

**Best Practice Notes on
Social Accountability Initiatives in South Asia**

Social Audit of NREGS (AP) in Andhra Pradesh

2009

Social Audit of National Rural Employment Guarantee Scheme in Andhra Pradesh

Background

The Government of AP has spent millions of rupees on poverty alleviation programs through its various development schemes. Despite this, only a fraction of the money meant for the poor ever reaches them. Most schemes are hijacked by contractors and middle-men or they fall prey to rampant corruption. As a result, development schemes fail to impact and the poor face many hardships and struggle to gain access to the benefits offered by such schemes. In majority of the cases, the powerful and affluent sections of the rural populace corner the best that the Government offers, whether it is in the form of wage employment, pensions, rural housing, land development etc.

In Governance, transparency and accountability are often desired. But to ensure the same designing appropriate systems and institutionalizing them has always been a challenge and many a times neglected. The beneficiaries (poor) are rarely made aware of the objectives, their rights and entitlements under the schemes. Hence streamlining service delivery systems and ensuring that transparency and accountability are intrinsic part of governance is very important. It is equally important that the poor for whom the program or scheme is being implemented are made aware of their rights and entitlements. They should also be given an opportunity to participate in the planning, decision making, implementation and monitoring and evaluation of the schemes.



In none of the schemes implemented so far have the aspect of ongoing public monitoring ever been initiated. Also, rarely has any government pro-actively disseminated information of the expenditure incurred in a demystified and simplified manner which the common public or beneficiary can understand. Individual beneficiaries have never ever had a formal platform where they could express their views or air their grievance to the administration. Administration has always been seen by the people with distrust rather than as an ally, an amorphous body which is too intimidating for the poor to even attempt approaching it.

It is in this context that Social Audits have been introduced in the NREGS – AP, wherein the primary stake holders (laborers working under the Employment Guarantee Scheme) actively participate in the audit of the program. The social audit process starts with the filing of applications for information of relevant official records pertaining to the program, by trained civil society activists who then identify literate youth from laborers' families. The youth are trained in the social audit processes and go into the villages and cross check official records through a door to door verification of muster rolls and physical verification of works. Awareness building regarding the rights and entitlements of the labourers through focus group discussions is an integral part of the social audit process. And on a pre-notified date the reports along with the findings of the social audit are readout in public meetings attended by the labourers, official functionaries, political representatives and the media. The officials respond to the issues which are read out in public and take corrective action.

Social Audit –An Introduction

Social accounting and auditing is a way of measuring and reporting social and ethical performance of an organisation, or a programme or scheme. Social audit is a planning and evaluation method

which makes it possible to obtain an overview of internal and external factors that are not included in financial audit of an organization or an activity. It attempts to structure the organization of work in order to achieve the designated goals. In other words, social audit is a systematic and objective procedure by engaging the members in identifying needs and solutions, plan activities, monitor progress and measure its social performance in a comprehensive and participatory manner.

Social audit is an appropriate mechanism which builds the enabling conditions for public accountability. The existence of formal mechanisms of accountability does not guarantee actual accountability on the ground because of collusion between those who are responsible for the performance and those who are charged with their oversight due to the asymmetry of information, the prevalence of corruption etc. It requires demanding, alert and responsible community, civil society and proactive public servants all that is increasingly eroding day by day in the current world. Social audit provides the venue to demand transparency and accountability in all the initiatives from the public system which was otherwise closed to the citizens.



Important guiding principles of social audit

1. People's participation and multi-perspective approach: Social Audit adopts an integrated approach, where the views of the various stakeholders involved are taken into consideration and unified and reflected. In addition to this, all individuals and institutions that are directly or indirectly involved in the process of social change are also involved. Social audit process provides opportunity to individuals and institutions to debate and deliberate, and put forth their ideas and perspectives. Further, stakeholders can also represent and express their views freely on a social audit forum.
2. Regular and recurring activity: Social audit must be a regular and recurring process. Social audits must be planned, scheduled and undertaken regularly. Occasional or sporadic social audits do not yield the required results. Planned and regular implementation of social audits and information sharing can result in both the implementers and the beneficiaries becoming socially accountable.
3. Information Availability: Information is vital in the process of social audit which aims in attaining transparency and accountability. Information pertaining to various projects undertaken under both BSUP & IHSDP programmes recorded in various registers should be made available to the social audit teams for social audit.

The Pilots

In Andhra Pradesh the first social audit was attempted in Nalgonda district on the Food for Work Programme. However, unlike in Rajasthan, where the social audit was a movement spearheaded by an activist organisation, the Majdoor Kisan Shakti Sanghatan, which struggled for two decades to get a legislation related to the 'right to work and information', in Andhra Pradesh it took the form of a campaign beginning with Nalgonda district and then Ananthapur district in a phased manner. This effort was spearheaded by the Government of Andhra Pradesh through its Rural Development Department with the support of more than a hundred voluntary organisations.

1. Social Audit of Food for Work Programme in Nalagonda: This was the first pilot in Andhra Pradesh that helped in developing the final methodology for undertaking the social audits and also training aids, manuals and films for capacity building. The initiative involved social

audit of works in three villages of Nalagonda District in Andhra Pradesh. The initiative was supported by MKSS, Action Aid and Centre for Good Governance.

2. Padayatra & Mass Social Audit in Ananthapur: This was the second social audit pilot, however the first on the rural employment guarantee scheme. The exercise captured the dynamics of the social audit of the National Rural Employment Guarantee Scheme (NREGS) and for the first time social audit of NREGS shot into limelight in Andhra Pradesh. In addition to popularising social audit, it was an on-site training for all those who participated in the audit. The learnings from the mass social audit also saw the preparation of further training aids for mandal and village level auditors. The activity covered around 600 hamlets, 38 mandals in the district and around 1200 volunteers from NGOs, community based organisations, elected representatives and state functionaries participated in it.

Key findings of the mass social audit/Padayatra in Ananthapur

1. There are no display boards of work site (Display of work available)
2. Job cards were not issued to the people who were seeking jobs (Every person seeking a job must be issued with a card within 15 days)
3. Delay in Payment of wages (Wages should be paid weekly)
4. Opening of bank and post office accounts were pending (Wages are paid through banks and post offices)
5. Fake names in the muster rolls (Wage seekers attendance list)
6. Feasibility and sustainability of works is questionable (Construction)
7. Shelf of works identified are inadequate (When there is a sudden increase in the number of job seekers a shelf of works is necessary)
8. Low income for field assistances (Staff that monitor works at the village level – Selected from the village community)
9. Issues of corruption identified (Mismanagement of funds)
10. Equal wages to both men and women (The act mandates provision of equal wages to men and Women)

Based on the above findings the department immediately responded and as a follow up of the social audit activity 3 technical assistants and 34 field assistants were dismissed for involving in malpractice and corruption. Two First Information Reports (FIR) were booked against erring officials with the police and an amount of Rs. 59,786 was recovered from those involved in corruption.

Institutional Arrangements Capacity Building

The successful implementation of social audit in Andhra Pradesh was primarily achieved through capacity building of all stakeholders from top management to those working in the grassroots through a series of activities and training programmes.

A number of training manuals and guides were created to achieve this and put in place a robust institutional structure for undertaking social audits across the state. In addition to the 3 training modules and 3 training films, a step-by-step procedure for undertaking social audit of works under NREGS (AP) and a social audit questionnaire were also prepared. The capacity building activities include the following.

1. State Level Social Audit Unit: The Rural Development Department, Government of Andhra Pradesh put together a team of people who were from different work backgrounds but who all invariably had experience of working at the grass root level on rights of the poor people. People from administration worked closely with those from non-government groups. Expertise was drawn from other places where social Audits had been carried out previously. The team was kept small and manageable.
2. State Level Resource Persons (SRPs): Around 25 State-level Resource Persons were trained through a Training of Trainers (ToT) programme in social audit methodology. The resource persons were selected from civil society groups with not less than 10 years of grassroots experience.
3. District Level Resource Persons (DRPs): A cadre of trainers and resource persons were developed at the district level to further undertake trainings at mandal and village level. Around 260 District Resource Persons were trained who now coordinating social audit activities at the district level.
4. Village Level Social Auditors (VSAs): To undertake the actual social audits at the village level and also to educate the community on the benefits and entitlements of the scheme a large number of village social auditors were trained. Interested young boys and girls from each

village were selected to operate as village social auditors. Using Village Social Auditors who are literate youth from wage seekers families was arrived at after much brain storming and trials as to who would actually undertake social audits in the village.

5. Training of Officials: The training these officials of the state machinery like Mandal Parishad Development Officers (MPDO), Village Administrative Officers (VAOs), officers of the District Water Management Agencies (DWMAs), Engineers of the Panchayat Raj Department etc., were also trained in social audit to get them on board and support and cooperate with the community in undertaking the social audits.
6. Training of Political Executive: Political representatives like the elected members of the Panchayat, Mandal Parishad Territorial Constituency (MPTC) Members, Zilla Parishad Territorial Constituency (ZPTC) Members etc., were also provided training to actively participate in social audits.

Mainstreaming Social Audits

One of the major challenges faced by the department of Rural Development Department, Government of Andhra Pradesh was mainstreaming and sustaining social audits. This challenge was overcome with a number of activities; policy level as well as ground level activities initiated to institutionalise social audits.

1. Separate Social Audit Unit: The Government of Andhra Pradesh has set up a separate unit exclusively for social audit - Andhra Pradesh Society for Social Accountability & Transparency (APSSAT) with autonomy and freedom of action. The social audit unit has experts and activists from civil society organisations chosen to spearhead the initiative across the state. This unit supports the social audit initiatives through technical and knowledge inputs, training and capacity building inputs and administrative inputs to control and manage hundreds of social audits undertaken in the state.
2. Adoption of Standard Social Audit rules and guidelines: Social Audit rules/guidelines have been recently passed by the Andhra Pradesh Cabinet that will go a long way in institutionalising social audit. These rules draw upon experience in the State over the last two years. The social audit rules passed by the cabinet also perpetuate the Right to Information regime by stipulating all the concerned officials to provide the information requested pertaining to the NREGS without fail within seven days of the receipt of the application.
3. Scaling & Deepening Social Audit Process: Social Audit of works under NREGS - AP initially started in 13 districts district of the state in Phase - I. Today these social audits have been scaled to 19 district in Phase - II and then all the 22 districts of the State in Phase - III. Further deepening of social audits was taken up by extending the knowledge on social audits to civil society organisations, citizens groups and political representatives through training programmes. Social audit appraisals are also undertaken to assess the impact of each social audit every 15 days/monthly.
4. Capacity Building: In addition to the initial capacity building activity that helped create a cadre of trainers and social auditors, regular training programmes are still undertaken on a monthly basis where 20 to 40 people are trained at the mandal level on social audit.
5. GOs & Memos: Around 4 Government Orders (GOs) and 3 Memos were issued to establish social audit as a regular day to activity of officers working on NREGS. These G.Os and Memos also describe the methodology for undertaking a social audit.
6. Computerisation of the NREGS Process: Creating a website to implement and monitor the works at all stages of the programme and also hosting all the information in the public domain has brought in transparency and accountability in implementation. This has directly impacted in the form of reduction in corruption. All stages of the programme - from registration of workers to issue of job cards, preparation of work estimates, muster rolls and

payment to workers - have been fully computerised. This has ensured prompt payment to workers avoiding any leaks and corrupt practices.

7. Formal Banking Introduced: In a bid to prevent delay and ensuring transparency in wage payment, all payments made to the wage seekers under the NREGS – AP are done through post office accounts or accounts opened in banks. This has helped the government to contain corruption to a great level. It is also a move towards institutionalising transparency and providing information for social audits. More than 7.8 million bank accounts have been opened in Andhra Pradesh.
8. Civil Society Organisations: Involvement of Civil society Organisations has been one of the key success factors for social audit. More than 40 Civil Society Organisations (CSOs) are directly involved in undertaking social audits. These organisations also helped in creating awareness among the labourers and ensuring their support to the social audit initiative.

Impact of Social Audit in Andhra Pradesh

1. A State-level Social Audit Unity created with senior offices and experts to spearhead social audit initiative.
2. 44 State-level Resource Persons (Trainers) representing CSOs created.
3. 440 District-Level Resource Persons (Trainers) created
4. 44,000 Village Social Auditors working at the grassroots created
5. More than 1000 Mandals (Blocks) were covered in all the three phases of social audits
6. Works in more than 27,000 Gram Panchayats and around 40,000 habitations have been audited
7. More than 12 million people were covered under the social audits
8. Around 19 million Indian Rupees were recovered from officials who had embezzled government funds

Strategy for Success

Considering the fact that initiative like social audit would be opposed by those perpetuating corruption, steps were taken to ensure that social audit is consolidated and scaled up with considerable speed and authority.

1. Once the decision to do Social Audits of the NREGS-AP was made, the scaling up from the initial three districts on a pilot basis to cover all the 13 Phase I districts was done within 4 months, before anyone could realise the implications or oppose it.
2. Continuous monitoring of the processes at the grassroots and ensuring that no co-option of the process takes place has yielded positive results.
3. Ensuring that the Administration is brought on board and accepts the social audit process as a tool to improve the implementation of the scheme has been a critical factor.
4. Commitment to the process at the top levels of administration ensured that down the line every official took it seriously and supported it as has been communicated to them through Government Orders and Memos.
5. A 15 day appraisal to ensure that decisions taken at public meetings are complied with, for which a group of Village Social Auditors and two District Resource Persons go back every fifteen days with the reports of what action has been taken and what is yet to be taken.
6. Constant deepening and experimenting with new ideas to make the social audits more proactive and for it to strike root in the community has been a key focus.
7. A robust capacity building strategy which involved training of officials and the civil society from the grassroots to the top level management in government.

Challenges

1. Resentment of administrative machinery at the public nature of social audit and also at being held accountable publicly was clearly a hurdle. This was overcome with a combination of executive instructions from the top and a sensitisation and orientation of the administrative machinery in the social audit processes. More than 400 program officers have been trained in social audit processes (including class room and actual social audit of one civil work and reading reports in the public meeting).
2. The political class also posed constant problems to social audit process because of the inherent nexus between them and the middlemen. This problem was overcome by a strategy design where the social audit processes were spread very quickly horizontally across the state before anyone could realise it in a few months time they were being done everywhere in the 13 districts and critical mass of opposition was not allowed to build by tackling opposition immediately as the situation arose.
3. Initial response from CSOs was weak. However in time overwhelming response of the labourers helped the social audits to continue on a regular basis. People participated actively in the verification process and attended in large numbers in the social audit public meeting. Also the as the administration, the political class and the media found that the findings (the gaps, leakages, corruption issues, differences in measurement as per record and actually who worked and who didn't etc) in a social audit process were true and could not be disputed and so in a short time the credibility of the social audit process was established.
4. Bridging the gap between the community, the government and the civil society organisation was the key for sustaining social audits. Constant bridge building exercises between the CSOs who undertake social audits and the administration helped in bringing both these key stakeholders onto a single platform.
5. Information pertaining to the works was not freely available and at times withheld by the government functionaries. This was overcome by filing information requests and applications under Right to Information. Using RTI for seeking information on works undertaken was made an integral part of the social audit process. s

Sustainability and Transferability

When the Mazdoor Kisan Shakti Sangathan (MKSS) carried out the first set of People's Audits of development works in rural Rajasthan as a platform to push for a Right to Information Act to be passed by parliament, most other states claimed that the same could not be carried out anywhere else. However, the Social Audits in Andhra Pradesh have proved beyond doubt that if an administration has the will to put in transparency safe guards and the intent to be accountable to its people, they can adopt the process and work at a much larger scale. The initiative that has been undertaken in AP will require hand holding initially to trigger the process of questioning on the part of the beneficiaries and the process of responding to the queries by the administration. However, the fact that the term "social audit" no longer sends shock waves resulting in resistance from the administration showcases the fact that the same is possible in not just other departments but in other states too.

Taking the queue from the Rural Development Department, Department of School Education and the Department of Backward Class Welfare, Government of Andhra Pradesh have piloted social audit. The School Education Department conducted the social audit of the "Mid-Day Meal Programme" and the Department of Backward Class Welfare undertook the audit of "Post-matric Scholarships and Reimbursement of Tuition Fee programmes".

Lessons Learnt

1. No official MIS or M&E report captures the gaps, leakages strengths and weaknesses of a program like a social audit does.,
2. No matter how perfect the design of the program unless a formal platform is provided to the primary stake holders to articulate the issues and problems the program will fail to achieve its objectives.
3. Placing information in the public domain and an open discussion by all stakeholders on various aspects cleanses the program, allows for correction.
4. Verification of official records at the last point of delivery increases steeply the awareness levels of the labourers.

There has been an overwhelming response to the social audits in Andhra Pradesh. However further progress and breakthrough is needed to further institutionalise the social audit process. This would depend on the levels of participation and also availability and sources of funds to undertake such audits in the futures. CSOs in Andhra Pradesh are yet to take advantage of the opportunities opened up by the state government through social audits. The new rules approved by the Andhra Pradesh Cabinet promise full support to any independent initiative of wage seekers to carry out additional social audits. This is a historic step in the direction of institutionalising social audit that civil society must take forward. Even more mystifying is the unwillingness or inability of the Congress party to showcase its great work in Andhra Pradesh and push other States to move in this direction (Mihir Shah & Pramathesh Ambasta, 2008).