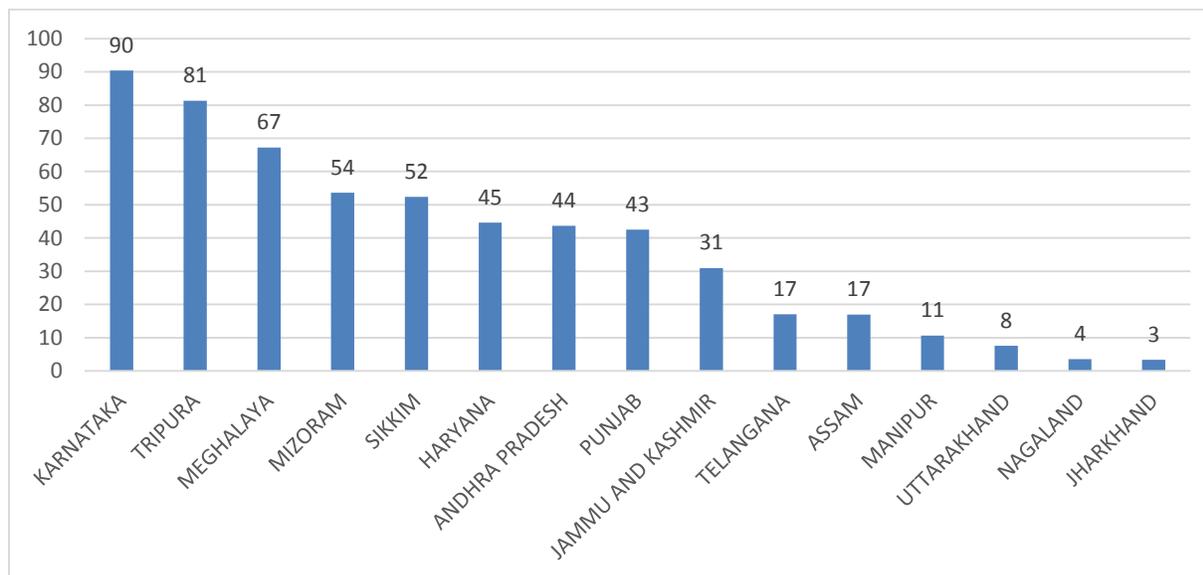
The % of GPs social audited in different states is given in the below table along with percentage of the issues reported.

Table 3-17: Percentage of the GPs audited and issues reported

| SR# | State Name | % Of the GPs audited | Total Number of Issues Reported | % of the issues reported |
|-----|-------------------|----------------------|---------------------------------|--------------------------|
| 1 | ANDHRA PRADESH | 43.54 | 64494 | 30.79 |
| 2 | ARUNACHAL PRADESH | 0.00 | 0 | 0.00 |
| 3 | ASSAM | 17 | 1972 | 0.94 |
| 4 | BIHAR | 0.00 | 0 | 0.00 |
| 5 | CHHATTISGARH | 0.04 | 5 | 0.00 |
| 6 | GUJARAT | 0.43 | 18 | 0.01 |
| 7 | HARYANA | 45.22 | 5597 | 2.67 |
| 8 | HIMACHAL PRADESH | 0.14 | 5 | 0.00 |
| 9 | JAMMU AND KASHMIR | 31.01 | 2043 | 0.98 |
| 10 | JHARKHAND | 3.39 | 2542 | 1.21 |
| 11 | KARNATAKA | 90.47 | 36637 | 17.49 |
| 12 | KERALA | 0.00 | 0 | 0.00 |
| 13 | MADHYA PRADESH | 0.03 | 1 | 0.00 |
| 14 | MAHARASHTRA | 0.00 | 1 | 0.00 |
| 15 | MANIPUR | 10.66 | 2589 | 1.24 |
| 16 | MEGHALAYA | 67 | 9499 | 4.53 |
| 17 | MIZORAM | 54 | 1883 | 0.90 |
| 18 | NAGALAND | 3.53 | 488 | 0.23 |
| 19 | ODISHA | 0.01 | 0 | 0.00 |
| 20 | PUNJAB | 43 | 5194 | 2.48 |
| 21 | RAJASTHAN | 0.60 | 7 | 0.00 |
| 22 | SIKKIM | 52.43 | 678 | 0.32 |
| 23 | TAMIL NADU | 0.00 | 0 | 0.00 |
| 24 | TELANGANA | 17.07 | 60195 | 28.74 |
| 25 | TRIPURA | 81 | 5306 | 2.53 |
| 26 | UTTAR PRADESH | 0.02 | 32 | 0.02 |
| 27 | UTTARAKHAND | 7.63 | 10272 | 4.90 |
| 28 | WEST BENGAL | 0.03 | 6 | 0.00 |

The % of GPs social audited in different states is given in the figure below (states which had done at least 1% have been included). Jharkhand, Telangana, Chhattisgarh, Uttar Pradesh and other states mostly conducted concurrent audits which are detailed in the next section.

Figure 3-18: State wise % of Gram Panchayats audited in 2020-21



Source: R9.2.3 Social Audit Issues Reported (Category-wise) (available at nrega.nic.in)

3.3.2 Reported Issues and Action taken data

The percentage wise issues reported under each category is given in the below table

Table 3-18: Category wise percentage of the issues reported

| SR# | State Name | % of FM Issues reported | % of FD Issues reported | % of PV issues reported | % of GV issues reported |
|-----|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 1 | ANDHRA PRADESH | 42.51 | 54.90 | 2.16 | 0.43 |
| 2 | ARUNACHAL PRADESH | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | ASSAM | 4.06 | 17.60 | 68.26 | 10.09 |
| 4 | BIHAR | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 | CHHATTISGARH | 0.00 | 20.00 | 40.00 | 40.00 |
| 6 | GUJARAT | 0.00 | 0.00 | 0.00 | 100.00 |
| 7 | HARYANA | 0.27 | 11.88 | 42.93 | 44.92 |
| 8 | HIMACHAL PRADESH | 40.00 | 0.00 | 40.00 | 20.00 |
| 9 | JAMMU AND KASHMIR | 4.55 | 15.47 | 63.63 | 16.35 |
| 10 | JHARKHAND | 5.94 | 25.49 | 51.30 | 17.27 |
| 11 | KARNATAKA | 21.40 | 57.72 | 20.26 | 0.61 |
| 12 | KERALA | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | |
|----|----------------|--------|-------|--------|--------|
| 13 | MADHYA PRADESH | 100.00 | 0.00 | 0.00 | 0.00 |
| 14 | MAHARASHTRA | 0.00 | 0.00 | 100.00 | 0.00 |
| 15 | MANIPUR | 0.62 | 1.12 | 68.40 | 29.86 |
| 16 | MEGHALAYA | 0.02 | 7.18 | 80.46 | 12.34 |
| 17 | MIZORAM | 2.23 | 20.66 | 68.61 | 8.50 |
| 18 | NAGALAND | 2.87 | 2.87 | 80.94 | 13.32 |
| 19 | ODISHA | 0.00 | 0.00 | 0.00 | 0.00 |
| 20 | PUNJAB | 10.20 | 69.00 | 14.92 | 5.87 |
| 21 | RAJASTHAN | 0.00 | 0.00 | 0.00 | 100.00 |
| 22 | SIKKIM | 7.23 | 22.57 | 68.73 | 1.47 |
| 23 | TAMIL NADU | 0.00 | 0.00 | 0.00 | 0.00 |
| 24 | TELANGANA | 14.97 | 15.11 | 56.97 | 12.95 |
| 25 | TRIPURA | 4.67 | 13.10 | 74.52 | 7.71 |
| 26 | UTTAR PRADESH | 3.13 | 15.63 | 59.38 | 21.88 |
| 27 | UTTARAKHAND | 5.33 | 11.31 | 75.04 | 8.31 |
| 28 | WEST BENGAL | 0.00 | 0.00 | 100.00 | 0.00 |

The state wise issues reported and action taken data (for states that facilitated social audits in at least 1% of GPs is given in the table below). Andhra Pradesh, Karnataka and Telangana reported the maximum issues. Mizoram and Manipur have closed almost all the issues that have been filed. Andhra Pradesh and Telangana are the only states which have either suspended or terminated employees who were responsible for the detected irregularities. Telangana, Andhra Pradesh, Jharkhand, Uttarakhand and Karnataka have imposed fines on employees.

Table 3-19: Issues Reported and Action taken in 2020-21

| SR # | State Name | Total number of issues reported | Total number of issues closed | Number of employees fined | Number of employees censured/warned | Number of employees suspended | Number of employees terminated |
|------|-------------------|---------------------------------|-------------------------------|---------------------------|-------------------------------------|-------------------------------|--------------------------------|
| 1 | ANDHRA PRADESH | 64,166 | 35,758 | 542 | 3,657 | 93 | 56 |
| 2 | ASSAM | 1,902 | 10 | 0 | 6 | 0 | 0 |
| 3 | HARYANA | 5,561 | 96 | 0 | 0 | 0 | 0 |
| 4 | JAMMU AND KASHMIR | 2,045 | 51 | 0 | 72 | 0 | 0 |
| 5 | JHARKHAND | 2,536 | 125 | 66 | 2 | 0 | 0 |
| 6 | KARNATAKA | 36,202 | 131 | 11 | 109 | 0 | 0 |
| 7 | MANIPUR | 2,589 | 2,569 | 0 | 132 | 0 | 2 |
| 8 | MEGHALAYA | 7,832 | 0 | 0 | 0 | 0 | 0 |
| 9 | MIZORAM | 1,899 | 1,879 | 0 | 18 | 0 | 0 |
| 10 | NAGALAND | 495 | 72 | 0 | 0 | 0 | 0 |
| 11 | PUNJAB | 5,027 | 28 | 0 | 73 | 0 | 0 |
| 12 | SIKKIM | 678 | 324 | 0 | 5 | 0 | 0 |
| 13 | TELANGANA | 60,204 | 755 | 1,334 | 27,043 | 31 | 37 |
| 14 | TRIPURA | 4,744 | 899 | 0 | 1 | 0 | 0 |
| 15 | UTTARAKHAND | 10,193 | 4,331 | 16 | 8 | 0 | 0 |
| | Total | 2,06,073 | 47,028 | 1,969 | 31,126 | 124 | 95 |

3.4 Cumulative Financial Misappropriation Amount

As mentioned earlier, the financial misappropriation amount could not be obtained from the MIS due to mistakes in data entry by social audit resource persons. Details regarding the amount that has been recovered could not be obtained from the MIS because many implementation agencies have not entered the ATRs in the MIS. Also, MIS data is available only from 2017-18, while some states have conducted audits even before.

Hence, in this section, we present the financial misappropriation amount and amount recovered as received from the SAUs. SAUs found it difficult to give this information due to two reasons. One, the implementation agencies do not communicate the ATRs to the SAU on a periodic manner. Second, most SAUs do not have sufficient state resource persons to consolidate this data and prepare annual reports.

The table below lists the financial misappropriation amount and the amount recovered from the different states. Since different SAUs have started functioning at different times, the 'Period' column gives the years when the audits were done. The total financial misappropriation reported is 1784 crores. Out of this, Rs 185 crores has been recovered which is 10.4 %. There is wide variation in the financial misappropriation amount detected even among states with similar

expenditures. This could mean either that states with low amounts have a clean implementation or the social audit process is ineffective to detect the financial misappropriation. 90 % of the total misappropriation amount detected is from the four southern states - Tamil Nadu, Karnataka, Andhra Pradesh and Telangana. Other states which have reported high financial misappropriation include Jharkhand, Chhattisgarh, Punjab and Tripura.

From among the total amount that has been misappropriated, only 10.4 % has been recovered which points to serious lacunae in the follow-up action. Among states reporting significant misappropriation, Telangana has the highest recovery rate at 37 %.

Figure 3-19: Financial Misappropriation Amount (in crores) from the top ten states

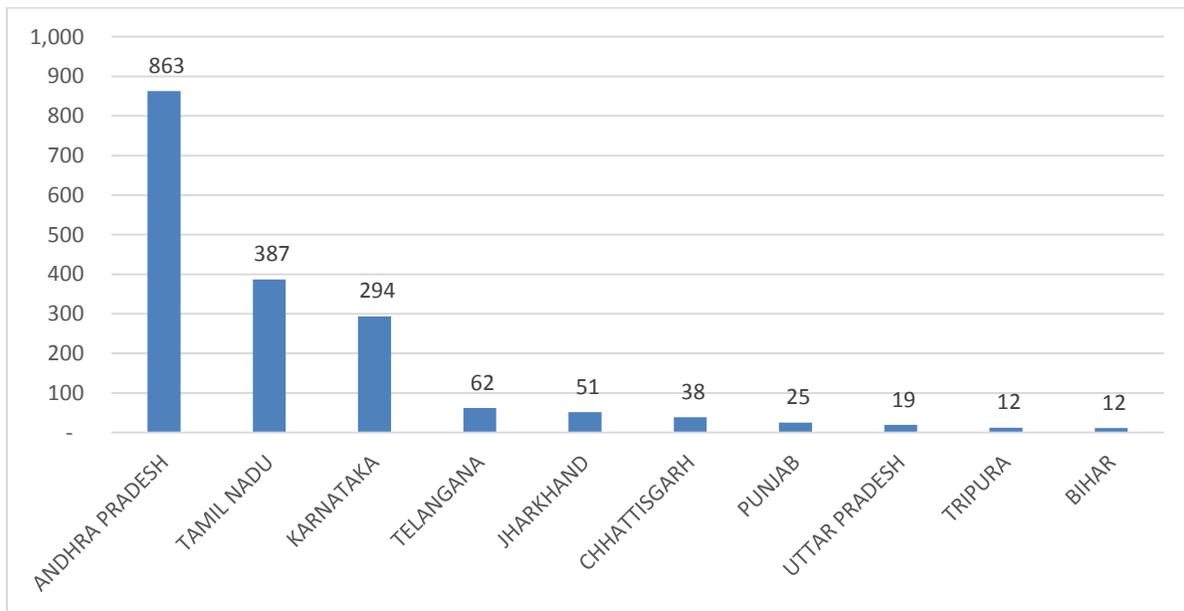


Table 3-20: Financial Misappropriation and Amount Recovered

| S No | State | Audit Period | Amount misappropriated | Amount Recovered | % Recovered |
|------|-------------------|--------------|------------------------|-----------------------|-------------|
| 1 | ANDHRA PRADESH | 2010-21 | 8,62,62,46,000 | 1,15,72,98,236 | 13.4 |
| 2 | TAMIL NADU | 2013-20 | 3,86,63,00,000 | 35,15,00,000 | 9.1 |
| 3 | KARNATAKA | 2013-21 | 2,93,80,00,000 | 5,37,00,000 | 1.8 |
| 4 | TELANGANA | 2010-21 | 61,73,94,455 | 22,94,52,671 | 37.2 |
| 5 | JHARKHAND | 2017-21 | 51,18,85,414 | 1,71,29,673 | 3.3 |
| 6 | CHHATTISGARH | 2015-20 | 38,45,29,257 | 1,65,73,329 | 4.3 |
| 7 | PUNJAB | 2017-21 | 25,31,00,000 | 17,80,000 | 0.7 |
| 8 | UTTAR PRADESH | 2017-20 | 18,99,64,000 | 5,45,000 | 0.3 |
| 9 | TRIPURA | 2017-20 | 12,37,34,132 | 69,47,519 | 5.6 |
| 10 | BIHAR | 2019-20 | 11,58,28,806 | 0 | 0 |
| 11 | HIMACHAL PRADESH | 2017-21 | 3,91,85,259 | 25,99,228 | 6.6 |
| 12 | UTTARAKHAND | 2018-21 | 3,76,77,592 | 17,57,821 | 4.7 |
| 13 | ODISHA | 2017-21 | 3,06,37,024 | 25,10,532 | 8.2 |
| 14 | WEST BENGAL | 2017-20 | 2,33,57,108 | 14,802 | 0.1 |
| 15 | MAHARASHTRA | 2017-20 | 2,01,45,052 | 1,87,243 | 0.9 |
| 16 | MADHYA PRADESH | 2014-21 | 1,90,51,728 | 30,43,019 | 16.0 |
| 17 | NAGALAND | 2019-20 | 1,27,92,886 | 0 | 0 |
| 18 | JAMMU & KASHMIR | | 1,25,00,000 | 5,00,000 | 4.0 |
| 19 | SIKKIM | 2013-20 | 1,01,59,000 | 48,71,000 | 47.9 |
| 20 | RAJASTHAN | 2019-20 | 98,00,000 | 80,000 | 0.8 |
| 21 | MIZORAM | 2018-21 | 26,78,628 | 1,05,839 | 4.0 |
| 22 | MEGHALAYA | 2017-20 | 9,32,246 | 8,62,246 | 92.5 |
| 23 | HARYANA | 2020-21 | 2,58,000 | 0 | 0 |
| 24 | ARUNACHAL PRADESH | 2017-19 | 2,50,337 | 50,337 | 20.1 |
| 25 | MANIPUR | | 1,00,114 | 0 | 0 |
| | Total | | 17,84,65,07,038 | 1,85,15,08,495 | 10.4 |

As mentioned earlier, MoRD has specified a format for the annual report to be placed in the state legislature every year. Only Sikkim and Tripura have prepared annual reports in this format and the table below relates to financial misappropriation data from Tripura.

Table 3-21: Tripura Financial Misappropriation data as per MoRD format

| Financial Year | Financial Misappropriation Issues | | | Financial Misappropriation Amount | | | |
|---------------------------------|-----------------------------------|--|--|---------------------------------------|---------------------|-----------------|------------------|
| | Number of FM issues reported | Number of issues on which ATR has been submitted | Number of issues closed satisfactorily | FM Amount as reported in Social Audit | Amount accepted | Amount rejected | Amount recovered |
| 2020-21 | 153 | 35 | 3 | 1,62,33,204 | 1,62,33,204 | 0 | 2,472 |
| 2019-20 | 170 | 109 | 20 | 2,19,98,045 | 2,19,98,045 | 0 | 2,63,197 |
| 2018-19 | 332 | 253 | 129 | 6,60,46,739 | 6,60,46,739 | 0 | 65,72,079 |
| 2017-18 | 186 | 152 | 73 | 1,94,56,144 | 1,94,56,144 | 0 | 1,09,771 |
| Cumulative since 2017-18 | 841 | 541 | 225 | 12,37,34,132 | 12,37,34,132 | 0 | 69,47,519 |

3.5 Case Studies from social audit of MGNREGS

In this section we present few social audit case studies from different states.

Case study 1: Assam, Dhubri District, Rupsri Dev Block, Balajan Gram Panchayat, Gram Sabha
Date: 12.01.2021

Summary: Misappropriation of funds – road not built

Name of the Scheme: Const. of CC Block road from Rupphan Bewa house to Sahar Ali house at Bousmari (Work Code-0401008001/RC/9010218488)

Expenditure: Wages: 52,920, Material: 7,82,740, Total: 8,35,660

Based on worksite verification and discussion with local people, it was found that the road was not built but only the guard wall on both sides was built though the payment had been made. Written testimony from people was collected and photos were taken. The Social Audit Gram Sabha has recommended that the issue be forwarded to district level hearing.



Case study 2: Assam, Kamrup District, Chayani Barduar Block, Parly Hudumpur Gram Panchayat,

Summary: Paver block road not constructed, but marked as completed in MIS

In the MIS, the work 'Construction of Pavers block road from Nowapara to Bhakatpara Road PH1 and PH2' was shown as completed with all bills and vouchers for Rs 9,50,000. However, during the social audit verification process it was clear that the road was not started at all.

On the Gram Sabha Day, the engineer and secretary apologized for not constructing the work. The engineer accepted his fault and assured the people that he will reconstruct the road using his own money within a month and said he will never repeat the same mistake.

Case study 3: Assam, Dhemaji Rural District, Bordoloni Block, Nalbari Gram Panchayat, Gram Sabha date: 22.10.2020

Summary: Wages paid to different accounts

Two workers, Bhanu Satradhar and Bagibala Sutradhar had worked in three worksites but had not received their wages. On examining this, the SA team found that the account numbers of some other persons had been entered against their names in the MIS and the wages had been paid to those unknown accounts.

The SA gram sabha recommended that the matter should be enquired by higher authority. The implementation agency informed the SA team that the GP formed an enquiry committee to look into it and the wages have now been paid to the job card holders.

Case study 4: Bihar, Gopalganj, Bijapur, Bharpurva Gram Panchayat, Gram Sabha on 10.10.20

Summary: Resolution of unpaid wages

During verification of wage seekers, it was found that many wage seekers did not receive wages for more than 1 year. After verification of FTO list it was found the wages were not paid due to reasons including closed account, blocked account, transferred account, no such account, inactive aadhaar, aadhaar not mapped to account etc. A total of Rs 64,428 (corresponding to 364 person days) was pending.

Gram Sabha instructed Gram Rozgar Sevak to clear all the pending wages through necessary correction in the MIS and after one month, all the pending wages were paid to the workers.

Case study 5: Andhra Pradesh, Chittoor District, Thamballapalli Mandal, Errasanipalli Gram Panchyat, Gram Sabha: 21.10.2020

Summary: Payment for horticulture work was made to a different person

Mr. Soma Sekhar was sanctioned a horticulture project (Sapota or Cheeku plantation) for his 3 acres of agriculture land and he incurred an expense of Rs. 42,074 but said that he has not received the reimbursement.

During record verification, the SA team found that the payment was instead made to another resident of the Gram Panchayat Mr. Chandra Sekhar. An amount of Rs. 15,000 was recovered from Mr. Chandra Sekhar and he also agreed to pay the remaining amount of Rs. 27,074 to the beneficiary Mr. Soma Sekhar.



Case study 6: Andhra Pradesh, Anantpur District, Settur Mandal, Bachehalle Gram Panchyat,
Public Hearing Date: 17.09.2020

Summary: Collapse of poor quality check dam

Three check dams with a catchment area of 100 acres were proposed in the Gram Panchayat for cultivation of ground nut, sunflower, tomato and vegetables. At the time of social audit verification, it was found that check dams were damaged and collapsed due to the poor quality of construction. It was observed that instead of using cement, iron and concrete for construction, only mud and cement was used.

The issue was recorded and discussed in the Gram Sabha and in the open forum. The presiding officer in the open forum ordered that Rs. 5,07,329 be recovered from the concerned field staff (Engineering Consultant, Technical Assistant and Field Assistant of EGS).



Case study 7: Andhra Pradesh, Chittoor district, Thamballepalle GP, Public Hearing date:
21.10.2020

Summary: Construction of private road using funds sanctioned for public road

A CC road with a cost estimation of Rs. 1,49,000 (Work Id 80095) under Panchayat Raj works was sanctioned for the GP. However, an executive member used part of the funds for constructing a private CC road from his house to his cattle shed.

The Presiding Officer in the Block level public hearing ordered for the recovery of misused funds of Rs. 61,500/- from concerned executive member.



Case study 8: Andhra Pradesh, Chittoor district, Nagari Mandal, VKR Puram Gram Panchayat, Public Hearing date: 21.12.2019

Summary: Financial Misappropriation using Benami Masters

In this Gram Panchayat, the total expenditure incurred under EGS during 2018-19 was Rs. 49,26,670. On verification, it was noticed that the field assistant misappropriated Rs. 3,51,871 (7%) most of which was done through the use of Benami Masters.

In the Gram Sabha the issue was discussed and written statements from 21 people saying that they did not work was shown. On 21st Dec 2019, issue was presented before the presiding officer in the block level public hearing. After verification of the evidence provided by social audit team, the Presiding Officer ordered for recovery of Rs. 3,51,871 and terminated the Field assistant from service as per SRDS rules.

Case Study 9: Himachal Pradesh, Shimla District, Rampur Block, Darkali Gram Panchayat, Public Hearing Date: 02.10.2019

Summary: Misappropriation in the construction of crate walls and purchase of sign boards

The SA team found financial misappropriation of Rs.2,75,088 in crate wall works and sign boards. There were five works of crate wall with an expenditure of Rs.2,02,488 and 53 sign boards with an expenditure of Rs.72,600. During the social audit Gram Sabha, it was decided that this amount should be recovered from Darkali. But no action has been taken so far on this.

Case Study 10: Himachal Pradesh, Sirmaur District, Nahan Block, Vikram Bagh Gram Panchayat, Public Hearing Date: 05.10.2019

Summary: Missing work

As per official documents, the work was half-complete, but nothing had been done in the worksite. This was also confirmed by the people. The total misappropriated amount is Rs. 3,34,824.

Case Study 11: Karnataka, Gadag District, Shrihatti Block, Hebbal Gram Panchayat, Public Hearing Date: 29.02.2020

Summary: Misappropriation in the CC roads, drainage and other works

The total financial misappropriation identified during social audit was Rs 1,04,10,656. Issues identified were related to 42 works and wage payments made to people who were dead, migrated or have other jobs. For nine of the works implemented there were no bills for purchase of materials. In this context, an amount of Rs. 27,78,716 was marked as an objectionable amount. For 20 works, the work done was less compared to what was mentioned in the estimation resulting in extra payment of Rs 58,64,309. Among these 20 works, most of them were related to CC drainage construction works and one work was of CC road construction. During door to door verification, the VRPs met a total of 1287 families among which 986 people mentioned that their job card was in possession of Udyog Mitra. When this finding was discussed in the Gram Sabha, the Udyog mitra was instructed to return the job cards he/she held.

Another issue here was social audit gram sabha could not be held on the scheduled date due to non-cooperation of Gram Panchayat officials as they were the parties involved in the misappropriation. Finally Gram sabha was held on 29/2/2020 and the findings were presented before the recovery committee at the Taluka level. The Gram Panchayat officials agreed to recover the amount related to 5 works i.e., Rs 3,07,596 which was the extra amount paid over and above the approved estimation. They also agreed for the recovery of Rs 1,05,327 which was wage payment done by marking attendance in the name of people who were dead, people who were working as AHSW and Anganwadi workers and others who were working in places like Bangalore.

But the GP officials refused/objected for the recovery of the remaining amount after which the Executive Officer, Taluka Panchayat filed an FIR against them. After the FIR was filed the Police department seized all the relevant documents and did an investigation in the presence of Assistant Executive Engineer, social audit team and the GP officials. The police department is yet to produce the investigation report to the court.

The findings were also presented in the DISHA committee meeting wherein the MP (Member of Parliament) asked the EO to take suitable action on the culprits. The Executive Officer, Taluka Panchayat informed the MP that an FIR has been filed and the investigation is going on.

Case Study 12: Karnataka, Chamarajnagar District, Chamarajanagar Block, Harale Gram Panchayat, Public Hearing Date: 12.03.2020

Summary: Road not constructed

During social audit site verification, it was found that the “metalling road from kelayyanakatte to Jai Shekaras land at old Hampapura village” with an estimated cost of Rs 3 lakhs was not started. However, Rs.62,250 was the expenditure amount for this work in the MIS. During the social audit it was found that panchayat development officer (PDO), technical assistant engineer and computer operator were responsible for this issue. In the Grama Sabha it was decided to recover this amount from the concerned people. A few days after the Gram Sabha, PDO informed social audit resource person that the road work has been completed and shared photographs of the work.

Case Study 13: Karnataka, Uttara Kannada District, Honnavara Block, Kelaginur Gram Panchayat, Public Hearing Date: 16.10.2019

Summary: Grievance redressal – provision of job cards and processing of rejected payments

During house visits by VRPs, many wage seekers expressed their grievances of not having job cards. So VRPs helped them to register their details and job cards were issued during the gram sabha.

Some labourers’ payments were rejected due to a technical problem and this issue was kept pending for a long time. PDO and other Panchayat staff did not attend to this problem. This issue was brought to the notice of the officials in the gram sabha who solved it within a week.

Case Study 14: Karnataka, Gadag District, Shirahatti Block, Hebbala Gram Panchayat, Public Hearing Date: 29.02.2020

Summary: Non submission of material work bills for social audit

As per the MIS, 120 works were implemented from 01.10.2018 to 31.03.2019 with a total expenditure of Rs.2,69,09,637. Out of the 120 works, material payment of Rs.27,78,716 was made for 9 works but bills were not found in the work file. Name boards also were not fixed for any work. Records of some works were not produced for social audit. Based on the available evidence social audit team identified PDO and Technical Assistant Engineer as the persons responsible for this issue. This was discussed at Grama Sabha and recorded in the meeting proceeding. Grama Sabha decided to take action on the persons responsible.

People from the GP gave a complaint to the programme officer to take action against the persons responsible. It was also discussed in the DISHA meeting and instructions were given to the DPC to take action against them. The DPC has taken action by filing FIR against them.

Case Study 15: Punjab, Fazilka District, Fazilka Block, Gudder Bhaini Gram Panchayat, Public Hearing Date: 29.02.2020

Summary: Material purchased with MGNREGS funds used in private property

The GP had purchased 225658 bricks for projects RC 63010 & RC 52258. During physical verification, the audit team found that 25% of the bricks (56400 bricks) were used in front yards of individual houses of some of the villagers and this was confirmed by JE (PR). The total amount misappropriated was Rs 2,06,680 (the price of each brick was Rs 3.70). The ADPC recommended that this amount be recovered from the households and this was done.

Case Study 16: Tamil Nadu, Chengalpattu District, Lathur Block, Cheyyur Gram Panchayat, Public Hearing Date: 05.07.2019

Summary: Computer operator diverts rejected payments to her account

During the verification of e-muster rolls and FTOs, it was noticed that computer assistant had diverted the rejected FTOs into four bank accounts belonging to her and her family members from 2014 to 2019. A total amount of Rs.2,34,372 had been misappropriated. This issue was discussed in Gram Sabha and resolution was made to recover the amount from the concerned.

Case Study 17: Tamil Nadu, Namakkal District, Namagiripet Block, Thimmanaickenpatti Gram Panchayat, Public Hearing Date: 14.10.2019

Summary: Stone bunding work not carried out in individual work but amount was withdrawn

During field inspection, it was found that stone bunding work was not carried out in an individual work. The amount of misappropriation was Rs. 30,240. The issue was placed before Gram Sabha and responsible officials identified. The entire amount of Rs.30,240 had been recovered and remitted into the district level MGNREGS social audit recovery account.

Case Study 18: Tamil Nadu, Kanyakumari District, Rajakkamangalam Block, Kesavanputhanthurai Gram Panchayat, Public Hearing Date: 19.10.2019

Summary: *MIS says that individual soak pits have been constructed, but they were not constructed*

During the field inspection, social audit team found that individual soak pits were not constructed as per the recorded entry in the registers but amount was released to the beneficiaries. Fake entries were made in the registers and fake photos were affixed. The Union Overseer and Block Development Officer (Village Panchayat)/Programme Officer were held responsible for this issue. The misappropriated amount of Rs.21,000 had been recovered and remitted into the district level MGNREGS recovery account.

Case Study 19: Tripura, Dhalai District, Dumburnagar Block, Gandacherra Gram Panchayat, Public Hearing Date: 30.01.2019

Summary: *Missing goatery & poultry shelter*

As per official records, the ARDD department had incurred an expenditure of Rs. 56,620 (goatery shelter Rs. 35,406; Poultry shelter 21,214) for curing charge, bricks, contingency (signboard photograph), petty materials, BI pipe, black wire, Bitumen washer, centring and shuttering, Fabrication charge etc . But during field verification, social audit team could not find any work in the location and Sri Mana Ram Reang, implementing officer of these works stated that 20 months have elapsed but work is yet to be initiated. During social audit Gram Sabha decision could not be taken due to absence of implementing official.

Case Study 20: Tripura, North Tripura District, Kalacherra Block, Bhagyapur Gram Panchayat, Public Hearing Date: 14.10.2019

Summary: *Payment to deceased person*

During door-to-door verification it was found that payment was generated for 15 man days and Rs 2,655 for a deceased person. Social audit team collected his death certificate and MR as evidence and submitted in the social audit gram sabha. GRS accepted the mistake in making payment. The PO (BDO) issued a letter to the Panchayat Secretary/ GRS of Bhagyapur GP for recovery and was instructed to deposit the amount immediately.

Case Study 21: Tripura, South Tripura District, Bokafa RD Block, Ghardhang VC Gram Panchayat, Public Hearing Date: 29.08.2018

Summary: *Sericulture work was not done*

The social audit team found that work was not carried out as mentioned in the documents submitted by Sericulture department. Rs. 36,488 was spent for renovation and extension of old mulberry plantations of four beneficiaries. During work site verification, social audit team was

informed by the beneficiaries that this work never took place in their land and they were not aware that work had been sanctioned on their names. This issue was placed in gram sabha and the amount (Rs.36,488) was recovered from implementing official by concerned line department.

Case Study 22: Uttarakhand, Tehri Garhwal District, Pratap Nagar Block, Mukhmaal Gaon Gram Panchayat, Public Hearing Date: 11.02.2018

Summary: 6 IHHLs not constructed

As per official records, 6 IHHLs were constructed and payments made but during field verification, it was found that the IHHLs were not constructed. The beneficiaries were ordered to complete the work within 15 days and produce proof of compliance. A fine of Rs 1000 was also imposed. If work was not completed in the stipulated time, money has to be recovered from concerned personnel.

Case Study 23: Telangana, Mahabubnagar District, Addakal Block, Thimmaipalle Gram Panchayat, Public Hearing Date: 14.06.2018

Summary: Delayed wages were paid to 32 workers

Thirty two workers had not received their wages for work done more than four months ago. They carried out works like land levelling and horticulture plantation. An amount of Rs. 1,80,496 was released, but the branch post master utilized the funds for his personal use. The social audit team made a complaint to the District Programme Officer (DPO). The BPM was made to distribute the wages in front of the social audit team and presiding officer.

Case Study 24: Telangana, Manchiryal District, Dandepalli Block,

Summary: Issues relating to suspended and rejected payments were fixed and wages paid to 328 workers

The wages for 328 job card holders in this block was pending since two years. Social Audit team has discussed with APO, BDO and they suggested that the workers should open postal accounts. The BDO asked the Panchayat Secretaries in the presence of the SA team to take out the list of suspended and rejected payments. Based on the Social Audit report and consistent follow up by the team, the workers received their suspended & rejected payments (Rs 3,28,524) after two years.

Case Study 25: Jharkhand, Jamtara District, Kundhit Block, Khajuri Gram Panchayat, Panchayat Public Hearing date: 24.09.201, Block Public hearing date: 09.03.2021

Summary: Excess payment made based on inflated measurements of pond in private land

The social audit team noticed measurement deviation in the pond work executed in Mr. Bilubhal Pahadiya's land. On record, the work dimensions were recorded as 150 x 150 x 10 and Rs. 4,57,632 had been paid. But at ground level, actual measurement of work was found to be 105 x 149 x 5. This meant that only Rs. 2,99,876 should have been paid. An excess payment of Rs. 1,57,755 had been made.

The issue was raised and discussed in front of all the participants in the Gram Sabha. The members of gram sabha validated the issue after checking the evidences. The issue was again raised in front of Jury members of panchayat hearing. After debate and discussion on measurement the jury decided to impose the penalty on the implementation staff. But social audit team argued for recovery of the excess payment. Jury could not reach a conclusion and decided to refer the issue for block level hearing.

During block level hearing, considering the seriousness of matter, evidences and field situation of work, the block jury decided to recover the amount of Rs. 60,000 from Junior Engineer, Panchayat Secretary, Sarpanch and Rojgar Sevak.



Case Study 26: Haryana, Kurukshetra District, Pehowa Block, Kalsa Gram Panchayat, Gram sabha date: 27.11.2020

Summary: Non-existent rasta but more than Rs 2 lakhs for material payment has been made

During social audit verification, it was found that Rs. 2,11,468 had been paid to Goyal & Company (based on bill numbers 1450, 1452, 1454, 1459 and 1464) for the construction of rasta, PWD Road to F/Balle singh in Kalsa (1203091046/RC/1000018588). However, there is no such road in the Gram Panchayat and the sarpanch and secretary said they have no information about this work. The SAU has written a letter to CEO of concerned District regarding this issue and is yet to get a response or action taken report.

Case Study 27: Madhya Pradesh, Betul District, Bhaisedhi Block, Dhamangaon Gram Panchayat, Gram sabha date: 02.02.2020

Summary: Kapil Dhara scheme sanctioned to non-eligible beneficiaries

Madhya Pradesh has been implementing Kapil Dhara scheme (well construction in private lands) for eligible beneficiaries. However during social audit in Dhamangaon GP, it was found that ineligible people were given benefit under Kapil Dhara scheme. The sarpanch and employment assistant were held responsible and the gram sabha said that the money has to be recovered.

Case Study 28: Odisha, Jajpur District, Bari Block, Balia Gram Panchayat, Gram sabha date: 27.02.2019

Summary: Funds for cowshed used to construct duplex house

The Individual project work “Cowshed of Chandramani Jena S/o Gunanidhi, 2420002013/IF/10351916, was marked as completed in the MIS and Rs 1,12,830 was spent. During verification, the social audit team noticed that the cowshed had not been built and that a duplex house was shown as the cowshed. The officials did not respond to the questions on this. The issue was raised in the social audit gram sabha, but due to heavy protest from executing agency, it was not noted as a grama sabha resolution.

Subsequently, the social audit team submitted this issue and related evidence in the report to the District administration. The Project Director, DRDA, Jajpur made an enquiry through MGNREGS Coordinator, District Social Auditor & concerned Assistant Executive Engineer. The enquiry report also revealed that the cowshed was not constructed. An explanation was called from concerned Junior Engineer, Panchayat Executive Officer and Gram Rozgar Sevak and



following that, they were ordered to deposit the entire amount in the social audit recovery account of the district which they did.

Case Study 29: Odisha, Nabaranpur District, Umerkote Block, Krusi Gram Panchayat, Gram sabha date: 17.12.2019

Summary: Payment made to dead persons and the people who have not worked in the projects. During verification, it was found that in the work 'Improvement of Road from Semladhara road to MetiSahi, work code 2430009/RC/3090729', the following four people did not work but were marked as having worked and each was paid Rs 3640

- 1) Gurudhar Santa
- 2) Nila Santa, w/o Gurudhar Santa
- 3) Dinabandhu Santa
- 4) Tula Santa wife of Dinabandhu Santa

This issue was placed before the gram sabha. The gram sabha fixed responsibility on the GRS who was instructed to deposit the money within 15 working days. As per the instruction of gram sabha and PO, the GRS has deposited the amount in the MGNREGS account of the Block and submitted the receipt with 2 working days.

FORM NO. XXII (Rule-76)
MISCELLANEOUS RECEIPT
Panchayat Samiti, Umerkote

No 34 Date 26/11/2020

Received From Sri Phulea'ing Gond, GRS of Beheda GP.
On account of Social audit recovery under MGNREGS for 2018-19.
Rupees (in words) (Fourteen thousand - Five hundred sixty) only
Rs. 14,560/-
in cash.

[Signature]
Block Development Officer
UMERKOTE

Case Study 30: Odisha, Koraput District, Pottangi Block, Gangarajpur Gram Panchayat

Summary: Payment to employee: Payment made to dead persons and the people who have not worked in the projects

During Social Audit, it was seen that eighteen labourers of Gangarajpur Gram Panchayat have not received payments for the work “Community Land Development at Gangamunda” even after completion of the project.

The muster roll, pay order and acquaintance showed that the payments have been made made to the workers. Even the bank passbook had entries for the payment. But the innocent wage seekers gave oral and written testimony to the SA Team that they have not received any payment for their work, because the ATM card and Job Card are under the control of the concerned Mate (which is one of the irregularities in implementation of MGNREGS).The wage seekers requested to the SA team to get ensure their payments for that particular work.



At the social audit Gram Sabha, this issue was raised in the SA Gram Sabha and on enquiry it was found that the concerned Mate has withdrawn the amount. Then, the SA Gram Sabha directed the Mate to refund the amount Rs. 34,000 to 18 Beneficiaries in presence of Block Development Officer, Potttangi Block. At the end of SA Gram Sabha, the jobseekers received the money and signed in a money received register.

Case Study 31: Odisha, Jaipur District, Korei Block, Dhaneswar Gram Panchayat

Summary: Missing cement benches in the project ‘Improvement of playground, Dhanapur 2420008001/AV/10340456’

During the 1st phase of social audit in 2018-19, it was found that that there were only 6 cement benches in the playground, but expenditure was made for 18 benches. This issue was noted under fake payment and raised in Social Audit Grama Sabha, but due to heavy protest from executing agency and local ‘Dadas’, it was not noted in the Grama Sabha resolution. Then the social audit team brought this issue to the notice of district administration. The district administration made an enquiry through concerned Assistant Executive Engineer who confirmed the social audit finding.

Immediate explanation was called from the concerned Block Development Officer, Assistant Executive Engineer, Additional Programme Officer, Panchayat Executive Officer and Gram Rozgar Sevak. After their response was received, the district administration directed the Panchayat Executive Officer to deposit the fake bill amount in social audit recovery account of the district and he deposited Rs 54,000 (Fifty four thousand) on 07.06.2019 in the above account. Apart from this, the Panchayat Executive Officer installed the remaining 12 benches at worksite from his own expenses.

Case Study 32: Odisha, Sundargarh District, Kutra Block, Angova Gram Panchayat

Summary: Missing Ring wells

During social audit of Angova Gram Panchayat in 2019-20, it was noticed that Rs 10.67 lakhs was spent for constructing ring wells, but on the field there were no ring wells.

In the social audit gram sabha discussion, it became clear that no work was started but payment to vendor had been made. Even the beneficiaries did not have the knowledge that ring well has been sanctioned in their name. After discussion, the gram sabha recommended that the ring wells should be constructed as soon as possible.

Based on gram sabha decision the DRDA PD asked for clarification from the watershed PD regarding the issue. After a thorough enquiry to the matter, the PD watershed found the project was not started till the enquiry period and reported to DSP, vigilance for initiating action against the erring officers. After getting the grievance from watershed PD, the vigilance team found 45 ring wells were partially made and another 11 were not started yet. As per the recommendation of Vigilance official, the watershed PD terminated four watershed staffs and imposed the penalty of Rs 1,10,000 and asked the officials to complete the work within one week.

4 Concurrent Social Audit of MGNREGS

Section 25(b) of Schedule 1 of MGNREGA [15] says

‘Concurrent Social Audit shall be done for all works every month. For this purpose, Programme Officer shall make available free of cost, details of works done and expenditure made during the past one month to the Bharat Nirman Volunteers, village social auditors, self-help groups, youth organisations and such other village level organisations for verification and report deviations if any.’

Further, Annual Master Circular 2020-21 [16] section 10.1.12 says

‘Concurrent Social Audit shall be done for all works every month. For this purpose, self-help groups, village social auditors, Village Monitoring Committees (VMC) and other village level organizations (VO) will have the right to inspect all records of works done and expenditure made in the Gram Panchayat on a fixed day of the week. Every Gram Sabha constitutes Village Monitoring Committee consisting of 5 MGNREGS workers. The VMC shall consist of women workers, workers from SC/ST households etc. VMC may visit each active work site once in a month. Members of the VMC will be paid a day’s wage, up to one day’s wage for every week, to carry out the task of inspection. The VMC shall conduct a concurrent social audit of all active works and will monitor whether due norms are being complied with at the work site in terms of processes, and records to be maintained.’

However, though VMCs have been formed in a few states, concurrent social audit as detailed above has not been done in any state.

With the advent of Covid-19 and the restrictions relating to the conduct of gram sabha, SAUs could not conduct regular social audits. A few states including Telangana and Jharkhand started doing concurrent social audit with their resource persons. Other states requested Ministry to issue guidelines so that they can also start concurrent audits and the Ministry issued guidelines on 15th July 2020 [9].

The guidelines specified that the resource person from the SAU itself shall do the concurrent social audit. The concurrent audit may be done every month and the resource person shall inspect records, visit worksites to see whether norms are complied with and monitor whether there is any denial of workers’ entitlements. After the visit, the resource person shall prepare a report and submit it to the Programme Officer.

4.1 Concurrent Social Audit Status

The list of states which facilitated concurrent audit and those that facilitated regular audit is given below.

Table 4-1: Status of Concurrent Social Audit

| | | |
|---|---|----|
| States that did only Concurrent Social Audit in 2020-21 | Bihar, Chhattisgarh, Himachal Pradesh, Kerala, Gujarat, Madhya Pradesh, Odisha, Punjab, Rajasthan, Uttar Pradesh, Tamil Nadu, West Bengal | 12 |
| States that started with Concurrent Social Audit but then shifted to Regular Social Audit later | Andhra Pradesh, Jharkhand, Nagaland, Sikkim, Telangana, Uttarakhand | 6 |
| States that conducted regular Social Audits only | Karnataka, Haryana, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Assam, Maharashtra and Tripura | 9 |
| States that did neither concurrent nor regular social audit | Arunachal Pradesh | 1 |

Even though MGNREGS implementation was in full swing in most states and the amount of expenditure in 20-21 was 80% more than in 2019-20, most states were reluctant to do either regular social audit or concurrent social audit. When they did take up concurrent social audit, the scale at which it was done was much lower than what was required to achieve good real-time monitoring of the scheme. Telangana, Jharkhand and Uttar Pradesh started early while the other states started later. West Bengal, Tamil Nadu and Rajasthan were the last states to start even though in terms of expenditure, they are among the top six states in the country. Rajasthan started concurrent audits in December 2020. Tamil Nadu started only in Jan 15th and stopped in February after the election announcement. West Bengal did concurrent audits for a few days in February 2021.

While the guidelines envisioned that social audit shall be done on a monthly basis, Uttar Pradesh was the only state which tried to do this. Most states did it similar to how they facilitate regular social audit but with lower number of resource persons, lower number of days and non-conduct of the gram sabha.

While on average, a regular social audit is done by 4 resource persons spread over 6 days, concurrent social audit was done by 3 resource persons over 3 days. Uttar Pradesh, Uttarakhand and Rajasthan spent only one day doing the concurrent social audit. Uttar Pradesh & Jharkhand were able to cover each Gram Panchayat close to 4 times on average while in most of the other states, all gram panchayats could not be covered even once. Non-availability of funds was also an important reason why many states were not able to do better in the conduct of concurrent social audits (discussed in detail below).

Telangana focussed mostly on grievances and ensured that the registered grievances were redressed. Some SAUs including Chhattisgarh, Jharkhand and Telangana focussed on returned migrants and helped them get Job Cards and work under MGNREGS.

The number of concurrent audits done and number of issues reported is given in the table below.

Uttar Pradesh reported the maximum number of issues followed by Chhattisgarh and Telangana. Jharkhand used the concurrent audit process to very effectively monitor the programme and plug the loop-holes (see box below for more details).

Among the states that started concurrent audit, five states transitioned from conducting concurrent audits to regular social audits. Six are yet to decide what they will do next year while the rest are planning to start regular social audits from 2021-22.

Because concurrent social audit was very helpful in real-time monitoring and provided the opportunity for corrective action (as opposed to only disciplinary action and recovery in a regular social audit), Jharkhand and Andhra Pradesh are considering doing concurrent social audit in the same manner that they did in 2021-22 also. Jharkhand is planning to do 4 concurrent audits in a year in each GP and Andhra Pradesh is planning to do six. While Karnataka conducted regular social audits (and no concurrent audits) in 2020-21, they are considering rolling out concurrent audit in 2021-22.

Table 4-2: Concurrent Audit Data till March 2021

| S No | Name of State | Audits in 2021-22* | CSA Started on | Number of Audits | | | CSA Issues | | Current status (as on Mar 2021) |
|------|------------------|--------------------|----------------|------------------------|----------------------|----------------------|-----------------------|-----------------------|---------------------------------|
| | | | | Total GPs in the state | Total CSAs conducted | % GPs covered in CSA | Total Issues Reported | Total Issues Resolved | |
| 1 | Andhra Pradesh | CSA & RSA | Sep-20 | 12933 | 3858 | 30% | 13088 | | Ongoing |
| 2 | Bihar | Only CSA | Jul-20 | 8836 | 4239 | 48% | 33009 | | Ongoing |
| 3 | Chhattisgarh | Only CSA | Aug-20 | 11680 | 11495 | 98% | 321317 | | Ended |
| 4 | Gujarat | Only CSA | Sep-20 | 14279 | 8112 | 57% | 457 | | Ended |
| 5 | Himachal Pradesh | Only CSA | Aug-20 | 3226 | 3206 | 99% | | | Halted |
| 6 | Jharkhand | CSA & RSA | Jun-20 | 4398 | 15504 | 353% | 9342 | | Ended |
| 7 | Kerala | Only CSA | Jul-20 | 15962 | 39050 | 245% | 43393 | 6853 | Ongoing |
| 8 | Madhya Pradesh | Only CSA | Sep-20 | 22809 | 22392 | 98% | 14575 | 7554 | Ongoing |
| 9 | Nagaland | CSA & RSA | Nov-20 | 1250 | 8 | 1% | 68 | 37 | Ended |
| 10 | Odisha | Only CSA | Sep-20 | 6798 | 8985 | 132% | | | Ongoing |
| 11 | Punjab | Only CSA | Aug-20 | 13326 | 4372 | 33% | 899 | 230 | Ongoing |
| 12 | Rajasthan | Only CSA | Dec-20 | 11341 | 15639 | 138% | | | Ongoing |
| 13 | Sikkim | CSA & RSA | Aug-20 | 185 | 75 | 41% | 1335 | 768 | Ended |
| 14 | Tamil Nadu | Only CSA | Jan-21 | 12525 | 4634 | 37% | 36737 | 1513 | Ongoing |
| 15 | Telangana | CSA & RSA | Apr-20 | 12770 | 13573 | 106% | 253399 | 240562 | Ended |
| 16 | Uttar Pradesh | Only CSA | Jun-20 | 58900 | 207497 | 352% | 397371 | 43730 | Ongoing |
| 17 | Uttarakhand | CSA & RSA | Jul-20 | 7761 | 2583 | 33% | 10617 | 7410 | Ended |
| 18 | West Bengal | Only CSA | Feb-21 | 3341 | 121 | 4% | 1013 | | Ongoing |
| | Total | | | | | | 1136690 | 321264 | |

*CSA – Concurrent Social Audit; RSA – Regular Social Audit

4.2 Concurrent Audit Process

In most of the states that conducted the concurrent social audit, it was done by 2-3 resource persons over 2-3 days. Grievances were registered actively in most of the states. Some states verified only ongoing works while others verified both ongoing works and works completed in the current year. Gram Sabha was not held following the concurrent social audit but a report was prepared and shared with the Programme Officer and others.

Some of the key issues identified as part of the concurrent social audit include

- a) Muster roll issued but workers were not found on the work site
- b) Non availability of the muster rolls and other records at work site
- c) Improper maintenance of muster rolls
- d) Work allotted to contractors instead of wage seekers
- e) Usage of machines
- f) Non-existent works
- g) Payment to benami workers

- h) Work not started but payment has been made
- i) Process violations have been found in many works
- j) Delayed payment and suspended payment issues
- k) Lack of work site facilities
- l) Citizen information boards were not present
- m) Poor quality of the work
- n) Grievances – relating to non-availability of job cards, non-availability of work, delayed payments/suspended payments, medical claims

Outcome of Social Audit

- 1) Concurrent Social Audit helped in ensuring the registration of migrants who came back and provision of work for them under MGNREGS.
- 2) CSA has helped to improve the quality of MGNREGA works at the time works are being done – Officials are more responsive to concurrent audit findings when compared to regular social audit findings and they take corrective action quickly.
- 3) Quality of monitoring by implementation officials improved after the conduct of CSA
- 4) When the CSA teams reported on non-existent works, the agencies have constructed the assets soon after the conduct of social audits.
- 5) Better and quicker redressal of grievances
- 6) Improvement in file & record maintenance
- 7) Registration of actual demand
- 8) Sensitization of PRI representatives and GP staff on the processes (muster rolls to be present in the worksite, correct measurements to be recorded in the measurement book, provision of worksite facilities, erection of citizen information boards etc.) to be followed.

Box 4-1: Concurrent Social Audit in Jharkhand

Smt. Aradhana Patnaik, Secretary of Rural Development Department, Jharkhand

Concurrent social audit allows for direct feedback on whether the provisions and processes of the Act and the guidelines are being followed or undermined. A regular social audit after the completion of the work can only make corrections post-facto and can be seen as a fault finding exercise - the discrepancies and defalcations are listed, FIRs have to be filed, disciplinary action has to be taken against concerned officials and recovery has to be done. However, as concurrent social audit is done on on-going works, it allows for making course corrections in the initial stage itself without the need to take stringent actions at the end.

The concurrent social audit process faced a lot of resistance initially from the mukhiyas and implementation staff. The staff even went on strike but were convinced that concurrent social audit is for making course corrections and not for punitive action.

Concurrent social audit reports are now being used to review progress of MGNREGA.

MIS captures a lot of things but there are many things that are happening in the field which are not captured by the MIS. Through concurrent social audit, the administration is able to get feedback from the field and is getting to know the nature and scale of discrepancies.

Findings from the CSA process

The administration had received complaints about the functioning of MGNREGA in some blocks in particular and asked the SAU to facilitate concurrent social audits of all gram panchayats in the blocks. Several irregularities were found in these blocks and strict action was taken in these cases.

A significant finding from the concurrent social audit has been the number of fake muster roll entries. Nearly 40 % of the people listed in the muster roll were not working. The CSA team also found that many people working in the MGNREGS worksite were not listed in the muster roll. Thus, there was a big gap between the MIS and the actual situation on the field.

Audits of works that had been banned during the monsoon revealed that muster rolls were issued during the monsoon time and that JCB machines were used to build these works instead of the workers listed in the muster rolls.

4.3 Concurrent Social Audit Findings

Since MoRD did not extend the MIS to support the management of concurrent social audit findings and ATRs, a common reporting format was not available and SAUs came up with their own formats. There are two problems with this – presenting a consolidated picture makes it difficult and social audit teams in some states did not check on few core parameters. Many states were also not able to give consolidated report of their findings due to shortage of staff at the state level. The reports of states that were able to give are presented below.

4.3.1 Andhra Pradesh

Andhra Pradesh started concurrent social audit in September 2020. In each GP, one VRP and one BRP conducted the concurrent social audit process over 2-3 days. From September to November 2020, CSA was conducted in 2140 GPs.

The objective of the concurrent social audit is verification of ongoing works, measurement of all works completed in 2020-21, verification of registers at GP level and collection of grievances. Grievances relating to delayed payments, application for new job card, demand for work and

reimbursement of medical expenses were registered. A total of 7540 grievances were registered, mostly related to application for new job cards. Out of these, 5228 have been redressed.

Table 4-3: Concurrent social audit findings from Andhra Pradesh

| S No | Issue Type | Number of issues | Amount |
|------|---|------------------|---------------------|
| 1 | Financial Deviation | 6,544 | 5,41,79,928 |
| 2 | Work deviation | 1,440 | 2,57,71,800 |
| 3 | Plantation Loss (poor survival of horticulture and avenue plantations) | 1,587 | 1,35,50,037 |
| 4 | No Name Boards but payment has been done | 1,228 | 40,64,398 |
| 5 | Others (Boundary trenches, farm ponds, dug-out ponds are closed; horticulture work for big farmers) | 226 | 35,94,419 |
| 6 | Muster mistakes | 1,730 | 29,55,631 |
| 7 | Bogus work | 56 | 24,43,472 |
| 8 | Task Change in Mbook | 10 | 8,30,283 |
| 9 | Horticulture pits closed | 34 | 4,20,754 |
| 10 | Calculation mistake in MBook | 125 | 3,34,738 |
| 11 | Benami Issues | 108 | 2,14,396 |
| | Total | 13,088 | 10,83,59,856 |

During the concurrent audit, the teams also looked at the 4 key parameters of the Good Governance Initiative of the Ministry and the findings are given below.

Table 4-4: Performance of Good Governance Initiative in Andhra Pradesh

| Parameter | Yes | Partially done | Not done |
|---------------------------------|------------|----------------|------------|
| Updation of job cards | 926 (23%) | 2404 (59%) | 773 (19%) |
| Installation of Worksite Boards | 443 (11%) | 795 (19%) | 2865 (70%) |
| Updation of 7 registers | 1917 (47%) | 1917 (47%) | 269 (7%) |
| Maintenance of work files | 1922 (47%) | 2059 (50%) | 123 (3%) |

4.3.2 Chhattisgarh

Chhattisgarh SAU started the concurrent social audit in August 2020 and covered all Gram Panchayats in the state by the end of the February 2021. Concurrent social audit is conducted in

3 days in a GP. Four VRPs and one BRP facilitated the audit in the GP. Along with ongoing works in 2020-21, works completed in 2019-20 were also looked at.

Some of the major issues identified include fake works, expenditure without verification by officials and process violations.

Impact of concurrent social audits are given below:

- a) Concurrent social audit has helped to improve quality of the works at the time works are being done.
- b) In case of fake works, the agencies have constructed the assets soon after the conduct of social audits.
- c) Entries in registers and records have improved as a result of social audit.

Table 4-5: Concurrent social audit findings from Chhattisgarh

| S No | Issue | Number of instances |
|------|--|---------------------|
| 1 | Gram Sabha approval not received | 16,614 |
| 2 | Work without technical sanction / administrative sanction | 11,469 |
| 3 | Signatures not found in muster roll | 12,329 |
| 4 | Weekly tasks not measured | 9,487 |
| 5 | Work application not received | 34,183 |
| 6 | No water system | 4,338 |
| 7 | Crèche facility not available | 67,222 |
| 8 | Muster Roll & mate measurement format not maintained at worksite | 29,201 |
| 9 | Site not visited by technical assistant | 4,470 |

In addition to verification of records and visiting worksites, the social audit team SAU also tracked the migrants who came back and whether work was provided to them.

Table 4-6: Data on migrant labourers who returned back in Chhattisgarh

| | |
|---|----------|
| Number of migrant labourers who returned back | 5,20,977 |
| Number of migrant labourers provided with job cards | 3,11,252 |
| Number of migrant labourers yet to be provided job card | 73,084 |
| Number of migrant labourers provided employment in MNREGS and other schemes | 84,541 |

Box 4-2: MIS developed by Chhattisgarh SAU to manage concurrent SA findings

When SAU started concurrent social audit, it had difficulty in tracking and collating the findings since the MIS built by MoRD to manage the social audit findings was not extended to accommodate the concurrent social audit findings. To address this issue, the SAU team developed its own MIS.

Logins were provided for resource persons at block level. After completion of the concurrent social audit, the resource persons entered the findings along with basic information in the MIS. The reports are available to the public at the website <http://sau.cgstate.gov.in:8080/Reports.aspx>

The following reports are available in the website:

- The coverage of concurrent social audit - district wise number of GPs covered
- GP wise individual findings/issues
- Consolidated concurrent social audit findings
- GP wise number of VRPs with their contact details

SAU is working to extend the MIS to capture the action taken related data also in their website.

4.3.3 Jharkhand

Jharkhand did audits in 4 rounds. In the first round, it was done with the help of Mazdoor Manch, VMC & SHG members. These audits were based on a pre-announced calendar.

In second phase, individual works (wells, farm ponds, roads) were done but without any pre-announcement (i.e.) the works to be audited were not informed ahead of time. Kaam mango abhiyan / Kam pao abhiyan was done in the 3rd phase. Verification of work allotment in 4th phase.

The summary of findings are given below:

Table 4-7: Concurrent social audit findings from Jharkhand

| S No | Parameter | Number |
|------|---|-----------------------|
| 1 | Number of GPs audited | 3,466 |
| 2 | Number of GPs whose audit data has been entered | 2,912 (84%) |
| 3 | Number of works audited | 38,234 |
| 4 | Number of worksites with no workers | 23,207 (61%) |
| 5 | Number of workers present as per NMR | 284,538 |
| 6 | Actual number of workers in the field | 98,305 (35 %) |
| 7 | Number of missing workers | 186,233 (65 %) |
| 8 | Number of workers whose name was not there in the NMR | 11,457 |

| | | |
|---|--|--------|
| 9 | Number of workers whose name was there in the NMR but were not told about it | 37,966 |
|---|--|--------|

4.3.4 Tamil Nadu

Tamil Nadu started concurrent audit only on 13th January 2021. They conducted audits once in 4634 Gram Panchayats (37%). Each GP was covered by one BRP and 2-3 VRPs over two days. Ongoing and completed works in this year were looked at and grievances were collected from the villagers. No gram sabha was held, but a report was prepared and submitted to the BDO and the state office. Audits were stopped the audits on 26th February after the announcement of elections to the Legislative Assembly. The main findings are listed below.

Table 4-8: Concurrent social audit findings from Tamil Nadu

| Issue Description | Number of Issues | Number of ATRs submitted | Number of Pending Issues |
|--|------------------|--------------------------|--------------------------|
| Irregularities in the maintenance of records | 10211 | 451 | 9760 |
| Request for job cards | 6880 | 494 | 6386 |
| Other Petition and Grievances | 6828 | 115 | 6713 |
| Basic facilities not provided at worksite | 5245 | 265 | 4980 |
| Attendance given for persons who did not work | 1922 | 22 | 1900 |
| Records not submitted for audit | 1206 | 28 | 1178 |
| Issues relating to rights of Persons with Disabilities | 1193 | 16 | 1177 |
| Request for work | 1075 | 37 | 1038 |
| Entries not made in Job card | 775 | 65 | 710 |
| Other Process Violation | 658 | 10 | 648 |
| Other Financial Misappropriation | 497 | 8 | 489 |
| Wages not paid | 187 | 1 | 186 |
| Delay in payment of wages | 60 | 1 | 59 |
| Total | 36737 | 1513 | 35224 |

4.3.5 Telangana

Telangana started concurrent social audit in the month of April 2020 itself. 13,601 GPs were covered from April to November 2020. One VRP and one BRP/DRP facilitated the audit in a Gram Panchayat over 3 to 4 days.

The main objectives of the concurrent social audit process are listed below:

- a) Create awareness on rights and entitlements of the wage seekers.

- b) Mobilize labourers to come to work and facilitate demand registration particularly in low turn-out villages.
- c) Facilitate provision of new job cards to returned migrants and others who are interested in working under MGNREGS
- d) Monitor the provision of entitlements to workers as per the Act.
- e) Grievance registration and redressal

Figure 4-1: Worksite verification during concurrent social audit in Telangana



Resource persons visited all the active worksites to monitor and checked to see whether specified processes are being followed. They also looked at all the records of works to see if they have been correctly maintained. The team also imparts awareness on precautions to be taken in the COVID-19 pandemic situation.

The team does a door to door verification and interacts with stakeholders duly registering grievances like pending payments, work demand, request for new Job Cards/ adding names in existing JC and group, splitting existing JC and forming/ adding in worker group etc. They also organize grievance redress desks at the Gram Panchayat offices to record grievances duly following COVID-19 protocols. The team provides a grievance receipt on registering a grievance. At the end of the day, in each village the Grievances resolved are communicated to the concerned stake holders and the follow up of the pending Grievances is done over phone – even after the CSA in the GP has been completed. The APO at mandal level and Panchayat Secretary at GP level are responsible for resolving the pending issues and the social audit teams follow up on each issue with them.

The formats duly filled during door to door verification and at worksite are shared with concerned PO, MGNREGS for resolution of the issues and the data is also submitted to the state office through Google Forms. The team also tracked migrant labour details.

Table 4-9: Concurrent social audit findings from Telangana

| Type of Issues | Number of issues registered | Number of issues resolved |
|---|-----------------------------|---------------------------|
| Request for new Job Cards | 26,089 | 26,089 |
| Job Cards need to be split | 10,359 | 10,359 |
| Add additional family members to Job Card | 28,222 | 28,222 |
| New Group formation | 767 | 767 |
| Adding in Group/ new group/ Account Problem | 5,202 | 5,202 |
| No. of demand for work from wage seekers | 1,60,960 | 1,60,960 |
| Medical & other allowance | 230 | |
| Issues Delay payments | 8,155 | 8155 |
| Delayed payment amount in Rs. | 1,82,59,606 | 1,82,59,606 |
| Suspended Payment Issues | 13,415 | 13,415 |
| Suspended Payment Amount in Rs. | 89,87,966 | 89,87,966 |
| Total Grievances | 2,53,399 | 2,53,169 |
| Pending Grievances Issues | 230 | |

4.3.6 Uttar Pradesh

From June to August, concurrent social audits were conducted in around 25,000 panchayats through block resource persons. It was found that Muster Rolls were not found in 30 % of sites, citizen information boards were not there in 80 % of the sites and the quality of work was not satisfactory in 2 % of the worksites. Findings from the start till March 2021 are given below.

Table 4-10: Concurrent Social Audit Findings from Uttar Pradesh

| Number of audits in 3 rounds | Financial Misappropriation | Financial Deviation | Process Violation | Grievances | Total number of issues reported | Total number of issues closed |
|------------------------------|----------------------------|---------------------|-------------------|------------|---------------------------------|-------------------------------|
| 1,41,998 | 820 | 26,371 | 1,90,950 | 1,01,053 | 3,19,194 | 39,036 |

4.3.7 Madhya Pradesh

| No of Issues / findings | Number resolved | Number to be resolved | Misappropriation Amount | Amount Recovered | Remaining amount to be recovered |
|-------------------------|-----------------|-----------------------|-------------------------|------------------|----------------------------------|
| 14,575 | 7,554 | 7,021 | 61,68,566 | 10,27,922 | 51,40,644 |

Box 4-3: Concurrent Social Audit in Jharkhand

Shri Gurjeet Singh, SAU Coordinator

Concurrent Social Audit Process

Jharkhand began conducting concurrent social audits from the 1st of June. In the first phase, the SAU made a calendar covering 50% of GPs in the state. The team had planned to visit ongoing worksites. In an effort to stymie the concurrent audit, the implementation staff stopped issuing muster rolls on the week when the concurrent social audit was supposed to be done.

So, in the second phase, Secretary said that the dates should not be informed ahead of time. They stuck to the same Gram Panchayats as mentioned in the calendar but went there on different dates (such as visiting GPs that had been scheduled for the 3rd week in the 1st week and vice versa).

In the 3rd phase, certain blocks from which regular complaints were being received were taken up. All GPs in a block were covered even those that were not part of the calendar. A total of 338 GPs were taken up for audit. Neither the implementation staff nor the social audit team were told where the audit will be done ahead of time. This information was provided only on the 1st day of the audit.

In the 4th phase, special audits of 5 schemes that were not supposed to be running during the rainy season, but for which muster rolls were issued, were taken up.

The CSA was done over five days by a 5 member team - 2 empanelled resource persons from a different panchayat and three persons from the same Gram Panchayat. The three persons from the same GP included one Self Help Group member, one Village Monitoring Committee member and one Labour Forum member. Online training was provided to the resource persons before they started the audit. Formats were created in google sheets for data entry.

The muster rolls of ongoing works and other MIS data are downloaded and given to the team. The team visits ongoing worksites, makes home visits to wage seekers listed in open muster rolls and visits quarantine centres. Assistance is provided to people to get job cards and register demand.

Even though there are no gram sabhas, the findings of the audit are shared among the people in small meetings. On the last day, a report is prepared for the Gram Panchayat and the BDO to take action within 15 days. The data is also entered in a google spreadsheet. The entered data is immediately available to the department team which can take corrective action within 48 hours on serious issues (lodge FIR against JCB use, provide worksite facilities, question why MR has been issued when work is not going on or why completed work is being shown again etc.).

Since there are no public hearings, the government organises review meetings at the District level to follow up on the Action Taken Report (ATR). The Jharkhand SA process includes an ATR review committee which ensures that ATR protocol is followed. Audit paragraphs can only be dropped after review by the committee. They are at present planning a google meet of the ATR review committee to review the concurrent audit findings and action taken.

Furthermore, as a check on the CSA process, 5% of CSA are test audited by civil society members.

Key findings

There has been a sharp decline in the number of fake workers. Earlier it was 42% which has now declined to 18%. More than 3 lakh fake workers have been identified. In addition to the prevention of fraud, this has led to work allotment for genuine workers. Usage of JCB machines, work not started, MR issued for completed works, old work shown as new were some of the other issues that were found during the audit.

The concurrent social audit has reported nearly one lakh issues till date and out of these, 9000 were sorted immediately. Strict action was taken on gross irregularities even against implementation staff who were part of unions.

Impact of Concurrent Social Audit

In Jharkhand, there is strong political and bureaucratic will to see that MGNREGS is run effectively, that jobs are provided to returning migrants and the rural economy is improved. This is the reason for the good support for concurrent social audit.

The concurrent social audit reports are used for reviewing the progress of MGNREGA by the Chief Minister, Chief Secretary, RD Secretary and MGNREGA Commissioner in a regular manner.

The CSA process has also strengthened other pre-existing but dormant institutions such as Village Monitoring Committees and Labour Forums.

Challenges faced in conducting CSA

MGNREGA staff have resisted the concurrent social audit process. They have questioned why they are not informed of the audit dates ahead of time and why the calendar is not being followed. Surprise audits have faced a lot of resentment.

Online training for resource persons has been difficult with connection issues. But when done repeatedly, it improved. For the SHG resource persons, entering data in the online google sheets has been difficult but with a lot of hand-holding, they have improved now.

Future Plans

The SAU has decided to do frequent concurrent social audits on different aspects of MGNREGA implementation based on priority issues flagged in earlier phases. Two resource persons will visit every gram panchayat for two to three days every month, but each time a different issue will be taken up. For example separate audits on work allotment, worksite management, payments and documents shall be done. In every audit, urgent issues will take precedence even if that is not the focus of the audit in that round.

Since concurrent audit is very helpful in improving the quality of the implementation, the state is considering giving additional funds (above the 0.5 % given by MoRD currently) to the SAU probably from the funds set aside for IEC.

4.4 Concurrent Social Audit Case Studies

Case Study 1: Telangana, Siddipet District, Bejjanki Mangal, Perukabanda GP

Summary: Job card application processed after assistance from social audit team

Karravula Shankaraiah S/o Durgaiyah was working in a private College as English Lecturer since last 10 years and staying at Karimnagar District along with family (wife and two children). He does not have any land in his native place and due to the lockdown, he was unable to pay the rent and so he returned to his native place.

During the door to door verification of the CSA, the SA team met him and informed him about MGNREGS. The individual applied for issue of Job card and requested the Panchayat Secretary (PS) but the PS asked him to first clear the tax that was pending to the Gram Panchayat after which a Job Card will be issued. The CSA team met the Panchayat Secretary and requested him to process the Job Card application; a new Job Card was issued and he was added in Srirama (Shrama Shakthi Sangham) Group. This is only one of the many cases where MGNREGS has

proved to be a source of employment and financial security to many families in the COVID-19 pandemic situation.

Case Study 2: Telangana, Nizamabad District, Varni Mandal, Vakeel Farm GP

Subject: *Unprocessed payment cleared after assistance from social audit team*



19 wage seekers worked in the month of January 2020. Due to the negligence of the BPM, payment of Rs. 84,519/- was pending with the BPM. During the CSA process, the Social Audit team identified this issue and brought it to the notice of BPM, local Sarpanch and Panchayat Secretary. During the interaction with the Social audit team, the BPM informed that they are busy with the pension distribution due to which payment to the MGNREGS Wage seekers could not be done. Social audit team approached the SPM at Bodhan and discussed this issue with the SPM. After several interactions with the BPM and SPM, the pending payment of Rs. 84,519/- was disbursed to the concerned Wage Seekers on 4th August and 5th August by the BPM in the village.

Case Study 3: Telangana, Jayashankar Bhuupalapalli District, Ghanapuram Mandal, Gollapalli GP

Subject: *Unprocessed payment cleared after assistance from social audit team*

While conducting concurrent social audit, the team received grievances pertaining to request for new Job Cards from 12 families, 10 families wanted names to be added in the Job Cards, 5 families requested for splitting Job Cards. The CSA team ensured that all the grievances were resolved.

The team observed an issue of delay payment of Rs. 2,92,088 from May to July 2020 pending at the post office level. The CSA team ensured that the wage seekers received their payment on 5th August, 2020.

In the same Gram Panchayat, two farmers requested for Cattle Shed for which approval and resolution from Gram sabha were taken and estimations were made.



Case Study 4: Telangana, Nizamabad District, Kotagiri Mandal, Jallapally GP

Subject: *Payment of delayed wages after CSA*



During CSA, it was observed that there is an issue of delayed payment of Rs. 6,46,344/- from June, 2020. The BPM stated that, they will take up the disbursement of delay payment to MGNREGS wage seekers after the pension disbursement is completed.

After constant persuasion with the SPM, BPM, local sarpanch and PS, the SPM assured that the payment would be disbursed from 20th of August onwards. The BPM distributed delayed payment of Rs. 4,89,140 from 20th August 2020 to 25th August 2020 to 317 wage seekers and Rs. 1,57,204 was distributed later.

The Mandal level staff requested SSAAT to support them to collect documents from the wage seekers to change the accounts from Post Office to Bank since the labourers did not want to continue with the postal payment system. The SSAAT resource persons also assisted with this.

Case Study 5: Jharkhand, Pakur District, Littipara Block, Bandoo Gram Panchayat, Social audit date: 02.09.2020

Summary: Construction of playground using JCB machine instead of employing job card holders

During the concurrent social audit, it was found that the playground in Badlapur village was done by JCB machine which is violation of MGNREGA act. Total scheme amount was Rs 3,09,024. Evidence for this was video-recorded and testimony obtained from gram Pradhan, villagers and migrant labourers. The team shared this detail with Pakur district administration who ordered an enquiry into this matter. Following DC's order, the DRDA director examined the case the next day and submitted the report to DC, Pakur. Based on an enquiry, the BDO filed an FIR against the Mukhiya, Panchayat Sachiv, Rozgar Sewak and others involved in the case.

Case Study 6: Jharkhand, Palamu District, Hussainbaad Block, Pathra Gram Panchayat, Social audit date: 27.08.2020

Summary: Through Kaam Mango Kaam Pao Abhiyan, SAU team helped register work demand and provide work to labourers

Following the COVID-19 restrictions, social audit team initiated the Kaam Mango Kaam Pao Abhiyan to support migrant labourers who needed work. There are 854 households in Palamu and out of this 720 households needed work. The team registered this demand and then submitted it to the MGNREGS Commissioner. The commissioner visited the village and created a special team of 10 people to verify the demand for work. When it was found that the demand was true, a total of 518 persons (71.94 %) received work.

On the day of Panchayat hearing, more than 1200 villagers had gathered near panchayat bhawan. SAU team has recorded the highest number of women participation in this hearing.

Case Study 7: Jharkhand, Dhanbad District, Govindpur Block, Saharja Gram Panchayat

Summary: Beneficiary was not paid full amount for poultry shed construction

Md. Hanif Ansari was sanctioned a poultry shed and during construction it was found that he had constructed the 4 side walls (till plinth level) and received Rs 25,000. However, as per MIS, Rs 56,052 had been paid to him. In addition, there was no sign board, the window grid net (khidki ka jali) was not there and the vendor had not supplied the required construction material.

Following the submission of the concurrent audit report, the construction of the poultry shed was completed, signboard was placed and the beneficiary received the full amount.

Case Study 8: Chhattisgarh, Mahasamund District, Mahasamund Block, Kapa Gram Panchayat

Summary: MRs not filled, weekly measurement not done, 7 registers not filled – show-cause notice issued to PO-MGNREGS

During concurrent social audit, it was found that the muster rolls were not filled and signed by the Gram Rozgar Sahayak in two works, weekly measurement of the work/ asset was not recorded in 2 works and the 7 registers were not filled. On receiving the concurrent social audit report, CEO-ZP issued show-cause notice to the PO-NREGA demanding explanation on the various process violations.

As a result, PO immediately responded with explanation and assured that he will fix these issues pointed out in the report.

Case Study 9: Chhattisgarh, Gariaband District, Mainpur Block, Public hearing date: 08.12.2020

Summary: Financial misappropriation in 24 GPs. Order issued for recovery of Rs. 48.79 Lakhs

The social audit team found that wells which were marked as completed in the MIS were in reality not present in 24 Gram Panchayats. The works were implemented by the agriculture department.

The social audit report was read out in a public hearing before the Sub-Divisional Magistrate and other implementation officials. The chairperson found social audit findings to be correct and ordered recovery of Rs. 48.79 Lakhs from the concerned officials failing which action would be initiated on the concerned officials.

5 Social Audit of other Schemes

5.1 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 crores to the SAU in 2019-20. Pilot social audits have been undertaken by SAUs in Andhra Pradesh, Madhya Pradesh, Karnataka and Jharkhand. Civil Society Organisations / Non-government organisations have also taken up pilot audits in Odisha and Kerala. But these have not been scaled up.

Box 5-1: Findings from the Pilot Social Audit of the NFSA in Kerala

By Jyothi Krishnan (Loyola College, Trivandrum) and Mouleshri Vyas (TISS)

The National Food Security Act, 2013, aims to provide food and nutritional security in India through making the right to food a legal entitlement. The responsibility of providing ‘adequate quantity of quality food at affordable prices to people’ as spelt out in the Act, is carried out through the Midday Meal Scheme, Integrated Child Development Services scheme, and Public Distribution System (PDS). Provisioning of food grains at the household level is conducted through the PDS and the Fair Price Shop is the agency through which cardholders access their entitlements.

The NFSA is anchored on the principle of citizen entitlements. Being citizen-centered, the Act lays strong emphasis on measures related to grievance redressal, social audits, transparency

and accountability. The effectiveness of these measures is dependent on a functional grievance redressal mechanism, periodic conduct of social audits and feeding in of social audit findings into implementation, periodic inspections and actively functioning Vigilance Committees along with widespread citizen education about the entitlements guaranteed under the Act.

Given the problems with the Public Distribution System (PDS) such as poor quality of food grains, pilferage by shop owners, non-disbursal of entitlements to cardholders, and other issues, realizing these entitlements demands a sharp shift in our understanding of the functioning of the age-old ration shops, the point of interface between the state and the citizen with regard to food grain distribution. This would re-establish the Fair Price Shop as a site of public service delivery, where citizens access their legal entitlements.

In 2019, the Tata Institute of Social Sciences conducted a pilot social audit of the NFSA for the Department of Civil Supplies, Government of Kerala. The pilot audit was conducted in four Fair Price Shops that service a large number of AAY (Antyodaya Anna Yojana) and Priority Households residing in the Chengal Choola and Poundkulam low income residential colonies in Thiruvananthapuram city. The objective was to demonstrate the conduct of social audit at the Fair Price Shop level, which could subsequently be scaled up across the state.

The social audit closely followed the introduction of the Electronic Point of Sale (EPOS) system in ration shops across the state. While the Electronic Point Of Sale system is functioning reasonably well barring a few issues of failed biometric authentication, the audit revealed ways in which food grain diversion is possible despite complete digitization. The pilot social audit focused on enhancing the cardholders' awareness of individual entitlements under the NFSA through house-to-house visits, public meetings, a two-day public weighing exercise, grievance redressal drive and a public hearing organized as a part of the audit. The audit revealed that digitized transactions cannot replace painstaking citizen education and citizen monitoring. Citizen education was a critical component of the social audit. Cardholders were asked to pay close attention to the weighing process, ensuring that the machine was calibrated, that the amount displayed on the electronic weighing scale corresponded with the amount printed on the bill.

The billing process plays an important role in ensuring transparency in transactions. While the entire transaction was digitized, the simple practice of giving a bill irrespective of whether the cardholders asked for it or not, was dismissed by shopkeepers. Familiarity or the intimidating behaviour of shop owners, who are very often local power centres, led to hesitation on behalf of cardholders to ask for the bill. **In addition, while the bills and the web portal reflected disbursal of the full entitlement to each cardholder, the audit revealed that in many cases, a much lesser quantity was actually availed.** Discrepancies between the billed amount and actual amount were most significant in the case of AAY and PHH cardholders who are entitled

to larger entitlements. While the bill format has been subsequently modified to facilitate greater transparency, it is only a vigilant cardholder who can see through manipulations. Digital illiteracy presents a formidable challenge, as it is mostly elderly women or men who go to collect rations.

Citizen education and confidence building were important outcomes of the social audit that motivated cardholders to assert their right to get full entitlements. Dissemination material regarding category specific entitlements were valued by cardholders. The absence of a functional grievance redressal measure during the time of audit was pointed out as a major drawback by cardholders. **The actual conduct of social audits however should be supported by placing action taken reports and reports of periodic inspections of ration shops in the public domain**, ensuring timely action through grievance redressal mechanisms and putting in place impartial and independent vigilance and monitoring committees for effective and ongoing monitoring.

Box 5-2: Social Audit of PDS in Bihar

Social Audit of PDS has been done by the Bihar SAU in a big scale in 2019-20. They covered 2667 Gram Panchayats over 32 districts (31 % of all Gram Panchayats in the state). Each social audit was done over 8 days.

- ❖ 1st day – Meeting with implementation officials and PDS dealers and collect all the relevant documents for Social Audit
- ❖ 2nd day to 6th day - Verification with Beneficiaries and Evidence collection
- ❖ 7th day - Information dissemination regarding public hearing and report writing
- ❖ 8th day - Gram Sabha cum Public hearing

The main findings are listed below

- ❖ Low awareness on the entitlements and provisions among entire community
- ❖ 10% of the beneficiaries are being denied ration due to Aadhaar linkage issue
- ❖ 15% of families are eligible but they don't have a Ration Card
- ❖ 3% of families are ineligible but they are availing the benefit
- ❖ Timely allocation and distribution of food grains is a major area of concern. Due to this issue beneficiaries are getting ration in an interval of 3-4 months
- ❖ PDS shops not opening on time and if someone try to raise their voice, PDS dealers threaten that their ration will not be given

- ❖ According to grievances received through social audit - Most of the PDS dealers are very rude with the women
- ❖ It has been found commonly everywhere that dealers are charging more and giving less quantity of food grains against the provision.
- ❖ Poor quality of food grains- Sometimes it is not eatable
- ❖ Dealers do not provide receipt to the beneficiaries across the state

5.2 National Social Assistance Programme

NIRDPR facilitated pilot social audits of NSAP in Maharashtra, Tamil Nadu, Assam, Odisha and Himachal Pradesh. The Ministry issued the social audit guidelines in November 2019 during the National Seminar on Social Audit and asked all states to take up social audit of NSAP. However, only West Bengal, Mizoram and Tripura have taken up social audits of NSAP in 2019-20 and 2020-21. In West Bengal, the social audits of PMAY-G and NSAP are done together along with MGNREGS.

Case Study: Odisha, Nabarangpur District, Bari Block, Digi GP, Public Hearing date: 17.12.2019

Summary: *Payment of social assistance to seven persons who are not alive*

During social audit verification, the VRPs found out that a sum of Rs 10,200 was made to seven persons who were not alive. The issue was discussed in the gram sabha and the Panchayat Executive Officer was asked to deposit the money back in the block. The PEO deposited the money and submitted the receipt, which is given here.

Box 5-3: Social Audit of NSAP in Mizoram

The Social Welfare Department, Government of Mizoram requested the Mizoram Society for Social Audit, Accountability and Transparency to conduct social audit of NSAP in 83 villages within Aizawl city area in 2019.

Out of a total of 4974 beneficiaries in the 83 villages, the team was able to meet 3829 or 77% of beneficiaries in the villages. Some of the issues they found has been given in the table below:

| S No | Issue Detail | Number of persons |
|------|--|-------------------|
| 1 | Government Servant & Pensioner Family | 129 |
| 2 | Unable to identify | 91 |
| 3 | Dead but received fund | 59 |
| 4 | Migrated to other places | 39 |
| 5 | Not entitled to get benefit for 60+ | 34 |
| 6 | Not entitled to get benefit for 80+ | 33 |
| 7 | To be deleted | 10 |
| 8 | Ineligible to receive IGN Disability Pension | 8 |
| 9 | Not in the MIS list | 5 |
| 10 | Male getting Widow pension | 3 |
| 11 | Government Servant | 3 |
| 12 | Not received fund | 3 |

Importantly, it was found that 2275 (59.41%) beneficiaries are ineligible to receive assistance as per the 2019 BPL list published by the state.

Based on the social audit, the SAU made the following recommendations to the Social Welfare departments

- ❖ Conduct annual verification to identify ineligible beneficiaries and beneficiaries who are dead
- ❖ Disburse the funds on a monthly basis
- ❖ Remove the ineligible people from the beneficiary list and add beneficiaries from the far flung area / villages in the state who are in dire need

5.3 Pradhan Mantri Awaas Yojana - Gramin

PMAY-G 'Framework for Implementation' published in 2016 says that social audit should be conducted in every Gram Panchayat at least once in a year.

Guidelines for social audit of PMAY-G was released by MoRD in November 2019. The guidelines specified that the social audit should be conducted at the same time that social audit of MGNREGS is conducted and facilitated by the social audit unit established in each state.

However, only four states (Uttar Pradesh, West Bengal, Bihar and Meghalaya) are facilitating social audit in scale. Jharkhand, Assam, Mizoram have done pilot audits in few GPs.

The PMAY-G programme team has not made any provisions in the MIS for upload of social audit findings and action taken reports and hence there is no data on the social audits conducted in the public domain.

Case study 1: Assam, Dhemaji Rural District, Bordoloni Block, Nalbari Gram Panchayat, Gram Sabha date: 22.10.2020

Subject: *Payment made for sanction of PMAY-G houses*

In case of PMAY-G:

During verification, the social audit team found that to get sanction of PMAY-G house and instalment amount, beneficiaries Anil Pegu and Ambika Devi had make payment to PRI members (ward member & president).

The SA Gram Sabha has recommended forming a three member committee to investigate the payment to PRI members. The three member committee has informed the SA Team that they resolved the issue by discussing with beneficiaries and repaying the amount that was collected from them after which the complaint was withdrawn.

Case study 2: Assam, Dhemaji District, Bordoloni Block, Latak Gram Panchayat, Gram Sabha Date: 09.10.2020

Summary: *Diversion of wage payments to ward member*

Two MGNREGS workers, Makhan Hemron and Lilamai Gurung informed the social audit team that their wages totalling Rs 14000 (95 days) and Rs 6948 (36 days) had been deposited in the bank account of the ward member Prodip Murmur. The ward member had collected the job cards and bank account numbers of the workers but instead of entering the worker's account number for payment, entered his account number. Both workers gave written statement to the social audit team stating this.

The issue was discussed in the gram sabha which recommended that ward member Prodip Kumar should refund the entire amount within 09.11.2020. Following this, the ward member returned the wages to the workers on 08.11.2020

5.4 School Education

The Department of School Education and Literacy has taken steps to introduce social audit of the Samagra Shiksha Scheme. It has prepared draft guidelines and has held consultations with NIRDPR and civil society. Recently the cabinet committee on economic affairs approved the continuation of the revised 'Samagra Shiksha Scheme' for another five years. In this, social audit of 20% of schools is planned for every year so that all schools are covered in five years.

Along with the social audit of the Mid-Day Meal programme, the Jharkhand SAU facilitated social audit of the Samagra Shiksha Scheme in 2019-20. Highlights from the audit are given in the box below. Andhra Pradesh also conducted social audit of their 'Mana Badi: Naadu Nedu' scheme which aims to provide basic infrastructure in all schools.

Box 5-4: Social Audit of Samagra Shiksha Scheme in Jharkhand

In 2018-19, social audit of Samagra Shiksha Scheme was conducted in 1233 schools in 24 districts, and in 19-20, it was done in 4910 schools in 24 districts. The social audit exercise also includes block hearings and action taken review at the district level (hearings for the 19-20 SA of SSS have just begun due to the Covid delays).

The scope of audit included attendance (from the last 6 months registers and observation on the day of the SA), textbook distribution, uniform distribution, stipend, utilisation of the different grants, status of SMC, SMDC, financial audit as it pertains to SSS fund, usage of libraries (collected interesting feedback on what kind of books are checked out the most), school infrastructure. The audit also captured general perceptions about quality of education and experience of schooling. While the audit did not directly conduct tests to determine learning levels, it focussed on the process of assessment, regularity of assessment and action on the assessment.

Pre-audit - Budget for the SA was shared between MDM and SSS. Capacity building of resource persons including school visits were done and pilot social audits were also conducted. Entry point meetings were carried out with implementation officials of SSS where responsibilities of officials vis-a-vis the SA were made clear. An advance was provided by the department so that training and format printing costs could be covered.

During audit - 3 member teams covered a single school in a single day (one member spoke to students without teachers present, one examined the documents and another examined the infrastructure). Interaction with the larger community was carried out in the residential areas including at least one hamlet with vulnerable people. No panchayat hearings were carried out. CSOs working in the field of education were brought in to be a part of the SA process.

Post-audit - Formats were created for analysis but handwritten reports were submitted together so that issues where no action could be taken were also included. ATR is presented at the block hearings and were reviewed/ verified at district and state level. Juries at different levels included a parent representative.

The education department provided supported in training, in formulating and reworking tools, course correction at the time of audits and took action on the issues brought out by the audit. In some cases where there were serious violations, the department took harsh action immediately.

Challenges & recommendations

- ❖ There was a fair bit of resistance from teachers and the SMCs
- ❖ Data entry without an MIS was difficult and messy to analyse afterwards
- ❖ Action Taken protocols were not in place before the SA exercise was started and had to be developed alongside. The protocols are necessary to create a standard for action
- ❖ States should be encouraged to facilitate SA of MDM side by side
- ❖ Depending on the size of the school, social audit process should take between 2 – 4 days
- ❖ Unnecessary data collection should be avoided
- ❖ The process of reading out the report is important - in Jharkhand reading it out in front of the Bal Sansad was a rewarding experience.

5.5 Mid Day Meal

The Ministry of Human Resource Development issued social audit guidelines [17] 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 in the state.

The minutes of the Programme Approval Board – Mid Day Meal meetings [18] 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's 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 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. Telangana has facilitated social audit in 60 schools in 10 districts in 2017-18. Jharkhand has done social audit of MDM along with the social audit of Samagra Shiksha Scheme.

5.6 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 authorized by 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 [19], 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 you are not providing eggs to all children and mothers as per the ICDS norms? Why is there 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% 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.

Box 5-5: Anganwadi and Mid-Day Meal Social Audit Pilots in Rajasthan

Vineet Bhambu, Mazdoor Kisan Shakthi Sangathan

With the advent of COVID, many institutions including Anganwadis and schools were shut down. However, the Anganwadi staff were on the front-lines working to track and contain the disease putting their lives at risk. They were also distributing grains (rice, wheat and channa dal) to the beneficiaries – the government of Rajasthan had decided to distribute grains instead of the usual fortified flour.

Sample survey conducted over phone by civil society organizations to monitor the distribution of grains revealed that most respondents did not know their entitlements and there were a few discrepancies also. Top officials in the ICDS department wanted to institutionalize social audits and decided to do pilots in 12 panchayats/wards of 12 districts. Five panchayats/wards from each of these districts were selected and they were given an advance notice that their panchayat/ward might be one of those selected for social audit. A social audit team including 3 persons from Civil Society and 3 other persons - Sathin (Panchayat Level Functionary of WCD), ASHA and a ward panch (elected representative) were created. Though initial teams had implementing authorities from other areas, it was rectified later. A format was designed to collect information about receipt of grains in the one and a half months before the audit. Since social audit team was going to meet some families, Mid-Day Meal was also added at the last moment.

It was decided to conduct training for the social audit team members on 1st and 2nd Feb, followed by field verification from 5th-10th Feb and then a public hearing on 11th Feb. Training Session was initiated by the Department Secretary himself which gave an indication of the commitment from the top.

Meetings were held with functionaries and other stakeholders like elected representatives either before or on 5th to ensure everyone understands the process, to introduce the social audit team and to discuss logistics related to the whole process including Public Hearing. At some places, arrangements were made for the social audit team to stay at the school. There was good cooperation from the field level functionaries though there was some delay in receipt of records for the social audit.

Field verifications were a mix of public meetings and door to door beneficiary surveys. For Mid-Day Meal dry ration distribution, some beneficiaries had problems in remembering how many times they received ration. Majority of them didn't know their entitlement and weren't sure about the measurement used to give rice and wheat, though the issue wasn't brought up in many public hearings. At a few places, children were doing the actual distribution. Though

there were doubts on the quantity of open ration, everyone from teachers to beneficiaries were happy with pre-packaged dry ration distributed through NAFED (National Agricultural Cooperative Federation of India Ltd.). Many beneficiaries, who missed ration in between mentioned that they went to get it but the stock was over and they were asked to come later.

Anganwadi audit was focused on the quantity of grains only since pre-school education for children was not happening. There was a shift from fortified baby mix to food grains and dals which increased the beneficiaries' interest. Many people who weren't earlier enrolled in the Anganwadi wanted their child's name included. Some additions were also made after lockdown. Since supply was not commensurate with demand, many Anganwadi workers distributed the available grains among all beneficiaries which created some arbitrariness. Sometimes there were two distribution registers: first the official one and second one with actual distribution. At some places, workers were not capable of updating records. The entitlements also changed from time to time which made things even more difficult. Some Anganwadis didn't get regular and sufficient supply.

Many irregularities in distribution also came out. This included forged signatures, quantity fraud, overwriting in the distribution register, mismatch between stock register and distribution register and non-entry of the quantity disbursed in the distribution register. At some places, the distribution of population in Anganwadi was quite uneven. This and other factors led to many eligible beneficiaries not being registered.

Physical infrastructure has its own complexity with urban areas having lesser space while many in rural areas needed renovation. Most of them didn't have basic amenities like working toilets and electricity.

Public hearing was well attended at most of the places. At few places, threats were also made to not speak up about irregularities. Many times, Anganwadi worker appointees are influential people so at some places a lobby was present at public hearing to ensure nothing goes against Anganwadi worker.

As a result of public hearing, beneficiaries were able to understand their entitlements and many people gave their names for registration. A need to have transparency and public disclosures was also felt. Demand was made to display entitlements and list of beneficiaries along with benefits received at Anganwadi and school.

Anganwadi staff are among the most underpaid staff and require additional training and capacity building to fulfil their duties. There is also a need to simplify the records kept at Anganwadi.

A follow up meeting headed by the Department Secretary and attended by social audit teams and field functionaries concluded with assurance to provide an Action Taken Report (ATR) in a month and a decision to finalize the Social Audit guidelines.

5.7 Central Finance Commission Grants

The CAG has mentioned that transparency and accountability in local bodies has not been commensurate with the increasing flow of funds to them and emphasized 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.

In 2019, the Ministry of Panchayati Raj had directed states to carry out social audit of the utilization of Fourteenth Finance Commission Grants. Jharkhand SAU facilitated audits in 1500 Gram Panchayats in 2017-18. This was not continued due to difficulties in getting the audit expenses reimbursed from the Gram Panchayats. Madhya Pradesh has also taken up audit of the works in some Mission Antyodaya GPs and they have received funds from the State Department of Panchayati Raj for this. Karnataka SAU has facilitated social audits of all GPs in 2020-21.

In June 2021, the Ministry of Panchayati Raj published the guidelines [20] for social audit of Fifteenth Finance Commission Grants (XV FCG). The guidelines specify that the SAU created to facilitate social audit of MGNREGS shall also facilitate social audit of XV FCG at the same time. The guidelines mandate the social audit of one third of all local bodies in a year so that all local bodies shall be covered in three years.

Box 5-6: Social Audit of FFCG in Karnataka

A one day state level workshop was organized for selected Chief Planning Officers of Zilla Panchayat, Executive Officers of Taluk Panchayat, Panchayat Development Officers, Grama Panchayat Presidents, State Resource Persons and District Coordinators of Social Audit Directorate. In this workshop all the issues related to FFC Guidelines and Social Audit were discussed. Draft audit formats were also developed.

A one day online training was organized for District and Taluk Coordinators on 30th October 2020 through SIRD. Two days online training was given for Village Resource Persons of Social Audit on 2nd and 3rd November 2020 through SIRD. Pilot social audits were conducted in six Panchayats of four Districts (Mandya, Uttarakhand, Haveri, and Bellary) in the month of October 2020. After the pilots the draft social audit formats were finalised. GPs were requested to transfer Rs 20,000 to SAU for audit expenses. Actual social audits started from November 2020 in all districts.

The social audit of FFCG was done along with social audit of MGNREGS & PMAY-G. One Taluk Resource Person is in charge of two GPs where the social audit is done at the same time. In each GP, there are three VRP teams each assigned for audit of one scheme. The gram sabha is chaired by the nodal officer nominated by the DPC.

Case Studies

In Gagenahalli village of the Hunusooru Taluka, it was found that the road construction work from the house of Gangamma to the house of Ganesha was actually done by the Zilla Panchayat's fund but a payment of Rs. 87,406 was shown under 14th Finance Commission Grants. The local persons and villagers during Gram sabha informed that this road was constructed by the Zilla Panchayat's fund. The amount has been marked for recovery by the social audit team.

In Someshwara Gram Panchayat of Mysuru Taluka, a private company named "Autoliv India Private Limited" sponsored the construction of a toilet in the Government Primary School, but the GP had also booked the amount under 14th Finance Commission Grants.



5.8 Social Justice Schemes supported by MSJE

The Department of Social Justice and Empowerment has taken a policy decision to conduct social audit of all its schemes in order to bring in greater transparency and accountability in programme implementation. A scheme has been approved for the next 5 years for conducting around 700 social audits through the Social Audit Units in each state.

Box 5-7 Social audit of institutions receiving grant-in-aid from MSJE

by Rakshita Swamy, SAFAR

In October 2020, the Ministry decided to conduct social audits of 'Grant-in-aid' (GIA) institutions in five States (Telangana, Tamil Nadu, Maharashtra, Uttar Pradesh and Meghalaya) as a pilot. In each state, six institutions catering to elderly persons, hostels/schools for children and rehabilitation centers for drug addicted persons were selected. The Ministry constituted a Social Audit Advisory Body which was tasked with the providing guidance for the conduct of social audit.

The Social Audit Units that facilitate social audit of MGNREGS were requested to conduct the audits of the GIA institutions. Soon after the selection of the institutions to be audited, a virtual training was conducted for select resource persons of the SAUs on the parameters and protocol for social audits. The training was conducted by NIRDPR and members of the Social Audit Advisory Body.

The pilot social audits have been completed in three states (Meghalaya, Uttar Pradesh and Maharashtra). Findings that have emerged so far have been both insightful and distressing. Instances of beneficiaries admitted to residential care facilities being charged admission whereas they are entitled to free stay and treatment were documented. There were signs of inadequate medical attention and care being provided to residential patients, and an absence of dedicated medical staff particularly for residential facilities treating drug addiction patients. There were instances of poor or no counselling to patients while they were admitted in facilities and inadequate follow up after their discharge. Cases of fraudulent beneficiaries and fudging of records were also noticed. Issues pertaining to GIA institutions not receiving grants from the Ministry in a timely fashion thereby preventing them from following mandatory norms and standards were also raised through the social audit. The process also shed light on the lack of seamless coordination between the Central and State Government in monitoring the performance of the GIA institutions, and the lack of complete information at the hand of the State Government to act on inefficiencies in the programme.

Even though the social audits were done only in a few locations, it has already demonstrated its potential and indicated the wide agenda for reform that the Ministry can take up to dramatically improve the functioning of all the GIA institutions being run across the country. These include policy changes to norms of funding, training, selection, documentation and enabling the role of local and immediate communities. It is hoped that the Ministry will take efforts to scale up social audits across all programmes within its scope, and serve as a pioneer in defining social audits as a means of securing social justice.

5.9 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% 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 45000 crores had been collected and about 18000 crores have been disbursed as on 30 Sep 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.



5.10 District Mineral Foundation

The Mines and Minerals (Development & Regulation Amendment) Act, MMRDA, 2015 [21] 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 [22] 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.'

5.11 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.

5.12 Meghalaya Social Audit Act

The Government of Meghalaya became the first state in the country, to pass a social audit legislation that allows citizens' participation in development planning, 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 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 6 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.

6 Funding for Social Audit of MGNREGS

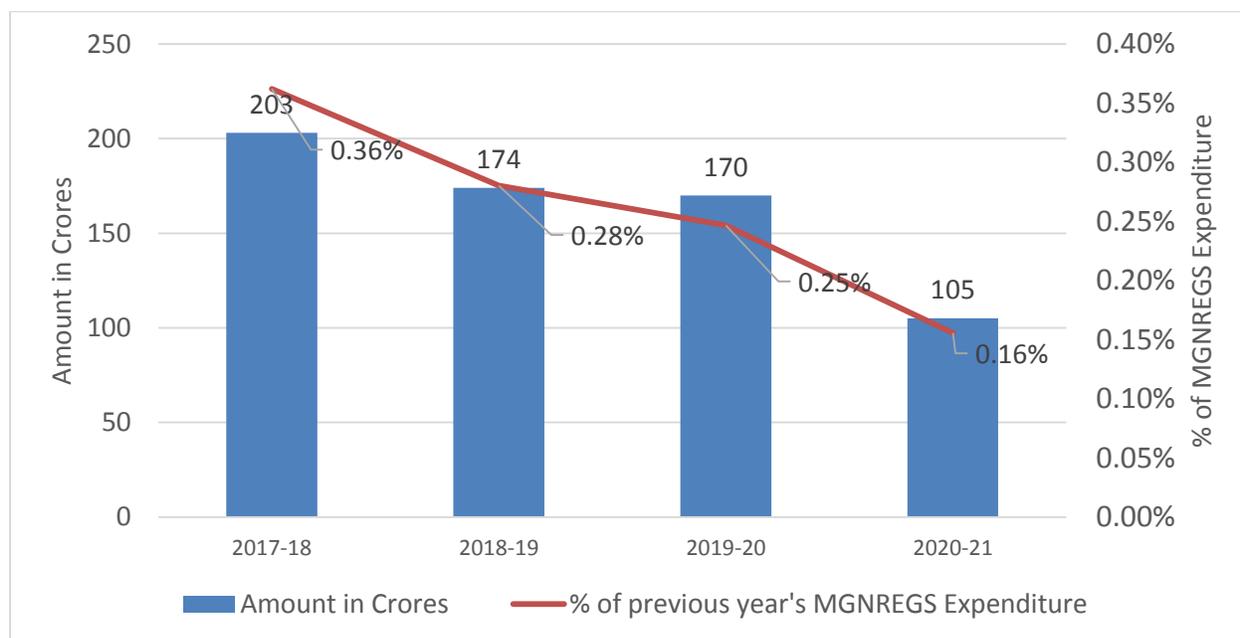
6.1 Funds allotted for Social Audit of MGNREGS

The Auditing standards specify that 0.5% of previous year's expenditure should be allotted for social audit. To enable SAUs to have financial independence and not have to depend on the implementing agencies, MoRD decided to transfer funds directly to SAUs in the middle of 2017-18.

However, the amount of funds transferred every year has been going down from a high of 203 crores in 2017-18 to 105 crores in 2020-21 (amount transferred in 2020-21 is close to half of the amount transferred in 2017-18). As a % of previous year's expenditure, it has been going down even more steeply - from a high of 0.36 % to 0.16 % for 2020-21. This is not because there has been decrease in demand from the SAUs. Most SAUs are under severe crunch, unable to conduct audits and pay salary and honorarium to their resource persons. A few of them have borrowed money from their state implementation department.

In the last two years, the total amount released to states was Rs 275 crores. In the previous two years, the amount was 377 crores.

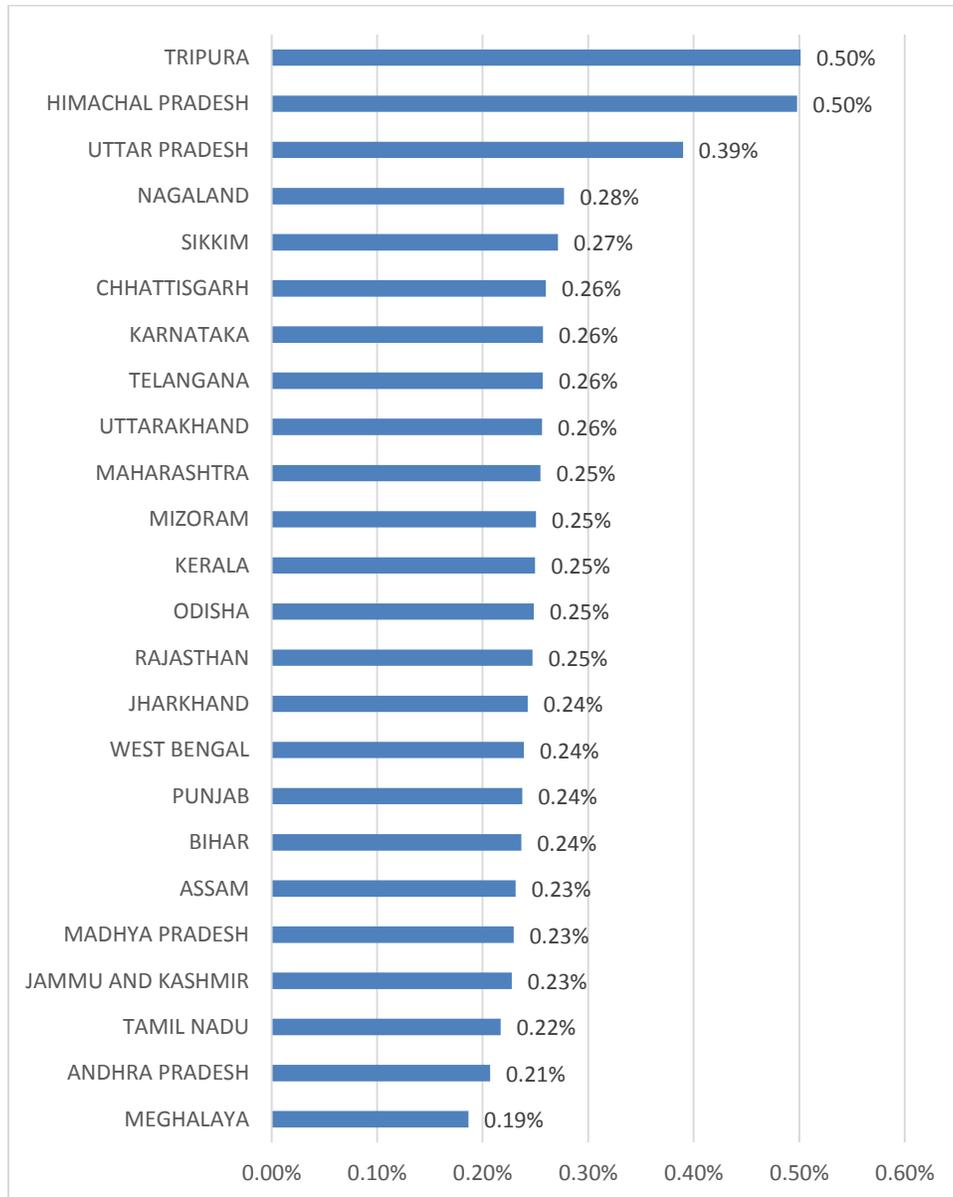
Figure 6-1: Funds allotted for Social Audit of MGNREGS



6.2 Funds received by SAUs

In 2019-20, funds were allotted to 24 states. The total amount allotted was Rs. 170 crores which was only 0.25% of the previous year's MGNREGS expenditure. Most states received 0.25% or less. Only Himachal Pradesh and Tripura received the full 0.5% that has been mandated for social audit.

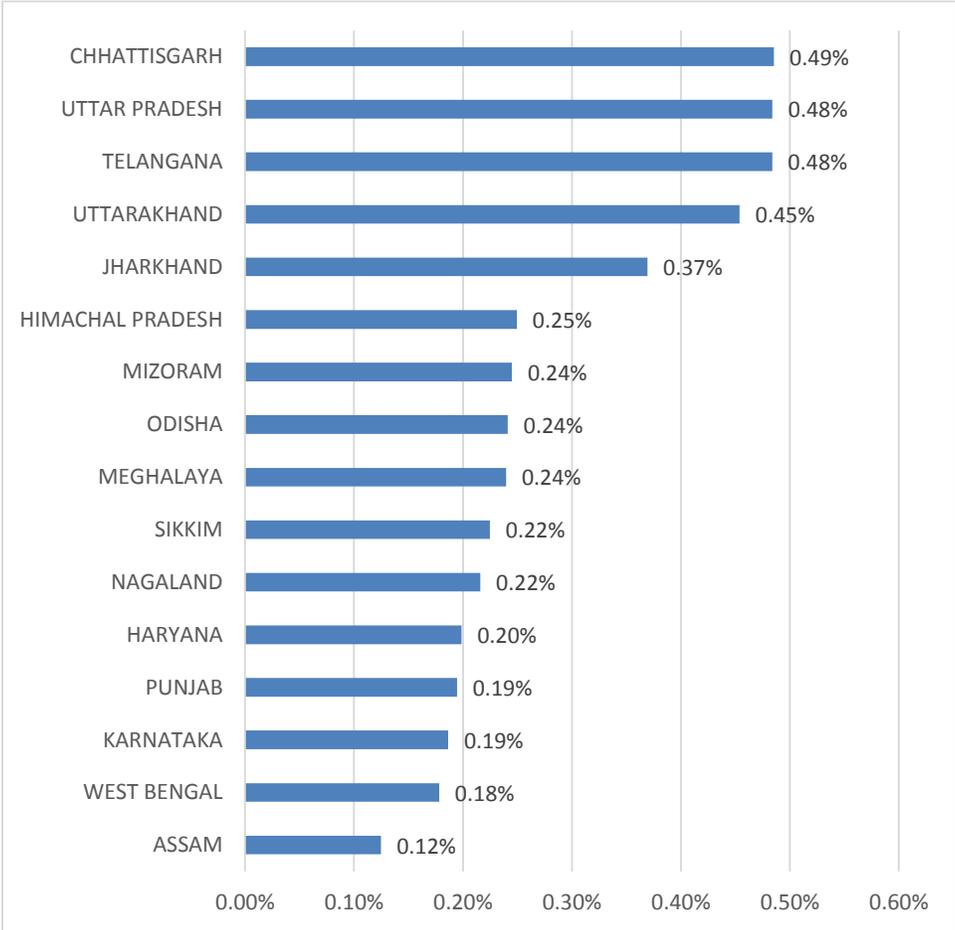
Figure 6-2: Funds allotted for SA in 2019-20 as % of MGNREGS Expenditure in previous year



While the Ministry has said that it will transfer 0.5% of the MGNREGS expenditure (0.25% in two tranches), it is not clear how this amount is arrived at. The letter from the Ministry just specified the sanctioned amount towards conducting social audit but not how it has been arrived at – the amount on which 0.25% has been calculated. It is commonly understood that this amount is arrived by deducting the administration expenditure from the total MGNREGS expenditure in the previous year. But as can be seen in the figure above, many states have received less than 0.25 % in the first tranche. Because of the incorrect calculation, many states have received less money than they are entitled to - for the 1st tranche, Tamil Nadu received Rs. 1.8 crores less, Andhra Pradesh received Rs. 3.96 crores less and Madhya Pradesh received Rs. 1.06 crores less.

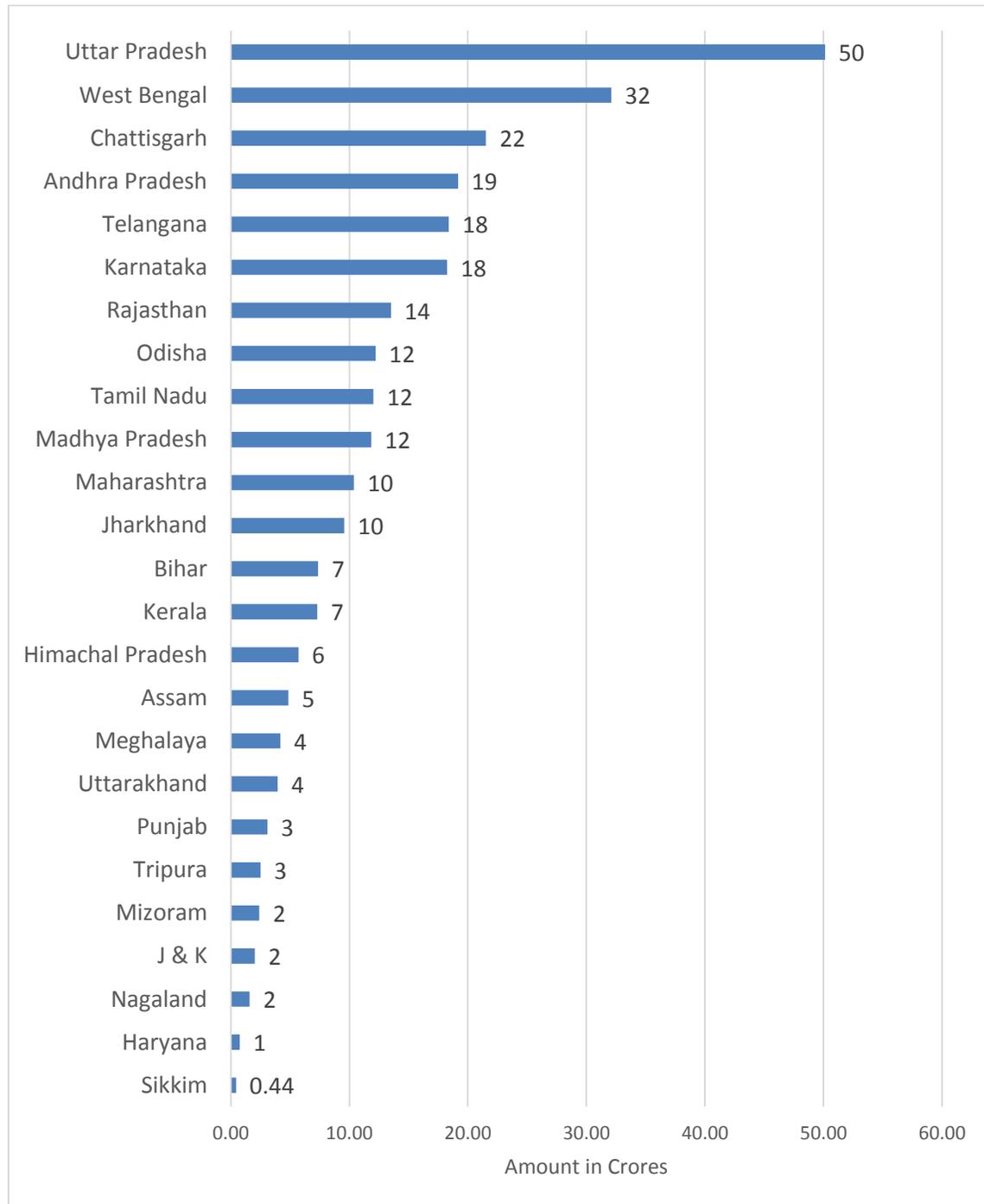
In 2020-21, funds for social audit were allotted to only 17 states. The total amount allotted was 105.31 crores which was only 0.16 % of the previous year's MGNREGS expenditure. Here again, many states did not receive the 0.25% that they are eligible to receive in the 1st instalment. The shortage was 5.29 crores for West Bengal, 1.75 crores for Telangana, 1.78 crores for Assam, 0.87 crores for Chhattisgarh and 0.62 crores for Bihar.

Figure 6-3: Funds allotted for SA in 20-21 as % of MGNREGS Expenditure in previous year



Recently, the Ministry has started to release money in 4 instalments (instead of 2) for some states which makes it even more difficult for the SAUs to receive the amount they are entitled to.

Figure 6-4: Amount received for SA of MGNREGS in 19-20 and 20-21 (Rs in crores)



Many states had applied for the 2nd tranche of funds but they did not receive it in both 2019-20 and 2020-21. Due to this, the total amount received by states has drastically gone down when compared to previous years. Uttar Pradesh received the highest amount (50 crores) and Sikkim

the lowest (0.44 crores). Arunachal Pradesh, Gujarat and Manipur did not receive any funds in both these years.

To tide over the shortage of funds, many states have borrowed money from the state Rural Development Department. Karnataka has borrowed 9 crores, Jharkhand has borrowed 2 crores, Telangana has borrowed 3 crores.

Box 6-1: Impact of delay and non-receipt of funds for Social Audit

Jharkhand: 'Delay in receiving funds hampers the payment to field level VRPs and BRPs. It's become difficult to engage VRPs and BRPs for audits without making their payments.'

Nagaland: 'For the FY 2020-21 the SAU received the 1st Tranche of Rs 37.92 Lakh on the 24th of April 2020 which was utilized for the payment of pending salary to the Resource Persons. Although the proposal for 2nd Tranche was made on the 6th July 2020 by providing the UC of 2019-20 and requisite information, the SAU received the second tranche only in March 2021, resulting in inability to conduct social audit in the State as well as non-payment of salary for 7 months to SAU staff.'

Himachal Pradesh: 'All the liabilities are pending since four months and even remuneration of BRP and VRP could not be paid for conducting concurrent Social Audit. HPSAU could not start the 2nd round of concurrent Social Audit due to non-receipt of funds.'

Tripura: 'Due to non-release of fund in time by MoRD, it results in delay in payment of remuneration to all categories of resource persons in time resulting in them facing bad financial condition.'

Uttarakhand: 'SAU sent the first letter for the fund allocation in the month of May, 2019, after which a total of 10 times correspondence has been done to answer the objections raised by the Government of India. In addition to the above, the mail and objections were resolved in the order of talks held on telephone to the Ministry of Rural Development, but even after that the funds have not been received till 19th February, 2020.'

West Bengal: 'Although there is no delay in the first tranche but delay in receiving 2nd tranche after providing all the necessary documents, SAU has not received one instalment for each financial year 2018-19 and 2019- 20.'

Chhattisgarh: They have stopped doing audits due to non-release of 2nd tranche. VRPs have not been paid for 2-3 months. They plan to send their accountant to Delhi to meet MoRD officials and request them to release the funds.

During the national seminar in 2019, VRPs from Chhattisgarh reiterated that their biggest demand is that they be paid on time which is not possible if funds are not allotted in time to the SAUs.

The Chhattisgarh VRP shared that they have to face many difficulties often because of how they are treated by Panchayat representatives – sometimes they don't even get utensils to prepare their food. Because they are associated with SHGs, they are helped to an extent but have to beg for it. She narrated some occasions where they've gone to bed on an empty stomach after completing the day's work. When asked what can be done to remedy the situation, she said that her biggest demand is that they be paid on time.

Kerala – 'As the society is going through acute financial crunch, the Director has requested the Government to take up the issue with the Ministry. Many Village Resource Persons (VRPs) are relieving themselves from duty owing to pendency of remuneration. The absence of such trained/experienced personnel will diminish the Society's capability to conduct social audit. As most of the VRPs come from the impoverished/ economically weaker sections, they cannot continue to be kept on the rolls without remuneration'

6.3 Delay in receipt of funds from State Government

The Sanction letter by MoRD says that the state government should transfer the funds to the SAU within 15 days. But there is a significant delay in the transfer of funds (typically 2 months) which hampers the social audit unit. Haryana, Himachal Pradesh, Kerala, Mizoram, Nagaland, Telangana, Punjab and Jharkhand all received money after a delay.

6.4 Recommendations

Adequate and timely funding is most critical for the performance of social audit units. Without this, SAUs are unable to hire adequate number of people, retain the trained staff, unable to pay salary and honorarium on time to people who do good work under difficult conditions and are unable to fulfil the legal mandate of facilitating social audit by gram sabha in each gram panchayat.

Ministry should simplify the fund release requirements and transfer funds for social audit on time without any delay. Ministry may add additional staff to ensure timely transfer of funds (In 2017-18 and 2018-19, there was a team of five resource persons in the Ministry for this and other support work, but currently there is only one person).

The funds may be transferred directly to the SAU rather than through the State as this causes an additional delay.

Ministry may consider transferring the entire 0.5% at the start of the year at least for the SAUs which are performing well.

Since most states find it difficult to facilitate social audit of all GPs with 0.5% of MGNREGS expenditure, Ministry may consider raising this amount to 0.75% or 1% at least for smaller states and states that are performing well (an independent unit has been set up, the social audit facilitation is led by a fixed tenure employee who has completed the 30 day certification course and say where the # of GPs audited in the previous year is more than 50% of the GPs in the state).

Ministry should use the correct amount (previous year's total expenditure including amount due minus the administrative expenditure which is column 14 – (column 6 + column 12) in report R 7.1.1 Financial Statement) to calculate the amount to be sanctioned and specify the value on which 0.25% is calculated.

7 Social Audit Unit

7.1 Independence of SAU

The MGNREG Audit of Scheme Rules, Auditing Standards and the Annual Master Circular specify that the 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 has 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 or should not depute officials to work in the SAU). 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.

7.1.1 Independent Society

The Auditing Standards say

'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 23 States have registered as a separate society to facilitate social audit in their States. In Sikkim, while an exclusive society for conduct of social audit has not been set up, the social audit is facilitated by Voluntary Health Association of Sikkim (VHAS), an NGO.

Jharkhand SAU has been established under the Jharkhand State Livelihood Promotion Society (JSLPS) that was created to implement the State Rural Livelihoods Mission which is a part of RD department. West Bengal SAU is functioning under West Bengal State Rural Development Agency (WBSRDA), a body under which there are different Programme Implementing Units. Nagaland SAU is functioning under Society for Training and Research on Rural Development (STRORD).

Ladakh, Puducherry, Andaman & Nicobar, Goa and Lakshwadeep have not set up a society and do not have a functional unit.

Table 7-1: SAU Classification

| Functional SAU & Independent Society | Functional SAU, but no independent society | No functional SAU |
|---|--|--|
| Andhra Pradesh, Arunachal Pradesh*, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Tripura, Uttar Pradesh and Uttarakhand. | West Bengal, Jharkhand, Nagaland | Ladakh, Puducherry, Andaman & Nicobar, Goa and Lakshwadeep |

* - While Arunachal Pradesh has a Director and a few resource persons, it has not done any audits in the last two years. So, it can be considered as non-functional

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.

Recommendation 1: West Bengal, Jharkhand, Nagaland to set up an independent society for facilitation of social audit.

Recommendation 2: Ladakh, Puducherry, Andaman & Nicobar, Goa and Lakshwadeep to set up unit or request some academic / research organisation / SAU from neighbouring state to conduct social audit.

Recommendation 3: While the GB and EC are responsible for the functioning of the society, in practice it's the RD & PR department which is managing the SAU in most states. It's preferable that this management be under a department like planning, evaluation or finance department in all the states.

Box 7-1: Social Audits in Maharashtra

Anjali Kanitkar

Social Audit can easily be co-opted as just another item to be tick-marked on a list of tasks to be performed under MGNREGA, if Social Audit Units are not strengthened as per the rule and the spirit of the process. The Maharashtra experience is a case in point.

After the CAG Audit of Scheme Rules 2011 were notified, the Ministry of Rural Development has issued elaborate guidelines for the conduct of Social Audit through its various Circulars, Annual Master Circulars and most significantly, through the Social Auditing Standards which incorporate the suggestions of the CAG and the experience of states like Andhra Pradesh and Telangana which were the forerunners in the conduct of social audit.

Timely DO letters from the Ministry have urged the states to comply with the setting up of Social Audit Units and the Social Audit process as per the guidelines issued. These DO letters have unequivocally directed the states to set up SAUs that are **“financially, functionally, and administratively independent of the implementing agency of the state”** [23]. The Annual Master Circular also insist that the Governing Board of SAUs should not be chaired by the Principal Secretary, RDD so as to ensure that social audit findings remain objective. Further, the SA Standards and several circulars before, right from 2012 delineate the qualifications of the Director and the key SA Resource Personnel that should be engaged, as also the recruitment procedure to engage them.

All these indicate that the Ministry is seized of the fact that the SAU should function as an autonomous entity, albeit within the structure of governance of the state - as is envisaged by the Audit of Scheme Rules.

However, as seen in the last five years, states have managed to find several ways to circumvent these norms and undermine the autonomy. There have been aberrations in several states with respect to different aspects of the SAU and its functioning. Maharashtra, where the SAU is now functioning for a year without a Director is one of many examples.

What follows is a glance at how the “financial, functional and administrative independence” has been kept at bay in the state:

- The Secretary, EGS is the Chairperson of the Executive Committee of the Governing Board of the SAU; as such, all SAU files are routed through the Secretary EGS to the

Chairperson. The Chairperson thus signs/ approves all files that are signed by the Chairperson of the EC- namely, the Secretary, EGS.

- Earlier, prior to January 2018, before the SAU was registered as a Society, it functioned as a Directorate within the EGS Department and all files had to be routed through the Department as per usual government procedure for approval of the Secretary, EGS.
- The Directorate- and now the Society, has had an independent bank account from inception; however, the mandatory or the first signatory to the account has always been the Deputy Director, who was a serving officer from the development cadre.
- The Deputy Secretary, EGS who also sits on the Executive Committee of the Society, has been given additional charge as Deputy Director, SAU and in the last year has officiated as Director, SAU.
- The key SA Resource Persons at the state level have been retired government officials who were then sent to NIRD&PR for SA training; they were not “drawn from people experienced in conducting social audits and working in social sector” as was directed by the letter from the Ministry dated 11th June 2014 or reiterated by the SA Standards in 2016; nor were these state level Resource Persons recruited as per the procedure laid down by the Ministry.
- The District level Resource Persons (DRP) who are key to the entire SA process, are empaneled persons, unsure about their tenure and hence not invested adequately in the process; their participation in the annual calendar varies as per their availability and need and adversely affects the calendar as well as the process
- The uncertainty of tenure of the DRP also affects the quality of SA as adequate time for training, de-briefing, analysing data, drawing inferences, understanding and completion of MIS are varied tasks that become more efficient with continuation and practice
- The state has 385 blocks but not a single Block Resource Person (BRP) has been engaged so far even on empanelment basis, thus affecting the number and quality of audits. In the absence of the BRP, the DRP functions as the BRP and consequently her/his efficiency is reduced.

It is apparent therefore that a process which is not initiated in the proper manner, not conducted as per the guidelines, will also not culminate as per the requirement of placing the Annual Report before the SEGC and the Legislature.

These are only some of the issues the Maharashtra SAU is beset with and the main reasons why Social Audits in Maharashtra have not yet taken off the way they should.

7.1.2 Financial Independence of SAU

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.

Table 7-2: Lack of financial independence of SAU

| State | RD & PR official who is a joint signatory for operating SAU bank account |
|------------------|---|
| Bihar | Director SAU, is the Secretary RD Department, Bihar |
| Haryana | Superintendent, Rural Development Department |
| Himachal Pradesh | Section officer (F & A), Rural Development Department |
| Jammu & Kashmir | Director Finance (RD & PR) |
| Jharkhand | CEO of the Jharkhand State Livelihood Promotion Society who is also an additional secretary of the Rural Development Department |
| Karnataka | Chief Finance Officer, RD&PR |
| Maharashtra | Deputy Secretary, EGS |
| Madhya Pradesh | Director SAU, is an official from RD&PR |
| Manipur | Commissioner, RD&PR |
| Tamil Nadu | Joint Director is an official of RD&PR department |
| West Bengal | Joint Secretary, RD&PR |

As detailed in the above table, in 11 of the 28 States, the signature of an RD&PR official is required to operate the SAU's bank account. This compromises the financial independence of the SAU and is against the prescribed norms.

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, Telangana and Uttarakhand which is a good model that other States may follow.

7.1.3 Governing Body of SAU

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 Jharkhand and Tamil Nadu and it is the Rural Development Minister in Manipur. This is against the stipulations and compromises the independence of the Governing Body. The following States do not have any chairperson – Madhya Pradesh, Mizoram, and West Bengal.

The Chairperson of the Governing Board of Maharashtra SAU is the Principal Secretary RD, but since MGNREGS is implemented by a separate EGS department, this does not violate the provisions. In Telangana, the chairperson is a retired IAS officer.

In the rest of the states, either the Chief Secretary or a Secretary of a department other than the Rural Development Department is the chairperson. For instance, in Punjab, the Additional Chief

Secretary of the Development department is the chairperson, in Karnataka, the Additional Chief Secretary/Development Commissioner is the chairperson.

Table 7-3: Chairperson of Governing Body

| Chairperson of GB | State Names | Number of states | % |
|----------------------------------|--|------------------|----|
| Chief Secretary | Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Meghalaya, Odisha, Tripura, Uttar Pradesh, Uttarakhand | 11 | 39 |
| Retired IAS Officer | Telangana | 1 | 4 |
| Officials from other departments | Karnataka, Sikkim, Punjab, Kerala, Arunachal Pradesh, Bihar, Himachal Pradesh, Nagaland | 9 | 32 |
| RD Secretary | Jharkhand, Maharashtra, Tamil Nadu | 3 | 11 |
| RD Minister | Manipur | 1 | 4 |
| No chairperson | Madhya Pradesh, Mizoram, West Bengal | 3 | 11 |

Recommendation: While Chief Secretary is a good choice, in many states the Governing Body meetings are not held because the Chief Secretary is very busy. It would be best to appoint a Secretary belonging to a department other than RD department or an eminent person/official as the chairperson.

Representatives from civil society organisations

There are no civil society organisation, training institute (other than SIRD) or academic institute representatives, in the governing bodies of Bihar, Karnataka, Kerala, Rajasthan and Tamil Nadu SAUs. The following States have less than the three civil society organisation, training institute and academic institute representatives as specified in the auditing standards – Arunachal Pradesh, Jammu & Kashmir, Jharkhand, Manipur, Meghalaya, Mizoram, and Uttar Pradesh.

Implementation officials in the Governing Body

As per the AMC, the officials of implementing agencies official should not be member of the Governing Body or the Executive Committee. However, in 19 out of 28 States, the MGNREGS/implementing agency official are the member of SAU Governing Body/Executive Committee which is a violation of the guidelines and standards. The Governing Body of Arunachal Pradesh, Chhattisgarh, Gujarat, Kerala, Nagaland, Punjab, Telangana, Uttarakhand and West Bengal have no implementation officials as member.

Some SAUs have an Executive Committee which meets in the period 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 Bihar, Haryana, Madhya Pradesh, Odisha, Karnataka, Maharashtra, Tamil Nadu and Uttar Pradesh include the Commissioner and other senior officials of the implementing agency which is a violation of the Audit of Scheme Rules and compromises the independence of the SAU.

GB Meetings

The Auditing Standards says that *'The Governing Body should meet at least once on quarterly basis'*.

However, the Governing body of 14 SAUs did not meet even once in last two years (FY 2019-20 & 2020-21). In 2020-21, the Governing body meetings were held only in 7 SAUs. This means that the SAUs are functioning as another wing of the implementation department and without any guidance or oversight from the Governing Body.

List of Governing bodies which did not meet even once in 2 years: Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, J & K, Karnataka, Madhya Pradesh, Manipur, Mizoram Nagaland, Punjab, Tamil Nadu and West Bengal.

List of Governing Bodies met at least once in 2020-21: Himachal Pradesh, Kerala, Odisha, Rajasthan, Sikkim, Telangana and Uttar Pradesh.

7.1.4 Selection, supervision & payment to social audit resource persons

The MGNREG Audit of Scheme Rules says that 'The Implementing Agency shall at no time interfere with the conduct of social audit'. The Auditing Standards says 'The SAU shall pay salaries/honoraria to its Resource Persons at the State, District, Block and Village level directly'. However in many states, the implementation officials or other officers in the district who report to the DPC are involved in the selection and supervision of social audit resource persons. In some states, they also pay the salary / honoraria to the resource persons. These practices seriously compromises the independence of the social audit process.

In Maharashtra, Himachal Pradesh, West Bengal, Uttar Pradesh and Tripura, the Programme Officers have a key role in the selection of village resource persons who facilitate the social audit. In many states, the implementation officials also have a key role in the selection of DRPs and BRPs.

In West Bengal the DRPs report to an Additional District Magistrate (ADM) in the District, in Uttar Pradesh the DRPs and BRPs report to the District Development Officer, in Tripura and Odisha the

monthly report of DRPs and BRPs have to be approved by Programme Officer and District Programme Coordinator, in Himachal Pradesh the Project Officer of the DRDA certifies the attendance.

The DDO makes payment to the resource persons in Uttar Pradesh and the BDOs make payments to BRPs and VRPs in Odisha.

SDCs have been nominated as SRPs in Uttar Pradesh. In Madhya Pradesh, MGNREGS district auditors were reappointed as DRPs and MGNREGS cashiers were reappointed as BRPs thus violating the key provision in the MGNREGS Audit of Scheme Rules that say resource persons facilitating audit should be selected from among primary stakeholders and persons having knowledge and experience of working for the rights of the people.

7.2 Director of Social Audit Unit

MoRD had 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 three 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 / implementation department. His/her tenure shall be for a minimum period of one year but not exceeding three years.

In practice, many state governments have appointed part-time directors, do not follow an open appointment process or appoint an official from the RD & PR department to be the Director. State governments frequently change directors or take a long time to appoint someone once the tenure of the previous person ends. These practices ensure that the SAU is not independent or weak.

Out of 28 States, only 16 have appointed a full-time Director. The following states have all appointed part-time directors – Arunachal Pradesh, Bihar, Himachal Pradesh, Madhya Pradesh, Manipur, Mizoram, Uttarakhand and Meghalaya.

Absence of a full-time Director seriously impacts the SAU's functioning since the Director is not able to give adequate time. Arunachal Pradesh is an example where the SAU has become non-

functional (unit has not conducted any audits over the last two years) because the Director is busy with other work.

Table 7-4: Types of Director in different states

| Director Type | State Names | Number of states | % |
|--|--|------------------|------|
| Civil Society Person | Andhra Pradesh, Assam, Chhattisgarh, Jharkhand, Jammu & Kashmir, Haryana, Nagaland, Odisha, Sikkim and Telangana | 10 | 36 % |
| Retired official | Gujarat, Karnataka, Tripura, Uttar Pradesh, West Bengal | 5 | 18 % |
| State Government official from other than RD & PR Department | Arunachal Pradesh, Manipur, Mizoram, Rajasthan, Uttarakhand | 5 | 18 % |
| RD & PR Official | Bihar, Himachal Pradesh, Madhya Pradesh, Meghalaya | 4 | 14 % |
| SAU staff appointed as in-charge Director | Kerala, Punjab | 2 | 7 % |
| No Director has been appointed | Tamil Nadu, Maharashtra | 2 | 7 % |

While 10 states have appointed someone from a civil society as director of SAU, 5 states have appointed retired persons, 5 states have appointed a serving official from another department and 4 states have appointed an RD & PR official. Two states, Tamil Nadu and Maharashtra do not have a director. It has been more than two years since Tamil Nadu has had a Director. Maharashtra has not had a Director for more than 18 months now. Kerala and Punjab have appointed existing staff to act as director for more than a year now.

Directors in Gujarat and West Bengal were appointed through nomination and not after an open recruitment process.

Director Tenure

While the Auditing Standards and the AMC clearly specify that the minimum tenure for a director should be three years, this has not been followed in many States including Assam, Bihar, Himachal Pradesh, Madhya Pradesh, Manipur, Tripura, Uttar Pradesh, Uttar Pradesh and West Bengal. All

of these have had 3 or more directors in the last three years. Madhya Pradesh had 6 directors in the last three years.

The Auditing Standards also says that a director can be removed only on the advice of the Governing Body, but this was not followed in Kerala initially. The Director was pulled back to the parent department without getting the approval of the Governing Body. After the court said this cannot be done, the Governing Body met and then approved the government's decision to send the director back to the parent department. The SAU is yet to appoint a full-time director.

7.3 State Staff, State and District Resource Persons

Along with a full time SAU director, it is also important to have adequate number of administrative staff in the head office and adequate number of state resource persons in the SAU.

Administrative staff are required for fund management, human resource management, procurement and for fulfilling regulatory requirements. State Resource Persons assist in preparing calendar & formats, conduct pilot audits, build capacity of resource persons, monitor social audit process at the field level, conduct test and special audits, monitor the findings that are entered in the MIS, analyse social audit findings and action taken reports and prepare annual reports.

However 17 out of the following SAUs have reported that they don't have sufficient number of staff to perform the above roles: Arunachal Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Odisha, Punjab, Rajasthan, Tripura and West Bengal.

The number of personnel even in states that have said yes is not adequate. All aspects of the social audit process suffer due to lack of the core staff at the state level.

District Resource Persons anchor the social audit process at the district level. They help facilitate the smooth conduct of social audit at the Gram Panchayat level and interface with the district administration and resolve any difficulties that come up during the audit process. They guide and mentor the Block Resource Persons who actually facilitate social audit at the Gram Panchayat level. They ensure that all the non-negotiables in the social audit process are followed. The MoRD committee [24] recommended that there be one District Resource Person for every ten Block Resource Persons. Based on the calculation that is given in the next section, a total of 876 District Resource Persons would be required. States have actually sanctioned 840 District Resource Persons. However, there are only currently 551 District Resource Persons which is 65% of the sanctioned posts.

Recommendation: All SAUs to hire adequate number of administrative staff in the SAU. All SAUs should hire adequate number of State and District Resource Persons.

7.4 Block Resource Persons

MGNREG Audit of Scheme Rules, 2011 section 4(2) says

‘(2) The Social Audit Unit shall be responsible for the following, namely :- 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, usually for one year, but a few SAUs recruit people on a daily or weekly basis from an empanelled list of resource persons.

Box 7-2: Resource Persons – Fixed Tenure vs Empanelled

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’s 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, apart from it being unfair to the resource persons themselves, 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, the capacity of the Block Resource Persons will improve and the quality of their work will be good. Whether a state has a fixed tenure employee or empanelled Block Resource Person is given in the table below. Jharkhand and Uttar Pradesh have some BRPs as FTEs and few as empanelled (In Uttar Pradesh, the FTE BRPs are called as Block Social Audit Coordinator (BSAC) and the empanelled persons are referred to as Block Resource Persons).

The Annual Master Circular 2020-21 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.’ Except the very small states, what this means in practice is that the SA team facilitating audit should be led by a Block Resource Person who has completed

the 30 day certificate course and be assisted by 2-3 Village Resource Persons. For smaller states that do not have Block Resource Persons, the team shall be led by a District Resource Person.

States which are following this include Telangana, Andhra Pradesh, Tamil Nadu, Chhattisgarh, Jharkhand and Meghalaya.

The following states have not recruited adequate number of resource persons and hence the Block Resource Person supervises audits in multiple GPs at the same time – Odisha, Himachal Pradesh, Karnataka.

The following states have not recruited any Block Resource Persons and hence the social audit is done only by Village Resource Persons – Bihar, Haryana, Manipur, Rajasthan, Haryana and West Bengal.

The quality of social audits which are not led by a BRP tend to be poorer as VRPs complete only a 4 day course (as opposed to the 30 day certification course mandated for BRPs) and their experience is also less (as they do very few audits in a year).

Table 7-5: Number of current BRPs and number of BRPs to be recruited*

| S No | State Name | Number of Panchayats | Type of current BRPs [#] | Number of BRPs present | Number of BRPs required | Number to be hired |
|------|-------------------|----------------------|-----------------------------------|------------------------|-------------------------|----------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 = 3/36 | 7 = if (6 > 5), then 6-5, else 0 |
| 1 | ANDHRA PRADESH | 12918 | FTE | 414 | 359 | 0 |
| 2 | ARUNACHAL PRADESH | 1786 | NA | 0 | 50 | 50 |
| 3 | ASSAM | 2710 | FTE | 135 | 76 | 0 |
| 4 | BIHAR | 8386 | NA | 0 | 233 | 233 |
| 5 | CHHATTISGARH | 10978 | FTE | 367 | 305 | 0 |
| 6 | GUJARAT | 14291 | EM | 279 | 397 | 118 |
| 7 | HARYANA | 6204 | NA | 0 | 173 | 173 |
| 8 | HIMACHAL PRADESH | 3226 | EM | 190 | 90 | 0 |
| 9 | JAMMU AND KASHMIR | 4351 | NA | 0 | 121 | 121 |
| 10 | JHARKHAND | 4387 | FTE & EM | 252 | 122 | 0 |
| 11 | KARNATAKA | 6021 | FTE | 180 | 168 | 0 |
| 12 | KERALA | 15962 | FTE | 50 | 444 | 394 |
| 13 | MADHYA PRADESH | 22820 | FTE | 183 | 634 | 451 |
| 14 | MAHARASHTRA | 27882 | EM | 50 | 775 | 725 |
| 15 | MANIPUR | 3667 | NA | 0 | 102 | 102 |
| 16 | MEGHALAYA | 6746 | FTE | 38 | 188 | 150 |
| 17 | MIZORAM | 915 | EM | 41 | 26 | 0 |

| | | | | | | |
|----|---------------|-------|----------|-------------|-------------|-------------|
| 18 | NAGALAND | 1247 | FTE | 22 | 35 | 13 |
| 19 | ODISHA | 6798 | EM | 233 | 189 | 0 |
| 20 | PUNJAB | 13131 | EM | 29 | 365 | 336 |
| 21 | RAJASTHAN | 9894 | NA | 0 | 275 | 275 |
| 22 | SIKKIM | 185 | NA | 0 | 6 | 6 |
| 23 | TAMIL NADU | 12524 | FTE | 574 | 348 | 0 |
| 24 | TELANGANA | 13000 | FTE | 227 | 362 | 135 |
| 25 | TRIPURA | 1178 | FTE | 61 | 33 | 0 |
| 26 | UTTAR PRADESH | 58808 | FTE & EM | 1443 | 1634 | 191 |
| 27 | UTTARAKHAND | 7947 | EM | 95 | 221 | 126 |
| 28 | WEST BENGAL | 37067 | NA | 0 | 1030 | 1030 |
| | | | | | | |
| | Total | | | 4863 | 8761 | 4629 |

* Adapted from Report of MoRD Committee constituted to extend RD programmes [24]. For West Bengal and Kerala, the number of wards (not panchayats) has been entered.

FTE – Fixed Tenure Employee; EM – Empanelled BRPs (paid when they are provided work); NA – Not Applicable

Recommendation: SAUs should appoint sufficient Block Resource Persons as Fixed Tenure Employees (FTEs), ensure that they complete the 30 day certification course and that they lead the team facilitating social audit in a Gram Panchayat.

Box 7-3: Resource Person Selection in few states

Chhattisgarh

- 1) BRPs - VRPs who have performed well in the field are invited for a written test and an interview and depending on their performance are selected as BRPs.
- 2) DRPs - BRPs who have performed well have been promoted as DRPs. Some DRPs have been selected based on open selection/ walk in interview with minimum qualification as PG in Social Sciences and 3 years work experience in NGO/ CSO.
- 3) SRPs – Post-graduates in any Social Sciences from reputed institute and experience in social development sector are invited for interview by a selection committee. The members of the committee include SAU director, Joint Commissioner (P&RD) and Deputy Manager (Admin) SAU.

Himachal Pradesh - The recruitment of SRPs and DRPs are done by the committee which is constituted as per the recommendations of the Ministry & the recruitment of BRPs and VRPs are done by the Selection Board at Block Level that is constituted for this purpose and is chaired by SDO (Civil).

Punjab - The minimum qualification for BRP is a graduate degree and for DRP and SRP, the minimum is a post-graduate degree. The candidates should also have experience of working for the rights of the people. Staff in SAU have been drawn from Nehru Yuva Kendra, village youth organizations & self-help groups.

Uttar Pradesh - In Uttar Pradesh, an open advertisement is issued and applicants are empanelled as resource based on their performance in an interview. The empanelment is done by a committee chaired by the District Magistrate (or representative), a government inter college teacher and district social audit coordinator.

For every 10 GPs, one team of VRPs consisting of 2 males and 2 females is formed. The team should have at least one male and one female MGNREGA wage seeker. The age limit is 45 to 60 years. Once VRPs are empanelled, they go through 3 days residential training and then they go for the audits. BRPs are empanelled for the term of 2 Years. Number of BRPs empanelled is equal to the number of blocks in the district. The age limit is 45 to 60 years. Payment to the VRPs and BRPs is done based on the number of social audits conducted. VRPs facilitate the social audit in 10 GPs of their block except their native GP. BRP can be engaged in the social audit of 30 to 40 GPs in his/her district. BRPs support VRPs in social audit process and report writing.

7.5 Village Resource Persons

Village Resource Persons are the key persons who facilitate the social audit at the gram panchayat level. They are selected from among self-help group members and from families that have worked in MGNREGS. The Audit of Scheme Rules, 2011 says '*5. (4) The resource persons deployed for facilitating social audit in a Panchayat shall not be residents of the same Panchayat*' and this is followed in all the states where VRPs are deployed.

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

Box 7-4: Number of audit opportunities for VRPs – few vs many

In most states, the selected village resource persons are provided 3-4 days of training. After the training, 3-4 VRPs are usually deputed to facilitate social audit in a gram panchayat. In some states including Maharashtra and West Bengal, the VRPs are provided opportunity to do an audit only once in a year. This requires a large number of VRPs to facilitate audits in all GPs. Providing training to this large number of persons is challenging but more importantly, facilitating social audit is a skill that people acquire only after doing it for a few times. Hence, the quality of audits facilitated by such an approach is likely to be poor.

Another approach followed by states including Jharkhand, Karnataka and Bihar is to empanel a smaller number of VRPs who have the right aptitude and attitude and provide them multiple opportunities to facilitate audits throughout the year. This is likely to ensure that the audits are of higher quality.

The 2019 MoRD Committee [24] recommended that VRPs should be empanelled and get opportunity to facilitate social audit at least once in a month. Based on this criterion, the number of VRPs who need to be empanelled is given in Annexure.

| States where VRPs facilitate less than 5 audits in a year | States where VRPs facilitate less than 10 audits in a year | States where VRPs facilitate more than 10 audits in a year |
|--|---|--|
| Tripura, West Bengal, Maharashtra, Chhattisgarh, Kerala, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, Mizoram | Telangana, Odisha, Jharkhand, Uttar Pradesh | Nagaland, Bihar, Himachal Pradesh, Karnataka, Uttarakhand, Punjab, Gujarat, Manipur, Meghalaya |

Recommendation: Based on their field performance, SAUs should empanel the good performing VRPs based on their field performance (commitment, work ethics, enthusiasm), as senior VRPs and then provide them opportunity to facilitate audits at least once in a month. This is the practice followed in Telangana.

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 audits and the training that was provided to them but most states do not have such a system.

VRP Details

The wages paid to VRP is given in the table below. It is seen that the VRP honorarium is lower than the state's unskilled wages in many states. Chhattisgarh increased honorarium for VRPs from 150 to 350 Rs/day recently.

Table 7-6: VRP Honorarium, Minimum Qualification and Selection

| S No. | Name of the State | Hon + TA/DA | VRP Qualification | VRP Criterion / selection process |
|-------|-------------------|-------------|---|---|
| 1 | ANDHRA PRADESH | 250 | Ability to read and write | SHG member, JC holder |
| 2 | BIHAR | 350 | 8th | SHG member |
| 3 | CHHATTISGARH | 350 | 12th Pass | 18-25 old Youth, JC holder |
| 4 | GUJARAT | 100 | Primary Education | SHG |
| 5 | HARYANA | 500 | Semi- literate/ Metric/ 10th Pass | SHG, HSRLM |
| 6 | HIMACHAL PRADESH | 550 | 12th Pass | Selection Board |
| 7 | JHARKHAND | 550 | 8th | Paper Advertisement, NRLM |
| 8 | KARNATAKA | 350 | 10th | SHGs, Youth Clubs |
| 9 | KERALA | 350 | 12th Pass | Open and Transparent |
| 10 | MADHYA PRADESH | 402 | 10th | Open and Transparent |
| 11 | MAHARASHTRA | 400 | 8th | SHGs, Youth Clubs |
| 12 | MANIPUR | 650 | 12th Pass | SHG, MSRLM |
| 13 | MEGHALAYA | 360 | 10th and above | Advertisement, Written exam, PI |
| 14 | MIZORAM | 250 | No Minimum Qualification | SHG, SRLM |
| 15 | NAGALAND | 700 | 8th | Open and Transparent |
| 16 | ODISHA | 325 | 8th | SHG, SRLM |
| 17 | PUNJAB | 500 | Graduation or Equivalent | SHG and as per norms of GB, NYK |
| 18 | RAJASTHAN | 300 | 10th Class Pass | Open advertisement in Newspaper |
| 19 | TAMIL NADU | 329 | 8th | SHG member should have work min 25 Days |
| 20 | TELANGANA | 250 | Ability to read and write | JC holders |
| 21 | TRIPURA | 330 | 10th | Identified by DRPs |
| 22 | UTTAR PRADESH | 200 | 10th | Selection Committee |
| 23 | UTTARAKHAND | 650 | If SHG member, literacy; High school for others | Open Process, SHGs, JC Holders |
| 24 | WEST BENGAL | 482 | 10th | Advertisement |

Box 7-5: Selection of Village Resource Persons in few states

Telangana: Social audits in a block are facilitated by a team of 1 District Resource Person, 10 Block Resource Persons, 20 Village Resource Persons and 10 Senior Village Resource Persons. Around 40 people who are interested in social audits are identified a block and then provided 2-3 days of training. From this about 20 people are selected to be village resource persons. After a village resource person has participated in 3 audits, he/she is provided additional training of 4-5 days and then is designated as a senior village resource person. The BRP is the team leader and is responsible for the overall facilitation. He/she also does the measurements of all material works, the senior VRPs interview individual households and measure non-material works and the VRPs do other work.

Tamil Nadu: SAU had provided 4 day training to 5 SHG women in each GP in 265 blocks out of a total of 385 blocks. In these blocks, the trained women work as VRPs. SAU has said that a VRP cannot facilitate audits in more than 5 GPs in a year. However, VRPs would prefer to get 15 -20 days of regular employment every month.

Maharashtra: Maharashtra has a restriction that village resource persons should belong to the same taluka. Every year, audits happen once in a taluk and in all GPs at the same time. So, they have new VRPs every year with the result that the quality of their audits is poor.

Uttar Pradesh – Open advertisements are issued and VRPs are empanelled after they are selected through an interview. Only persons between 40 to 65 years old are eligible for empanelment. The empanelment is being done through a district level committee comprising an official nominated by district magistrate, a government inter college teacher and district social audit coordinator. This empanelment is being done every year (for one round of social audit). For every 10 GPs, one team is being constituted consisting 2 male and 2 women (amongst them one male and one female MGNREGA wage seeker is mandatory). Once VRPs empanelled, all VRPs go through 3 days residential training and then they go for the audits. Once the audit is over and the reports have been submitted, payment is made and the term of the VRPs is over.

Madhya Pradesh - Village Social Audit Animators (VSA) are from SHG book keeper, BFT (who got 90 days training) and persons having Social Audit related experience between the age of 18-40 years with minimum educational criteria of High School pass. Before FY 19-20 the APO (MGNREGA functionaries) were involved in VSA selection, but at present VSAs are being empanelled through an open advertisement and written test & interview. Empanellment of VSA is being done by a block/Janpad level committee comprising Janpad CEO, BRP and 2 CSO members. Every VSA is provided 4 days of training on Social Audit.

West Bengal – 10 VRPs have been selected for each GP and they have been provided three day training. Each of them gets to do audit only in one GP in a year. Just before the audit, they are given one day of refresher training. The rest of the year, they work as Vector Borne Disease (VBD) control workers.

Bihar: VRPs are being selected from SHG members from Jeevika (Bihar Rural Livelihood Promotion Society (BRLPS)). Minimum qualification is 8th standard to be selected for VRP role. Jeevika at CLF/Block level collects the application and conducts test and interview. After selection, all VRPs go through a 4 days training conducted by Jeevika. There are no block resource persons in Bihar.

Recommendation: SAUs should also conduct the 4 day training often so that any new people who are interested in becoming VRPs can get trained and participate.

7.6 Capacity Building of Resource Persons

30 day certificate course

In 2016, TISS developed a 30 day certificate course on Social Accountability and Social audit that was mandated for all SRPs, DRPs and BRPs. In September 2016, 119 master trainers from 28 states including representatives from SIRDs, SAUs and civil society were trained by both NIRDPR and TISS. From among the master trainers, lead course coordinators were appointed who were responsible for conducting the 30 day certificate programme in the states. Till September 2018, training of 5039 participants has been completed in 24 states. The number of resource persons yet to be trained is given in the table below.

Table 7-7: Number of people requiring 30 day certificate course

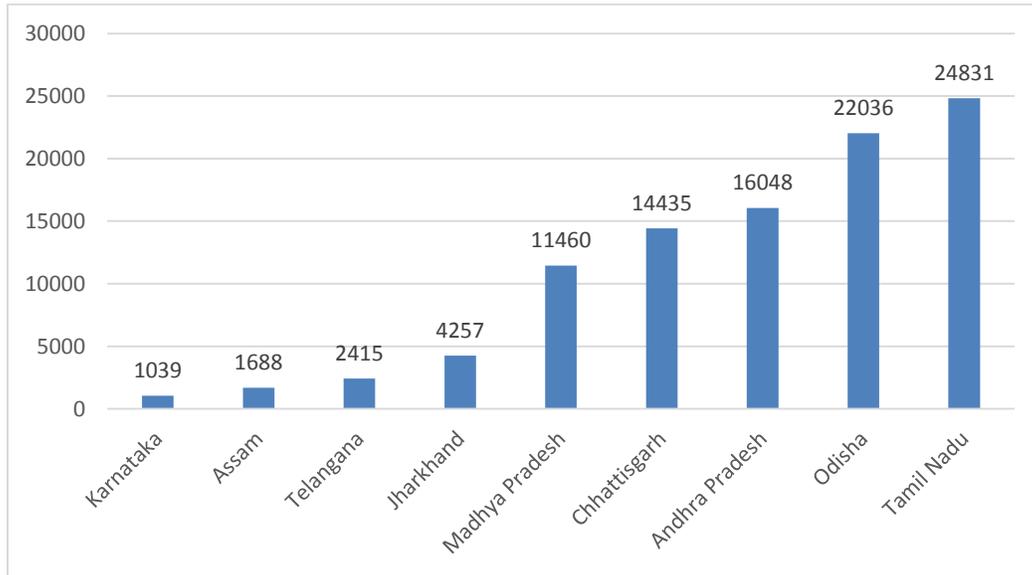
| Resource Persons | Number of resource persons currently in SAU | Number of resource persons who have completed the course | Number to be trained |
|---------------------------|---|--|----------------------|
| State Resource Persons | 82 | 54 | 28 |
| District Resource Persons | 639 | 604 | 35 |
| Block Resource Persons | 4835 | 3205 | 1630 |
| Total | 5556 | 3863 | 1693 |

Capacity Building

In 2017, the Ministry supported the roll-out of a standard 4 day training programme on Social Audit of MGNREGS for VRPs. Self-help group members from 11 states were provided this training.

The total number of people trained is 98209. But there is wide variation in the number of people who have been trained.

Figure 7-1: 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.

NSAP & PMAY-G training

After the release of guidelines for social audit of NSAP and PMAY-G, NIRDPR has conducted 'Training of Trainers' of 5 days each in 5 locations. A total of 158 people were trained in this manner. Following covid restrictions, in 2020-21, NIRDPR conducted 13 online trainings in which 1368 people have participated.

7.7 Transparency

7.7.1 Public Website

SAUs should be pro-active in giving out as much information about the functioning of the society 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. Hosting this information on a public website is a common approach to do this. However, only 10 of 28 SAUs had such a website. Three other states said that they are hosting their information in the Rural Development Department's website.

Figure 7-2: Andhra Pradesh website



Table 7-8: Whether SAU has a website?

| Parameter | Number | Names of States |
|---|--------|---|
| States with SAU website | 10 | Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Kerala, Meghalaya, Telangana, Tripura, Uttar Pradesh, Uttarakhand |
| States hosting social audit information in department website | 2 | Rajasthan & West Bengal |
| States without a website for SAU | 16 | Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Mizoram, Odisha, Tamil Nadu, Arunachal Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Punjab, Nagaland, Sikkim |

Even among the states that have a website, not all of them are displaying key documents including Governing / Executive body meeting minutes, audited statements, HR policy, staff details, individual social audit reports and annual reports.

7.7.2 Availability of social audit reports in a public website

Only three out of the 26 SAUs i.e. Andhra Pradesh, Kerala & Telangana that facilitated social audit of MGNREGS in 2019-20 have uploaded the Gram panchayat social audit reports in a public domain.

While Andhra Pradesh & Telangana have uploaded the reports of all social audits done, Kerala has uploaded 65% of the audit reports (1837 reports were uploaded though audit was done in 2831 wards)

The Sikkim SAU has mentioned that it has uploaded Gram Panchayat Social Audit reports in the Rural Development Department's website i.e. www.mgnregasikkim.in. The site could not be accessed and the SAU mentioned that the site is under maintenance and that it is also working on getting an independent website soon.

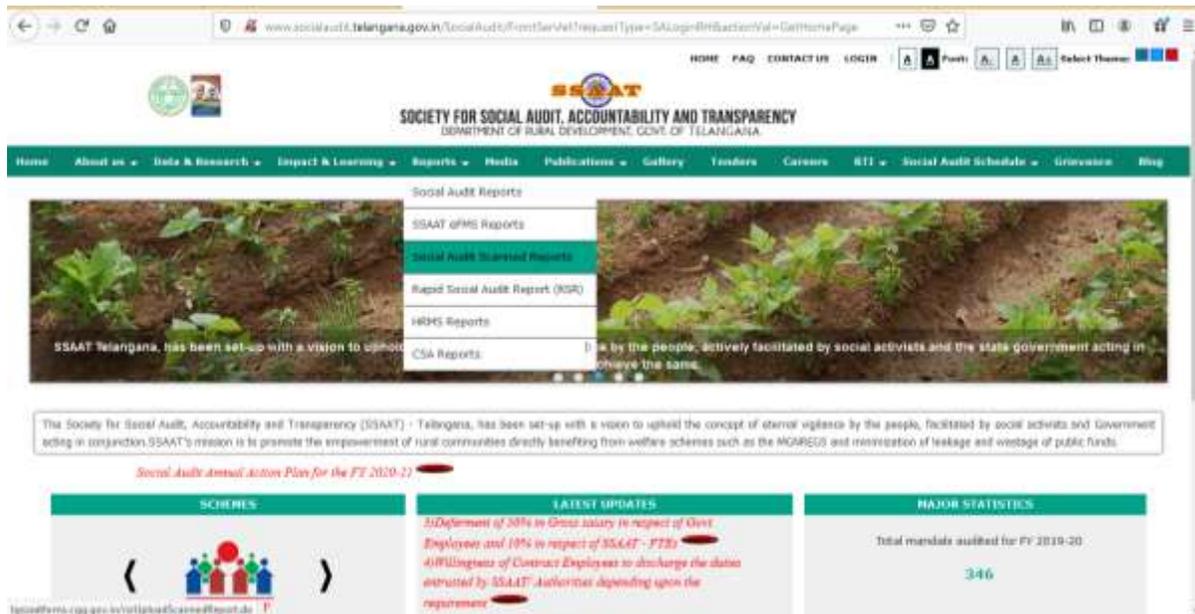
The Uttarakhand SAU has mentioned that after conducting a Block level public hearing it is uploading the Gram Panchayat Social Audit reports on its website i.e. www.usaatagov.in. But due to the insufficient storage on the servers and lack of funds to buy more storage, the SAU periodically removes the old Gram panchayat social audit reports to accommodate the latest reports. This website is also not accessible.

Box 7-6: Path to access social audit reports in Andhra Pradesh and Telangana

The Andhra Pradesh & Telangana SAUs after completion of the Social Audit Gram Sabhas in all the Gram Panchayats of a Block are conducting a Block level Public hearing. The SAUs after completion of the Block level Public hearing are uploading the Social Audit reports of all the Gram Panchayats of that particular block along with the decision taken on the issues reported in those GPs in the form of a single PDF file.

The Telangana SAU is uploading these reports to its website i.e. <http://www.socialaudit.telangana.gov.in/SocialAudit/>. The reports can be assessed by following the below mentioned pathway on the website: <http://www.socialaudit.telangana.gov.in/SocialAudit/> → Reports → Social Audit Scanned Reports → Select *Financial Year, District, Mandal, Round, SA From Date & SA To Date* & Click on *Get Data* → Download “.rar” file of the block and unzip it to get the scanned pdf report

Figure 7-3: Path to the Social Audit reports in the Telangana website



7.7.3 Display of social audit report in the gram panchayat

The MGNREG Audit of Scheme Rules, 2011, 6(8) says

‘The social audit reports shall be prepared in local language by the Social Audit Unit and displayed on the notice board of the Gram Panchayat’

However, only 13 out of 28 SAUs i.e. 46% of the SAUs mentioned that the social audit reports in local language are displayed on the notice board of the Gram Panchayat in their state.

Table 7-9: Whether SA report is displayed in the notice board of GP?

| Response | Number of States | States |
|----------|------------------|--|
| Yes | 13 | Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Nagaland, Punjab, Sikkim, Telangana, Tripura, Uttar Pradesh, Uttarakhand |
| No | 15 | Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Kerala, Meghalaya, Mizoram, Odisha, Rajasthan, Tamil Nadu, West Bengal |

7.8 Accountability

7.8.1 Appointment of Grievance Redressal Officer

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, only ten out of 28 SAUs mentioned that a grievance redressal officer / ombudsperson have been appointed for taking complaints from citizens about the staff and practices of SAU.

Table 7-10: Has SAU appointed a Grievance Redressal Officer?

| Response | Number of SAUs | State Name |
|----------|----------------|---|
| Yes | 10 | Andhra Pradesh, Himachal Pradesh, Jharkhand, Kerala, Manipur, Mizoram, Odisha, Sikkim, Uttar Pradesh, Uttarakhand |
| No | 18 | Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Punjab, Rajasthan, Tamil Nadu, Telangana, Tripura, West Bengal |

Even among these ten SAUs, all of them except Odisha have appointed an internal person (consultant / State Resource Person) working in the SAU who has a conflict of interest and cannot be perceived as independent / someone without any bias. Odisha has appointed a state government employee in 12 districts to receive complaints from citizens about the staff and practices of SAU.

Telangana has said that they have formed a committee with some of the GB members to work out the modalities of identification, appointment and his/her functioning. The Committee held two meetings to finalize the process of appointment, duration of tenure, pay structure etc. and the proposal is under examination.

Box 7-7: Grievance Redressal Committee in Jharkhand SAU

In cases of collusion based on prima facie information, person/(s) accused are immediately dropped from engaging in social audit. Sources of such cases are always kept anonymous. They are then summoned to the GRC Hearing for defending the charges. If the charges stand based on available evidence, in the GRC Hearing, the accused person/(s) are dropped permanently post which they are summarily relieved of their responsibilities and are instructed to hand over all reports/ materials provided to them to do the Audit Work.

So far, allegations/anonymous reports of bribery/collusion & report manipulation have been made against 66 SAU resource persons. Their cases have been deliberated upon in 6 GRC Hearings. Out of the 66 persons, 57 have been dropped permanently, 5 persons have been issued show cause notices and warned owing to the lack of substantial evidence and 3 others are under investigation to be presented in the next GRC Hearing.

7.8.2 Quarterly Reports to PAG

The Ministry of Rural Development had asked all SAUs [25] to send quarterly updates in a specified format that includes status of the SAU, expenditure of the SAU, status of conduct of SAU and schedule of social audits as per calendar approved. However, only 19 of 28 SAUs said that they are sending quarterly reports to PAG.

Table 7-11: Is SAU sending quarterly reports to PAG?

| Response | Number of SAUs | State Name |
|------------|----------------|--|
| Yes | 19 | Andhra Pradesh, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh, Uttarakhand, West Bengal. |
| No | 9 | Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Haryana, Jammu & Kashmir, Karnataka, Kerala, Mizoram. |

7.8.3 Preparation of annual report by SAU

The General Financial Rules 2017 – Rule 242 (2) (i) _says

‘Submission of Achievement-cum Performance Reports. i. The Grantee Institutions or Organisations should be required to submit performance cum achievement reports soon after the end of the financial year, and in any case, not later than six months after the close of the financial year.’

Preparation of annual report and its wide dissemination is also essential to ensure accountability of the SAU to different stakeholders including the Governing Body, RD officials and general public. However, only 11 states have said that they have prepared an annual report for 2019-20. Among these states, the reports of only five states are accessible.

Table 7-12: Whether SAU has prepared an annual report?

| Whether Annual report for 2019-20 has been prepared? | Number of SAUs | State Name |
|--|----------------|--|
| Yes | 5 | Chhattisgarh, Karnataka, Kerala, Madhya Pradesh, Sikkim |
| Maybe | 6 | Andhra Pradesh, Bihar, Odisha, Tamil Nadu, Telangana, Uttar Pradesh |
| No | 17 | Arunachal Pradesh, Assam, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Tripura, Uttarakhand, West Bengal |

7.8.4 Annual report to state legislature

The MGNREG Audit of Scheme Rules, 2011, 7(5) says

‘(5) 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’

This is a key accountability provision to ensure legislative oversight of the implementation of MGNREGS in the state. However, only four out of 28 states have done this.

Table 7-13: Whether an annual report is placed in the State Legislature?

| Whether Annual report for 2019-20 has been prepared? | Number of SAUs | State Name |
|--|----------------|---|
| Yes | 4 | Chhattisgarh, Madhya Pradesh, Maharashtra, Sikkim |
| No | 24 | Andhra Pradesh, Bihar, Odisha, Uttar Pradesh, Arunachal Pradesh, Assam, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Tamil Nadu, Telangana, Tripura, Uttarakhand, West Bengal |

To reiterate the importance of this provision, the Secretary of MoRD sent a letter to all Chief Secretaries in January 2021 [12]. This letter also included the format for the annual report containing sections for current status of social audit unit, support provided by administration for social audit, number of social audits conducted, summary of social audit findings and action taken reports.

7.9 Quality Control

7.9.1 Code of Ethics

The Auditing Standards say that

‘Standard Code of Ethics should be written in clearly defined language. Standard code of ethics should lay down the behaviour, decorum, code of conduct, working hours to be followed by the Social Auditors. The conduct of SAU Resource Persons should be beyond reproach at all times and in all circumstances. They should conduct themselves in a manner which promotes co-operation and good relations. The Gram Sabha, general public and the implementing agencies should be fully assured of the fairness and impartiality of the work of SAU Resource Persons’.

However, only 12 out of 28 SAUs have prepared a Code of Ethics or Code of Conduct to be followed by all or some of the SAU personnel. While some SAUs like Chhattisgarh, Mizoram, Nagaland, Punjab, Sikkim & Uttar Pradesh have issued detailed letters / orders / rules of conduct for social audit resource persons, Bihar and Karnataka have included instructions as part of their HR policy, Andhra Pradesh & Telangana have included it as a part of their ‘National Employment Guarantee Scheme- AP Social Audit Rules, 2008’ and Jharkhand SAU has mentioned it as a part of ‘Empanelment Directives for BRP & VRP - 2018-19’.

Table 7-14: Whether SAU has prepared ‘Code of Ethics’

| Response | Number of SAUs | State Name |
|----------|----------------|---|
| Yes | 12 | Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Karnataka, Mizoram, Nagaland, Punjab, Sikkim, Telangana, Uttarakhand, Uttar Pradesh |
| No | 16 | Arunachal Pradesh, Assam, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Odisha, Rajasthan, Tamil Nadu, Tripura, West Bengal |

7.9.2 Internal Monitoring

Many SAUs have taken steps to ensure that the resource persons work with honesty and integrity and that any complaints are promptly attended to.

In Telangana, there is widespread awareness about contact number of SAU and Director where any complaint regarding the social audit process can be registered. Chhattisgarh, Jharkhand, Karnataka and Tamil Nadu conduct periodic test audits as detailed in the next section. A mobile application has been developed to track the attendance in Uttarakhand and Kerala. Surprise visits are conducted by state staff in Andhra Pradesh, Tamil Nadu and Uttarakhand. Contracts of staff found to have indulged in corrupt practices have been terminated in Andhra Pradesh, Chhattisgarh, Karnataka and Telangana.

7.9.3 Test Audits

Test Audits are a useful mechanism to check whether the social audit team followed the specified processes and whether the social audit report reflects the actual situation in the field. A team of senior resource persons not involved in the original audit does the audit again (record verification, field verification and interaction with beneficiaries but the gram sabha is not conducted). But only five states (Chhattisgarh, Jharkhand, Karnataka, Tamil Nadu and West Bengal) have conducted test audits in 2019-20.

If the test audit finds that the original social audit was not done as per specified process or if the findings are different, then the reasons for this should be analysed. It could be that the original team did not have sufficient resources (persons and/or days), the capacity of the resource persons was poor, the resource persons were not trained properly, or there was some corruption. Based on the analysis of the test audit findings, the SAU should take appropriate action to strengthen the social audit process.

Chhattisgarh

Based on the preliminary examination of social audit reports, twenty Gram Panchayats were selected for test audits. A panel of BRPs and DRP was constituted which were entrusted with the task of test audit. The panel visited the GPs and re-verified the MGNREGA assets and found that 233 NADEP and Vermi-compost tanks were missing from the worksite but the Social Audit team had not mentioned this in the Social Audit Report. The report was submitted to the Department for further action.

Tamil Nadu

The SAU had planned for conducting test audits in 125 Gram Panchayats but finally did test audits in 80 Gram Panchayats (0.64 % of total GPs in the state). The Panchayats were chosen based on MGNREGS expenditure incurred, number of active job cards and financial misappropriation identified during regular Social Audit. Five Block Resource Persons deputed from other districts

facilitated the test audit for 5 days. Significant differences including missing assets that were not reported in the original social audit reports were found during the test audits.

Karnataka

The SAU conducted 19 test audits in 2019-20. The Gram Panchayats were selected on the basis of where the quantum of social audit findings was very low. Three to four resource persons were selected to conduct test audit. The team verified the social audit reports of the previous year audit and did random checking. Based on the test audit, notices have been issued to the concerned resource persons.

Box 7-8: Jharkhand Test Audit Process

A senior DRP with many years of experience and who has not done regular work in the districts will lead the teams for test audit. Two teams of 5 members (1 BRP and 4 VRPs) each will spend 5 days in one GP for conducting test audits. At no time shall a person belonging to the GP being audited or was part of team that facilitated the social audit in that GP be part of the team doing the test audit.

Test Audit Process

- 1) On the first day, the social audit report should be analysed based on the following parameters: Coverage (in terms of asset verification, door-to-door verification and document verification), specificity, evidence, quality of report, Gram Sabha & Public Hearing mobilization and jury decisions
- 2) The test audit team will conduct asset / door-to-door verification of
 - 25 % of assets verified by social audit team
 - 50 % of assets not verified by the team
 - 10 % of workers verified by the team
 - 20 % of workers not verified by the team
- 3) The test audit team shall also interact with PRI members, Gram Pradhans, MGNREGA functionaries and workers to assess how the team had behaved and performed

Test Audit findings

Test audit findings will be shared with teams to point out gaps in their processes and will be used to assess

- Training needs
- Quality assurance mechanisms
- Monitoring mechanisms
- Team building Processes
- The deviation which can be used to take action by grievance redressal committee

8 Social Audit Process

8.1 Social Audit Logistics

Social Audit Team Leader

The Annual Master Circular 2020-21 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, due to the shortage of staff mentioned earlier, this is being done only in 13 states out of 28 (46 %). The quality of social audits which are not led by a BRP tend to be poorer as VRPs complete only a 4 day course (as opposed to the 30 day certification course mandated for BRPs) and their experience is also less (as they do very few audits in a year).

Resource persons stay in the village

For door to door verification, the resource persons have to meet the wage seekers who worked previously. The best time to meet them is morning (6 to 9 am) and evening (5 to 8 pm) hours. To meet more number of wage seekers the resource persons have to stay in the village during the social audit process. Staying in the village will also allow the resource persons to interact better with the wage seekers, gain their confidence and have a better understanding of how the schemes are implemented. But this practice is followed only in the following 14 states (50 % of the 28 states): Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Himachal Pradesh, Manipur, Meghalaya, Maharashtra, Mizoram, Nagaland, Sikkim, Telangana, Tripura and Uttarakhand.

Variation in team size and number of days

The duration of the audit and the number of required resourced persons for the audits should be decided based 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 and number of works executed etc. However, this is done only in 14 of 28 SAUs (50 %).

Box 8-1: Common issues in the social audit process

Some of the common problems faced during the social audit process are listed below.

- a) Non-submission of the records and documents for social audit especially from convergence departments
- b) Delay in verification of work sites due to lack of cooperation by the Technical Assistant, Field Assistants and Panchayat Secretary
- c) Collusion between implementation staff and job card holders – if people have been paid without working, they refuse to share their job cards and account passbooks

- d) Time gap between completion of work and social audit which lead to mismatches between the values in the Measurement Book and field measurement
- e) Implementation officials not attending the Gram Sabha, Public hearings
- f) Independent observer not attending the gram sabha
- g) Lack of follow up action on the findings of the social audit report
- h) MIS bugs and issues
- i) Getting accommodation and food in the Gram Panchayats
- j) Health risk for the resource persons due to infections and accidents
- k) Transportation difficulties
- l) Threats from vested interests in the Gram Panchayat.

Threats

Some of the SAUs including Bihar, Chhattisgarh, Jharkhand, Kerala, Odisha, Punjab and Uttarakhand have faced threats and other obstacles in the conduct of social audit. In Jharkhand, Whatsapp groups which include the Secretary and MGRNREGS Commissioner have been created. They respond immediately to threats and ask the district and block administration to inform police and go the place immediately.

Table 8-1: Social Audit Process Details

| State Name | Number of days of audit | Whether led by a certified resource person? | Number of VRPs | Whether team stays in the GP? | Whether an independent observer attends Gram Sabha? |
|------------------|-------------------------|---|----------------|-------------------------------|---|
| Andhra Pradesh | 4-5 | Yes | 2-3 | Yes | Yes |
| Assam | 9 | Yes | 0 | No | No |
| Bihar | 8 | No | 8-10 | Yes | Yes |
| Chhattisgarh | 6 | Yes | 4 | Yes | No |
| Gujarat | 4 | No | 2 | No | Partially |
| Haryana | 3 | No | 2 | No | Partially |
| Himachal Pradesh | 6 | Yes | 1 | Yes | Partially |
| Jammu & Kashmir | 1-3 | Yes | 2 | No | No |
| Jharkhand | 7 | Yes | 7 | Yes | Yes |
| Karnataka | 3-6 | No | 4-6 | No | Yes |
| Kerala | 7 | No | 2 | No | No |
| Madhya Pradesh | 7 | No | 3 | No | Yes |
| Maharashtra | 5 | No | 3 | Yes | Partially |
| Manipur | 6-10 | Yes | 2-4 | Yes | No |
| Meghalaya | 3-5 | Yes | 1-2 | Yes | Yes |
| Mizoram | 3 | No | 2 | Yes | No |
| Nagaland | 3-7 | Yes | 3-4 | Yes | Partially |
| Odisha | 7 | No | 2-3 | No | Yes |
| Punjab | 2-4 | No | 2 | No | Partially |
| Rajasthan | NA | No | 5 | No | |
| Sikkim | 6 | Yes | 2 | Yes | Partially |
| Tamil Nadu | 5 | Yes | 3-8 | No | Partially |
| Telangana | 6-7 | Yes | 2-4 | Yes | Yes |
| Tripura | 7-10 | Yes | 3-4 | Yes | No |
| Uttar Pradesh | 3-4 | No | 4 | No | Partially |
| Uttarakhand | 5-6 | No | 2-3 | Yes | Yes |
| West Bengal | 15 | No | 10 | No | Yes |

Box 8-2: Social Audit Process in Telangana

The SAU prepares a monthly schedule of the social audits that will be facilitated district wise – with the names of the mandals (Blocks) and dates. The concerned District Head and the Mandal Parishad Development Officer (MPDO / BDO) receives an intimation letter with the details of Social Audit Schedule and the records that are to be handed over to the teams. Each Social Audit team that facilitates the audit of a Block / Mandal is headed by a District Resource Person (DRP) who doesn't belong to the same district. She has a team of 10 Block Resource Persons (BRP) who don't belong to the same mandal/block, to help facilitate the social audit process. These teams are selected and sent in a randomized manner by the SSAAT State Office.

The DRP and BRPs visit the villages of the block and identify active literate youth (3-4 per village) from the wage seekers families who are called Village Resource Persons (VRP). These VRPs are trained in the social audit processes over a three day period. Training is given on the main features of the MGNREGA, RTI and SA processes. They also verify and consolidate the MGNREGS records pertaining to that block.

The social audit process happens in each GP for 3 to 4 days. The audit may take more days in GPs with more works, households, expenditure etc. Multiple teams are formed with one BRP and 2-3 VRPs in each team. Two GPs are allotted to each team. The resource persons stay in the GP in a GP building or some other government buildings such as school or community building during the duration of the audit. Staying in the village enables them to meet all the workers who are normally available in their homes between 6 am to 8 am and 5 pm to 7 pm.

At the village level the BRP and the VRPs conduct door to door verification of the muster rolls, focused group discussions, and worksite verifications. Awareness building of the rights and entitlements of the wage seekers is an important part of the SA process.

The Social Audit verification process ends with a Social Audit Gram Sabha, which is scheduled by the MPDO/BDO through written instructions to the Sarpanch/President. The social audit Gram Sabha has an independent observer not less than the rank of a Tahsildar in whose presence the report as well as the evidence is to be finalized.

The Social audit process culminates in a Public Hearing at the mandal/block level where social audit reports are read out in the presence of the wage seekers, people's representatives, the concerned MGNREGS functionaries and senior officers of the government. All Social Audit Public hearings are video graphed. The DRDO/DPC who is the head of the implementing Agency at the District level is the Presiding Officer at the Public Hearing. For every issue that is read out by the Social Audit Team, the Presiding Officer records his/her decision/recommendation

of action to Government in the Decision Taken Report. All Social Audit reports are hosted on the SSAAT website and can be accessed by anyone.

8.2 Social Audit Gram Sabha

In most of the states, the Gram Sabha selects a senior person among the wage seeker/ neutral person/ elderly person/ non-political person, someone who is not involved in the implementation of MGNREGS to preside over the social audit Gram Sabha. In Bihar, a retired person or an intellectual of the society is selected by the social audit team to preside over the Gram Sabha. In Jharkhand, the Gram Pradhan (traditional head) presides over the Gram Sabha in the schedule areas. In Gujarat also, the traditional head presides over the Gram Sabha. In Karnataka, an officer other than the implementing agency nominated by the DPC presides over the Gram Sabha. In Maharashtra, someone from among the beneficiaries who worked at least 100 days presides over the meeting. In Sikkim, state government has notified the Zilla Panchayat representative to be chairperson of the Jan sunwai at Gram Panchayat. In Telangana and Andhra Pradesh, an independent observer (if they are present) deployed by the DPC will preside and record the evidence in the Gram Sabha.

In some of the states the Sarpanch/President of the Gram Panchayat countersigned on the decisions of the Gram Sabha along with social audit resource persons, Secretary and Rozgar sahayak. In some other states Sarpanch doesn't sign on the Gram Sabha report. In Jharkhand the Gram Sabha report is signed by the president and social audit report is signed by the Jury members at Panchayat.

In some of the states, independent observer or others deputed by the DPC attend the Gram Sabha/Panchayat level public hearing. In Karnataka, Taluka nodal officer attends the gram sabha as independent observer. In Sikkim Additional district program coordinator attends the Gram Sabha.

In Sikkim, in case of sensitive findings, DPC after due discussion with PO informs local police for safety of the social audit team and to ensure the fair and free conduct of Jan Sunwai. In Uttar Pradesh DPC issues an order to PO for social audit and endorses copy to district police head for maintaining law and order in the meeting. In Uttarakhand, Principal Secretary, Rural Development issued a Government Order for security arrangement for social audit resource persons.

In Chhattisgarh block level public hearings are held in the premises of block panchayat office. All the facilities are provided by the block officials. However, if SAU is conducting cluster level public meeting, SAU has to make arrangements for tent, mike and sound system. In some Gram Panchayats, Sarpanch provides the tent, mike etc. for the Gram Sabha. If GPs are far away from

block, for the convenience of wage seekers and PRI members the SAU is conducting cluster level hearings with some GPs within the block in consultation with block officials.

8.3 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 hearing by the social auditors at the Ward/Gram Panchayat and Block level to read out the findings”

In a block level public hearing, there is a panel or a senior officer from the district who presides over the public hearing. The panel / officer listens to each issue pointed out by the gram sabha and then takes a decision on what action has to be taken after hearing the explanation from the implementation side and the social audit team. This public hearing is the first step in the follow up process and is extremely crucial but 14 states (50 % of total that conduct social audits) do not do this.

Table 8-2: Whether a Block level public hearing is held?

| Whether Block level public hearing is conducted? | Number of SAUs | State Name |
|--|----------------|--|
| Yes | 14 | Andhra Pradesh, Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Maharashtra, Meghalaya, Mizoram, Odisha, Telangana, Tripura, Uttar Pradesh, Uttarakhand, West Bengal |
| No | 14 | Arunachal Pradesh, Assam, Bihar, Gujarat, J&K, Karnataka, Kerala, Madhya Pradesh, Manipur, Nagaland, Punjab, Rajasthan, Sikkim and Tamil Nadu |

Even when public hearings are conducted, many times no one from the specified panel list attends. For instance, in Meghalaya, the panel should be composed of EAC, independent observer, ombudsman and representatives of CSOs / NGOs. However, in many cases it is only the SAU resource persons and implementation officials who attend it.

Box 8-3: Block level public hearings in different states

Tripura: After completion of social audit of all the GPs in a concerned block, a block level public hearing is held and BDO presides over the meeting.

Telangana: 334 public hearings were held at block level during the financial year 2019-20. District NREGA implementation head/representative presides over the public hearing and takes decisions on the social audit findings based on the SRDS rules.

Andhra Pradesh: After completion of all Gram Panchayat of a block, a public hearing will be held at block level presided by the Project Director, District Water Management Agency (DWMA). Total 539 block level public hearings were done in 2019-20. At district level PD, DWMA takes the action and implementation officials, Vigilance wing, SAU team attend the meeting.

Uttarakhand: In 2019-20, 61 block level public hearings were held in Uttarakhand. The block panel members are technical department official, other department official, social activist and state coordinator, social audit.

Nagaland: At village level gram sabha is held and representative from district administration will attend for the Gram Sabha. There is no block level public hearings. The issues which are not resolved in Gram sabha will be placed at district level hearing. All the respective BDOs, APOs, JEs & SOs attend the hearing. Independent observers, one from the administration and one from PAG also attend. A total of 30 public hearings have been conducted.

Sikkim: Public hearing is held at Gram Panchayat level as it is convenient for public to attend meeting at GP level compared to meeting at the block. State government has mandated a minimum of 30% presence of the active job card holders as quorum. All the bills and vouchers of works are readout in the presence of the public. The public hearing is attended by Programme Officer cum BDO of the concerned Block, Assistant Programme officer, Assistant Engineer and Junior Engineer from Block. It is also mandatory for all elected representatives and other responsible persons including GRS to attend and answer the queries from the public.

Exit conference chaired by the DPC is held at the district level. During the exit conference, the SA findings are presented and a platform is provided to person who could not attend Jan Sunwai due to a genuine reason.

Box 8-4: Public Hearings at multiple levels in Jharkhand

In Jharkhand approximately one Gram Panchayat has 8 to 9 revenue villages. For each revenue village, a Gram Sabha will be held after completion of the social audit process. The issues will be read out and validated in the Gram Sabha at village level. Successfully validated issues are placed in front of jury at Panchayat level public hearing. The Panchayat level jury consists of one wage seeker, one SHG member, one representative from a civil society organization, one member from SAU. The jury decides on the action to be taken. Common decisions include order to recover amount, order levying a penalty, order for FIR to be registered or order for completing the work within a timeline. Technical and complex issues are referred to block public hearing. SAU can also bring up issues that were dropped in the panchayat level public hearing.

After completion of the panchayat level hearing, public hearing will be held at block level. The issues which were not addressed or reviewed in the Gram Panchayat public hearing, will be addressed in block level hearing. Jury panel for block public hearing is Panchayat Samiti Chairperson (Block Panchayat), Zilla parishad member from that area, one representative of state resource group nominated by SAU, one district resource person from SAU, Lokpal, Labour officer of Block, one representative of women SHG group from that area, Gram Pradhan/Padah Raja from schedule area. Action taken reports will be reviewed in block level hearing. Penalty will be imposed on the responsible persons if recoveries are not made within the given time. Block level public hearing will be held once or twice in a year.

Similar to block public hearing district public hearings will be held at district level. The jury for district public hearing is Deputy commissioner/DPC, Zilla Parishad vice-president, one representative from state resource group, one SRP from SAU, District labour superintendent, one representative from women SHG group and state level officials from RDD/Lokpal. District public hearings are held once in a year. State resource group consists of civil society organization members, academicians, and member from the training institutions.

State level public hearings will be held once in a year at state level. Unaddressed issues in different levels of public hearing will be placed in front of state level jury. Jury members for state level public hearing are Development Commissioner, Principal Accountant General/Representative, Secre

taries of RD & Panchayat Raj departments, MGNREGA Commissioner, Labour Commissioner, CM Jansamwad, Special secretary/CEP –JSLPS, and three members from state resource group.

8.4 Guidelines for action on issues

The Ministry has specified the different types of irregularities / grievances that may be seen in the field and the social audit team categorizes the issues based on these. Decisions on what

action needs to be taken for each issue are made by the Programme Officer, District Programme Coordinator or a panel in a public hearing.

In Himachal Pradesh, the SAU observed that the actions taken on the same type of issues were different across districts. In many cases, the action taken simply involved returning the money misappropriated or the creation of the asset which was reported as missing during social audit and did not involve any action on the responsible persons which could act as a deterrent. This is the case in Tamil Nadu also which has recovered significant amount of money (in nominal terms but very less when compared to the total amount reported) mostly from the Job Card holders. However, no action is taken on the responsible employees who facilitated the corruption.

To ensure that the action on the irregularities in different places is uniform and taken in a timely manner, it is essential that the state governments specify what action needs to be taken for each of the irregularities. However, only six out of 28 states (21 %) have done this. These states are Andhra Pradesh, Bihar, Jharkhand, Karnataka, Telangana and Uttarakhand.

Box 8-5: Issue with lack of clear guidelines on action to be taken

Mizoram, Mamit District, Zawlnuam Block, Kawrtethawveng, SA Gram Sabha on 02 Nov 2019

Data from NREGA MIS said that construction of fish pond (Lalnunfima, JC No 115, D (2204001023/IF/27906) was done by 413 workers from 21 June 2019 to 27 June 2019 and each of them had received 1266 Rs. **However, during the social audit it was found that the work was not done.** After the gram sabha, the issue has now been closed saying that construction of fish pond has been completed.

However, there are many questions – why was the work mentioned as completed when it had not even been started? Did all the 413 people who were marked as having worked in the NMR, work subsequently in the fish pond? Is it enough to say that the fish pond has been constructed and close the issue without taking any action on the persons responsible?

For this type of irregularity ('Preparing records and made payment without starting work'), the Jharkhand government has specified the following action to be taken: 'Recovery of the expenditure on the scheme 20% from each responsible person and fine of Rs 1000'.

8.5 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.

Box 8-6: 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 line of the CCA Rules, to ensure standardization 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 from January 2021 is given in the tables below.

Table 8-3: Abstract from the Telangana Vigilance Department

| <i>SOCIAL AUDIT FOLLOW UP STATUS AS ON 31-01-2021.</i> | | |
|---|--|-----------------------|
| 1 | Amount covered by financial deviations (Rs.) | 1,85,67,61,944 |
| 2 | Amount dropped as the financial deviation not held proved (Rs.) | 63,60,57,256 |
| 3 | Amount determined as misappropriated (Rs.) | 61,73,94,455 |
| 4 | Amount recovered (Rs.) Recovered and remitted to CRD A/c – Rs 20,23,38,228/- Paid back to Wage Seekers - Rs. <u>2,71,14,443/-</u> | 22,94,52,671 |
| 5 | Balance to be recovered (Rs.) (Sl.No.3-4) | 38,79,41,784 |
| 6 | Balance to be finalised (Rs.) (Sl.No.1-2-3) | 60,33,10,233 |

Table 8-4: Summary of criminal and disciplinary action taken in Telangana

| <i>Cadre-wise abstract Statement of Disciplinary cases as on 31-01-2021</i> | | | | | | | |
|--|------------------|----------------|---------------------------|------------------|-----------------------|------------------|----------------|
| No. of Cases | Suspended | Removed | Punishment Imposed | Acquitted | Total Disposed | FIR Filed | Balance |
| | | | | | | | |

| | | | | | | | |
|-------|------|------|-------|-------|-------|-----|-------|
| 80781 | 1701 | 3363 | 45896 | 15245 | 64504 | 446 | 16277 |
|-------|------|------|-------|-------|-------|-----|-------|

8.6 Closure of Issues

Once the implementation agency takes action on an issue, the social audit unit should do one of the following:

- 1) Close the issue and mark the action taken as satisfactory – shall be done when timely and appropriate action has been taken on the issue.
- 2) Close the issue and mark the action taken as unsatisfactory – timely and appropriate action was not taken (for instance there was a delay in the action taken or the action taken was trivial such as an oral warning to the responsible person or when partial action was taken or the issue had become moot /not relevant)
- 3) Escalate the issue to a higher authority (either the DPC or the state commissioner)

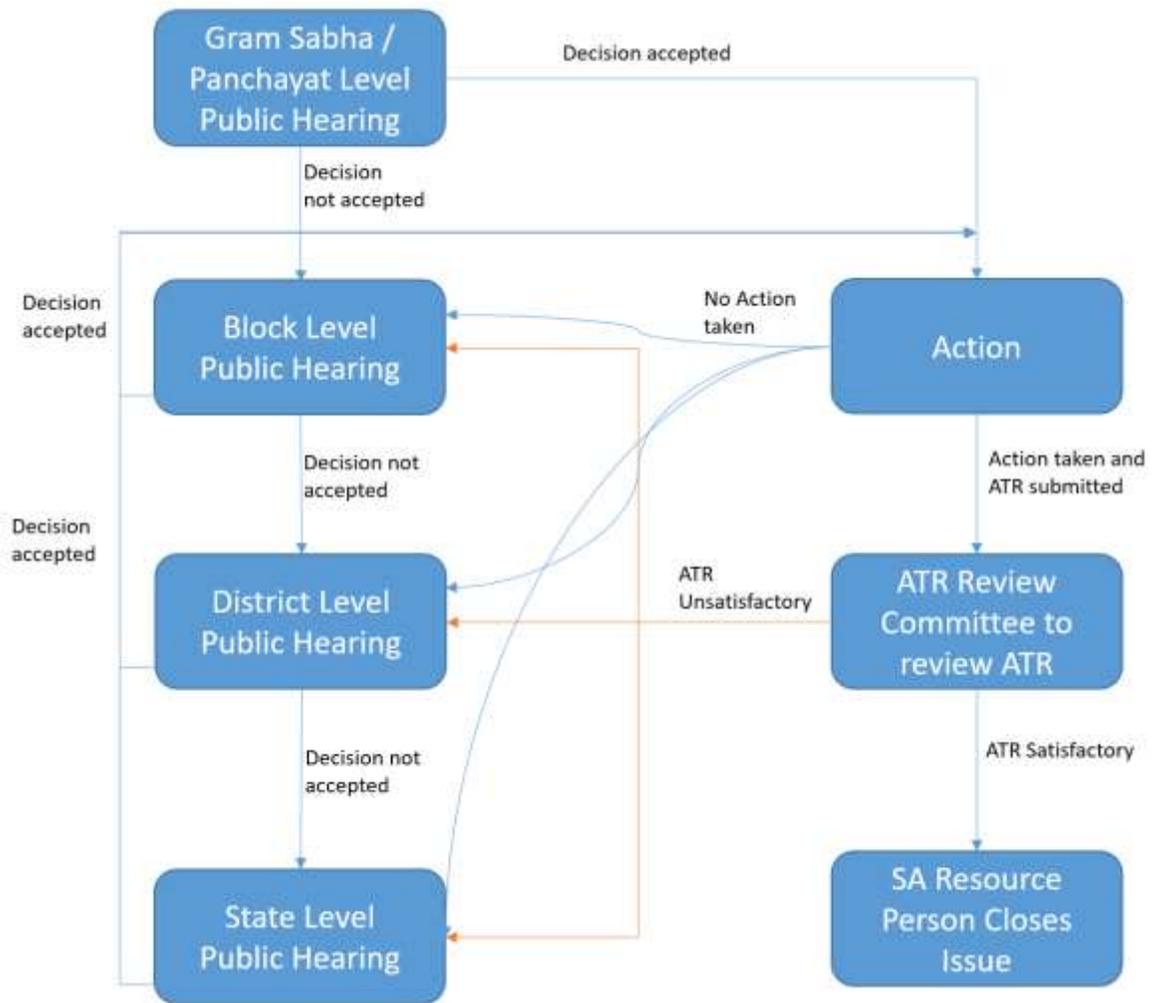
There is a certain amount of subjectivity on what is an appropriate action especially when the state has not issued clear guidelines on the action to be taken for each irregularity. Different states follow different protocols.

In Sikkim, the issue along with the action taken report is presented in the next social audit gram sabha and the gram sabha decides whether the issue is to be dropped or not.

In Tamil Nadu, a district level committee comprising the District Collector, Project Director, Assistant Director (Audit), Assistant Project Officer (Wage Employment), concerned BDO, District Resource Person and a state representative of the SAU has been created. The BDO prepares an action taken report and presents it to the committee which decides whether the issue/para is to be dropped or not. Since a standard set of guidelines have not been issued and because there is a preponderance of implementation officials in the committee, there have been many reports of serious issues being dropped without appropriate action. Karnataka has also appointed a similar committee at the taluk level to decide what issues to be dropped.

Jharkhand has created an ATR review committee which consists of members from civil society, SHGs and labour groups which review the ATR and then decide whether to escalate or drop the issue. This is a better approach to ensuring that appropriate action is taken on the issues reported. In most of the other states, clear protocol for closure of issues has not been laid down.

Figure 8-1: Follow up on social audit findings (from XV FC SA Guidelines)



Box 8-7: Action Taken Report review committees in Jharkhand

District Resource Persons do not have power to drop the issues by themselves. This can only be done by the Action Taken Report (ATR) review committee. The ATR committees have been set up at the state and district level.

State Level ATR committee includes 1 PAG member, 2 persons from academic institutes, 3 representatives from Media and 3 representatives of Civil Society.

District level ATR committee includes a representative from the State Resource Group, SAU state representative, DRP from other district, local SHG federation woman member and representative from local labour forum.

Before the district or state level hearing, the ATR committee will review the action taken report. The committee will go through every issue and see whether recommended action has been taken or not. The ATR Committee will drop the issue or recommend the issues for discussion at the District or State Level Hearing.

As of now four State level hearings were conducted for Mahatma Gandhi NREGA and one State level hearing was conducted for Social Audit of PMAY-G.

Joint enquiries are being conducted based on the recommendations of Jury Panel for particular issues such as usage of JCB machine, change of work location, deviation in measurement and non-existent work after approval from the DPC.

MGNREGS commissioner has issued letter saying that any inquiry or reinvestigation on social audit finding will be considered only after recommendation or appeal from the concerned DDC. This is to prevent unnecessary delay in taking action on the findings.

9 Feedback from SAUs and Recommendations

9.1 Feedback from SAUs

MoRD should

- 1) Increase the % of funds allotted for social audit especially for smaller states and states which cover a higher percentage of gram panchayats every year.
- 2) Provide funds for concurrent audit which shall be carried out in addition to regular social audits
- 3) Release the funds on time and preferably the entire amount (0.5% of previous year's expenditure) at the start of the financial year in a single tranche;

- 4) Prompt release of second instalment which has not been done even after submission of the Utilization Certificate
- 5) Mandatorily review SA findings and ATRs once in a quarter. Ministry should follow up on the ATR with the state government.
- 6) Send periodic letters specifying the changes that need to be made in the SAU to ensure that it functions independently.
- 7) Review functioning of the SAU and ensure that it is able to function in an independent manner.
- 8) Support capacity building of social audit resource persons (30 day certification course, 4 day training for VRPs, refresher training, technical training, MIS training, training for audit of other schemes including NSAP & PMAY-G, exposure visits to other states). A separate capacity building fund should be set up.
- 9) SA MIS issues should be attended to immediately; hands-on training on MIS should be provided to SAU personnel and implementation staff
- 10) Issue guidelines on the appropriate action to be taken for different irregularities
- 11) Revise suggested salary structure for SAU personnel which was last done on 11 June 2014
- 12) Suggest minimum staff strength for the SAU, HR guidelines and recruitment protocol
- 13) Specify the percentage of funds to be allocated for social audit of PMAY-G and NSAP and transfer funds for this from MoRD to SAUs.
- 14) Make monitoring visits and conduct test audits
- 15) Appoint a nodal officer in MoRD to support SAU
- 16) Commission research studies on social audit from reputed institutions
- 17) Respond promptly to letters from SAU especially relating to MIS, training and fund release.
- 18) May request state governments to allocate certain portion of IEC budget to the SAU for taking up specific IEC activity as part of social audit process that is likely to be more effective
- 19) Relaxation in the inadmissible list is required to meet expenses relating to
 - a. Repair and refurbishment of SAU office
 - b. Purchase of computers / laptops for the resource persons
 - c. Payment towards provident fund for the resource persons
 - d. Payment to research / evaluation organisations
 - e. Payment to community based organisations
 - f. Purchase and repair of air conditioners
 - g. Maintenance of vehicles

Box 9-1: MIS issues that need to be addressed

- 1) MIS issues raised by SAU should be quickly attended to
- 2) A training environment should be created so that resource persons and implementation officials can be provided hands-on training
- 3) Training should be provided to implementation agency staff so that they can enter the ATR in the system
- 4) While the BRP enters the data, the ability to freeze (or commit) the data should be given to the DRP who will review it for any mistakes before doing so
- 5) Ability to see cumulative data (not just year wise) should be added
- 6) Ministry has specified reporting formats for the annual report to be laid in the state legislature. Reports based on these formats should also be publicly made available
- 7) Provisions for uploading concurrent social audit findings should be added
- 8) Data discrepancies between different reports should be fixed
- 9) Ability to upload scanned copies of documents should be provided
- 10) Ability to upload photos along with the issue or the action taken report should be provided
- 11) Edit and delete option should be provided to the database administrator of SAU
- 12) The system should provide support for social audit of a period that spans more than one financial year (for instance from 1 Oct 2019 to 1 Dec 2020)
- 13) Regional language support should be provided
- 14) The time allotted for data entry before the system locks out the user is too small and needs to be extended
- 15) Social audit MIS has a lot of downtime which should be reduced
- 16) A separate server for Social Audit MIS should be added
- 17) Ability to download social audit findings into excel sheets should be added
- 18) Block level public hearing date should not be mandatory since there can be a time lag between when the social audit gram sabha happens at the panchayat level and the block level public hearing
- 19) User interface should be simplified so that the data entry is not tedious
- 20) Summary data regarding implementation in a GP should be provided in the input formats
- 21) Provision for entry of certain social audit data such as measurements, number of houses visited, number of works measured etc. should be done.
- 22) Some states are doing social audit at the ward level. MIS should support data entry of findings at the ward level.

23) Assam has not been able to enter data from 2018 onwards. Kerala has not been able to enter data because they are doing audits at the ward level.

24) Tab based application should be developed for both viewing reports and data entry

More than 5000 resource persons working at the field level are entering data in the MIS. However, the MGNREGS programme division has not shown any interest in addressing the problems that have been repeatedly pointed out over the last three years. The NIC team has deputed only one or two software developers and they are not able to respond to these issues. Due to this severe bottleneck, the ability of more than 5000 people working at the field level is affected. More importantly, the ability to monitor the social audit findings and action taken reports becomes difficult thereby affecting the quality of implementation of MGNREGS

9.2 CAG Recommendations

CAG did a compliance audit of all SAUs to see whether they were in compliance with the MGNREG Audit of Scheme Rules in 2015 [26]. Since that time, they have done performance evaluation of Karnataka SAU and audit of the functioning of Telangana and Andhra Pradesh SAUs. CAG facilitated a national workshop on Social Audit in 2015 and developed the auditing standards in 2016. CAG should continue to be engaged and help institutionalize a robust, independent social audit unit in all the states.

CAG should

- 1) Do a compliance audit (with respect to the Rules and Auditing Standards) of all SAUs and state implementation agencies
- 2) Help in the capacity building of social audit resource persons
- 3) Do a periodic review of the social audit findings and action taken reports
- 4) Develop standards for follow up action after the social audit – specific actions to be taken on different types of irregularities, protocol for review of action taken reports and closure of issues.
- 5) Participate in the governing body meetings (PAG is a member in most states) regularly and help ensure that SAUs function effectively and get the required support from state governments
- 6) Observe social audits and give feedback to improve the process and outcomes
- 7) Help in the extension of social audit to other key schemes including education, health, food security - give inputs relating to scope, frequency, design of questionnaires, follow-up protocols
- 8) Develop synergistic partnership between SAUs and itself

- 9) Organize periodic seminars to bring awareness on social audits, identify bottlenecks, share best practices and extend social audit to new areas.

9.3 MoRD Recommendations

Ministry has released guidelines for social audit of NSAP and PMAY-G and is also planning to roll out social audit of other schemes including RURBAN. There is a strong need to create one unit/wing in MoRD to support social audit of all schemes. This wing (with sufficient personnel) should not be under a programme division but should be independent like the Internal Audit Wing that reports directly to the Secretary. This will avoid conflict of interest between the programme division and social audit. It will also ensure that there is synergy between the social audit of different programmes – common capacity building programmes can be devised, funding for the social audit at the field level can be shared (currently, SAUs have to certify in the utilization certificate that the funds received have been used only for the social audit of MGNREGS), ensure that fund-release happens on time and that there is appropriate follow-up on the social audit findings.

Similar to the Empowered Committee meeting to review the state plan of action for rural development programmes before the start of the financial year, the Ministry should review the status (independence of SAU, sufficient strength, Governing Body meetings), performance (number of audits done, summary of findings and ATRs, quality of reports) and financial status of every social audit unit. Fund release to the SAUs should be dependent on this assessment.

MoRD should commission independent research studies in every state to evaluate the status of social audit unit, the quality of the findings and the state response. Eminent institutes in each state may be commissioned for this.

As pointed earlier, there has been a nearly 50 % drop in in the amount of funds released for social audit in 2020-21 compared to 2017-18; the funds have also been released after a huge delay – some of the SAUs received it only in the last week of the financial year. Both of these have severely affected the conduct of social audit. MoRD should ensure that the full 0.5 % of the previous year's expenditure is released before the start of the financial year to the SAUs. For smaller states and SAUs which cover all the Gram Panchayats, the % of amount allotted for social audit should be increased (In 2013, the Ministry had said that 1 % of the previous year's expenditure should be used for social audit, but this was subsequently watered down to 0.5 % which is proving to be inadequate).

Funds for social audit of PMAY-G and NSAP should also be directly sent to the SAUs. Non-provision of funds has been the main reason that social audit of these programmes have not been taken up on scale.

Ministry had supported a 30 day certification training programme for resource persons facilitating social audit. Nearly 5000 people have been trained so far. However, there has been no new trainings in the last two years. Many SAUs have hired new resource persons either because they established the unit recently or to fill up vacancies that arose due to turn-over of employees. MoRD should continue to support the training programmes for all resource persons to ensure that the quality of social audits conducted is high.

Ministry should address the MIS issues and make it easier for resource persons to enter data. Provisions should be made for entering the concurrent audit data and for entering social audit findings of PMAY-G and NSAP.

Concurrent social audit by the SAUs during Covid time has proved to be very helpful in identifying problems in the initial stage itself; usage of machines, contractors, marking attendance of people who do not work, usage of poor quality material, non-maintenance of NMRs at worksite all can be identified easily during concurrent social audit. Ministry should support this effort by SAUs. Maybe SAUs can do regular social audit once a year and do concurrent social audits twice a year.

Ministry should work with CAG to standardize the protocol for follow-up action and closure of issues to ensure that issues are not closed without taking appropriate action.

Ministry should follow up regularly (at least once a quarter) on the social audit findings and action taken reports. If the state is either not facilitating independent social audits or if the state does not take appropriate and timely action on the social audit findings, this should have an impact on the fund release of MGNREGS for the state.

Ministry should obtain the annual social audit reports (in the format specified for the reports to be laid in the state legislature), consolidate it and lay it before the Parliament.

9.4 State Government Recommendations

State governments should

- 1) Ensure that the SAU is truly independent – Governing Body or executive committee should not have any officers from the implementation agencies, the Governing Body should not be chaired by the Secretary of department implementing MGNREGS and that there are sufficient civil society representatives in the body.
- 2) Ensure that the SAU has sufficient staff required to facilitate social audit in all Gram Panchayats. It should appoint an independent full time Director. It should allow the Governing Body to hire required staff and formulate the HR Policy.
- 3) Issue orders mandating the submission of documents required for social audit on time.

- 4) Issue orders mandating the attendance of implementation officials & PRI representatives in the gram sabhas and public hearings. It should direct the DPCs to depute independent observers from other departments to attend the gram sabhas and public hearings.
- 5) Issue rules specifying the action to be taken on different irregularities.
- 6) Create a 3-tier vigilance mechanism to follow up on the social audit findings
- 7) Organise public hearings at regular intervals to review the social audit findings and ensure that appropriate action is taken in a timely manner.
- 8) Ensure that there is no interference in the closure of issues
- 9) Ensure that the SEGC reviews the social audit findings and action taken reports and prepares an annual report in the format specified by MoRD and is placed in the state legislature.
- 10) Provide additional funds for Social Audit (Sikkim RDPR department gives an additional amount to the SAU every year which has helped in ensuring coverage of 100 % of GPs. Uttarakhand Government gave Rs 2 crores for establishing the SAU)

9.5 Social Audit Unit Recommendations

The Governing Body of Social Audit Unit should

- 1) Meet periodically and take timely decisions for the smooth conduct of social audit
- 2) Approve the annual calendar, annual budget and annual report
- 3) Approve financial and HR policy – resource persons should be hired as fixed tenure employees and not on a daily / weekly contract basis
- 4) Approve sufficient staff at the state level for human resource management, capacity building, documentation, data management
- 5) Approve sufficient field resource persons required to facilitate social audit in all Gram Panchayats
- 6) Appoint a grievance redressal officer to receive complaints from the public about the social audit process
- 7) Ensure that the resource persons are paid reasonably in comparison to other such positions in the state government. Because of the high risk involved in this work (resource persons travel frequently, stay in remote locations, have difficulty getting safe and hygienic food & water), they should be provided with adequate health cover and life insurance.
- 8) Ensure that independent evaluations are commissioned periodically

The Director of SAU should ensure

- 1) That all resource persons are well trained and that social audit is done effectively and as per the auditing standards
- 2) That a monitoring system and a quality improvement programme is in place.

- 3) That a public website is create and all social audit reports & relevant documents are uploaded in the website
- 4) That annual reports are prepared and are publicly available

10 State Profiles

10.1 Andhra Pradesh

Interaction with wage seekers at Worksite



Worksite verification during the Social Audit



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 the SAU on deputation from office of the Director of Treasuries and Accounts Department. SAU is an autonomous organization 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 09 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 and Shri T. Viiaya Kumar I.A.S. (Retired) are non-government representatives in the Board. SAU sends social audit reports and annual reports to PAG. SAU has its own website and social audit reports are uploaded on the website.

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. VRPs are selected by DRPs. VRPs should be a beneficiary or from beneficiary family and should be able to read and write. There are 15 state staff, 07 SRPs, 60 DRPs and 414 BRPs.

Social Audit Process

Usually, it takes 3 to 4 days to complete social audit in one GP. However, if there are more hamlets, number of works and geographical areas, the audit will require one or two more days. A team consisting of one BRP and two VRPs facilitate social audit of one GP. One DRP monitors the BRPs and VRPs. Resource persons stay in the Panchayat up to completion of the 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 come down compared to earlier times. DRP records meeting minutes of the Gram Sabha.

The block/ mandal is taken as a unit and Gram Sabhas are held in all Gram Panchayats in the Block and finally Public Hearing is held at the Block level which is presided by the Project Director (APC). Block resource persons uploads the social audit findings immediately after the block public hearing.

Some of the common problems faced by SAU during the social audit process is low women participation, withdrawal of complaints by wage seekers during the public hearing and non-submission of the records.

The total expenditure for social audit of 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

Public Hearing at Block level is mandatory and Project Director/Additional Project Director, DWMA presides in these public hearings. A vigilance wing has been setup at the District and State level. Social Audit findings are discussed in District level bi-monthly Review meetings and also State level review meetings.

Social Audit of other Schemes

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.

Support Required

SAU needs support from State governments in terms of timely submission of records of Convergence Departments; prompt conduct of review meetings.

Areas of Concern

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

Box 10-1: Best Practices in Andhra Pradesh

Social Audit Process

- Identifying VSAs and Resource Persons from the beneficiary families.
- Technical Verification in the presence of the beneficiaries and Rozgar Sahayak Sangs/Mates.
- Non-acceptance of hospitality from implementing agencies.
- As part of social audit process, 100 % verification of wage seekers at their door steps will be done.
- 100 % 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 present at the workplace.
- Awareness: Community Meetings, Placards, Mass Rallies, Wall Paintings, Folk Songs, Social Mapping etc.
 - As part of social audit, the SA team creates awareness among the people in the community on EGS and government social welfare schemes.
 - Mode of Awareness: Community Meetings, Placards, Mass Rallies, Wall Paintings, Folk Songs, Social Mapping etc.
 - 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 are painted at the community centre / public place in the Gram Panchayat.

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
- Internal Monitoring Team (IMT): A 13 member team. Functions include
 - Monitoring the SA Team
 - Identification of Gaps
 - Improve quality of SA
 - Need Assessment of SA Team
 - Facilitate convergence meetings

Follow up Action

- **Public Hearings:** Social Audit Public Hearings are conducted at the Block Office where all the Gram Panchayat Reports are readout by the DRPs in presence of wage seekers, all Gram Panchayat & Block level implementing Officials and public representatives. The Project Director

(Additional 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

- Wage seekers' grievances were redressed mostly during the process of social audit especially requests related to new Job cards, delayed payments, medical allowances & first aid kits etc.
- **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, 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
- Monthly Review Meetings at District level: Review Meetings with the District Collector & District Vigilance Officers - discussion on deviations and immediate follow up action.
- 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
- Coordination meetings in the month of April at state & district level with all departmental officials where previous year's social audit observations will be presented

IT Interventions

- Apart from NIC, a separate MIS is also used within the SAU; data is captured immediately after the Public Hearing at Block level with 2 tier data validation by DRP & SRP
- All Social Audit Reports are available in 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: Online process; Filing, Inward, Outward, Financial transitions etc. Minimized paper usage at the office.
- 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.
- Introduced Bio-metric Attendance at the office
- Using social media tools such as WhatsApp, Facebook & YouTube

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 the Finance, Planning and Investment Department, Government 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) is the chairperson of the Governing Body. There are nine members in the Governing Board including PAG. There are 2 representatives from the civil society.

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 3 SRPs and 3 office staff are on monthly salaries. 138 VRPs, 22 BRPs are empanelled and 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.

Number of audits

There are 1827 GPs in the state. In 2018-19, they facilitated audits in 310 GPs as per the UC. In 2019-20 and 2020-21, they did not facilitate any audits.

Social Audit Process

The time taken for social audit process in a GP is 4-5 days including Gram Sabha. 2 VRPs facilitate social audit in a GP with additional support from 1 BRP and 1 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 work site verification. Resource persons do 25% of door to door verification and 100% work site 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 deputed 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.

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 be more independent.

Regarding support from MoRD, SAU wants additional funds for hill & rain areas; enhancement of salary of SAU staff and separate fund for purchasing laptop/printer to all the districts.

From the state government, funding support for organizing 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 funds on time and also present during Jan Sunwai.

Independent observer 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.

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 organizing public hearings. They also want exchange visits and on field training for the SAU staff.

Areas of Concern

- 1) Full-time director has not been appointed
- 2) SAU has not facilitated any audits in the last two years
- 3) DRPs have not been appointed (District Research Officers serve part-time as DRP)
- 4) SAU does not have a website
- 5) Block level officials are not attending the gram sabha at GP.
- 6) Code of Ethics for staff personnel has not been drafted
- 7) Social audit report is not available within the GP for people to look
- 8) They are not uploading social audit findings in NREGA Soft.
- 9) There is no block-level public hearing
- 10) There is no vigilance set-up at state level to look into the detected irregularities.

10.3 Assam

Job card Verification during the Social Audit in the village



Worksite Verification during Social Audit



SAU Structure and Independence

The Assam Society for Social Audit (ASSA) was established on 3rd December, 2016 under 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.

SAU Personnel

SAU has a full-time director. There are 5 SRPs, 32 DRPs and 122 BRPs. Village Resource Persons were selected from amongst the SHG members of intensive Block under Assam State Rural Livelihood Mission Society (ASRLMS). The minimum educational qualification for the VRP is HSLC pass. However, they have not been employed yet.

Funds

In 2019-20, they received Rs 3.08 crores and in 2020-21, they received 1.77 crores.

Social Audit Process

Usually it takes 06 days to complete social audit in one GP. Till now Village Resource Persons have not been engaged in the Social Audit process. Block Resource Persons are from the same district and don't stay in GP during the social audit process. Approximately 55% of the total households are verified and approximately 95% 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 Findings

SAU Assam facilitated audits in 1542 GPs in 2019-20.

Suggestions/Feedback/ Support Required

Social Audit frequency may be once a year in all Gram Panchayats. MoRD should develop guidelines on the action to be taken on different social audit findings. SAU has not been able to upload reports from 2018-19 due to issues with NREGASoft which have not been addressed. To ensure SAU is more independent, financial autonomy should be given to the Director.

Recent Changes / Improvements

A new Director was appointed in March 2020. Social Development Specialist and 5 State Resource Persons were appointed in March 2021. In 2020-21, social audit of PMAY-G & NSAP was done in 214 GPs and Fourteenth Finance Commission Grants was done in 192 GPs.

Areas of Concern

- 1) There is no financial autonomy to the SAU Director. Approval of P&RD Commissioner is required for payment to resource persons. Sr. FAO of P&RD Department is the joint signatory for the SAU bank account.
- 2) SAU does not prepare an annual report for submission to the Governing Board, PAG or SEGC.
- 3) It does not have a website and grievance redressal officer has not been appointed.
- 4) Social audit process - The social audit is facilitated only by the BRPs. Even though VRPs were trained and empanelled, they are not being utilized to facilitate social audits. SAU is not registering grievances.
- 5) DPC does not depute an independent observer to social audit Gram Sabha.
- 6) Block level public hearing is not held.
- 7) Test audits are not done.
- 8) Concurrent audit was not taken up during 2020-21.
- 9) No action has been taken on the social audit findings.
- 10) State level review of findings of social audit and action taken does not happen.

Recommendation

- 1) 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.
- 2) Social audit has been conducted in very few GPs - coverage needs to be increased to at least 80 to 90%.
- 3) Social Audit processes need to be improved and a quality control programme needs to be implemented.
- 4) SAU should develop an independent website and host all the reports there.
- 5) The state should create a 3 tier vigilance system to follow up on the social audit findings.
- 6) State should specify the action to be taken on different irregularities and establish a protocol for closure of issues.
- 7) The state should place the annual summary of social audit findings and action taken reports in the state legislature.

10.4 Bihar

Resource persons sharing findings in Social Audit Gram Sabha



Verification of wage seekers during Social Audit



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. The Director of the SAU is a serving Additional Secretary of the Department of Rural Development. Bank account of the Society is operated by Additional Secretary cum Director, SAU and Deputy Secretary in the Department of Rural Development who is also an advisor to SAU.

SAU Personnel

One SRP and 31 DRPs have been deployed. There are 534 sanctioned posts of BRPs but no hiring has been done for these posts. VRPs were selected from SHGs members through a written test and interview. The number of VRPs who facilitated audit in 2019-20 was 1192. Minimum educational qualification for VRPs is 8th pass.

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). The number 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 5 GPs. The resource persons stay in the GP during the social audit process. The team creates awareness through activities including wall writing and focus group discussions. 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. Decisions of the Gram Sabha are countersigned by jury members comprising Gram Sabha president and 2 SHG members.

MGNREGS Key Indicators

| | |
|--|-----------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 39 % |
| Cumulative number of issues found during social audit | 16,754 |
| % issues closed satisfactorily | 0 % |
| Cumulative amount of financial misappropriation reported | Rs 11.41 crores |
| % of amount recovered | 0 % |
| Cumulative number of grievances filed | 3,817 |
| % grievances redressed | 0 % |

Social Audit of Other Schemes

In 2019-20, SAU has facilitated social audit of Public Distribution System and Lohiya Swachh Bihar Abhiyan in 2667 GPs. It also facilitated social audit of Neer Nirmal Pariyojana under PHED Department (3 Multi-village schemes and 85 single village schemes were audited). The Bihar

State Food & Civil Supplies Corporation Limited has transferred Rs 7 crores to the SAU for facilitation of social audit of the PDS.

Recent updates

Advertisement has been issued for the recruitment of SAU director and other key staff. Recruitment for state staff has been completed and 14 new staff will be appointed. SAU has not received any fund after getting first tranche in 2020-21.

Suggestions, Feedback, Support

Support from MoRD is required for the following: timely allocation of funds; follow up with state on ATRs; appointment of nodal officer in MoRD; exposure visits for knowledge and experience sharing with other states; capacity building of SAU staff at national level; MIS training; monthly review of social audit activities; guidelines on HR policy of SAU.

MoRD has to reimburse the amount (Rs 1.40 crores) that the Bihar SAU has spent for the SHG VRP training. A total of 4347 people were given the 4 day training in 2018-19.

The state government should publicize social audit among all stakeholders, provide additional financial support and review the social audit process and findings every month. Separate office, infrastructure and staff are required for independent functioning of SAU.

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. Most of the sanctioned SAU posts (BRPs and DRPs) have not been filled.

There are no civil society representatives in the Governing Body. The MGNREGS commissioner is a member of the Governing Body which is a conflict of interest. The Governing Body has not met even once in 2019-20 and 2020-21.

Block level public hearings are not conducted. There is no follow up action on the findings of social audit. Payments to VRPs is done through Jeevika (SRLM) which leads to substantial delays.

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) Fixed tenure BRPs should be hired. They should complete the 30 day certification course and a BRP should lead the team facilitating the social audit in a Gram Panchayat.
- 4) 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.

- 5) State government should ensure that action is taken on social audit findings. A system of regular review of findings and ATRs should be set up including block level public hearings.
- 6) The SAU should be moved under the Planning Department to ensure its independence.

Box 10-2: Social audits in Bihar

Anindita Adhikari, PhD candidate, Brown University and SAFAR

Bihar was slow to institutionalize social audits with its social audit society only set up in 2018. It is yet to appoint an independent director and its governing body does not meet all the requirements that will make the society robustly independent and effective. Although social audits have been conducted rigorously across four programs, almost no action has been taken on the submitted reports. Nevertheless, an assessment of social audits in Bihar needs to go beyond these metrics to encompass its qualitative gains. My observations are based on visits to 8 districts across Bihar over a seven month long period spent living and accompanying social audits teams across the state.

Growing credibility of the social audit process in the state and increased transparency

After an initial pilot where NREGA was the only program audited, 3 more programs were included - PM Awas Yojana, Lohiya Swachh Bihar Abhiyan and PDS. During the regular social audit cycle, the team spends 6 full days doing house to house verifications, 1 day preparing reports and concludes with a public hearing on the 8th day. The teams split up into pairs, with each pair focusing on one program. The verifications are done based on the lists provided by panchayat and block officials. Complete documents, especially for NREGA, are provided in less than 1/3rd cases but I have observed that over the period of a year, documents and lists are provided with less reluctance and follow up than before. Local power structures in Bihar do not seem very threatened by the social audit process and local officials see it more as a warning to “correct their mistakes” and “build awareness which will lead to public pressure”. As word of the rigour with which the process was being conducted is spreading, other departments such as social welfare, agriculture, education, public health and engineering have also approached the social audit society to audit their schemes. This is testament to the growing credibility of the process in the state.

Amongst the first off the block in conducting concurrent audits in the pandemic year

Bihar was amongst the first states (along with Telangana and Jharkhand) to mobilise its social audit teams during the pandemic to undertake concurrent audits. Following the severe impact of Covid-related restrictions, more than 32 lakh Bihari migrants returned to the state and NREGA became the lifeline for many. Bihar's social audit team was quick to go out and start assessing implementation as well as collecting demand for work applications. However unlike Jharkhand, the social audit teams here do not have the authority to independently register demand and can only submit it to panchayat and block officials for action. This data is not being compiled at the state level so we have no way of assessing how much demand has been collected via this process. Also in a return to opaqueness, the reports of concurrent audits are not available on the national NREGA MIS.

Womens' participation in public life

Social audits in Bihar are carried out by a cadre of mostly women drawn from self-help groups of Jeevika, the state's rural livelihood mission. These women who previously had not stepped out of their villages now spend 24 days in a month away from their families staying in schools, anganwadis and sarkaari bhawans in the panchayats where the social audits are being conducted. Beyond the filling of formats, these women interact with over 500 people in a panchayat over the course of the audit period, hold their own in large public meetings, mediate heated confrontations, extract documents from panchayat and block officials, negotiate with local elected representatives while ensuring that the integrity and independence of the social audit is not compromised. One concern is that while women are breaking certain barriers through their participation in the social audit exercise, new glass ceilings are created. Leadership of teams, liaisoning with officials, conducting the hearing is left to the male members of the team. An effort needs to be made to build the skills to enable more women VRPs to take on leadership roles as well.

Low attendance by officials nominated for public hearings, action delayed or denied

An independent observer representing the District Programme Coordinator should attend the gram sabha but this happens less than 40 % of the time. Another critical aspect of the social audit process is the conduct of block level public hearings where testimonies of both sides can be heard, evidence can be validated publicly and the findings in the social audit report ratified on the spot. But this does not happen in Bihar. Instead, the audit reports land up on the desk of the district official, usually the Deputy Development Commissioner, who then asks an inspection team to fact-check the social audit findings before initiating action leading to considerable delay and weakening of the finding.

Social audits in Bihar are still at an early stage and are being carried out with tremendous energy at the field level. However, to sustain the momentum, keep the VRPs motivated and to

ensure that the integrity and independence of the process does not waver, the social audit society will need to invest in quality improvements in the capacities of its district coordinators and village resource persons, departments enlisting the SAU must review the findings of the social audit reports and initiate action within fixed timelines and all reports must be made public. It is critical that the state team of the SAU put a dedicated team in place to analyse data and create actionable summary reports for social audits conducted across schemes which must be published on their website. At present, social audit findings remain an internal conversation between the SAU and concerned departments. There is an urgent need to make the social audit findings public so that the “social” in social audits can be realised and ordinary citizens, the media and elected representatives at different levels can hold the government accountable.

10.5 Chhattisgarh

Work site Verification during Social Audit



Work measurement during the Social Audit



SAU Structure and Independence

SAU is functioning under a Society which has been registered on 22.2.2014. Chief Secretary 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 civil society organizations. 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 mobilize 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. There are 9 staff at the state level, 3 SRPs, 34 DRPs and 367 BRPs in the SAU.

Social Audit Process

Social audit process in a GP takes six days per GP and 4 VRPs belonging to other GPs along with 1 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 % door to door verification and 100 % worksite verification. FGDs in wards, rallies in GP and wall paintings are being used for raising awareness and mobilizing people for the gram sabha. Block level implementation officials attend the gram sabhas sometimes 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 where 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 NREGA Soft.

Rs. 12,366/- is the expenditure of social audit process per GP in Chhattisgarh. GP bears the cost of tent for the gram sabha.

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. The meetings were presided 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 organized by department and chaired generally by ACS, P & RD. Only a few districts are submitting ATRs.

Quality Control

As part of quality assurance, DRPs have been directed to visit the GPs while audit is being conducted to ensure all the auditing criterion is being met by the team. Secondly, the reports are verified by the DRPs before being submitted to the PO/ CEO- ZP. Thirdly, regular review meetings are conducted at the state level in order to check the progress and review quality of Social Audits.

To verify the quality of social audits, test audits are conducted. Based on the reports of test Audits, respective BRPs are called and warned to not repeat these mistakes.

A complaint registration mechanism against erring resource persons has been established. On receipt of any corruption complaint against SAU staff,

1. Show cause notices are issued immediately
2. Committee is constituted to verify the complaint and submit report to the director for any further action.
3. Contracts have been ended for those resource persons who were found guilty of corruption.

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, show-cause notices have been issued to the BRPs.

Suggestions, Feedback, Support Required

MoRD should

- 1) Release funds to SAU on time.
- 2) Issue clear and uniform guidelines pertaining to administrative set-up, human resource management, financial procedures, and remuneration fixation/ increment so that there is autonomy for the SAU and no dependence on department
- 3) Fix percentage of fund allotment for Social Audit of other schemes such as PMAY-G, NSAP and FFCG.
- 4) Provide guidelines regarding administrative set-up required for Social Audit of other schemes such as PMAY-G, NSAP and FFCG.
- 5) Revise salary structure of Social Audit resource persons as currently, salary of Social Audit resource persons is being provided as per MoRD norms listed in MoRD letter no. M-13015/2/2012 dated 11 june, 2014 without any annual increment.
- 6) Remove some items from the inadmissible list including payment of EPF to resource persons and repairs and maintenance of SAU's office.

- 7) Ensure that the MIS is stable and NIC fixes the outstanding issues.

Common Problems in conducting social audit

Complete records are not provided for Social Audit; on an average, approximately 70% 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.

Box 10-3: Best Practices in Chhattisgarh

- 1) **On-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
- 4) An MIS has been developed for managing concurrent social audit findings

Areas of Concern

- 1) Financial Misappropriation of nearly 38 crores has been reported but only 1.30 crores has been recovered (3.4 %)
- 2) The Governing Body did not meet even once in 2020-21
- 3) Social Audit of other RD schemes have not been taken up

Recommendations

State Government should

- 1) Frame rules specifying action to be taken for different irregularities
- 2) Depute officials to participate in Gram Sabha and Public Hearings.
- 3) Establish a 3-tier vigilance mechanism as specified in the AMC to follow up on social audit findings
- 4) Ensure that action is taken by the implementation agencies
- 5) Start social audit of NSAP and PMAY-G

10.6 Gujarat

Worksite Verification during Social Audit



VRP orientation before going for Audit



SAU Structure and Independence

A separate society for social audit named 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 since.

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 or any officials of implementing agencies. Preference is given to women and those from SC/ST community.

Out of 6 sanctioned posts of SRP, only one is filled and out of 20 sanctioned posts of DRPs, only 4 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 for 2019-20.

Social Audit Process

Usually it takes 04 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.

Suggestions/Feedback/ Support Required

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 so that uniformity be maintained 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 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 since 2017-18. DPC does not depute an independent observer for the social audit gram sabha.
- 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 once in the last 3 years.

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 Haryana

Job card verification during the Social Audit



Training of Social Audit Resource Persons at District Level



SAU Structure & Staff

Haryana formed its social audit society (Haryana Society of Social Audit, Accountability and Transparency for MGNREGS) in 2019. Members of the Executive committee include the Chief Secretary (Chairman), Principal Secretary of RD, Principal AG, Commissioner (MGNREGA), Labour Commissioner, Director SA (Member Secretary), Director Panchayat Development and representative of Finance Department (not below the rank of Joint Secretary)

Government has appointed a full time independent director and some state staff. The Village Resource Persons (VRPs) have been identified from Self Help Groups of HSLRM and like programmes; the workers from Civil Society Organizations (CSOs) are also included, if available in the area. At present the SAU has trained 492 VRPs who are working in Social Audit of MGNREGS. They belong to various villages throughout the state. SAU Received 150.34 lakhs from SAU in 2020-21.

Audits Conducted

Social audit was planned to be conducted in 2830 GPs where the expenditure was more than Rs 1 lakh. Social Audit has been conducted in all 22 Districts in three phases

- 1) Phase-I included five Districts namely- Kurukshetra, Yamunanagar, Fatehabad, Gurugram, Panipat (w.e.f 14/07/2020 to 10/09/2020) covering **659** GPs.
- 2) Phase-II included six Districts namely- Karnal, Jind, Panchkula, Ambala, Kaithal and Sonapat covering overall **828** GPs (w.e.f 12/10/2020 to 05/12/2020).
- 3) Phase-III included seven Districts namely- Mewat, Palwal, Bhiwani, Hissar, Charkhi Dadri, Mahendergarh and Faridabad covering **955** GPs (w.e.f 06/01/2021 to 28/02/2021).

Key Findings

Social audit findings/reports are being uploaded on the website. As per the MIS, in 2020-201, 4339 issues were reported from 2049 audits that were conducted. There were 15 financial misappropriation issues and the amount was Rs 5,95,749.

Future Plan

SAU is planning on providing training to 492 VRPs with the help of HIRD Nilokari. It is planning to take up social audit of PMAY-G, NSAP and FFCG. It plans to enact The Haryana Community Participation And Public Services Social Audit Act and Memorandum.

Recommendations

The SAU should hire fixed tenure DRPs and BRPs and certify them based on 30 day course on social accountability.

10.8 Himachal Pradesh

MGNREGS work Measurement during the Social Audit



Group Discussion with Wage seekers during Social Audit



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 2 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. Govt. 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 2.2.19, 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. 2 from the state office, 4 DRPs and 94 BRPs are women.

SAU has adequate number of people to facilitate social audit. But large number of people are leaving the jobs due to uncertainty of the future as retaining policy is not there. Steps to retain must be framed by State/Centre Govt. to retain the resource persons. 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 crores from MoRD in 2017-18 and Rs 1.60 crores 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 6 days including Gram Sabha and it is facilitated by 01 VRP and 01 BRP. The resource persons are not from the same GP. 85% door to door verification and 90% work site visits are being done by the resource persons. Information during door to door visit, through ward sabha community mobilization, banners and posters and through public announcements are being used to raise awareness and mobilize people for Gram Sabha. Either BDO or a person deputed by him attend the gram sabha at GP level. DPC deputes 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 utilization of money recovered.

Support Required

SAU is planning to do social audit in 3226 GPs twice during 2019-20. SAU is planning to recruit 2 DRPs, 2 VRPs and 18 BRPs who need to be trained. The state unit also requested for refresher training to its resource persons and exchange visits.

Social Audit of Other Schemes

- 1) Govt. run Bal/Balika ashram of women and Child Development Department – 4 audits in 2017-18 and 6 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.

10.9 Jammu & Kashmir

Social Audit Gram Sabha



Worksite verification



SAU Establishment

Jammu & Kashmir Society for Social Audit, Accountability and Transparency was registered in 2018. Chief Secretary is the chairperson of the Governing Body. PAG, RD Secretary, RD Additional Secretary, Jammu Rural Development Director are other members of the Governing Body. GB has not met in 2019-20 and 2020-21.

Staff

A new SAU director from civil society was appointed in January 2021. There are 14 DRPs who facilitate the audit. There are no BRPs. Seventy eight community auditors from SRLM has been empanelled as VRPs in November 2020.

Finances - The SAU received Rs 2.03 crores from MoRD in Jan 2020.

Suggestions / Support required

SAU is requesting that the DRPs be provided training on the Social audit MIS.

Key findings

45 % of the GPs were audited in 2019-20. In 2020-21, 30 % of GPs have been audited. Financial misappropriation of 126.80 lakhs has been reported. But only 4 % of this has been recovered. Disciplinary action on 2 personnel has been taken.

Concurrent audits were done in 690 GPs from August to December 2020. The total number of issues reported was 1229 out of which 254 had been closed.

Areas of concern

- 1) The % amount recovered is very low.
- 2) Project officers who are implementing MGNREGS should not be facilitating social audits.
- 3) Inability to give summary figures relating to social audits & case studies
- 4) Non-preparation of an annual report
- 5) DRPs are dependent on the village officials for transport

Recommendations

- 1) SAU website should be created and all social audit reports should be hosted in the public domain
- 2) Fixed tenure BRPs should be hired and social audit process in a GP should be led by a certified BRP
- 3) SAU should improve data management and documentation work
- 4) SAU should prepare annual report
- 5) Social audit process needs to be improved

10.10 Jharkhand

Public Gathering during Panchayat Level Public hearing



District Level Public hearing at Latehar



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 07 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, total 02 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 regularly. 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 Govt. 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 6 state level functionaries, 24 District resource persons, 267 Block resource persons and 1126 village resource persons. 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 7 days including Gram Sabha and public hearing. Usually, a team consisting of 07 members with 01 BRP and 06 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 to 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 average 08 Gram Sabha in a GP. Traditional Pradhan presides over Gram Sabha in Fifth Scheduled 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 mike, 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 action 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 which are detailed in the table below.

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

| Sr. No. | Scheme Name | 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 |

Key Indicators

| | |
|---|-----------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 35 % |
| Cumulative number of issues found during social audit (2017-20) | 91,381 |
| % issues closed satisfactorily | 32 % |
| Cumulative amount of financial misappropriation reported | Rs 46.61 crores |
| % of amount recovered | 33 % |
| Cumulative number of grievances filed | 22,765 |
| % grievances redressed | 54 % |
| Number of personnel on whom disciplinary action has taken | 243 |
| FIRs lodged | 28 |
| Number of personnel on whom fines were levied under section 25 | 3120 |

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.

Box 10-4: Best Practices in Jharkhand

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 of 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% 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 MGNREGA Act

3. Special Social Audits: Based on complaints from individuals, CSOs, people's representatives and media, special social audits are conducted with 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 5% 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 5 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 1 PAG member, 2 person from Academic Institutes, 3 representatives from Media and 3 representatives of Civil Society.

10.11 Karnataka

Interaction with Wage Seekers and Verification of document at Worksite



Social Audit Gram Sabha



Box 10-5: Interview with Karnataka BRP Ms. Seema M. A

How were you selected?

I used to work in government PU college as a teacher/faculty for 3.5 years when I came to know about the post of BRP/TSAC through an NGO called “Vikaasana”. I attended an interview at the Zilla Panchayat office where I also was given tests on computers and Kannada typing. I was selected and joined as Taluka Resource Person on 5th August 2009. I was given the charge/responsibility of 9 Gram Panchayats after joining for the job.

Why did you join as a social audit resource person?

I joined as a social audit resource person because I like to work with people and wanted to work at the grassroots level i.e. gram panchayat.

How many audits have you done?

I facilitated audit in 36 GPs in 2019-20 and 22 GPs in 2020-21

What are the major issues in MGNREGS implementation in your state?

1. The IEC activities conducted under MGNREG scheme are not reaching the people. Even though there are IEC coordinators at the Taluka level they are unable to carry out the IEC activities effectively. The activities should be in the local language of that area and popular forms of art like street plays should be used.
2. Periodic Job card validation by implementing agency is not being done which is resulting in issues like payment being made to dead beneficiaries, anganwadi workers and migrated people.
3. Citizen Information Boards are not being placed at the worksite. Due to this issue sometimes double works are being shown as done in the same location/place.
4. MIS is not robust and double entry of the same work is being done by the implementing agency and double payment is being done for the same work.
5. Output of individual works (farm pond, fish pond) is not there
6. Non permissible work has been implemented.

What are the difficulties / challenges you face during the social audit process?

Other implementing agencies not fully submitting documents of their department for social audit. Some PDOs try to spread negative perception of social audit among the people which poses a challenge during the social audit process but there are also PDOs who welcome social audit as a good step.

Any memorable incidents / anecdotes from your field experience?

We were once locked inside Marlega GP in Maddur taluk when we went to see the documents of mgnrega works. Many works were executed without any documents and expenditure was been booked without work execution. To look at the documents, all the taluk BRPs went there. The Contractors and PDOs locked us all in the GP.

Can you list one major issue/finding from the social audit facilitated by you?

In Bedrahalli and Atagur GPs of Maddur Taluk, women workers became aware of their rights due to the social audit work and have been demanding work regularly. Because of this they are getting 100 days of work every year and they are happy.

What changes need to be made to make the social audit process more effective?

1. Data Entry Operators are to be recruited to enter data into MIS so that TRPs can spend more time with the community and in the social audit process.
2. One TRP has to be assigned the responsibility of one gram panchayat at a time instead of the current scenario of TRPs being assigned two GPs simultaneously. Actually this one TRP/ GP at a time was followed in the year 2016 and came out as a successful step as the social audit process could identify a large number of findings and qualitative findings.
3. Currently the social audit team does not stay in GP/villages during the audit process. If the team starts staying in the GP then a good rapport with the local people can be built and the audit can be facilitated in an effective manner. An exception to women can be given if suitable conditions do not exist.

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 Addition Chief Secretary / Development Commissioner.

SAU Personnel

The Director is Full-Time, a retired government officer, selected through open advertisement. However, the tenure of the Director is fixed for 2 years by the State Govt., as against the MoRD guidelines for 3 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

utilized. In 2019-2020, 2100 VRPs, 24 Assistant BRPs, 184 BRPs, 31 DRPs and 3 SRPs facilitated social audit across the state.

Social Audit Process

Depending on the number of works and expenditure, 2-4 VRPs spend between 2-6 days in a GP facilitating the social audit. The TRPs are in-charge of two Gram Panchayats simultaneously. Hence they won't be there in the GP for the entire period of social audit but will attend for around 2 days and on the day of Gram Sabha. When they are in a GP, TRPs usually look at public works which need more attention and technical knowledge for their verification compared to the individual works verification which is majorly done by VRPs.

On the first day of the social audit process, VRPs do the document verification at the GP level, fill in the checklist that has been designed and note down any findings. On 2nd, 3rd & 4th day of social audit, the team does the door to door verification of the labourers, notes down the names of new wage seekers, visit Anganwadi to find out death cases and people who moved out of the village after marriage, does worksite verification of individual works and public works. The team informs people about the social audit gram sabha date and distributes pamphlets. The Gram panchayats also announce the date by beating drums/tamtam. On the 5th day of social audit, the team prepares the reports to be presented in the social audit gram sabha by compiling all the findings. On the 6th Day, the team facilitates the gram sabha.

The GP makes the arrangements for the gram sabha like provision of public announcement system, tent, water. The gram sabha is usually presided by the officer from a department other than the implementing agency who are invited based on their availability from the list of officers provided by the CEO, ZP. The officers who preside the social audit gram sabha are usually from the Education and Social welfare department. If no officer is available then a person among the people gathered during the gram sabha is selected to chair the gram sabha. The meeting minutes are recorded by TRPs earlier GP officials used to record the meeting minutes but as they were not doing a good job and were not recording anything at all in some cases the TRPs have been doing this task.

Social Audit Expenditure

The TRPs are being paid Rs. 15,000/- on a monthly basis along with Rs. 300 per GP for stationeries required during the audit process. The TRPs are also getting a 5-10% hike in their salary every year. The VRPs are being paid Rs. 350 on a per day basis. Expenditure on facilitating social audit in one GP comes to Rs. 13,800.

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 Grama Panchayat Development Officers and other implementing officials. The audit findings are also discussed in the quarterly review meetings of Zila Panchayat Chief Executive officers (DPC) presided by the Hon. Minister RDPR.

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 (3 DRPs, 28 TRPs and 3 Assistant taluk co-ordinators).

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.

Key Indicators

| | |
|---|-----------------------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 98 % |
| % of GPs where MGNREGS was social audited in 2020 – 21 | 50% (1 st round) |
| Cumulative number of issues found during social audit in last 4 years | 1,29,584 |
| No of issues closed satisfactorily | 12,636 (9.8 %) |
| Financial Misappropriation amount in 2019-20 | Rs 86.26 crores |
| % amount recovered in 2019-20 | Less than 5 % |
| Total financial misappropriation amount from 2013-14 to 2019-20 | Rs 293.80 crores |
| Amount recovered in last 4 years | Rs 5.38 crores (1.8 %) |
| % grievances redressed | Less than 5 % |

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 has 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.

Recent Changes

Social audit of NSAP was done in 3152 Gram Panchayats. Social Audit of Fourteenth Finance Commission Grants in all Gram Panchayats was done in 2020-21

Positive Aspects

- 1) Good HR Management - Internal transfers of SAU resource persons, external exposures done by the SAU resource persons, recognition of SAU staff and promotions to them
- 2) Quality control

Areas of Concern

- 1) Director, SAU does not have independence in spending sanctioned budget.
- 2) The governing body and the executive committee has MGNREGS implementation officials which is a conflict of interest and is against the provisions in the MGNREG Audit of Scheme Rules.
- 3) Governing Body has not met even once in 2019-20 and 2020-21
- 4) Delay in receiving funds has affected the social audit – employees have not been paid for many months.
- 5) Social audit process in a GP is not led by a trained BRP (BRPs manage social audit in multiple villages at the same time)
- 6) Many VRPs have completed the 4 day training course. Many BRPs have not completed the 30 day certificate course on social audit.
- 7) ATR is not being submitted by implementing agencies.
- 8) SAU does not have its own website.
- 9) Some GPs have not provided records to social audit teams.
- 10) SAU does not send quarterly report in MoRD specified format to PAG.
- 11) 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.

Box 10-6: Test Audits and Special Audits in Karnataka

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. SRPs conduct test social audits on random basis from among GPs where the social audit reports contained only trivial issues. 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 5 DRPs.

Special Audits are audits conducted based on specific requests from implementation agency / others about irregularities in specific gram panchayats. In 2019-20, special audit was conducted in 14 GPs. In Malavallai taluka of Mandya District, special audit was done in 10 Gram Panchayats based on complaints from villagers about the use of machines in MGNREGS work.

10.12 Kerala

Social Audit Gram Sabha



Block level Public Hearing



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 seventy-one are selected with ninety-nine BRPs and thirty-four DRPs yet to be selected. Selection of VRPs also is not completed. Candidates with +2 qualification and below thirty years 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 +2, but among the 67000 applications that were received, there were many graduates and post-graduates. SAU plans to select 3 VRPs / GP (based on their merit while giving sufficient reservation for women, SC/ST community and those from MGNREGS households).

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 vary according to the amount of expenditure. The resource persons stay in the GP during the social audit process. Working hours are from nine to six every day. Resource persons do door to door verification. At the moment, they are covering only eighty percent households but would like to hundred percent in future. But they do hundred percent 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. In 2019-20, they facilitated social audit in 2831 wards in 405 GPs. In 2020-21, the SAU conducted concurrent social audit 39050 times.

Suggestions, Feedback, Support

NREGASoft allows only for data entry at panchayat level. Since SAU is facilitating social audit at the ward level, the MIS should be modified to accommodate this. They have written to MoRD on this but have not received any response. They would also like support from MoRD for training 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.

Recent Changes

The full time Director selected through open process has been repatriated and the Social Development Specialist selected through the same open process is holding full additional charge of Director from 27.02.20. Steps are being taken to appointment fulltime Director.

In 2019-20, social audit was conducted in 2831 wards. In 2020-21, concurrent social audit was done 39050 times (The number of wards in Kerala in 15962).

Positive Aspects

- 1) Systematic selection process for empanelment of VRPs
- 2) SAU has its own website (<https://www.socialaudit.kerala.gov.in/>) which has GB minutes and staff details.
- 3) Prepared Malayalam translation of the Auditing Standards, released by the MoRD, and will be officially released soon.
- 4) 'Geo Tracker' app is used by the RPs during field visit
- 5) Developed a mobile app named "sutharya" to capture file verification details.

Areas of Concern

- 1) SAU does not have a full-time director since February 2020
- 2) Political representatives have been appointed in the Governing Body
- 3) SAU has not received adequate funds from MoRD and that has seriously affected the functioning of the SAU
- 4) Many BRPs, DRPs are yet to be hired and empanelment of VRPs is also slow
- 5) SAU is yet to send reports (as per MoRD specified format) to the PAG
- 6) Annual report containing the social audit findings and action taken reports has not been submitted to the state legislature
- 7) Social Audit of PMAY-G & NSAP have been given to KILA. Multiple agencies facilitating audit of different schemes is not a good idea. It's best if audits of different schemes are conducted by the same agency at the same time.
- 8) Code of Ethics/Conduct has not been prepared

Recommendations

- 1) Social audit unit should conduct full social audits which includes a financial audit also instead of the current practice of looking only at entitlements and process issues.
- 2) An independent director should be appointed
- 3) The Governing Body should be reconstituted as per the guidelines
- 4) SAU should complete the hiring process soon and start facilitating audits in scale (at least once in all wards in the state)
- 5) The facilitation of social audits of NSAP, PMAY-G and other state wide programmes should be given to the Social Audit Unit and not to other organisations.
- 6) The political representatives in the Governing Body should be replaced with either civil society members or professionals from training/education institutions.

Box 10-7: Use of Mobile Apps in Kerala

Kerala has 14 districts, 152 blocks, 941 Grama 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 Grama 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 & 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 in the website of the Kerala SAU. Later, the various implementing agencies at Grama Panchayat, Block Panchayat, District Panchayat & 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 up loaded along with the Social Audit report.

10.13 Madhya Pradesh

Worksite verification



Social Audit Gram Sabha



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. 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 nineteen 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 CSC e-Governance Services India limited is working to develop a website and a mobile application that shall help with the conduct of a paperless social audit process.

Collaboration with Other Organisations

Despite the absence of an MoU or contract, prominent civil society organisations in M.P 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.

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. 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. To raise awareness and mobilize people for the gram sabha, wall writings, information dissemination during door-to-door visit by VRPs and announcements through conventional method are done. 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 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. The team does not face any threats/obstacles during social audit process. Expenditure on facilitating social audit in one GP comes to around Rs. 12,000.

VRP Selection

VRPs are being selected from SHG book keeper, BFT and persons having social audit related experience with minimum education of 10th class. Before 2019-20 the APO was involved in VSA selection but now VSAs are empanelled through an open advertisement, written test and interview. VSAs goes through four days training on social audit.

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. In 2019-20, only 4 block level public hearings were held. It is mandatory to include social audit report in agenda of general body meeting both at district and block level. There is no instruction regarding utilization 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.

Social Audit of Other Schemes

In 2019-20, Social Audit of PMAY-G was done in 8034 Gram Panchayats. Social audit of Mission Antyodaya was completed in 2343 GPs in 2019-20 and 2350 GPs in 2018-19. NFSA was audited in 22 GPs in 2018-19.

Recent Changes

Regular social audit was done in 14186 GPs in 2019-20. Concurrent Social Audit was conducted 22392 times in 2020-21. An RD official has been given the additional charge of SAU Director.

Suggestions, Feedback, Support Required

- 1) Regarding support from MoRD, SAU wants clear instructions regarding recruitment/engagement of BRPs and their 30-day certification course; inclusion of other necessary posts 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 utilize recovered amount.
- 2) 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.

- 3) 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.
- 4) From NIRDPR, support is required 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.
- 5) SAU should come under the authority of CAG to make it more independent.
- 6) Innovative practices followed are – taking services of bare-foot 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; Gram Sampariksha Samiti is constituted at GP level by Gram Sabha to conduct social audit process through stakeholder participation.
- 7) 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.

Areas of Concern

- 1) Secretary is chairperson of the Governing Body.
- 2) Commissioner of MGNREGS is an EC member which is against the norms
- 3) SAU Director is an RD official severely compromising the independence of the SAU
- 4) Frequent change of directors. The government was not able to find a person because they wanted to hire only serving officers for this position. The position should be open to people from civil society also.
- 5) GB meeting has not happened in 2019-20 and 2020-21
- 6) The social audit is done by the VRPs. It's not supervised by a BRP
- 7) Auditors who were working for the implementation agency have been appointed as DRPs.
- 8) MGNREGS cashiers working for the implementation agency have been appointed as BRPs. These people have not been provided the 30 day training.
- 9) Appointment of persons without any experience on transparency / accountability / rights of the poor as BRPs and DRPs is against the MGNREG Audit of Scheme Rules and seriously affects the quality of the audits.
- 10) CEO, ZP is authorized 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.
- 11) Quality of audits is poor based on the number of issues identified during social audit
- 12) Follow up action by the state government is poor.
- 13) There is no grievance redressal official and code of ethics also has not been drafted.

Box 10-8: Social Audits in Madhya Pradesh

Dr. Yogesh Kumar, Samarthan

Madhya Pradesh State Samajik Sampariksha Samiti (MPSSSS) was established as a registered society under the MP Society Act in January, 2013. The General Body and the Executive Committee are chaired by the Additional Chief Secretary (ACS) of the Department of Panchayati Raj and Rural Development. The same official is also the head of the implementing mechanism of the MGNREGS. This overlap dilutes the potency of the SAU.

The first Director was an officer on deputation from the Department of Higher Education. He was called back by the parent department within two years of joining. Since then, the Department of Panchayati Raj and Rural Development had posted 10 different officers as in-charge or on full time basis.

Two State Resource Persons were filled up through formal recruitment process. Remaining posts were filled through deputation. Out of the 7 posts, 5 posts have also fallen vacant recently. The District Resource Persons (DRPs) positions in 41 districts have been filled by deploying the full time District Auditors appointed for the MGNREGS. Similarly, cashiers of MGNREGS at the block level have been deputed to function as Block Resource Persons (BRPs) in 183 blocks. These

The social audits in India and in MP are still in nascent stage. It will require political will and administrative commitment to establish an eco-system favourable for promoting an environment of accountability and transparency. Some recommendations are given below.

Either an eminent person known for his/her commitment to promote transparency and accountability out of the Government system should be the chair of the SAU or senior bureaucrat out of the PR and RD department viz. Director General of the Academy of Administration should be appointed as the Chairperson of the SAU.

It is essential that a competent person from outside the department be appointed to steer the organisational development of the SAU for utilising its full potential. The district and block resource persons of the SAU should function independent of the implementing machinery of the programme.

In each district, there is a District Planning Committee (DPC) for planning and monitoring of development program and includes the local MP and MLAs. The social audit reports of the district as well as decisions of the Jan Sunwai should be placed in the DPC for ensuring

ownership of the local officials and elected representatives. With repeated sharing of findings, greater environment of accountability and transparency will get institutionalised.

There is a need to engage civil society organisation having expertise in social audits as well as participatory monitoring tools to check the quality of social audits and action taken reports on random basis. Many of the eminent institutions of the state viz. IIM, IIT and social work institutes may be willing to deploy their students to the field to observe whether the social audit process is being done as per the stated protocols.

The recorded proceedings of the GS should be reviewed by independent agencies that should be identified/nominated for different districts. Many of the Civil Society Organisations working in the districts will be willing to play such roles pro-bono or at a nominal costs.

Jan sunwais should be held after the social audit gram sabha. A panel of strong and unbiased individuals from the civil society backgrounds i.e. NGOs, media, academia, lawyers or doctors should be created to act as jury members in the Jan Sunwais. The district administration should not be given power to nominate the jury members of the Jan Sunwais; the SAU should play a critical role in identification of independent and credible jury members. Adequate budgetary provisions should be done for hiring the services of such eminent persons.

Strict action should be taken against officials who do not provide documents for the social audit. Similarly, action should be taken on the nodal officers who are nominated to attend to social audit but do not attend it.

10.14 Maharashtra

Awareness Meeting on MGNREGS during the Social Audit



Plantation field Verification during the Social Audit



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 Jt. Director as the mandatory signatory; the Society bank account requires the signature of the Deputy Secretary, EGS. 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 move as per the earlier process.

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 & 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 8 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.

SAU Personnel

The Director post is vacant for more than a year (from April 2020). 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 2019-20, total 9080 VRPs, 50 BRPs, 115 CRPs, 42 DRPs and 2 SRPs facilitated the social audit. Out of these DRPs and SRPs are empanelled with a package while others are hired on daily basis.

Social Audit Process

It usually takes 5 days for the conduct of social audit in one GP. 3 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 5 Cluster Resource Persons with each CRP scrutinising documents of 4 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 2 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 govt. 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. 15,000. 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.

Key Indicators

| | |
|---|-----------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 11 % |
| % of GPs where MGNREGS was social audited in 2020 – 21 | 10.5 % |
| Cumulative number of issues found during social audit in last 4 years | 1,29,584 |
| No of issues closed satisfactorily | 12,636 (9.8 %) |
| Financial Misappropriation amount in 2019-20 | Rs. 1.94 crores |
| % amount recovered | 1 % |
| Number of grievances registered in 2019-20 | 4941 |
| Number of grievances redressed | 431 (8.7 %) |
| Number of employees warned / censured | 868 |

Social Audit of other schemes

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. Social Audit of six institutions receiving grants-in-aid from the Ministry of Social Justice and Empowerment was also done.

Areas of Concern

- 1) Even though a society has been registered, the SAU still functions as a Directorate. The Society is not functional.
- 2) 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.
- 3) 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 are 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.
- 4) At the state level, there are very few people and even they have all not been hired through open processes. There is an overwhelming dependence on engaging retired government officials for administrative as well as process related positions.
- 5) Though the % of GPs that were audited has improved in 2019-20, it is still very low (11 %). The number of findings is also very low.
- 6) The cost of social audit facilitation / GP is high relative to the MGNREGS expenditure
- 7) 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.

- 8) 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.
- 9) During the social audit, the functionaries do not give the records on time. Follow-up action on the social audit findings is not taken.
- 10) The EGS department officials are not responding to the social audit findings in the NREGASoft MIS.
- 11) The amount of money recovered in response to the financial misappropriation amount reported is less than 1%.

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's mostly filled with EGS officials (Commissioner, Deputy Secretary, Under Secretary) leading to serious conflict of interest and reducing the independence of the SAU.
- 3) An independent full-time Director needs to be hired. 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.
- 6) The SAU needs to scale up the number of GPs that are covered every year.

10.15 Manipur

Door to Door Verification during Social Audit



Work Verification during Social Audit



SAU Structure and Independence

A society for facilitating Social Audit was registered in Jan 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. However, the GB has not met even once in the last 3 years.

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 also 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 holding 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 book keepers from Manipur state rural livelihoods mission (MSRLM) under NRLM. There is 1 SRP and 9 DRPs.

Social Audit Process

It takes 5-8 days depending upon the distance from district headquarters, accessibility and difficulty of terrain and size of GP. 2 to 3 VRPs along with the support of 1 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 done. 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

90% of Manipur is Hill Area (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, it would take a day or 2 to reach; job card holders usually have low level of awareness about rights and entitlement especially in hilly areas and their participation is low.

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 to be recruited – BRPs and VRPs. Orientation programmes for PIA on the importance of social audit will make social audits more effective.

Recent changes / Improvements

New Director has been appointed in March 2021. He is a state government employee from the Civil Supplies Department and holds the SAU Director position as additional charge.

DRPs can now upload the social audit findings without having to get approval from a department official. They have uploaded SA data for 77 % of audits conducted in 2020-21 compared to just 7% in 19-20.

They applied for the first tranche of funds of 2020-21 in February, but have not heard back from the Ministry.

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 audits in 353 GPs in 2019-2020
- 2) There are 10 FTEs who have completed the 30 day certificate course.

Areas of Concern

- 1) The GB is headed by the Minister, a political person
- 2) The BRPs who underwent training work full time in the implementation department and hence should not be facilitating audits.
- 3) The SAU has empanelled 33 VRPs from among SRLM book-keepers. SRLM is active only in 4 blocks and the currently empanelled VRPs come from these areas. 22 of them are unwilling to facilitate audit and hence there are only 11 now
- 4) The SAU does not have a website and the reports are not publicly available
- 5) GB did not meet even once during 2018-19, 2019-20 or 2020-21.
- 6) SAU is not sending quarterly reports to PAG.
- 7) SAU is not preparing an annual report.
- 8) The ACS, RD&PR is one of the joint signatory of the bank account.
- 9) SAU has not drafted a 'Code of conduct' for its employees.
- 10) The % of villages covered by social audit is very 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) SAU expenditure should not require approval of Commissioner
- 3) Governing body should meet regularly.
- 4) Recruit SRPs and as many BRPs as are required.
- 5) The identification of VRPs should not be restricted to SRLM groups. The DRP/BRP should have to identify youth in the villages who can be trained and then employed as VRPs.
- 6) The SAU needs to think about how to do audits in a cost-effective manner so that the most of villages can be covered in a year.

10.16 Meghalaya

Gram Sabha



Public Hearing



SAU Structure and Independence

The Meghalaya Society for Social Audit and Transparency was formed on 14th Nov, 2014 and registered on 25th Feb, 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. Composition of governing body and periodicity of meetings has been notified. Chief Secretary of Meghalaya is the chairperson of governing body. There are fourteen members in the Governing Board including PAG and many implementation officials. There are two representatives from civil society. Governing Board approves annual budget and authorized SAU Director to prepare the annual calendar for social audit.

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% 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.

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. One or two 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. Resource person stay in the GP. Normal office timings are 7 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 attend the Gram Sabha. The DPC is deputing independent observer to attend Gram Sabha in 2 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 include non-participation of people in few areas, non-attendance of VEC functionaries for public hearing and delay in receiving documents from Block.

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. 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 was 21,140; a significant fraction of these were grievances. The total misappropriation reported was 27.42 lakhs but only Rs 1.88 Lakh has been recovered.

Key Indicators

| | |
|---|--------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 99 % |
| % of GPs where MGNREGS was social audited in 2020 – 21 | 99 % |
| Cumulative number of issues found during social audit in last 4 years | 14,256 |
| % issues closed satisfactorily | 67 % |
| Number of grievances registered | 3652 |

Social Audit of Other Schemes

In addition to social audit of MGNREGS, social audit of other schemes were also taken up:

- 1) Social audit of NSAP was done for 42,977 beneficiaries in 2019-20.
- 2) Social audit of PMAY-G was done in 1683 villages covering 3680 beneficiaries.
- 3) Social audit of National Health Mission Programme and Services was taken up in 1965 villages under 15 blocks under all 11 districts
- 4) Social audit of Mid Day Meal Scheme was taken up in 1562 villages in 7 blocks of 2 districts (West Jaintia Hills District and Ri Bhoi District)
- 5) Social audit of Border Area Development Programme was done 199 villages in 15 border area blocks of 7 districts
- 6) Social Audit of multiple schemes including MDM, PDS, ICDS, NSAP, Annapurna, SSA, CMPS, MIDH, PHE, SBM, VDP, NHM, MMBS, PMMVY, MHIS, PWD (roads), Labour, Power, Agriculture, NAP was done in 46 villages in 3 districts.

Suggestions, Feedback, Support Required

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 funds 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.

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.

Recent Changes

The government notified the 'Meghalaya Community Participation and Public Services Social Audit Rules' in 2019. SAU has started to do social audit of multiple schemes as specified in the Act.

The Governing Body met in 29 January 2021. Additional Mission Director of MGNREGS has been given the additional charge of SAU Director.

Positive Aspects

- 1) SAU has a website (<http://mssat.nic.in>), and social audit reports are being uploaded. GB Minutes, EC meeting minutes and staff details are uploaded in the website.
- 2) State gives 10% additional funds for social audit of MGNREGS
- 3) Audit of PMAY-G, NSAP and other schemes are taken up along with audit of MGNREGS
- 4) 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.

Areas of Concern

- 1) The governing body has MGNREGS implementation officials which is a conflict of interest and is against the provisions in the MGNREG Audit of Scheme Rules.
- 2) The Additional Mission Director of MGNREGS is also holding the position of SAU Director thereby compromising the independence of the SAU
- 3) Annual reports of the SAU are not available from 2017-18 onwards
- 4) Most of the BRPs and a few DRPs have not completed the 30 day certification course on social audit.
- 5) VRPs are the persons who facilitate the social audit in the villages and hence they should also complete the 30 day certification course, but they have been provided only 4 days of training.
- 6) There is a significant gap between the conduct of audits and the submission of report to the department or government.
- 7) There is no grievance redressal official in the SAU and code of ethics also has not been drafted.
- 8) The number of financial irregularities & other issues reported is very less.
- 9) Follow up action on the reported issues and grievances filed is poor.
- 10) There is no vigilance set-up at the state level to look into the detected irregularities.
- 11) At state and district level there is no review of social audit findings.

Recommendations

- 1) 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.
- 2) It is important to not romanticize village bodies as often these bodies can also be undemocratic and unethical - important to hold them to the same standards and hold them accountable. It is important for the social audit to also check whether any financial misappropriation has taken place.
- 3) SAU should use the SA Index for honest introspection, to ensure that the intensity of SA improves which will in turn positively impact the implementation of MGNREGA.

10.17 Mizoram

Work measurement during social audit



MGNREGS workers in gram sabha



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 7 members, 1 Member Secretary, 1 Convener and 6 Special Invitees in the Governing Board and Chairperson is selected on rotation basis from among members. There are 4 civil society representatives in the Governing Board. The Governing Board approves annual budget, annual calendar and annual report of the SAU.

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 of 1 State Resource Person, 1 Social Audit Expert at State level who take care of the entire State and only 5 District Resource Persons who take care of the entire 8 Districts. Due to non-availability of Village Resource Persons (VRPs) in Mizoram, Bharat Nirman Volunteers (BNV) are deployed in the Village.

Social Audit Process

Usually it takes 3 days to facilitate social audit in one GP. Two Bharat Nirman Volunteers (BNV) are deployed per village to facilitate social audit. 2 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 get provided that the owner/care-taker of the accommodation have no connection with the Local Self Government/Village Council or a member of the Program Implementing member. Due to severe inadequacy of funds, the Resource Persons are given only 3 days to Audit 1 Village during which 3 to 5 worksites are visited based on random selection basis. Block level implementation officials attend the gram sabha. DPC deputes 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.

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, Shyama Prasad Mukherji Rurban Mission.

Key Indicators

| | |
|--|-----------------------------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 57 % |
| % of GPs where MGNREGS was social audited in 2020 – 21 | 35 % |
| Number of issues identified | 2228 (2019-20) and 1260 (2020-21) |
| Number of issues closed satisfactorily | 2221 (99.6 %) |
| Financial misappropriation in 2019-20 and 2020-21 | Rs 26.58 lakhs |
| Amount recovered | Rs 1.05 lakh (1.9 %) |
| Number of grievances registered | 267 |
| Number of grievances redressed | 267 (100 %) |

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.

Recent Changes

Social Audit of NSAP was done in 188 villages and social audit of PMAY-G was done in 130 villages.

Areas of Concern

- 1) SAU does not send quarterly or annual report to PAG.
- 2) Governing Body has not met even once in the last few years.
- 3) SAU does not have its own website.
- 4) There is no system of public hearing at any level and follow up on social audit findings seems to be compromised.
- 5) Though most of the issues reported in 2019-20 have been closed, the amount of money misappropriated is very less. It's not clear whether appropriate action has been taken on the closed issues.

Recommendations

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

10.18 Nagaland

Worksite measurement



Awareness meeting during social audit



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 Principal Accountant General of the state is the chairperson of the Governing Body. There are 13 members in the Governing Body of the Society including PAG and 5 members from the civil society. There is no executive committee for the SAU. Accountant General (Audit) is a member of GB and **representatives from the AG (Audit) are deputed as independent observer during District level public hearings.**

SAU Personnel

The Director is full-time, a 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 VIII pass.

In 2019-20, 154 VRPs, 22 BRPs, 24 DRPs and 2 SRPs facilitated the social audit. Out of these BRPs, DRPs and SRPs are empanelled with a package while VRPs are hired on daily basis. 2 State staff, 1 SRP, 14 DRPs and 8 BRPs are women. The SAU does not have adequate staff to facilitate social audit in all GPs in the state. They need more BRPs for 100% 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.

Social Audit Process

Social audit frequency is only once a year due to time constraint and lack of man power. Usually social audit happens over 3-7 days in one GP and 3-4 VRPs are generally deployed; both of these vary as per number and spread of habitations, physical terrain, and number of job-card holders. One BRP and DRP are engaged along with VRPs. Resource persons stay in the GP during social audit. Working hours are from 9-4 and door to door verification is carried out approximately in 95% households while 100% 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 mobilization 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 is chosen to preside by the gram sabha. 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 NREGA Soft.

Public hearing doesn't 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.

Challenges

Challenges being faced include delay in sanction for the conduct of social audit; attrition of temporary employees due to low wages; poor road connectivity and high transportation cost; poor internet connectivity; inability to conduct social audit during monsoon and sowing/reaping season.

Recent Changes

In 2020-21, due to lack of adequate funds, the SAU could complete social audits in only 44 GPs and concurrent audit in 8 GPs. In spite of taking loans from the state government (Rs 48.35 lakhs in 19.12.2020), they have not paid salary to employees since December 2020.

SAU has started audit of the Mid-Day Meal programme. State has issued a notification for social audit of PMAY-G.

Key Indicators

| | |
|--|---------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 39 % |
| Number of issues identified | 5785 |
| Number of issues closed satisfactorily | NA |
| Financial misappropriation amount | Rs 1.28 crore |
| Amount recovered | 0 (0 %) |
| Number of grievances registered | 964 |
| Percentage of grievances redressed | 45 – 60 % |

Suggestions / Feedback / Support Required

Enhancing human resources and timely release of funds would help the SAU. Support from state government is required in redressal of issues in a time-bound manner; documents to be furnished to the auditors promptly; MIS update/upload should be done in a time-bound manner. They require master trainer training of NSAP and MGNREGS for SRPs.

Periodical refresher course is required at state and inter-state level to consult and exchange ideas in order to be effective. 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.

Areas of concern

- 1) An independent society is yet to be formed
- 2) Governing Body has not met in 2019-20 and 2020-21
- 3) Inability to pay the resource persons on time due to delay in fund release by MoRD and the state government.
- 4) Annual report prepared by the SAU is not available in the public domain because the GB has not approved it yet
- 5) Annual report containing the social audit findings and action taken reports has not been submitted to the state legislature
- 6) State has not set up a 3 tier vigilance system to follow up on social audit findings
- 7) More than 2 crores of financial misappropriation has been reported but no recovery has been made.
- 8) State RD officials are not uploading all the ATRs in the MIS
- 9) Concurrent audit was done in a very small scale in 2019-20
- 10) SAU website is down

Recommendations

- 1) State government should give additional funds to the SAU given that the cost of conducting social audit is higher in hilly states. Sikkim government does this.
- 2) Government should issue guidelines on the appropriate action to be taken for different irregularities identified by the SAU and ensure that action is taken.
- 3) Governing Body meetings should be conducted regularly.

10.19 Odisha

Group discussion during social audit



Village level meeting



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 one lakh. Expenditure above one lakh requires the approval of Principal Secretary, PR & DW Department who is also the Chairperson of Executive Committee. 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.

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 to 8th pass.

Social Audit Process

In Orissa, social audit is conducted over seven days 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% of gram sabhas, GP officials are helping to write minutes. Social Audit of one GP costs total Rs. 22,345/-.

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 review, social audit findings and actions are discussed with DPCs and Block level officials.

Key Indicators

| | |
|--|------------------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 99 % |
| Number of issues identified in last 4 years | 43,685 |
| Number of issues closed satisfactorily | 12,394 (28 %) |
| Financial misappropriation amount | Rs 4.71 crores |
| Amount recovered | Rs 6.26 lakhs (1.46 %) |
| Number of grievances registered | 28390 |
| Number of grievances redressed | 12194 (43 %) |
| Number of FIRs filed | 1 |
| Number of employees fined | 4 |
| Number of employees censured / warned | 5850 |
| Number of employees suspended | 1 |
| Number of employees terminated | 2 |

Suggestions / Feedback / Support Required

Following support from MoRD is required: prompt & timely response to the request letters of SAU; support in ensuring the implementation of social audit clauses in the AMC & Auditing standards by the state; provision for support staff for SAU; review of the progress of Social Audit along with the review of the implementation agencies; suggestive cost norm on salary & other aspects of the SAU needs to be revisited. MIS issues raised by SAU should be quickly attended to. Relaxation in the inadmissible item list. Additional funds for social audit should be provided as

0.5% is not sufficient. 30 day certificate course should be organised frequently for the BRPs. Refresher training incorporating recent changes in the schemes needs to be done.

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) SAU facilitates social audit of 100% of all GPs in the state in a year.
- 2) SAU is entering data in the MIS 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 Governing Body has not met in 2019-20 or 2020-21
- 2) Implementation officials are part of the GB & EC of the SAU in violation of the MGNREG Audit of Scheme Rules.
- 3) SAU does not have a website to host the actual social audit reports in local language.
- 4) Sufficient staff are not available at the state level
- 5) The BRPs are not engaged on a full-time basis but are on an empanelled list and given work only for six months in a year.
- 6) BRPs not paid directly but the BDO pays NGOs which then pays the BRP.
- 7) Conflict of Interest
 - a. 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.
 - b. The DRPs report to PD, DRDA who also certifies his/her attendance every month.
 - c. The BRPs are placed under the supervision of BDOs.
 - d. BDO is the chairperson of the committee that selects VRPs.

- e. The accounts officer of MGNREGS is also looking at accounts in the SAU
- 10) The resource persons depend on the BDO for getting print-outs, system etc.
- 11) 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.
- 12) Capacity of resource persons needs improvement.
- 13) Quality Control Mechanisms (test audits, evaluations) are not in place.
- 14) State Support
 - a. Percentage of recovery of the misappropriated amount is very low (1.46 %)
 - b. Implementation agencies do not submit records for social audit (only 70% of records are submitted)
 - c. Non-cooperation from line department officials in giving records, in attending gram sabhas. Some GPs also do not give records on time
 - d. Independent observer on behalf of the DPC is deputed to the gram sabha only in 30% of the districts.
 - e. Findings are disputed and appropriate action is not taken on the findings.

Recommendations

- 1) All the arrangements with conflict of interest detailed above needs to be addressed. The implementation officials are involved in the social audit process in every step (Commissioner in the Executive Committee, PD supervising DRP, BDO selecting VRPs, BDO paying BRPs, approval required from implementation official for expenditure). This has to be stopped. The DRPs should report directly to the SAU. BRPs need to be hired as FTEs. SAU needs to 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 audits. 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 to include 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, 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 & Muribahal blocks.

10.20 Punjab

Awareness rally as part of social audit process



Social audit gram sabha



Box 10-9: Interview with Punjab BRP Mr. Ranjit Singh

Number of audits done in 2019-20: 424

Number of audits done in 2020-21: 92

How were you selected?

SRP came to block for public hearing once and they were looking for motivated BRPs to work with the community. After getting information about the vacancy, I attended an interview wherein Director, SAU was one of the panel members and then joined the SAU in December 2017.

How is the social audit process conducted?

The Social audit process is facilitated by two Village Resource Persons mainly and one Block Resource Person who will join for one day or as and when required. I will be rotating/travelling between the Gram Panchayats during the Social Audit period. The Social Audit process is carried out for a total of three days. After receiving the documents from the implementing agency, on the first day of the Social audit process the Social audit team does the document verification. On the second day, the team does the door to door verification of the beneficiaries and the verification of the worksites. The date of the Social Audit Gram Sabha is communicated to the people during these visits and with the permission of the management, they are also making use of the public announcement systems of the "Gurdwara" for announcement of the Gram Sabha date to the people. On the third day, the Social Audit Gram Sabha is being held wherein the Social audit team selects a chair-person nominated by the people gathered during the Sabha.

Any memorable incidents / anecdotes from your field experience?

During social audit of Lasian Gram Panchayat in Narot Jaimal Singh Block in Pathankot District, there was a heavy rainfall on the third day and the river was overflowing. Since we had announced the gram sabha will be held, we had to cross the river. We removed our clothes and crossed the river in our under-garments and then conducted the gram sabha.

Can you list one major issue/finding from the social audit facilitated by you?

During 2020-21, Mudde Abadi Khanpur GP, Sujampur Block, Pathankot District, the forest department work had a fake bill for the purchase of barbed wire for Rs 12 lakh. The forest department immediately acted on the issue.

Do you have any grievances?

- 1) The staff strength in Punjab SAU is less; there are few BRPs & DRPs to facilitate social audit process which increases the workload on the existing BRPs & DRPs.

- 2) Even after the Social Audit findings get validated, there is no prompt action. This results in loss of faith of people on Social Audit as they find it to be a routine exercise with no outcome at the end; this also demotivates the social audit resource persons.
- 3) The implementing agency is unable to provide us accessories like chairs, banners, mike etc.
- 4) Delay in receipt of documents for audit – they are provided only one day before.
- 5) Stationery & travel expense are borne by social audit resource persons
- 6) The staff are paid very less amount - BRPs are being paid Rs. 600 per day.

Any suggestions

- 1) The head of the implementing agency should be present in gram sabha or public hearing.
- 2) Projects should not be given to the land department as they misuse the money.
- 3) Worker verification is easier to do in concurrent social audit compared to regular social audit. Also, the quality of material and the amount of material used is easier to check during concurrent social audit.
- 4) Not only MGNREGS, the social audit of other Central Government sponsored schemes should also be conducted.

SAU Structure and Independence

The Punjab State Society for Social Audit, Transparency and Accountability was registered in 2016. SAU has an independent bank account and it is operated by Director and Deputy Controller (Finance & Accounts). 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. There is an Executive Committee for SAU, and there is a notification on composition of governing body and periodicity of meetings.

SAU Personnel

After the expiration of the term of the previous Director, Social Audit Expert has been appointed as Director-in-charge. 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. +2 is the qualification. There are 3 SRPs and 2 DRPs who are paid a monthly honorarium. There are 233 VRPs and 29 BRPs who are paid on a per-day basis.

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. To raise awareness and mobilize people for the gram sabha, information is shared during door to door visit, announcements are made through a public address system and a procession with MGNREGS workers in the GP are carried out.

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 in the MGNREGA website.

Problems being faced include - records/passbook are not updated; 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.

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.

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.

Key Indicators

| | |
|--|-------------------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 50 % |
| % of GPs where MGNREGS was social audited in 2020 – 21 | 21 % (till 26 Nov 2020) |
| Number of issues found in 2020-21 | 4306 |
| Number of issues closed satisfactorily | 654 (15 %) |
| Financial misappropriation amount | Rs 25 crores |
| Amount rejected by district officials and submitted to SAU for certification | Rs 10 crores |
| Amount recovered | Rs 15.5 lakhs (1 %) |

| | |
|----------------------------------|------|
| Number of warning letters issued | 1885 |
|----------------------------------|------|

Suggestions, Feedback, Support Required

According to the SAU, social audit should be done only once in a year 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, state staff are working at minimum wages without increment or incentive. Clear cut guidelines for the deduction of provident fund 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 follow 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 into the serious irregularities revealed by social audit, it 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; ensure safety and security of SAU staff and time bound action on social audit findings. Should sanction 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.

Recent Changes

Director position has been vacant for nearly 8 months. An advertisement was issued but since no suitable candidate was found, a second advertisement is planned shortly. GB and EC meetings were not held in 2020-21. Concurrent audit was started from September 2020 onwards. Two VRPs and 1 BRP facilitate audit from 2 – 4 days in a GP. A total of 4600 GPs were covered. Since Covid-19 is spreading again in Punjab, they plan to continue with concurrent social audit in 2021-22 also.

They had written to programme divisions asking for funds for social audit of NSAP but have not heard back. PMAY-G division said that they do not have any funds since the administrative fund was reduced from 4% to 1.7%. In a recent video conference, Ministry officials said that they are planning to raise it back to 4%. The PMAY-G division will give funds for social audit once that happens.

The SBM-G division has requested them to conduct pilot social audit of SBM-G in 100 GPs in 2021-22 and they plan to take this up.

Areas of Concern

- 1) A full time Director has not been appointed for more than a year.
- 2) The SAU has very few full time staff.
- 3) BRPs are hired on daily wage basis.
- 4) Social Audit has identified more than 15 crores of misappropriation but only Rs. 15 lakhs have been recovered.
- 5) SAU does not have a website and documents pertaining to SAU are not publicly available.

Box 10-10: Best Practices in Punjab SAU

- 1) The Village/Block Resource persons have been adhering to the strict instructions of not accepting hospitality at any level.
- 2) SAU has maintained individual record for each VRP/BRP of the days they have worked
- 3) 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, they have preferred graduates from rural areas having computer knowledge giving due representation to the women and SC candidates while selecting the VRPs & BRPs
- 4) 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
- 5) SAU has collaborated with educational institutions. They have provided not only outgoing graduate & post graduate students for empanelment of VRPs but also provided AC Hall & infrastructure free of cost for conducting training workshops.
- 6) The SAU conducted five workshops at Anandpur sahib, Doraha, Jalandhur, Ludhiana & Gurdaspur with collaboration of college staff without spending any amount from the Government funds & trained about 170 potential VRPs. The only expenditure was on the printing of booklet on social audit prepared by SAU in local language.
- 7) The SAU, to know the ground realities, conducted a pilot social audit in 10 GPs selecting 1 GP from each district. A special audit of another 10 GPs that spent around Rs 50 lac was conducted by SAE. The Department has written to the concerned about the irregularities pointed out by the Team.

10.21 Rajasthan

SAU Structure

An exclusive society for social audit was created on 19-09-2019. RD Secretary, MGNREGS Commissioner and Principal AG are members of the Governing Body. Chief Secretary is the chairperson of the Governing Body. Civil society members have not been nominated yet.

An R. Ac. S officer has been appointed as the Director of SAU. Though the SAU has a separate bank account, funds for the SAU are currently being routed only through the MGNREGS commissioner. MoRD transferred 13.5 crores but this was not immediately transferred to the SAU. Rs one crore was transferred initially and then the rest of the amount was transferred in two tranches.

Key Indicators

In 2019-20, audits were done in 8717 GPs (out of 9892 GPs) in the 1st round and 3671 GPs in the 2nd Round. A total of 227 issues were filed in the 1st round. Total misappropriated amount is Rs 98 lakhs and Rs 8 lakhs has been recovered so far.

Since Dec 2020, SAU has been facilitating concurrent audit. 5 VRPs and 1 BRP spend one day in a GP to do the audit. 2 rounds of concurrent audit have been completed in all the GPs so far.

Suggestions / Support Required

Hardware and software is required to manage the social audit findings. MoRD is requested to provide support for managing concurrent audit findings in NREGASoft. Funds from MoRD should be directly transferred to the SAU instead of through the state.

Areas of concern

- 1) SAU is yet to be established properly in the state
- 2) MGNREGS Commissioner is a member of the Governing Body of SAU & EC of SAU
- 3) Administrative control by RD Secretary in the day-to-day affairs of SAU is not desirable
- 4) The social audit is facilitated by untrained persons supervised by BDOs
- 5) The quality of social audit as seen by the reported findings is poor
- 6) Sarpanch of GP is presiding over the social audit gram sabha which is against the social auditing standards
- 7) Concurrent social audit was started very late (Dec 2020) and the quality of these audits is also poor
- 8) SEGC meetings have not been held after 2015

Recommendations

- 1) Civil Society Members need to be included in the governing body and the governing body should meet. Implementation officers should not be part of the Governing Body.

- 2) To ensure independence, the society should be under the finance department rather than the RD department as is the case now.
- 3) State government should hire a full-time director for the SAU through an open process. The Director should have knowledge and experience of working for the rights of the people.
- 4) SAU should hire adequate staff to facilitate social audit, train them and then start social audit. The BRPs, DRPs, SRPs should be on fixed tenure contract for one year. Their contract may be renewed depending on the performance. Social audit in a Gram Panchayat should be led by a certified block resource person. BRPs must be engaged on fixed tenure contract and not hired on a daily wage basis. This is to ensure that the quality of the audit is high, that an experienced person facilitates the audit and that he/she will be there to respond to the follow up action.
- 5) The number of resource persons that the SAU is planning to hire is high. The MoRD committee to extend social audit to other programmes recommended the number of resource persons required for facilitation of social audit of MGNREGS in all GPs at least once in a year. For Rajasthan, it was 275 BRPs, 28 DRPs and 3 SRPs and 4947 GPs. Since there are 33 districts, 33 DRPs may be hired and 6 SRPs as proposed would be required. Based on the experience of other states, it's important to have sufficient state staff. In addition to SRPs and a Social Development Specialist, there should be separate personnel for MIS, Capacity Building, Documentation, Accounts and support staff.
- 6) State should issue orders to ensure
 - a. submission of all documents required for social audit
 - b. non-interference of implementation officials in the social audit process
 - c. officials and independent observer attend the gram sabhas & public hearings
 - d. the provision of security to social audit team if required
 - e. prompt and appropriate action is taken on the social audit findings which requires
 - i. public hearings at block, district and state level
 - ii. accountability matrix defining what action has to be taken for each type of irregularity – to be used as a guide by panel members in public hearings
 - iii. creation of a 3-tier vigilance system to follow up on the findings
 - iv. periodic reviews of social audit findings and action taken reports
- 7) State should ensure that the SEGC meets regularly, that it discusses the social audit findings and action taken reports.
- 8) State should place the annual report containing social audit findings and action taken reports in the state legislature.

- 9) While it's important to do social audits in all GPs, the quality of audits should also be good. SAU may do special audits (to be done with additional resource persons, more capable resource persons and for more days when compared to regular social audits) in few (say 1 – 5 %) of GPs every year and use the learnings from this to improve the regular social audit process.

10.22 Sikkim

Door-to-door verification during social audit



Public hearing at gram panchayat



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 13 members in the Governing Board headed by the Secretary RM&DD. PAG and three civil society representatives are members of the Governing Board. SAU gets its annual budget, annual calendar and annual report approved from the Governing Board.

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 SAU does not have BRPs and VRPs.

Social Audit Process

In Sikkim, DRPs are responsible for facilitating Social Audit at GP level. It takes six days to complete social audit of one GP. Two DRPs are responsible for facilitating Social Audit in a gram panchayat. All responsible people from GP and Block attend the Jan Sunwai and answer queries. The Jan Sunwai is chaired by respective Zilla Panchayat member. The Jan Sunwai shall be held only if at least 30% of JC holders are present.

Follow up on Social Audit Findings

After the completion of Jan Sunwais in a district are completed, an exit conference is organized by the DPC and attended by all BDOs, AEs, APOs, JEs, GRS and Panchayat members. A presentation of the findings is made and detailed discussion on the social audit finding takes place. ATR should be submitted within one month. The audit para shall be dropped only if the gram sabha finds the ATR to be satisfactory.

Monthly progress report is prepared and half-yearly meetings are conducted at the state level to review progress on ATRs and summary of findings and ATRs are submitted to state legislature.

Recent Changes

Governing body meeting was held on 25th June 2020 and was chaired by the Additional Chief Secretary of the Finance department. During the meeting it was decided that the recovery on reported financial misappropriation would be linked to the ACRs of the ADCs and BDOs. It was also decided to develop a mechanism to reduce the short supply of materials at the worksite which is a common finding.

Key Indicators

| Financial Year | Total Number of Issues Reported | Total No of issues on which ATR has been submitted | Total number of issues closed satisfactorily | Total number of issues entered in the MIS | Total number of Action Taken Report uploaded in MIS |
|----------------|---------------------------------|--|--|---|---|
| 2020-21 | 669 | 68 | 68 | 669 | 68 |
| 2019-20 | 1833 | 765 | 765 | 1833 | 765 |
| 2018-19 | 1790 | 674 | 674 | 1790 | 674 |
| 2017-18 | 2052 | 899 | 899 | 2052 | 899 |
| Total | 6344 | 2406 | 2406 | 6344 | 2406 |

| Financial Year | Financial Misappropriation issues | | | Financial Misappropriation Amount | | |
|----------------|-----------------------------------|--|---------------------------------------|---|-----------------|-----------------------------|
| | Number of FM issues Reported | Number of issues on which ATR has been submitted | Number of issue closed satisfactorily | FM amount has reported in social audit (in lakhs) | Amount rejected | Amount Recovered (in lakhs) |
| 2020-21 | 49 | 26 | 26 | 106 | 0 | 97.1 |

| | | | | | | |
|--------------|------------|------------|------------|---------------|----------|---------------|
| 2019-20 | 175 | 20 | 20 | 55.85 | 0 | 3.53 |
| 2018-19 | 97 | 14 | 14 | 13 | 0 | 0.25 |
| 2017-18 | 159 | 43 | 43 | 45.76 | 0 | 12.19 |
| Total | 480 | 103 | 103 | 220.61 | 0 | 113.07 |

During the period 2013-17, 7184 issues were filed and out of this 3793 issues have been resolved (53 %). The total misappropriation amount was Rs 2.3 crores out of which 40.60 lakhs has been recovered (17.6 %)

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 SAU staff. SAU suggests timely submission of Action Taken Report (ATR) to make social audit more effective.

Recent Changes

In 2020-21, the SAU conducted concurrent social audit of MGNREGS in 75 GPs. They have also conducted social audit of SBM in 11 GPs.

Positive Aspects

- 1) SAU has published a simple and easy to understand illustrative 'Social Audit Handbook' that 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.
- 5) SAU has been completing social audit of all GPs in the state over the last five years.
- 6) There is close synergy between the rural development department and the SAU and the state has made many policy changes with respect to implementation of MGNREGS in response to the social audit findings.
- 7) Clearly identifiable effects of social audit
 - a. The irregularities reported have dropped from 1.74% to 0.13% from 2013-14 to 2018-19
 - b. Booking of public expenditure shifts to "as per actual" rather than "as per estimate"
 - c. Improvement in the record keeping of 20 registers

Areas of Concern

- 1) SAU's website has been down for more than six months.

- 2) Even though the SAU was established a long time ago and the state government recognizes the importance of social audit and appreciates the SAU's work, social audit of PMAY-G and NSAP which are mandated by the Ministry have not been taken up.

Best Practices

IEC Campaign for Gram Sabha Mobilisation and Capacity Building: DRPs conducts 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 serves 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 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% active job card holders must be present in order to conduct Social Audit Jan Sunwai / Gram Sabha. After this notification, GP officials and DRPs are making all efforts to ensure fulfilment of quorum resulting in enhanced public participation.

10.23 Tamil Nadu

Awareness meeting during the Social Audit



Work measurement during social audit



SAU Structure and Independence

SAU has been created to conduct social audit and it is functioning under a Society. The unit was established by Rural Development and Panchayat Raj Department of Tamil Nadu. SAU has an independent bank account. The Secretary of the Rural Development and Panchayat Raj Department is the Chairperson of the Governing Body. There are twenty-three members in the Governing Body including PAG and many implementation officials (Additional Director of RD (MGNREGS) and DRDA Project Directors). There is an Executive Committee for the SAU which also has the Additional Director of RD (MGNREGS) as one of the members.

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 were selected through open advertisement. SHG members who have worked under MGNREGS for at least twenty-five days and cleared 8th standard are being selected as VRPs. The SAU has 619 fixed tenure employees most of whom are block resource persons.

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 conducted on the first day of social audit in the village panchayat. Also, co-ordination 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 to 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 – delay/non-submission of records for social audit, some of the job card holders are not available during the door to door verification because of which 100% verification is not possible.

Follow up on Social Audit Findings

There is no vigilance set-up at the state level to look into the detected irregularities. Block level public hearing doesn't take place. A High level committee constituted at the district level meets to look at the ATRs submitted by the PO and decides whether to drop the issue or not. This high level committee consists mostly of implementation officials.

Key Indicators

| | |
|---|--------------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 100 % |
| Cumulative number of issues found during social audit | 6,63,544 |
| No of issues closed satisfactorily | 1043 (0.15 %) |
| Cumulative Financial Misappropriation amount | Rs 386.59 crores |
| Percentage amount recovered | Rs 35 crores (9 %) |
| Number of grievances registered | 7,28,938 |
| Number of grievances redressed | 2,25,061 (31 %) |
| Number of employees on whom action under section 17(a) of Tamil Nadu Civil Service rules has been taken | 11 |
| Number of employees on whom action under section 17(b) of Tamil Nadu Civil Service rules has been taken | 32 |
| Number of employees suspended | 7 |

Suggestions, Feedback, Support

SAU requests that MoRD specify a uniform staff pattern and salary structure for the employees; regional state level interactions with other social audit units should be organized. They have also requested that the MIS issues including the ability to correct wrongly made entries be provided. A separate social audit wing should be formed at the GoI level for independent monitoring. A separate team of resource persons may be formed for effective social audit of each scheme.

They want state support in getting records, conduct of block level public hearings where finalization of ATR can be done rather than in a closed meeting at the district level. 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.

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

Positive Aspects

- 1) Good staff strength at field level
- 2) SAU covers 100 % of GPs
- 3) The SAU has recorded the maximum issues with implementation in the MIS
- 4) Test audits conducted in 80 GPs in 2019-20
- 5) 100 % coverage of GPs every year since 2014-15

Areas of Concern

- 1) SAU does not have a website and none of the social audit reports and other relevant documents are publicly available.
- 2) Governing Body has not been constituted as per the norms – it 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.
- 3) Governing Body has not met even once in 2019-20 and 2020-21
- 4) SAU does not have an independent Director for more than three years (since December 2018). It is managed by three officers of the implementation department.
- 5) The SAU does not have sufficient staff at state level thereby seriously affecting its functioning.
- 6) SAU did not conduct concurrent social audit for most of 2020-21 because they did not get permission from the Secretary of the RD Department.
- 7) A 3-tier vigilance system to enquire into the social audit findings has not been set up.
- 8) There is poor follow up on the social audit findings - Block level public hearings mandated by the act are not conducted; instead a closed district level committee with a majority of implementation staff take a decision on the closure of issues.
- 9) The % of money recovered is very low (Rs. 35 crores, less than 10%) when compared to the financial misappropriation amount reported (Rs. 386 crores)
- 10) The % of registered grievances that are redressed are also low (31%); 247688 grievances have been redressed out of 787214 registered grievances.
- 11) The implementation agency has not taken action on the people responsible for huge misappropriations.
- 12) A code of conduct has not been specified for the resource persons
- 13) Grievance redressal officer to handle complaints relating to the social audit process/personnel from the general public has not been appointed
- 14) Social Audit of housing scheme has not been started even though the government issued a GO.

Recommendations

- 1) The GB should be reconstituted as per the auditing standards
- 2) A full time Director should be appointed
- 3) State government should issue guidelines on the appropriate action to be taken on different irregularities and ensure that appropriate action is taken on the social audit findings.
- 4) Block level public hearings should be conducted
- 5) Decisions on what action is to be taken should be made in block and district level public hearings.

- 6) A website should be created and all documents including GB meeting minutes, EC meeting minutes, audited financial statements, social audit reports should be hosted.
- 7) The government should place an annual report containing the social audit findings and action taken reports in the state legislature.

10.24 Telangana

Door-to-door verification during social audit



Social audit gram sabha



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 5 civil society members. SAU gets its annual budget, annual calendar and annual report approved by the governing body. Governing body meets regularly and the last meeting was held on 4th September 2020. 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, on contract and is a civil society person selected by a Selection Committee. All other staff of SAU are appointed through open advertisement in SSAAT Website and DevenetJobs India website. VRPs are being selected from wage-seeker families at the village level who have job cards and work in the MGNREGS. They must have capacity to read and write. There are 25 staff at the State level, 8 SRPs, 28 DRPs and 227 BRPs. Due to strenuous work and requirement of remaining away from family, attrition rate among resource persons is around 30% every year.

Social Audit Process

It takes minimum 4 days and maximum 6 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 1 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 deputes 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 be held at block office for all the GPs which is be 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 in the state level review meeting held by Panchayat Secretary with the social audit teams. The money recovered after a social audit is categorized as recovery and fines. The recovery amount due to the labour should be paid back to the wage-seeker within 7 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

To ensure quality control, the following steps are taken: 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; 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.

No internal assessment has been done but the Director and Deputy Director asses 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

Only one round of social audits is possible in all the panchayats of a State. The 0.5% 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, 1 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; a separate fund for Capacity Building (especially the 30 days 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 AC's (again since the SAU has no other source of funds this is also problematic); Internship / research studies by other individuals and organisations should be allowed.

From the state government, they want timely release of funds, stringent follow up mechanism so that the social audit process doesn't become redundant; more interaction with implementation agencies for sharing information and findings so that changes can be made at the policy and implementation level.

From NIRDPR they would like to have an external assessment of SAU, support for 30 days 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; lack of continuity of social audit of other schemes and funding.

Areas of Concern

- 1) The social audit resource persons participated in a strike for a long period in 2019-20
- 2) In recent years, the SAU has not conducted test audits to verify the quality of audits
- 3) The SAU has entered only 70% of the audit findings in the MIS
- 4) The quality of data entered in the MIS is poor
- 5) Follow-up action by the state government on the social audit findings has been poor (% of grievance redressed and % of funds recovered is low)
- 6) Social audit has been confined to MGNREGS; Ministry has mandated social audit of PMAY-G, NSAP and FFCG, but these have not been taken up.
- 7) Coordination between SAU and the department needs improvement. Social audit findings should lead to policy changes in the implementation of the programme.

Box 10-11: Best Practices from Telangana

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%** 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**, first generation literate youth who are identified as VSAs. Only VSAs who have completed the facilitation of 3 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 standardization** 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 Court covering nine (9) 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 Chair Person 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, G.Os, budgetary and expenditure details** pertaining to the society, including the **original social audit reports (in the local language Telugu)** which are scanned and **uploaded in 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.

10.25 Tripura

Worksite verification during social audit



Kick-off meeting before social audit at block level



SAU Structure and Independence

Social Audit Unit of Tripura has been created under the Department of Finance of the Government of Tripura. It was registered as a society in 15 Feb 2021. The Governing Board has 22 members including the PAG and 4 civil society representatives. The Governing Board is chaired by the Chief Secretary. SAU gets its annual budget and calendar approved by Governing Board.

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

A new Director was appointed on 19 Feb 2021. He is a retired officer from the state service. 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). A total of 259 VRPs facilitated social audit in the year 2018-19. Resource persons regularly leave SAU because of low payments (Rs 20,000 / month for DRPs, Rs 12,000/month for BRPs and Rs 300/day for VRPs)

Social Audit Process

It usually takes eight days to complete social audit in one GP. A team led by a BRP and supported by 4 to 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% households are verified and 70 to 95% 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. 20,530. Administration/ GP bears the cost of shamiana/tent and refreshment for villagers/stakeholders.

Follow up on Social Audit Findings

After completion of social audit of all GPs/ VCs in concerned RD Block, a block level public hearing is held. DM & Collector or his/her representative preside over the public hearing. District level review meetings are held on monthly basis with PO of the concerned district 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.

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.

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% 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 should 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.

Recent Changes

An independent society has been registered for the social audit unit. A retired officer has been appointed as director of SAU. Social audit findings and action taken reports were placed before the SEGC meeting held in November 2020. Social Audit of PMAY-G was done in 250 GP/VCs in 2019-20. Social Audit of NSAP was done in 786 GPs. The SAU has prepared an annual report as specified by MoRD (excerpt has been given earlier in Table 3-8)

Areas of Concern

- 1) The recovery rate is very low (Financial Misappropriation of Rs 10.30 crores has been identified but only 55,000 Rs has been recovered)

- 2) Many staff positions are vacant and need to be filled
- 3) The attendance of BRPs and DRPs have to be certified by the PO and DPC respectively which compromises their independence

Recommendations

- 1) Steps to do audits in all GPs at least once a year should be taken. Like in Sikkim, the state 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.
- 2) An independent website should be created and all SAU documents and SA reports should be hosted there.
- 3) 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.
- 4) 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 from Tripura

| S. No. | Issues | Best Practice |
|--------|---|---|
| 1. | Record maintenance | In 2017-18 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 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 in all GPs/VCs, the 7 Registers were updated and maintained properly. |
| 2. | Worksite Facilities | In 2017-18, it was noticed that most of the GP/VCs did not provide work site facilities to the MGNREGA workers at work sites due to non-availability of fund for the said purpose. But in 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) | In 2017-18, it was noticed that most of the GP/VCs did not erect work site signboards (Citizen Information Board) at work sites. During physical verification of work sites, no work site signboards were found erected at work site 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 work sites but these were stolen by unknown persons or damaged by |

| | | |
|-----------|-------------------|--|
| | | natural calamities. But in 2018-19 it is seen that the signboards were present at each work site. |
| 4. | Record production | In 2017-18, it was noticed that most of the GP/VCs and some implementing offices under Line Departments like Animal Resource Development Department, Fishery, Horticulture, Agriculture & Forest did not produce copies of records like NMRs, Administrative Sanction, Technical Sanction, Estimate copy, Bills / Vouchers and work orders though they had been requested for disclosure of photocopies of all records through Kick-off meeting held before 15 days of holding Gram Sabha. But in the Financial Year 2018-19 most of the GP/VCs and Line Departments provide documents in time. |
| 5. | JC Custody | In 2017-18, 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 concerned job card holder 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, in 2018-19 during social audit it is seen that the job cards are with the workers and all job cards were also found to be updated. |
| 6. | New Job Cards | In 2017-18, there were many cases of non-issue of new job cards even after 15 days of receipt of application. However, no such irregularities were noticed in 2018-19. |

10.26 Uttarakhand

Verification during social audit



Social audit gram sabha



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 Government 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 Indian Administrative Service 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 six sanctioned positions, five are filled. In 2019-20, Social Audit was facilitated by 369 VRPs, 95 BRPs, 10 DRPs and 2 SRPs.

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% 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 NREGA Soft. Some of the problems being faced are non-participation of people in few areas, lack of awareness of scheme, mismatch of MIS data. Social Audit team has faced threats occasionally. They informed higher officials and in one place the team and official filed an FIR also.

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. 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 Mid-Day Meal Scheme in 138 schools in 2019-20. SAU facilitated social audit of 376 houses constructed under PMAY-U in seven districts. SAU has also facilitated social audit of hospitals in the state.

Key Indicators

| | |
|--|------------------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 55 % |
| Cumulative number of issues found during social audit | 42537 |
| Percentage of issues closed satisfactorily | 27.5 % |
| Cumulative Financial Misappropriation amount | Rs 3.76 crores |
| Amount recovered | Rs 17.58 lakhs (4.7 %) |
| Cumulative Number of grievances filed | 4131 |
| % of grievances redressed | 57.8 % |
| Number of employees asked for explanation and warned | 2430 |
| Number of employees fined and warned | 190 |

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 program 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) State government should take prompt and appropriate action on the social audit findings
- 5) Training on MIS for SAU and implementing agency.
- 6) Training on social audit of other schemes
- 7) NIRDPR should support the 3rd batch of 30 day training programme.
- 8) SAU wishes to have inter-state exchange programme with a state having similar geographical conditions.
- 9) Single window system for social audit of all development programmes (i.e. MGNREGA, NSAP, PMAY (G) & (U), FFC, NHM, MDM etc.)
- 10) Prompt release of funds from MoRD preferably 100% of the funds in a single tranche every year.
- 11) MoRD should address the MIS issues that have been reported many times.
- 12) MoRD should respond to queries relating to funding and MIS

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 representatives (Pradhan, BDC member and ZP members)
- 3) Proposal to incorporate social audit topic in all training programs has been sent to Administrative Training Institute (ATI, Nainital), Uttarakhand Institute of Rural Development and Panchayati Raj (UIRD), Udham Singh Nagar and State Administrative & Finance Training Institute, Dehradun
- 4) Provision of first aid kit and accidental insurance for every social audit team member and SAU Personnel
- 5) Pre-audit meeting organized with implementing agency personnel, villagers, and public representatives at Gram Panchayat level
- 6) Awareness session on social audit and its process organized through projector at village level.
- 7) Awareness session on social audit and its process organized through street play, rallies at block and village level.
- 8) Developed mobile APP for office inventory, MIS and 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 organizing regular workshops and training for public representatives, officials and resource persons.

Recommendations

- 1) SAU should hire full time DRPs and BRPs on a yearly contract instead of hiring them on a daily basis
- 2) SAU should aim to facilitate social audit of all GPs at least once in a year.
- 3) SAU should prepare an annual report and submit it to the state legislature.
- 4) SAU should commission an independent agency to do an evaluation of the SAU.

10.27 Uttar Pradesh

Social audit gram sabha



Worksite verification during social audit



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 RD Commissioner. It has an independent bank account. The last meeting of the Governing Body was held in 03 June 2020.

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 8th 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. For every group of 10 Gram Panchayats, one social audit team consisting of 04 persons with representation of SC/ST, OBC, General castes and a woman is created for facilitating social audit.

Social Audit Process

For every group of 10 GPs, one social audit team consisting of a BRP or BSAC and four VRPs is created for facilitating social audit. The VRPs are from other GPs. Social Audit in the GP is conducted in three days. On 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 report is finalised and uploaded for follow up action. Usually, an official from the block attends and DPC nominates an observer. The gram sabha is chaired by a senior member selected by participants from among themselves. Social Audit of one GP costs total Rs. 9,080. Administration or GP does not bear any cost.

Some of the problems in the conduct of social audit include lack of interest in the social audit process, low attendance in the gram sabha. One Sachiv is in charge of multiple GPs so he does not attend all the Gram Sabha at the same time. Due to this, grievance redressal and rectification of other issues are not done in the Gram Sabha. Implementing agencies other than the Gram Panchayat do not provide documents and do not participate in gram sabha.

Follow up on Social Audit Findings

Block level public hearing is organized under the chairmanship of DDO. The participants include Block Development Officer, DSAC, APO, BSAC/BRP, Technical Assistant, Gram Panchayat Secretary, Gram Pradhan and Social Audit Team members.

Findings are also discussed at the district level. At the state level, social audit findings are reviewed by Principal Secretary (RD). 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.

Key Indicators

| | |
|---|-----------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 79 % |
| Cumulative number of issues found during social audit (2017-20) | 284801 |
| Cumulative Financial Misappropriation amount | Rs 18.99 crores |
| Percentage amount recovered | 0.29 % |
| Number of employees censured / warned | 28,756 |
| Number of employees suspended | 15 |
| Number of employees terminated | 57 |
| Number of employees fined | 7 |

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.

Recent Changes / Activities

- 1) In FY 2019-20, Social Audit of Mid-Day Meal was done. 275 Primary/Upper Primary Schools are covered.
- 2) In FY 2020-21, SAU facilitated social audit of 6 institutions which receive grant-in-aid from the Ministry of Social Justice and Empowerment
- 3) Evaluation of SAU by state planning department is in progress.

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. In 2017-18 social audit of PMAY-G social audit was conducted in 1967 GPs in 2017-18, in 13487 GPs in 2018-19

and in 31,445 GPs in 2019-20 (The number is less than the GPs where MGNREGS audit was facilitated because PMAY-G audit was not done in GPs without any PMAY-G houses)

- 4) SAU is uploading all the findings in the MIS and Implementation officials are also responding to the findings in the website.
- 5) MGNREGS social audit coverage has increased in the last two years. In 2019-20, it was done in 79% of Gram Panchayats and in 2020-21, the coverage of concurrent social audit was 90%.

Areas of Concern

- 1) The last few directors have a very short tenure.
- 2) DRPs, BRPs and VRPs are under the control of district and block administration. At the district level, the supervising officer is the District Development Officer, many of whom had worked as Block Development Officers before. Resource persons are selected through a committee at the block level thus reducing their independence.
- 3) Payment to the resource persons happens through the DDO.
- 4) The quality of audits done by the SAUs is poor as reflected by the findings.
- 5) The percentage of grievances that are redressed is low.
- 6) The percentage of recovery is also very low. Many financial irregularities are being closed without recovering money.
- 7) Even though BSACs are paid monthly wages, the number of working days in a month for them is less.

Recommendations

- 1) Governing Body and Executive Council should not contain implementation officers.
- 2) Resource persons should be paid directly through the state office instead of being paid by the DDOs as is the current practice.
- 3) SAU should manage the human resources in a better manner / and or respond appropriately to the court cases so that it does not become a showstopper.
- 4) An external agency should evaluate the SAU.
- 5) Social audit processes need to be improved significantly – committed persons should be hired and trained well; good VRPs should be identified, and they should be given more opportunities for audit.

Best Practices:

Awareness and Sensitization 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 sensitize 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. With use of website and social media such as Facebook, twitter, YouTube information on social audit activities are disseminated for the benefit of resource persons and for common people. Rallies with banners, 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 sensitize 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.

10.28 West Bengal

Worksite and jobcard verification during social audit



Social audit gram sabha



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 07 members in the Governing Board including PAG. There are 04 civil society representatives in the Board. There is no Executive Committee for SAU.

SAU Personnel

There are four SRPs and 93 DRPs. SAU does not have any BRPs. 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.

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 upload the social audit findings in the NREGA Soft 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 work site display board, 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 faces resistance from implementing agencies during field visit.

Key Indicators

| | |
|--|----------------|
| % of GPs where MGNREGS was social audited in 2019 - 20 | 82 % |
| Cumulative number of issues found during social audit in 2019-20 | 38252 |
| Percentage of issues closed satisfactorily | 11.46 % |
| Cumulative Financial Misappropriation amount | Rs 1.90 crores |
| Percentage amount recovered | 0.08 % |
| Number of grievances registered | 7978 |
| Number of FIRs filed | 2 |

Support Required

Review, regular follow up, regular mentoring support is needed from MoRD. There are significant MIS issues that need to be addressed. SAU received only the first tranche in 2018-19 and 2019-20.

Positive Aspects

- 1) The % 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

Recent Changes

A new full-time Director was appointed in 2021.

Areas of Concern

- 1) An exclusive society to facilitate social audits has not been created.
- 2) An open recruitment process was not followed for the appointment of Director.
- 3) SAU does not have any block resource persons and hence there is no team leader to guide the village resource persons who actually facilitate the audit in a GP.
- 4) The Village Resource Persons facilitate social audit for 15 days in a year in one GP but the rest of the year, they work in the block office for other work and hence cannot be expected to conduct the audits in an independent manner.
- 5) The last Governing Board meeting was held on 12th February 2018 and there has been no meetings since then.
- 6) Implementing Agency does not mark its response to the social audit findings in the website.
- 7) There is no follow up of action taken on the findings of social audit at the State level.
- 8) SAU does not prepare an annual report
- 9) SAU has not drafted a code of ethics for its employees
- 10) The SAU does not respond to questions or clarifications of its work.
- 11) Social audit reports or summary of findings are not available even on request.
- 12) State Government has not implemented a vigilance system to follow up on social audit findings
- 13) 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.
- 14) District Resource Persons report to a state administrative official at the district level which severely compromise their independence

15) In 2020-21, concurrent social audit was done only for a few days in February.

Recommendations

- 1) An independent society for social audit needs to be registered
- 2) BRPs need to be recruited
- 3) Village Resource Persons facilitate only one audit in a year and hence do not have an opportunity to become skilled and proficient in the audit process. A core team of skilled village resource persons should be identified and they should be provided an opportunity to do at least one audit in a month.
- 4) More state staff need to be hired
- 5) Social Audit process needs improvement – grievances need to be registered, the quality and quantity of findings needs to improve.
- 6) Since the GP size in West Bengal is big and since planning for MGNREGS works happens at the Sansad (ward) level, the social audits should also be conducted at the ward level as is the practice in Kerala.
- 7) The RD Secretary should not be the chairperson of Governing Body; GB meetings should be conducted four times in a year as mandated by the Auditing Standards.
- 8) The District resource persons should report to the state SAU directly.
- 9) All payment should happen from the state office.

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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 |
| Aadhar / Bank account related | Complaint – unable to open bank account |
| | Aadhar 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 |
| | Complaint on Banking Correspondent |
| Others | 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.) |

B. Number of VRPs required

The table below has been adapted from the 2019 MoRD Committee [24]. It assumes that 6 VRPs are required for facilitation of audit in each GP and that each VRP will get an opportunity to facilitate one audit every month.

| S No | State Name | Number of panchayats* | Number of VRPs required = number of panchayats * 6 / 12 |
|------|-------------------|-----------------------|---|
| 1 | ANDHRA PRADESH | 12918 | 6459 |
| 2 | ARUNACHAL PRADESH | 1786 | 893 |
| 3 | ASSAM | 2710 | 1355 |
| 4 | BIHAR | 8386 | 4193 |
| 5 | CHHATTISGARH | 10978 | 5489 |
| 6 | GOA | 192 | 96 |
| 7 | GUJARAT | 14291 | 7146 |
| 8 | HARYANA | 6204 | 3102 |
| 9 | HIMACHAL PRADESH | 3226 | 1613 |
| 10 | JAMMU AND KASHMIR | 4503 | 2252 |
| 11 | JHARKHAND | 4387 | 2194 |
| 12 | KARNATAKA | 6021 | 3011 |
| 13 | KERALA | 15962 | 7981 |
| 14 | MADHYA PRADESH | 22820 | 11410 |
| 15 | MAHARASHTRA | 27882 | 13941 |
| 16 | MANIPUR | 3667 | 1834 |
| 17 | MEGHALAYA | 6746 | 3373 |
| 18 | MIZORAM | 915 | 458 |
| 19 | NAGALAND | 1247 | 624 |
| 20 | ODISHA | 6798 | 3399 |
| 21 | PUNJAB | 13131 | 6566 |
| 22 | RAJASTHAN | 9894 | 4947 |
| 23 | SIKKIM | 185 | 93 |
| 24 | TAMIL NADU | 12524 | 6262 |
| 25 | TELANGANA | 13000 | 6500 |
| 26 | TRIPURA | 1178 | 589 |
| 27 | UTTARAKHAND | 7947 | 3974 |
| 28 | UTTAR PRADESH | 58808 | 29404 |
| 29 | WEST BENGAL | 37067 | 18534 |
| | Total | 266626 | 157692 |

*For Kerala and West Bengal, the number of wards are used since social audit should happen at the ward level.



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