

## Accountability In Employment Programmes: Case of Social Audit in NREGA

Failure of different development schemes and programmes to fulfill intended objectives led to people centered development. Reforming governance and good governance has become common talking points among development professionals and bureaucracy for last 10 years. Transparency, accountability and participation are important components of good governance. Hence, programmes conceived recently have inbuilt mechanisms for promoting transparency, accountability and participation. National Rural Employment Guarantee Act (NREGA), 2005 is one of such examples.

NREGA provides for a 100 days of guaranteed employment in one financial year to all rural households, members of which are willing to do manual labour. The Act not only guarantees wage employment as a right, but also promotes community monitoring through Vigilance and Monitoring Committees, social audit through Gram Sabha and also makes provision for complete transparency as mandated by the Right to Information Act, 2005.

Currently covering 330 districts, National Rural Employment Guarantee Scheme (NREGS) is to be expanded to all 600 districts from next financial year (2008-09). Current allocation of Rs. 12,000 Cr. is likely to be increased to Rs. 22,000 Cr. A wage employment programme of such magnitude can be successful only if transparency, accountability and participatory provisions of the Act are strictly adhered to.

Several governmental and non-governmental organizations have facilitated social audit processes in NREGA in last one year. This paper will try to find out approaches and processes of such audits and will also analyse bottlenecks and emerging issues that need to be addressed. This paper draws its arguments from interventions of UNNATI in Gujarat, PRIA in Himachal Pradesh, Jharkhand and Rajasthan.

### **Need for Social Audit:**

The basic objective of a social audit is to ensure public accountability in the implementation of projects, laws and policies. One simple form of social audit is a public assembly where all the details of a project are scrutinized. However, 'social audit' can also be understood in a broader sense, as a continuous process of public vigilance.

Thus, social audits can be seen as a means of promoting some following basic norms in public matters:

- **Transparency:** Complete transparency in the process of administration and decision making, with an obligation on the government to *suo moto* give people full access to all relevant information.
- **Participation:** An entitlement for all the affected persons (and not just their representatives) to participate in the process of decision making and validation.
- **Consultation and Consent:** In those rare cases where options are predetermined out of necessity, the right of the affected persons to give informed consent, as a group or as individuals, as appropriate.
- **Accountability:** The responsibility of elected representatives and government functionaries to answer questions and provide explanations about relevant action and inaction to concerned and affected people.
- **Redressal:** A set of norms through which the findings of social audits and

other public investigations receive official sanction, have necessary outcomes, and are reported back to the people, along with information on action taken in response to complaints.

NREGS is a demand based programme and its success is largely dependent on how attractive it is to rural poor in need of employment. If processes are not followed leading to negation of the guarantee or payments are not adequate and timely or records and muster rolls are manipulated for personal gains, twin objectives of wage employment and creation of productive community assets can never be achieved as people will largely remain away from it.

Success in creation of productive and useful community assets which can promote livelihood in rural areas is not possible without people's participation in planning, execution and evaluation of works. And this participation is possible only when processes are transparent and authorities are accountable to the people.

### **Definition of Social Audit:**

The concept of “Social Audit” has been derived from the concept of “Corporate Social Responsibility” (CSR) followed by corporate entities around the globe, where, Social Audit refers to the audit of Social Responsibility role performed by a corporate entity. Social Audit is a process in which, details of the resource, both financial and non-financial, used by public agencies for development initiatives are shared with the people, often through a public platform such as Gram Sabha in rural India. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives. Broadly, this process of Social Audit involves the following components: a) Availability of information / details of the resource, financial and non-financial, used by public agencies for development initiatives, b) Organising the ultimate users / beneficiaries / people, c) Scrutiny of the information by the end users.

In India, social audit in its present form was initiated by Mazdoor Kisan Shakti Sangathan (MKSS)<sup>1</sup> to check wide- scale corruption in drought relief works in Rajasthan mid 1990s.

### **Social Audit Provisions under NREGA:**

Article 17 (1) says that Gram Sabha would monitor all works which are implemented in the Gram Panchayat. Article 17 (2) of the NREGA says “the Gram Sabha shall conduct regular social audits of all the projects under the Scheme taken up within the Gram Panchayat”. Article 17 (3) says “the Gram Panchayat shall make available all relevant documents including the muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected books of account and papers to the Gram Sabha for the purpose of conducting the social audit.

The Central Operational Guidelines issued by Union Ministry of Rural Development, Government of India mentions continuous social audit as well as 6 monthly social audit through Gram Sabha called “Social Audit Forum”. Some state governments, for example Government of Rajasthan, have also issued guidelines or manual on social audit.

The process of social audit according to the Guidelines should include public vigilance and verification of the following 11 stages of implementation of NREGS: registration of families, distribution of job cards, receipt of work applications, preparation of shelf of projects and selection of sites, development and approval of technical estimates and issuance of work order, allotment of work to individuals, implementation and supervision of works, payment of unemployment allowance, payment of wages, evaluation of work, mandatory social audit in the Gram Sabha (Social Audit Forum). The Guidelines lists out various vulnerabilities at each stages, suggests steps to promote transparency and accountability. Guidelines also delineates in great details how to publicize, collect data and prepare document, procedures to be adopted and mandatory agenda of the Gram Sabha for social audit.

Citing provisions of the Act and Guidelines, Union Ministry has also issued circulars and formats to different states to conduct timely 6 monthly social audit. The Ministry is in process of issuing separate guidelines for social audit in NREGA.

### **Different Actors and Approaches:**

Act, Guidelines and Circulars provide an institutional design and create invited space for the community to participate in ensuring transparency and accountability. However to make these design operational and effective some facilitation is needed. In some states this facilitation has been done by government agencies themselves, in other by civil society organizations and by academic and research institutions.

Different approaches to conduct social audit has been observed. First one of them is to do it in a campaign mode combining it with awareness programme followed by Village, block or district level sharing. For example mass social audit of Dungarpur, Rajasthan in April 2006. Learning from Dungarpur’s experience, in Andhra Pradesh thirty-one NGOs and CSO networks came together with the department of rural development in Anantapur district to conduct mass social audit through padayatra in August 2006 (CEC, 2006).

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<sup>1</sup> MKSS was set up in 1990 to strengthen participatory processes and works with workers and peasants in the villages of Central Rajasthan. MKSS has conducted several jansunwais (public hearing) a form of social audit.

Second one, mainly facilitated by government agencies is to collect information on the basis of a predesigned format for all the Gram Panchayats of the district. Reports are then read in Gram Sabha and also consolidated at block and district level to be transmitted to higher authorities. In Jharkhand state administration adopted this approach (PRIA, 2007).

Third one, usually facilitated by civil society organizations, is done in selective Gram Panchayats and blocks and data collected with the help of volunteers, largely outsiders, and presented at block level and district level public hearings attended by government officials. This approach has been adopted by ASHA, MKSS, Jean Derez etc during social audit in UP, Jharkhand, Chhattisgarh, Rajasthan etc (Reports from ASHA, MKSS and Right to Food Campaign).

Fourth one, initiated by Gram Panchayats, of course facilitated by some civil society organisations, where a committee consisting of residents of that Gram Panchayats collects information and presents in the Gram Sabha. Rajasthan government in its guidelines has adopted this approach. PRIA too have adopted this approach in those Gram Panchayats where it is working intensively (PRIA, 2007)

**Social Audit in Sabharkantha:** PRIA's partner Unnati has been involved in promotion of decentralized governance through capacity building of local self-governance institutions in Khedbrahma Taluka (block) of Sabharkantha district of Gujara since 2003. Since 2006, when NREGA came into force, Unnati has selected 5 Gram Panchayats: Dantral, Delwada, Chikhla, Paroya and Didhiya for intensive interventions towards enabling Panchayats to effectively implement NREGS. These interventions are demand generation through awareness, orientation of citizen leaders, capacity building of elected representatives and Vigilance & Monitoring Committees and social audit.

Unnati adopted following guiding principle for social audit in these Gram Panchayats: First, Gram Panchayats should own the process and organize Gram Sabha; Second, Process should be simple and replicable; Third, social audit should be non-threatening but empower people; Fourth, strong linkages with administration to facilitate institutionalization of process.

During orientation of citizen leaders, Vigilance & Monitoring Committees and elected representatives a Taluka Nirikshan Samiti was created. The concept of social audit was introduced in the meetings of Taluka Nirikshan Samiti. Sarpanchs (Chairpersons) of Dantral, Didhiya and Paroya Gram Panchayats volunteered to initiate and make necessary arrangements for Gram Sabhas.

Commissioner and Secretary, Rural Development and State Project Coordinator for NREGS were contacted and they instructed District Programme Coordinator (DPC) to support the initiative as an educational process and also attend all Gram Sabhas.

There were numerous informal consultations with the Gram Panchayats and they were provided hand-holding support in bringing out notice for the Gram Sabha, informing people and also making all records open to the public. Village level collectives of citizen leaders 'Panchayat Vikas Samiti' played important role. 15 minute film on social audit was used to generate awareness, clarify doubts and bring out issues of people before scheduled Gram Sabha for social audit.

Liasoning with administration helped in garnering support of officials at district, block and village in procuring required information. Volunteers helped Gram Panchayat Secretaries (Talati) to compile information regarding works. These compiled data were analysed and after analysis it was realized that some more information needed. Some explanations were also needed from the Programme Officer.

In meetings with Gang Leaders and workers these data were verified. Individual households were visited too. Worksites and assets were created were visited for physical verification.

Community mobilization for Gram Sabha was done through falia (locality) meetings, self-help groups. Learning from experience analysed information were shared with community well before Gram Sabha to enable them to raise issues. These information were displayed on charts in easy to understand format.

On the day before the Gram Sabha, poor and marginalized households were visited to boost their confidence.

Discussion on final schedule and information to be shared in the Gram Sabha Sarpanch and Talati were. Women Sarpach of Chikhla and Paroya needed some morale boosting.

On the day of Gram Sabha motivational songs about NREGS and social audit were sung by volunteers. Meetings were anchored by gram mitra, citizen leader or primary school teacher. Talati presented data regarding the registration, job cards, shelf of projects, sanctioned budget, work done, person-days of employment generated work wise etc. Citizen leaders read out informations from charts put up at the venue. Random muster roll verification was done and then meeting was left open for questions or issues of members. Additional District Programme Coordinator (ADPC) promised appropriate action on valid complaints. Gram Sabha was also used to clear doubts about provisions and procedures under NREGS.

## Steps of social audit:

People led social audit is a complex phenomenon and requires several steps to be taken. Important among them are as follows:

1. **Environment Building:** First and foremost, a conducive environment in the Gram Panchayats needs to be created. Consultations with elected representatives, members of vigilance and monitoring committee, women and youth collectives and officials are done to inculcate common perspective on importance of social audit for effective implementation of NREGS and good governance. In most of the cases, elected representatives particularly Chairpersons and officials initially feel threatened and do not want to get involved. And hence a non-threatening environment need to be created so that Chairpersons and officials of Gram Panchayats own this process. State and district level NREGS functionaries are involved from the beginning and they may direct block and GP level officials to cooperate and be part of the process.
2. **Formation of a committee:** During environment building efforts, active, honest and respected citizens need to be identified. Interested among them, members of Vigilance and Monitoring Committee, representatives of women collectives, youth collectives, CBO from the Gram Panchayat itself will form a committee for conducting social audit. If State Government has provided any guidelines for constitution of this committee those are complied with. In Chandradeepa Gram Panchayat of Jamtara district in Jharkhand, a committee consisting of 8 persons have been constituted in a meeting of Gram Sabha for this purpose. In Khedbrahma, Taluka Nirikshan Samiti played this role and was supported by Panchayat Vikas Samiti. This committee will lead the entire process of social audit. Three smaller groups consisting of committee members and few other volunteers are formed for Gram Sabha Mobilisation, Data Verification and Physical Verification (PRIA, 2007).
3. **Capacity Building of members of Committee:** These members are oriented on concepts of governance, transparency, accountability and decentralization briefly. Then they are oriented on how to conduct social audit. Video of earlier social audit is shown to them and their doubts are cleared. Apart from these regular hand-holding and facilitation is done.
4. **Collection and verification of data:** Information related to registration, issuance of job cards, job allocation, payments, assets created etc. are collected from records such as Muster Rolls, Registration Register, Demand Register, Asset Register, Minutes of meetings of Gram Sabha and Gram Panchayats, Technical and Administrative Sanctions etc. If needed applications under RTI Act is filed to get information. These data are then verified by physically inspecting worksites and meeting workers personally. Any variation is noted down and signed written statements are collected. These information are then presented in a report in local language for dissemination. During social audit in Khedbrahma Taluka in Gujarat, it was learnt that information need to be shared with people at least 15 days before the Gram Sabha in easy to understand language and format. This gives them time to think over, discuss among themselves and then formulate issues and questions to be raised in Gram Sabha.
5. **Gram Sabha Mobilisation:** Gram Sabha is called by the Gram Panchayat as per the Panchayati Raj Act and Rule of the State. Notices are pasted at public places and traditional method such as drum beating is used. All households within the Gram Panchayat area, specially poor and marginalized, are informed about date, place, venue and agenda of the meeting. Members are also explained why social audit is important to them. Ward level meeting is also held. Immediately before Gram Sabha confidence of poor and marginalized need to be boost up so that they participate in Gram Sabha actively.
6. **Gram Sabha:** This special Gram Sabha for social audit is chaired by a respected person not associated with implementation of NREGS. Major findings of the report are written on posters and put up for the information of members. Chairperson of the Social Audit Committee presents report in simple language. People, specially poor and marginalized are encouraged to ask questions, submit complaints if any to the Gram Sabha. Chairperson, officials and executing agencies remain present and answer queries and address complaints of members. Resolutions are passed by voting. Minutes are prepared by someone other than the Secretary of the Gram Panchayat. Later these minutes are signed by all members present. Gram Sabha is also used for making people aware of their entitlements and procedures to get them.
7. **Follow-up:** Report along with minutes of the Gram Sabha is shared with block, district and state administration and also with media and academia for follow up. Constant pressure on administration is maintained for the timely actions on complaints and malpractices identified during social audit. In the following Gram Sabha for social audit action taken report is presented by the administration.

### Key Bottlenecks:

1. **Culture of silence:** In facilitating social audit in NREGS, culture of silence is one of the important bottlenecks. People do not speak up even if they see something wrong happening. They think that is not affecting them directly. This is partly because of ignorance and partly because of dependency. Most of the families directly affected by NREGS are poor and marginalized sections of society and fear raising voices.
2. **Resistance from authorities:** Colonial mindset of ruler and ruled is strongly imprinted in authorities and they resist any effort to make them accountable. They also feel threatened of punishment if any wrong practice is found during social audit. Hence they resist the social audit process in their jurisdiction. Sometimes they also use strong arm tactics to discourage civil society organizations and activists facilitating the process. In Jamtara district of Jharkhand, it was observed that district and block officials are not providing key information needed for social audit even after contacting state level officials. In Karauli district of Rajasthan, Chairpersons of few Gram Panchayats strongly resisted free and fair social audit and wanted it to happen their way.
3. **Conflicting socio-economic interests:** Rural Indian society is not homogenous and there are conflicting interests on caste, class, gender lines. Process of social audit takes into account interests of weaker sections such as poor, dalits, women and minorities and empowers them. Hence powerful groups resist such process to the extent of siding with authorities. State and civil society has an important role to ensure safety and security of citizens who testify in public hearings.
4. **Unverifiable records:** In some states format of records are so that vital information are not known to workers. For example, In Orissa and Himachal Pradesh Job Cards do not have column for amounts of wages paid to labourers. The main purpose of the Job Card is to enable workers to verify their own employment and wage details. Entries in records at some places are made in a manner that it is impossible to verify for semi-literate labourers and difficult for even trained investigators. In Orissa names of workers and worksites have been replaced by numerical codes (Preliminary report of Survey conducted by GB Pant Social Science Institute, Allahabad, 2007).
5. **Low participation in Gram Sabha:** Low people's participation in Gram Sabha is another bottleneck. Non-response to past resolutions, domination by powerful, lack of meaningful discussion are some of the causes why people think attending Gram Sabha is a waste of time.
6. **An expensive exercise:** Large financial resources apart from human resources are needed to pay for photocopying, travel and logistic support to audit committee or team and Gram Sabha. To make it more effective the entire process has to be continuously ongoing making it an expensive exercise. Workers who are the primary stakeholders of this Scheme, has to be paid equal to his wage if she spends her day in the process in order to make social audit people led. And hence a certain sum, from administrative budget of the Scheme, needs to be earmarked for social audit or even a separate fund for social audit altogether.

### Key Lessons:

1. **Inbuilt mechanism for social audit in NREGS is enabling:** Although social audit of all schemes being implemented in the jurisdiction of a Gram Panchayat by Gram Sabha was to be done as per 73<sup>rd</sup> Constitutional Amendment Act and subsequent Panchayati Raj Acts of different states, in reality it was not happening. Provisions of 6 monthly social audits in NREGA and detailed guidelines by Union Ministry of Rural Development has created an invited space for all stakeholders to demand and be part of social audit of implementation of NREGS. Not doing so is unconstitutional and liable to punishment has made administration moving albeit slowly and reluctantly.
2. **Right to Information Act 2005 is an important enabler:** All the documents and records under NREGS are under the preview of RTI Act. For social audit of NREGS availability of information is necessary and with RTI Act into force authorities can not deny these. Entire right to information movement started as a fallout of the effort to procure muster rolls. Before RTI Act, public could not get to see the mysterious pukka (original) muster rolls. It has also been observed that fearing punishment if they do not provide information after application, officials are providing information even before applications are submitted.
3. **Social audit has negative connotations:** Social audit evokes fear and resentment among elected representatives, especially Chairpersons. At initial stages, if social audit is promoted more as learning process to inculcate culture of transparency and accountability rather than fault finding, it is easier to bring Chairpersons

on board. In Gujarat even government officials could be roped in projecting this as educational process. Small but incremental success will boost the confidence and morale of people, specially poor and marginalized.

4. **CSO facilitation makes social audit more effective:** Social audit needs lots of facilitation and mobilization and hence involvement of CSOs makes it more effective. As they are not associated with execution of works, it enhances the objectivity and credibility of the process. Even among members of Gram Sabha, acceptability of civil society is more than any governmental agencies. However for CSO facilitation to be effective certain skills are needed.
5. **Motivated district administration smoothens the process:** People friendly district administration, especially District Magistrate, makes lot of difference in terms of smoothing the process, making block and village administration responsive and initiating follow up actions on findings of social audit. In Ananthpur (Andhra Pradesh), Dungarpur (Rajasthan), Chamba (Himachal Pradesh), Ranchi and Pakur (Jharkhand) districts District Magistrates were instrumental in successful social audit in selected Gram Panchayats (CEC 2006, PRIA 2007).
6. **Timely actions by competent authorities on findings has impact on social audit for next round:** Since social audit of NREGS is to be done every six months, timely actions on earlier social audit encourages people and facilitating organizations. In the contrary if this does not happen, people get disappointed and do not get involved. Actions taken in Dungarpur, Sarguja and Ranchi have not only improved implementation of NREGS but encouraged civil society organizations and people to conduct more social audits. Deputy Commissioner of Ranchi suspended 16 officials and FIR was lodged against five, who were guilty of receiving commissions, misappropriating funds and reporting without visiting the field. These actions were taken within three days from public hearing as part of social audit.

In Andhra Pradesh, a huge sums of money has been voluntarily returned by corrupt officials because of social audit process in 13 districts. Corruption in the Postal department (Post Masters used to take a certain amount from the account of workers whose wages are paid through Post Office) has now been reduced drastically.

7. **Social Audit has spin-off benefits like increased awareness, registration and demand:** During process of data collection, verification and Gram Sabha mobilization, committee and volunteers interact with people personally and share the provisions of the Act, their entitlements and procedures to get them. Interested households are encouraged to apply for registration and also to demand work. Preliminary findings of a recent World Bank study on impact of social audit in Andhra Pradesh have revealed that people's awareness about NREGA increased from 39 percent to 98 percent. Awareness about how their wages are to be calculated and the system of wage payment under NREGA jumped from 62 percent to 91 percent.

## Conclusion:

Growing realization of need for transparency, accountability and participation has led to creation of space for social audit under NREGA. Using this institutional design many governmental and non-governmental agencies have conducted social audit in last one and half year since the launch of NREGS albeit with different approaches and methodologies.

Large-scale involvement on civil society organisations in social audit will have a great impact on GO- NGO relationship in future which currently varies from conflict at the one end of spectrum to collaboration on the other end. Looking with the perspective of recently notified policy of Government of India on voluntary sector that recognized supportive as well as critical role of voluntary sector, this impact needs to be studied after some time.

It has been observed that mere statutory provisions are not sufficient to promote transparency and accountability in NREGS. Demand side needs to be strengthened with awareness about entitlements, capacity building, mobilization and facilitation. Supply side, primarily responsible for follow up actions, should be supported by creating a non-threatening environment, capacity building in record keeping. It is also important to complete the process of devolution to Panchayats because accountability without power is as absurd as power without accountability.