

## CHAPTER-III

### PLANNING AND EXECUTION OF SOCIAL AUDIT

#### 3.1 Planning

Section 6(1) of the Rules provides that each Social Audit Unit (SAU) shall at the beginning of the year, frame an annual calendar to conduct at least one Social Audit in each GP every six months. A copy of the calendar shall be sent to all the DPCs for making necessary arrangements. The calendar should lay out the sequence and dates of *Gram Sabha* and Social Audit public hearing for all the GPs of the State. Any change in the actual conduct of Social Audit vis-à-vis the Social Audit calendar approved, is to be considered as a violation of the process and can take place only with the approval of Director, SAU and Principal Secretary, Rural Development Department.

##### 3.1.1 Calendar of Social Audit

In five states<sup>8</sup> annual calendar to conduct Social Audit of GPs was prepared and in 14 states<sup>9</sup>, no annual calendar was prepared. Six states<sup>10</sup> have not furnished the information.

Thus, annual calendar to conduct Social Audit in each GP was not prepared in majority of states.

Ministry replied (December 2015) that direction would be issued to all the states to ensure the notification of the calendar for Social Audit with in a specified time frame.

##### 3.1.2 Shortfall in achieving Social Audit coverage

Out of 2,34,594 GPs to be covered for Social Audit in 25 States during 2014-15, only 1,20,841 (51 *per cent*) GPs were covered and in 1,13,753 GPs, no Social Audit was conducted. The state-wise details are given in **Annex-II**.

#### 3.2 Evaluation of Social Audit process

To assess the effectiveness of the Social Audit, we selected 1140 GPs<sup>11</sup>

<sup>8</sup> Chhattisgarh (prepared in November 2014), Karnataka, Meghalaya, Mizoram and Sikkim

<sup>9</sup> Andhra Pradesh, Assam, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Punjab, Telangana, Uttarakhand, Uttar Pradesh and West Bengal

<sup>10</sup> Bihar, Goa, Himachal Pradesh, Rajasthan, Tamil Nadu and Tripura

<sup>11</sup> Independent SAU- 448 GPs; Headed by officer of Rural Development Department - 178 GPs; Cell within Deptt.-339 GPs and No SAU-175 GPs

(using SRSWR method) in 25 states<sup>12</sup> where in ₹ 414.89 crore<sup>13</sup> was incurred on MGNREGS works and Social Audit was stated to have been conducted during 2014-15. We noted that in 16 GPs in six states<sup>14</sup>, State Government has informed that Social Audit was conducted, however, it was observed during field visit that Social Audit was actually not conducted which implied that reliable data on Social Audit was not available with the State Governments.

Further, Section 3 (1) of the Rules stipulates that Social Audit should be conducted in each GP at least twice a year. However, during 2014-15, Social Audit was conducted in 1124 GPs, out of which in 368 GPs, Social Audits were conducted twice and once in 756 GPs. Thus, 1492 Social Audits were conducted instead of 2248 (1124 x2) as stipulated in the said provision and there was a short fall of 756 (34 *per cent*) Social Audits. The state-wise details are given in **Annex-II**.

Findings on the Social Audit conducted are detailed below:

### 3.2.1 Availability of records

Section 5 of the Rules and provisions of para 13 of Operational Guidelines 2013(OG) stipulate that Programme Officer shall ensure that all the records and information of the implementing agencies including Action Taken Report (ATR) on the previous Social Audit are properly collated and provided along with photocopies to the SAU for facilitating conduct of Social Audit at least 15 days in advance of the scheduled date of meeting of the *Gram Sabha* conducting Social Audit. The SAU teams shall conduct door to door visit to meet beneficiaries of the MGNREGS and share relevant information with them. These teams shall also visit project sites and physically verify whether completed projects match the information contained in the records of the implementing agencies.

In states where SAUs were working independently, we noted that:

- In **Chhattisgarh, Gujarat and Meghalaya**, evidence to ensure availability of Measurement Book, Muster Roll, and Stock Register, etc. was not on record. In **Sikkim**, in 12 GPs out of 50 GPs, 51 records pertaining to Stock Register, Work files, Measurement Book, Asset Register and Photographs were not made available to SAU team.

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<sup>12</sup> Except Arunachal Pradesh, Kerala, Manipur and Nagaland

<sup>13</sup> In Gujarat expenditure on MGNREGS was made available only on 29 GPs out of 50 GPs.

<sup>14</sup> Haryana (1), Jammu and Kashmir (8), Jharkhand (4), Punjab (1), Telangana (1) and Uttarakhand (1)

- In **Tripura**, neither the implementing agencies nor the SAU sought any record/information from district/block/GP level as required under the Rules. Therefore, there was little assurance of examination of records by the SAU relating to execution of works and expenditure incurred thereon.
- In **Karnataka**, no communication was made by SAU to DPC/PO seeking of records to be produced. In the test-checked GPs, few cases of non-production of records were observed. The SAU had not put in place any monitoring mechanism for production of records and action taken thereon.
- In **Andhra Pradesh** and **Telangana**, SAU sent intimation for conducting Social Audit 4 to 13 days in advance by email instead of the prescribed 15 days. Consequently, records relating to complete expenditure were not made available for Social Audit.
- In **Tamil Nadu**, all information and records obtained and examined by SAU teams.
- In 50 test checked GPs, in **Uttar Pradesh**, records were not provided 15 days in advance in 45 (90 *per cent*) GPs. In 13 (26 *per cent*) GPs, records were provided on same day of *Gram Sabha* meeting. In five<sup>15</sup> out of 50 test-checked GPs, the line departments did not furnish record of executed works to SAU team. In other GPs, the status of executed works was not ascertained by POs.
- Out of 497 GPs where Social Audit was conducted during 2014-15, in 197 GPs<sup>16</sup>, door-to-door visit to meet beneficiaries of the MGNREGS and share relevant information with them was not done.
- In four states<sup>17</sup>, there was no evidence of physical verification of project sites.

In state, where independent SAU is headed by officer of Rural Development Department/Panchayati Raj Department, we noted that:

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15 (1) Charwa, block Chayal, district Kaushambi (2) GosaPrayagpur, block GanjMuradabad, district Unnao (3&4) Laxmanpurmatahi, and Matiha block Balha districts Bahraich (5) Satijore block Nababgaj district Bahraich

16 Gujarat (50), Meghalaya (48), Tripura (49) and Uttar Pradesh (50)

17 Chhattisgarh (33), Gujarat (50), Tripura (50) and Uttar Pradesh (50)

- In **Madhya Pradesh** and **Odisha**, evidence of list of records being examined by SAU teams was not found on record, door-to-door visit was not carried out to meet beneficiaries of the MGNREGS and share relevant information with them and in **Odisha**, SAU teams did not verify the project sites. In **Madhya Pradesh**, SAU teams partially verified the project sites.

In states, where SAUs working as a cell within the department, we noted that:

- In 48 GPs out of 49 test checked GPs of **Assam**, social auditor failed to collect information and check the issues pertaining to maintenance and collection of records. In 9 to 25 GPs records like, Job Card Register, Asset Registers, Material Registers at work site, complaint register though not maintained/updated but stated to be maintained in SARs. Besides this, in 14 to 47 GPs, mis-match of figure of number of works executed, expenditure incurred, number of job card holders, etc. was noticed in SARs. There was no evidence of door-to-door visit to meet beneficiaries of the MGNREGS and physical verification of work sites.
- In 34 out of 50 test checked GPs of **Bihar**, evidence in support of verification of records such as copies of documents were not enclosed with SARs. In another 14 GPs, SARs were not available. There was no evidence of physical verification of work sites, door-to-door visit to meet beneficiaries of the MGNREGS and share relevant information with them.
- SAU teams in **Haryana** were collecting records on the date of *Gram Sabha* meeting for Social Audit. There was no evidence of physical verification of work sites and door-to-door visit to meet beneficiaries of the MGNREGS and share relevant information with them.
- SARs in **Maharashtra** were filled up perfunctorily making it difficult to ascertain the verification status. In Jawhar block, record of line department was not made available to Social Audit Team. There was no evidence of physical verification of work sites.
- In 40 out of 50 test checked GPs in **Punjab**, POs did not make necessary arrangement for submission of records to SAU teams 15 days prior to commencement of *Gram Sabha* meeting for Social Audit. There was no evidence of physical verification of work sites

and door-to-door visit to meet beneficiaries of the MGNREGS and share relevant information with them.

- In 13 GPs of **Rajasthan**, records were provided after a delay of 5 to 11 days. Also, out of 43,163 beneficiaries in 50 GPs, interaction was done with only 162 beneficiaries of 25 GPs during door to door visit. Further, only two *per cent* of the works were physically verified.
- Door-to-door visit was not undertaken in 32 GPs in **West Bengal**.

Non-requisition/production of records in large number of cases indicates non-compliance with the laid down provisions. Besides, the mechanism in place in conducting Social Audit was also seriously eroded in the absence of complete documentation and appropriate verification procedure.

Ministry replied (December 2015) that it would urge the states to notify rules ensuring timely provision of records to Social Audit teams and nature of punitive action to be taken for non-provision of the records. In respect of verification of all job card holder and worksites, Ministry replied that it would take active efforts in ensuring that SAU resource persons comply with the same.

### 3.2.2 Awareness among stakeholders about Social Audit meeting

Section 4 (2) (c) of Rules and para 13.3.2 of OG provides that the labourers and the village community shall be informed about the *Gram Sabha* conducting Social Audit by the resource persons as well as the Programme Officers to ensure full participation. We noted that

- In 91 GPs (three states<sup>18</sup>), labourers and village community were not informed about the *Gram Sabha*.
- In 45 out of 50 test checked GPs of **Chhattisgarh**, no documentary evidence regarding intimation of Social Audit by *Gram Sabha* to labourers and village community was produced to audit. However, in two<sup>19</sup> GPs it was stated that labourers and village community were informed through *Munadi*<sup>20</sup> by *kotwar*<sup>21</sup>.

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<sup>18</sup> Himachal Pradesh (4), Odisha (37) and Tripura (50)

<sup>19</sup> Sheri and Domhara

<sup>20</sup> Munadi is a process of intimation by announcement for conduct of Social Audit *Gram Sabha*

<sup>21</sup> Kotwaris are persons who announce intimation of Social Audit *Gram Sabha*

- In 27 out of 50 test checked GPs of **Madhya Pradesh**, all the residents of the respective villages were informed through *Munadi*. In other 23 GPs<sup>22</sup>, records of *Munadi* orders were not produced to audit for verification.
- In 45 GPs of **Assam**, interaction with 363 Job card holders, on random basis, was done to assess the awareness on Social Audit and their involvement in the process. 9 to 67 *per cent* villagers expressed their ignorance about the process of Social Audit. Similarly, 58 *per cent* stated that they were not aware of *Gram Sabha* for Social Audit. The Director, SIRD also stated that only 10 to 25 *per cent* people could be involved during *Gram Sabha* for Social Audit.
- In all the test checked GPs (except Dumri and Jhakhra Sheikh) of **Bihar**, there was no evidence to verify whether the labourers and village community were informed about the Social Audit by *Gram Sabha*.
- In **Jammu & Kashmir** and **West Bengal**, the labourers and village community was not informed about the *Gram Sabha* conducting Social Audit to ensure full participation.
- In remaining 16 states<sup>23</sup>, labourers and village community were informed about the *Gram Sabha* conducting the Social Audit.

Ministry replied (December 2015) that it would ensure the awareness among stakeholders about the Social Audit process and *Gram Sabha* through constant IEC activities.

### 3.3 Social Audit by *Gram Sabha*

As per Para 13.3.5 of OG, to conduct the Social Audit process, a *Gram Sabha* shall be convened to discuss the findings of the verification exercise and also to review the compliance on transparency and accountability, fulfilment of the rights and entitlements of labourers and proper utilisation of funds. The *Gram Sabha* shall be convened in a neutral public space and in any case not in the hamlet/village of the head of the panchayat. The meeting shall be chaired by an elderly villager who is not a part of *Panchayat* or

22 Boda, Banspur, Bamhni, Bangai, Bandhibodalkachar, Bodalkachar, Bhikewara, Chhapra Dauriyakheda, Delakhari, Dudgaonbasti, Fattepur, Harrakachar, Jamundonga, Jagantola(M), Khapasani, Kumhadi, Khulsan, Muttair, Patehra, Sirsod, Sitakamath and Sivanpat

23 Andhra Pradesh, Goa, Gujarat, Haryana, Jharkhand, Karnataka, Maharashtra, Meghalaya, Mizoram, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Uttarakhand and Uttar Pradesh



any implementing agency. Decisions and resolutions will be put to voting. However, dissenting opinion must be recorded in the minutes. Action Taken Reports on the previous Social Audit must be read out at the beginning of the meeting. All the officials responsible for implementation must be present in the meeting to answer queries from the members of the *Gram Sabha* .

As per Section 6(7) of the Rules, the District Programme Coordinator shall attend the *Gram Sabha* meeting or nominate an official of appropriate level for smooth conduct of the *Gram Sabha*.

As per para 13.3.11 of OG, the proceeding of the Social Audit *Gram Sabha* shall be video recorded, compressed using latest compression techniques (to reduce space occupied by it) and uploaded on website, *www.nrega.nic*. in without editing. The video recording will also be stored in the custody of DPC.

As per para 13.3.4 (vii) of OG, for facilitating conduct of Social Audit by *Gram Sabha*, the resource persons deployed by Social Audit Unit, along with primary stakeholders shall verify that the wall painting showing details of money paid to all job card holders have been done using the prescribed format and the details contained therein are a true reflection of the records as they obtain in *www.nrega.nic.in* and at the block and *panchayat* office.

As per para 13.3.12 of OG, the SARs shall be prepared in local language by the SAU. The SARs must be counter-signed by the chairperson of that particular Social Audit *Gram Sabha*. A copy of the report must be displayed on the notice board of the GP for at least seven days.

As per Section 4(2) (f) of the Rules, the SAU shall be responsible for the hosting of the SAR including Action Taken Report in the public domain.

Holding and reporting mechanism by *Gram Sabha* in 1124 GPs test checked in audit for 25 out of the 29 states showed the following:

**(i) Convening of Gram Sabha Meeting**

In 135 (12 *per cent*) GPs (11 States<sup>24</sup>), *Gram Sabha* meetings were not held to discuss the findings of Social Audit.

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24 Andhra Pradesh (7), Assam (1), Bihar(2), Goa(18), Haryana(36), Maharashtra (10), Meghalaya (7), Odisha (13), Telangana (9), Tripura (12) and Uttarakhand (20)

(ii) *Gram Sabha meeting at neutral public space*

In 241(21 per cent) GPs (11 states<sup>25</sup>), *Gram Sabha* meetings were not held at neutral place.

(iii) *Gram Sabha meeting chaired by an elderly villager*

In 560 (50 per cent) GPs (20 states<sup>26</sup>), *Gram Sabha* meetings were not chaired by an elderly person. In **Chhattisgarh, Sikkim, Tamil Nadu** and **Uttar Pradesh**, elderly villager chaired the *Gram Sabha* meetings. In **Assam**, no evidence regarding *Gram Sabha* meeting chaired by elderly person was available in the SARs.

(iv) *Decision and resolutions of the Gram Sabha not put to vote*

In 453 (40 per cent) GPs (12 states)<sup>27</sup>, decisions of the *Gram Sabha* were not put to vote.

(v) *Discussion on ATR on the previous SARs*

In 567 (50 per cent) GPs (15 states<sup>28</sup>), ATRs on the previous Social Audits were not discussed in the *Gram Sabha* meetings. In **Madhya Pradesh**, Social Audit was conducted first time during 2014-15.

(vi) *Countersign of chairperson on the SAR*

In 534 (48 per cent) GPs (16 states<sup>29</sup>), SARs were not countersigned by the chairperson of the *Gram Sabha* . In **Punjab**, no information was provided. No SAR was prepared in Goa.

(vii) *SARs not prepared*

During 2014-15, out of 1492 SARs to be prepared in 25 states, 1270 SARs were prepared in test checked GPs in 25 states. In case of 10

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25 Andhra Pradesh (50), Goa (2), Himachal Pradesh (1), Karnataka (42), Maharashtra (37), Mizoram(5), Punjab (01), Tamil Nadu(3), Telangana (49), Tripura(18) and West Bengal (33)

26 Andhra Pradesh (50), Bihar(50), Goa (01), Gujarat (48), Haryana (17), Himachal Pradesh (12), Jammu and Kashmir (26), Jharkhand (30), Karnataka (47), Madhya Pradesh (20), Maharashtra (25), Meghalaya (12), Mizoram(2), Odisha (27), Punjab (30), Rajasthan (50), Telangana (49), Tripura(17), Uttarakhand (8) and west Bengal (39)

27 Andhra Pradesh(50), Bihar(48), Goa(10), Himachal Pradesh(8), Madhya Pradesh(43), Maharashtra(50), Mizoram(5), Odisha(50), Telangana(49), Tripura(50), Uttar Pradesh(50) and West Bengal(40)

28 Andhra Pradesh(50), Assam(48), Bihar(48), Chhattisgarh(50), Gujarat(15), Himachal Pradesh (5), Jharkhand (46), Maharashtra(50), Meghalaya (15), Mizoram (2), Odisha(50), Punjab(49), Telangana (49), Tripura(50) and West Bengal(40)

29 Bihar(47), Chhattisgarh (8), Gujarat (26), Himachal Pradesh(7), Jammu and Kashmir(26), Jharkhand (18), Madhya Pradesh (30), Maharashtra(50), Meghalaya (48), Mizoram (28), Odisha (37), Tamil Nadu (50), Tripura(50), Uttarakhand (31), Uttar Pradesh (50) and West Bengal (28)



states<sup>30</sup>, out of 557 Social Audit conducted, 222 SARs (40 per cent) were not prepared. In 15 states<sup>31</sup>, 935 Social Audit conducted, SARs were prepared and there was no shortfall in preparation of SARs.

**(viii) Standard format of SARs**

Out of 1270 SARs prepared in test checked GPs during the year 2014-15, 364 (29 per cent) SARs (11 states) were not prepared in standard format as prescribed by SAU/Ministry. States wise details are given in **Annex-III**.

**(ix) Hosting of SARs on the website**

Out of 1270 SARs prepared during 2014-15, 177 (14 per cent) SAR<sup>32</sup> were uploaded on Ministry website by six states (includes 50 SARs<sup>33</sup> uploaded on states website). **Sikkim** uploaded 50 SARs on State website only. States wise details where uploading of SARs was not done, is given in **Annex-III**.

**(x) SARs not in local language and displayed on the notice board of the GP**

In 335 (30 per cent) GPs (nine states,<sup>34</sup>), SARs were not prepared in local language. In 577 (51 per cent) GPs (15 states<sup>35</sup>), SARs were not displayed on the notice board.

**(xi) Wall painting to display the money paid to job card holders**

In 881 (78 per cent) GPs (21 states<sup>36</sup>), there was no wall painting to display details of money paid to job cardholders.

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30 Assam (01), Bihar (16), Goa(21), Gujarat(23), Haryana (53), Himachal Pradesh (8), Jammu and Kashmir (17), Mizoram (27), Punjab (52) and West Bengal (04)

31 Andhra Pradesh, Chhattisgarh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttarakhand and Uttar Pradesh

32 Himachal Pradesh (14), Jammu & Kashmir (12), Meghalaya (12), Odisha (43), Punjab (46) and Uttar Pradesh (50)

33 Himachal Pradesh (14) and Uttar Pradesh (36)

34 Assam(48), Himachal Pradesh (5), Jammu and Kashmir (26), Maharashtra(50), Meghalaya(28), Mizoram(28), Odisha(50), Sikkim (50) and Tripura (50)

35 Andhra Pradesh(50), Assam (48), Bihar(48), Chhattisgarh(50), Gujarat (6), Haryana (49), Himachal Pradesh (5), Jammu and Kashmir (26), Maharashtra (50), Meghalaya (29), Telangana(49), Tripura(47), Uttarakhand (31), Uttar Pradesh (50) and West Bengal (39)

36 Andhra Pradesh(50), Assam (25), Bihar(48), Chhattisgarh(50), Gujarat(50), Haryana(49), Himachal Pradesh (7), Jammu and Kashmir (42), Jharkhand (38), Karnataka (26), Madhya Pradesh(49), Mizoram(28), Odisha(50), Punjab (49), Sikkim(50), Tamil Nadu(50), Telangana(49), Tripura (50), Uttarakhand(31), Uttar Pradesh(50) and West Bengal(40)

**(xii) Video recording of the proceeding of the Gram Sabha and uploading on web-site**

In 924 (82 per cent) GPs (24 states<sup>37</sup>), proceedings of *Gram Sabha* were not video recorded. In 200 GPs, video recording of proceedings were done but in 160<sup>38</sup> GPs the same were not uploaded on the website.

**(xiii) Presence of DPC or Nominated Officer**

In 649 (58 per cent) GPs (19 states<sup>39</sup>), neither the DPC nor member nominated by him had attended the *Gram Sabha* meeting.

**(xiv) Participation by Village Community**

In 657 (58 per cent) GPs (20 states<sup>40</sup>), *Gram Sabha* meetings were held with less than 10 per cent of participation by village community. No information was provided in **Mizoram**.

Ministry replied (December 2015) that efforts would be taken to train resource persons to ensure the compliance of the provisions of the Social Audit Rules. Ministry also stated that a State Level Technical Team would be put in place for conducting periodic test audits on a sample of GPs already audited by the SAUs.

### 3.4 Conclusion

Deficiencies in planning and execution of Social Audit such as non-preparation of annual calendar for Social Audit, poor documentation, non-verification of work sites, lack of awareness amongst stake holders, non-convening of *Gram Sabha* meetings, not putting decision and resolution of the *Gram Sabha* to vote, non-preparation of SARs, non-video recording of proceedings of *Gram*

37 Andhra Pradesh (50), Assam(48), Bihar(38), Chhattisgarh(50), Goa(20), Gujarat(50), Haryana(49), Himachal Pradesh(05), Jammu and Kashmir(42), Jharkhand(46), Karnataka(32), Madhya Pradesh(43), Maharashtra(31), Meghalaya(41), Mizoram(28), Odisha (50), Punjab(36), Rajasthan(23), Sikkim(50), Tripura(50), Telangana(49), Uttarakhand(31), Uttar Pradesh(46) and West Bengal(16)

38 Bihar (12), Karnataka(18), Madhya Pradesh(7), Maharashtra(9), Punjab(13), Rajasthan(27), Tamil Nadu(50) and West Bengal(24)

39 Andhra Pradesh(44), Assam (48), Bihar (33), Chhattisgarh (50), Gujarat (32), Haryana (25), Himachal Pradesh (20), Jammu and Kashmir (42), Jharkhand (46), Madhya Pradesh (6), Maharashtra (8), Odisha(50), Punjab(34), Rajasthan (8), Tamil Nadu (29), Telangana (49), Tripura (50), Uttar Pradesh (40) and West Bengal (35)

40 Andhra Pradesh(48), Bihar (48), Chhattisgarh (39), Goa (2), Gujarat (48), Haryana (13), Himachal Pradesh(1), Jammu and Kashmir(42), Jharkhand(30), Karnataka(50), Madhya Pradesh(44), Maharashtra (40), Odisha(37), Rajasthan (31), Tamil Nadu (07), Telangana (49), Tripura (27), Uttarakhand (11), Uttar Pradesh (50) and West Bengal (40)

*Sabha*, etc. were noticed. SAUs failed to provide adequate support mechanism like availability of records, reporting and follow-up of Social Audits to ensure its efficacy. District Programme Coordinators and Programme Officers also failed to provide effective and adequate support to conduct of Social Audit.

### **3.5 Recommendations:**

- (i) Effective steps may be taken to ensure the preparation of Annual Calendar and its implementation shall also be monitored.
- (ii) Record management may be improved at all levels to facilitate credibility of Social Audit.
- (iii) Social Audit Team may ensure verification of project sites and conduct door to door visit in compliance with the extant provisions.
- (iv) Awareness amongst the stakeholders for full participation in the *Gram Sabha* meetings on Social Audit may be ensured.
- (v) Conducting of Social Audit meetings and reporting mechanism, as per the provisions of Rules may be ensured.