

CHAPTER-II

SOCIAL AUDIT UNIT AND RESOURCE PERSONS

Section 4 of the Rules stipulates that State Government shall identify or establish an independent organisation referred (to) as SAU to facilitate conduct of Social Audit by *Gram Sabha*. This SAU may either be a Society or a Directorate, independent of the implementing departments/agencies. The Director/Chief Executive Officer of the Society/Directorate shall be a person who has worked in the social sector for the rights of the people for not less than ten years. The work may also be outsourced to an outside agency preferably possessing adequate experience in rights and entitlement based programme. The SAU shall have an independent staff structure comprising State Resource Persons (SRP) and thematic experts, District Resource Persons (DRP), Block Resource Persons (BRP) and Village Resource Persons (VRP). The SAU is responsible for the following:

- build capacities of the *Gram Sabha* for conducting Social Audit and towards this purpose identify, train and deploy suitable resources at village, block, district and state level, drawing from primary stakeholder, civil society organisations having knowledge and experience of working for the rights of people;
- prepare Social Audit reporting formats, resource material, guidelines and manuals for Social Audit process;
- create awareness amongst labourers about their rights and entitlements under the Rules;
- facilitate verification of records with primary stakeholders and work sites;
- facilitate smooth conduct of Social Audit *Gram Sabha* for reading out and finalizing decisions after due discussions;
- host SARs including Action Taken Reports (ATRs) in the public domain.

Further, as per Section 7 (6) of the Rules, cost of establishing the SAU and conducting Social Audit shall be met by the Central Government as central assistance in accordance with the instructions issued in this regard. Ministry issued instruction/clarification (August 2012/April 2013) that the

cost of establishing SAU and conducting Social Audit in the States shall be met from within the 'Administrative Charges' under MGNREGS. The States may spend up to one *per cent* on SAU within the *six per cent* permissible limit under this head.

2.1 Establishment of SAUs

Section 4 of the Rules stipulates that State Government shall identify or establish an independent SAU to facilitate conduct of Social Audit by *Gram Sabha*. This SAU may either be a Society or a Directorate, independent of the implementing departments/agencies. Audit observed that in seven states³, SAU was not established till date (Dec 2015). Of these, in five states i.e. **Goa, Himachal Pradesh, Jammu & Kashmir, Jharkhand** and **Uttarakhand**, the implementing agency is conducting the Social Audit in violation of provision of Section 4 of Rules. In **Kerala**, Social Audit was being conducted by Social Audit cell established in December 2010 under the provision of guidelines issued in October 2007. In **Arunachal Pradesh**, the department of Rural Development had engaged a private firm to conduct Social Audit in the state. As per agreement (January 2014), Social Audit for 2013-14 was to be completed within 12 months. No SAR had been submitted by the firm (July 2015) and only basic information of GPs was submitted. However, payment of ₹ 103.82 lakh had been made to the firm without completing the Social Audit work.

In other States, we noted that;

- In eight states⁴ SAUs were functioning as a cell within the department of Rural Development of the State Governments. In all these states, officers of the department of Rural Development had been given additional charge as head of the SAUs.
- In four states⁵ though an independent SAUs was established, these were headed by the officers of the Rural Development Departments. In **Odisha**, the post of Director was lying vacant since March 2014. Further, out of these four states, SAU in **Odisha** did not have its own bank account.

³ Arunachal Pradesh, Goa, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Kerala, and Uttarakhand.

⁴ Assam, Bihar, Haryana, Maharashtra, Nagaland, Punjab, Rajasthan and West Bengal

⁵ Madhya Pradesh, Manipur, Mizoram and Odisha

- In 10 states⁶, Societies/NGOs were functioning as independent SAUs with full time Director as their head. In **Gujarat**, independent SAU (NGO) was functioning up to January 2015 and establishment of new SAU was in progress. In **Meghalaya**, SAU started functioning from April 2015. Further, out of these 10 states, SAU in **Tripura** did not have its own bank account.

From the above it is evident that even after four years of promulgation of the Rules, independent SAU could not be established in 15 states and out of 14 states where independent SAU was established, four states had the independent SAU being headed by departmental officers. This adversely affects the effective roll-out of Social Audits.

The issue of not-setting up of independent SAU was also taken up with Ministry. Ministry stated (June 2015) that it had not given any time frame for establishing the independent SAU to the State Governments. However, in every Performance Review Committee and Review Meeting, State Governments were advised to comply with the provisions of the Rules.

Ministry further replied (December 2015) that it had given the necessary direction to the concerned states to set up independent SAU within three months and to have a separate bank account of the SAU where one *per cent* of the allocated budget for MGNREGS for the state could be directly transferred at the beginning of the year.

2.2 Transparency in Recruitment Process

Norms of recruitment of staff of independent SAU issued by Ministry (August 2014) stipulate that post of Director shall be filled by a social activist experienced for not less than 10 years in conduct of Social Audit and right based activities. Further, if retired government official is appointed by the State for the position of Director, SAU, only officials who have not served in any Government position for the last five years shall be eligible. We, however, observed deviations viz.:

- In **Meghalaya**, the Director was appointed in April 2015 who was superannuated in February 2015 by relaxing the prescribed criteria.
- In **West Bengal**, State Government appointed (April 2015) a retired government official as Director, SAU despite knowing about his part

⁶ Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Meghalaya, Sikkim, Tamil Nadu, Tripura, Telangana and Uttar Pradesh

time association as Secretary with a NGO implementing programme funded by West Bengal State Rural Livelihood Mission, Nation Rural Livelihood Mission and MGNREGS. This violated the basic requirement of separation of Social Audit personnel from the implementing agencies of MGNREGS. Further, we also noted that the weightage criteria prescribed by Ministry was not followed for short-listing the DRPs.

Such deviations affect the independence of SAU.

Ministry replied (December 2015) that concerned states would be asked to submit their response in writing.

2.3 Resource Persons for Social Audit

The SAU should have an independent staff structure comprising of State Resource persons (SRPs) with the responsibility to evaluate the Social Audit process and research and data analysis on the finding of Social Audit and thematic experts, District Resource Persons (DRPs) responsible for identification and training of Village Resource Persons (VRPs) and anchor the Social Audit Team at district level, Block Resource Persons (BRPs) for identifying and train GP level resource person and guide them during the Social Audit verification process and Village Resource Persons (VRPs) to conduct the Social Audit at field level. As per Ministry's norms (July 2012), the requirement of state team monitor in each state was fixed from seven to 10 persons, district resource person from one to two persons for each district, block resource person from two to three persons for each block and village resource person from four to five persons for each GP depending on the size of the State/District. Further, Section 4 of the Rules provides that SAU shall identify and train appropriate number of SRPs, DRPs and VRPs to facilitate the *Gram Sabha* in conducting Social Audit.

2.3.1 Availability of Resource Persons for Social Audit

The details of availability and shortage of Resource Persons for Social Audit in respect of 29 states are shown in **Annex-I**. We noted that:

State Level Resource Person

- In 15 states, there was shortfall of 65 SRPs and no assessment was made in six states. Appointment of resource persons in **Assam** and **Rajasthan** is under process. No shortfall of resource persons was noted in remaining six states.

District Level Resource Person

- In 16 states, there was shortage of 481 DRPs, no assessment was made in six states. Appointment of resource persons in **Rajasthan** was under process. No shortfall of resource persons was noted in remaining six states.

Block Level Resource Person

- In nine states, there was shortage of 2091 BRPs and no assessment was made in 16 states. Appointment of resource persons in **Maharashtra** was under process. No shortfall of resource persons was noticed in three states.

Village Level Resource Person

- In three states, VRPs were not identified adequately by the State Governments to carry out the social audit of GPs once in six month as stipulated in the Rules. In 15 states, requirement of VRPs were not assessed and identified. Requirement of VRPs were adequately identified only in 11 states.

Further, even in 14 states where independent SAU was established, the shortage of 43 (22 *per cent*) SRPs, 358 (24 *per cent*) DRPs and 1,957 (57 *per cent*) BRPs was observed. In five states, assessment of requirement of VRPs was not done whereas in nine states, VRPs were adequately identified/ deployed.

Thus, shortage/inadequacy in deployment of independent resource persons hampered the effective conduct of Social Audit.

Ministry accepted the observation and stated (December 2015) that directions would be issued to all the states to ensure the deployment of resource persons within a specified time frame.

2.4 Training of Resource Persons

As per section 4 of the Rules, SAU shall identify and train appropriate number of SRPs, DRPs, BRPs and VRPs to facilitate the *Gram Sabha* in conducting Social Audit. Training is inculcation of knowledge and professional skill for the performance of Social Audit. We noted that:

- In **Gujarat**, there was shortfall of 22 to 27 *per cent* in imparting training to *Taluka* (Block) Resources Group (BRPs) during 2012-15.

- In **Tripura**, selection of VRPs and imparting training for facilitation of Social Audit was not done.
- In **Madhya Pradesh**, 245 Village Social Animators (VSA) were trained to facilitate *Gram Samparicha Samiti* in conducting Social Audit. However, format for audit report were not filled properly by them.
- In **West Bengal**, various discrepancies were noted in finalizing SAR due to insufficient training.
- In **Assam**, SAU has not adopted any mechanism to assess the performance of its resources persons as well as to monitor the inadequacies of its resources persons at different levels. Moreover, SAU did not have any mechanism of briefing pre and post Social Audit work except the basic training at the time of induction.
- In other states where Social Audit was conducted, the information regarding training of resource persons was not furnished.

Ministry replied (December 2015) that it was in the process of developing a standardized training module on Social Audit with Tata Institute of Social Sciences for resource personnel and preparing a comprehensive calendar to train them in phased manner.

2.4.1 Non Utilization of Funds for Training for Social Audit

Ministry, in March 2014, released ₹ 23.50 crore to National Institute of Rural Development (NIRD) to implement a project on training of trainers/ capacity building of staff in the field of Social Audit. We however noted that NIRD, at the instance of Ministry utilized ₹ 20.39 crore towards Intensive Participatory Planning Exercise (₹ 18.89 crore) and *Sansad Aadrsh Gram Yojana* (₹ 1.50 crore) instead of Social Audit training. The reasons for non-utilization of fund for training of Social Audit were not found on record. The non-utilization of fund meant for capacity building for Social Audit diluted its importance.

Ministry replied (December 2015) that steps would be taken for proper utilisation of funds for training of Social Audit.

2.5 Special Project

In order to provide additional support to the States to conduct the Social Audit as laid down under the Rules, Ministry decided (June 2014) to provide technical assistance under a special project that would be in operation till

2017. Under this, the cost of engaging Social Audit resource persons at the State and District level was to be reimbursed to the States/UT subject to setting up of SAU, conduct of Social Audit and follow-up as prescribed by the Ministry. The release to the States was to be made in two instalments subject to certain conditions.

Ministry, in March 2015, released ₹ 79.20 lakh to the eight States⁷ under this project. Of these, **Nagaland** and **Punjab**, despite not having independent SAU, received ₹ 17.16 lakh under special project. In response to the audit query, Ministry stated that no progress report had been received from the States. Thus, even with the special project for provision of funds, Social Audit could not be strengthened.

Ministry replied (December 2015) that it was taking the necessary steps to ensure that funds for the special project were released to all concerned states.

2.6 Conclusion

The establishment of SAU as stipulated in Section 4 of the Rules was still not completed in 15 states even after four years of promulgation of the Rules. In the remaining 14 states where independent SAU was established, four states, the independent SAU being headed by Departmental officers. Further, there was a shortage in the availability of Resource Persons in most of the States. Even in the 14 states where independent SAU was established, the percentage of shortfall was 22 to 57 *per cent*. Capacity building was also not ensured in states. States also did not take advantage of the Special Project launched by the Ministry to support the conduct of Social Audit and also failed to strengthen the resources for Social Audit.

2.7 Recommendations :

- (i) Ministry may fix a time frame and impress upon the State Governments to establish an independent SAU.
- (ii) Ministry may impress upon the State Governments to ensure availability of adequate trained resource persons at all levels.

⁷ Andhra Pradesh (₹ 9.90 lakh), Chhattisgarh (₹13.86 lakh), Gujarat (₹11.22 lakh), Nagaland (₹ 7.26 lakh), Punjab (₹ 9.90 lakh), Sikkim (₹ 5.94 lakh), Tamil Nadu (₹ 15.18 lakh) and Tripura (₹ 5.94 lakh).