Social Audit Methodology and Operational Manual for BSUP & IHSDP Projects

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Section 1

Social Audit Methodology

1.0   Introduction

Across the world, 'governance' is a subject of much relevance and debate. From ancient times, attempts have been made to explore the various aspects of governance. Governance is the manner in which power is exercised in the management of a country. Starting from the age of the '*Arthasasthra*' to the present good governance reform agenda, the effort to define and redefine the relations between the ruler and the ruled - to bring in good governance - has always revolved around the issue of accountability. Accountability refers to the ability to make the public officials and functionaries answerable for their actions and policies.

Contrary to the earlier scenario, in the current world of technical and information revolution, people's participation in governance is limited to elections, wherein once the elections are over, the elected representatives and officials are left to govern and held to account only at the time of the next election. It is also apparent that between elections, there are a few institutional channels of citizen participation in issues of governance. So, over the years democracy has become "*delegative*". Good governance approach which came as a remedy for many weaknesses and vices of the current administrative and democratic system introduced social accountability as a major initiative.

One of the major social accountability tool practiced across the world is social audit. The concept of social audit in the West is different from what is practiced in India. In India, social audit has evolved as a mechanism to demand accountability from public servants and is practiced under the leadership of many civil society organizations (CSOs). Social audit of Mazdoor Kisan Shakti Sanghatan (MKSS), *Parivartan*, Action-Aid etc., are few examples. Recently, Many State Governments including Andhra Pradesh have introduced social audit as part of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)and for other schemes such as the Mid-day Meal Scheme (MMS) and Scholarship Schemes for the Backward Classes, recognizing the importance of social audit in establishing transparency and accountability. After analyzing several practices, a methodology has been devised for applicability of social audit to projects taken up as part of the Basic Services for Urban Poor (BSUP) and the Integrated Housing and Slum Development Programme (IHSDP) schemes under the JnNURM.

In summary, this methodology paper is divided in two major parts. Part one explores the governance and accountability issues and explains social audit as a tool for social accountability. Part two of the document explains the different models of social audit practiced in west and east countries. It analyses the need for social audit and develops a model that can be implemented in for BSUP and IHSDP projects. It also explores the key issues to be addressed while implementing social audit.

1.1 Concept of Social Audit

The basic objective of 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. The major objectives of the social audit are:

1. To assess the physical and financial gaps between the needs and resources
2. To create awareness among beneficiaries and providers
3. To increase efficacy and effectiveness and ensure transparency
4. To scrutinize various policy decisions
5. To popularize good governance
6. To sensitize citizens to demand accountability

1.1.1 Principles of Social Audit

There are three important guiding principles of social audit. They are,

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, 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 an 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 in 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 accountable.
3. Sharing Information: Information is vital in the process of social audit which aims at attaining transparency and accountability. Information pertaining to various projects undertaken under both BSUP and IHSDP programmes recorded in various registers should be made available to the social audit teams for social audit.

1.1.2 Benefits of Social Audit

Social audit can be used as a tool in providing critical inputs and to correctly assess the impact of government activities on the social well-being of citizens, assess the social costs, and measure the social benefits accrued as a result of any programme implementation. It is significant in the following aspects:

- Inculcates transparency into the organization, department or activity;
- Increases accountability and improves allocation of resources;
- Monitors the social and ethical impact, and performance of the organisation by revisiting the core values and objectives;
- Provides corrective directions and helps in redefining strategies.

In the present context, devising a methodology for undertaking a social audit of works taken up under the BSUP and IHSDP schemes involves understanding various aspects like details of the scheme, scope and boundaries of social audit, need, coverage etc. The following paragraphs introduce the key components of BSUP and IHSDP schemes and the suggested methodology for social audit.

1.1.3 Need for Social Audit for monitoring BSUP and IHSDP Projects

Considering that the focus of JnNURM is on community participation and developing inclusive cities, it is important to initiate a formal process and mechanism to review/evaluate the social impact of the mission and its relevance from the point of view of the target groups, citizens and the society at large. Therefore, institutionalizing the social audit process will ensure the capture of such social impact and also ensure collection of feedback from the beneficiaries to regularly monitor and improve projects. The usefulness of integrating social audit to monitor JnNURM projects can be achieved at two levels viz., at the community level and at an organizational (ULBs) level.

1. Usefulness of social audit at the community level
   a. Builds peoples' confidence and trust in the institutions
   b. Ensures participation and involvement of various sections of the society
   c. Provides a forum where people can demand what is rightfully theirs from Government, Urban Local Bodies (ULBs) and Civil Society Organisations (CSOs)
   d. Creates awareness and spreads accountability

e. Prevents corruption and curtails misuse of government funds

f. Builds sustainability as capacities of people are strengthened to take forward the social audit processes in future also.

2. Usefulness of social audit at organizational level (ULB)

a. Making organizations credible

b. Helping in program planning and implementation

c. Helping in sensitizing government functionaries, CSOs, media and the community

d. Acting as a tool to assess the performance of BSUP and IHSDP programmes in a cost effective manner

1.2 Suggested Social Audit Methodology for BSUP and IHSDP Schemes

Social audit is a process of taking account of financial as well as non-financial utilization of resources, delivery of outputs and outcomes of an activity or programme or organization in a participatory manner by consulting all stakeholders. It is conducted through systematic analysis of secondary and primary data of the unit of social audit. The analyzed data will be disseminated often in a public meeting called "social audit meeting" where all stakeholders are invited. The following method of social audit is suggested after taking into consideration various methodologies adopted by different organizations towards social audit.

The major steps involved in Social Audit Process are:

1. Definition of the boundaries of social audit
2. Identification and consultation of stakeholders
3. Identification of key issues, data collection and analysis
4. Verification and report preparation
5. Organisation of public meetings
6. Advocacy and institutionalization of social audit

1.2.1 Defining Boundaries of Social Audit

The first step of social audit is to identify the institution or programme or activity which is to be audited and understand why it is selected. This will be followed with an attempt to understand the organisation by:

- Defining the focus of social audit
- Understanding the context of activity for social audit
- Listing down the social objectives

1. Focus of Social Audit: Social audit is a way of measuring the extent to which the particular programme, organization and/or activity has lived up to its shared values, objectives it has committed to and benefits that have been generated etc. Therefore, the identification of works to be audited is the first step in a social audit.

   Works for an audit would be selected from the sanctioned list of projects that the ULB is implementing under BSUP and IHSDP. It is seen that the works sanctioned by the ULB are large and there are sub-components or sub-works under each sanctioned project. At times these sub-components are spread across localities in the town. Hence social audit should focus on a single sub-component at a time. In case the sanctioned project is relatively small, then it can be audited as a single work.

2. Context of Social Audit: While exploring the social audit of BSUP/IHSDP schemes, the context of how the social audit would assess the scheme and would bring in accountability in implementation should be clearly spelt out.

   Under BSUP and IHSDP a large quantum of funds are being spent on creating infrastructure and housing for the poor. It is important for the governments to determine whether the intended benefits of the schemes are reaching the targeted groups. It is also important to ensure transparency and accountability in the implementation of such schemes. It is in this context that social audit plays an important role in instituting accountability and transparency in implementation.

3. Framing Objectives for Social Audit: Understanding key social issues of BSUP/IHSDP schemes is an important step towards conducting social audit. The objectives of social audit should be relevant to the strategy, realistic about what can be achieved and recognized by existing routine activity. The key objectives of the social audit of BSUP/IHSDP are:

   a. To analyze the process of implementing the BSUP/IHSDP projects;
   b. To assess the quality of the infrastructure created;

    c.   To assess the pro-poor basic services provided; and

    d.   To assess the satisfaction of the beneficiaries on the entitlements provided.

The objectives help in clearly defining the scope and boundaries of social audit.

1.2.2   *Stake Holder Identification and Consultation*

The next stage is to identify the stakeholders to be consulted for the audit and determining how often these stakeholders could be included in the 'dialogue' process. Selection of representatives for consultation is to be unambiguous and transparent and should cover maximum stakeholders.

1. <u>Identification of Stakeholders:</u> Based on the social audit unit i.e. the BSUP/IHSDP schemes stakeholders have to be identified. Stakeholders are those whose interests are affected by an issue or those whose activities strongly affect the same, who possess information, resources and expertise needed for strategy formulation and implementation; and who control implementation. The key stakeholders who should be involved in the social audit of BSUP and IHSDP works include:

       a.   Community and Project Beneficiaries

       b.   Elected Representatives

       c.   Officials of the ULBs dealing with BSUP and/or IHSDP projects

       d.   Civil Society Organisations (CSOs)

       e.   Media

       f.   State Government officials dealing with BSUP and/or IHSDP projects.

       g.   Central Government officials dealing with BSUP and IHSDP projects

2. <u>Consultations:</u> Primary information is very complex, as people have varied perceptions and interests. Consultations should be planned with the stakeholders to extract accurate and relevant primary information. Often primary sources of data may throw light on undocumented issues impacting the subject of audit. These consultations should be objective, unbiased with informal dialogue and help in building rapport trust and confidence in the community.

1.2.3   Identifying Key Issues and Data Collection

This activity involves identifying key issues that need to be crosschecked in the social audit as well as how information and data pertaining to the schemes will be collected.

1. Identifying Key Issues: Depending on the scope of the social audit, key issues need to be identified. Each issue should lead towards an answer on a particular piece of outputs or results. These issues are derived from the values, objectives and design of the department/scheme, involvement of stakeholders and society.

    While identifying the issues it is important to clearly identify the usefulness of information to be collected. Information, which can be used to explain facts or certain issues, influence policy, and reflect the tangible outcomes should be gathered. It is important for the information gathered to be measurable.

2. Data Collection: In the social audit process, two types of data are crucial. Secondary data collected from government documents and reports, followed by, primary data collected from stakeholders and community members.

    Gathering secondary information is very important in the process of social audit. Secondary data is inevitable for making social audit reports. Information required for preparing social audit reports may not be available in single point but may be in different records in different forms. This information should be pooled together to build up the social account of the unit of social audit.

    The Right to Information Act (RTI) empowers the people to demand for information from any public authority. This Act has opened the way for transparency in administration from the state to the urban local body level. For example, the possible records pertaining to any work under BSUP/IHSDP include:

    - Detailed Project Report (DPR) of the Work
    - Administrative Sanction Order from State Governments
    - Administrative Sanction of the ULB
    - Technical Sanction
    - Running Account Bills

- Quality Control Report
- Agreement with the Contract Agency
- Utilization Certificate

1.2.4 Social Audit Findings and Verification

1. <u>Consolidation of Information:</u> Information is useful when it is classified into clusters based on relevance, instead of just random pieces of information. Sorting the collected information is an important task as it would be the ultimate source code book for conducting the social audit. This consolidated information is to be disseminated to the public during the social audit process. The data collected is to be tabulated according to the requirements. Muster rolls and other relevant information should to be consolidated as per the works performed. Tabulating the data into tables and charts helps in creating more clarity on the social account.

2. <u>Physical Verification:</u> Physical verification of the work involves a visit to the worksite to verify whether whatever mentioned in the social account has actually happened in the way mentioned. It is important to find out whether the work has been done according to the technical sanction. Utmost care should be taken in recording the findings as a small mistake could leave the processes of the audit in disarray; the aim of such a record of information should be the accurate and transparent verification of facts.

3. <u>Public Meeting:</u> The main purpose of public meeting is to obtain public testimony or comment. The key findings of the audit are to be discussed in the public meeting and the concerned government officials must respond to the key issues raised in such a meeting. A public meeting for social audit is a special meeting for a specific purpose with no other matters addressed other than a particular issue of focus.

The methodology discussed above provides for the approach to be followed for undertaking social audit of BSUP and IHSDP schemes. However, this approach has to be operationalized by putting in place the required procedures and institutional arrangements for successfully adopting this accountability tool in the said schemes. The section 2 of this document is the operational manual for implementing social audit of BSUP and IHSDP schemes.

Section 2

Operational Manual

Implementing social audit in Urban Local Bodies (ULBs) requires addressing some major issues to operationalise it like, identifying social audit areas, institutional arrangements, training and capacity building, community mobilization and public support, institutionalization, etc. This operational manual describes various key aspects that need to be considered in operationalizing social audit.

1.1   Institutional Arrangements for Social Audit

Social audit as an accountability tool to be accepted and to be effective requires a strong commitment from its initiators. Social audit is important to the Government to assess the performance of the BSUP and IHSDP schemes, to rectify the gaps in implementation and thereby further improving the impact of the programme in the most effective manner. It also ensures greater transparency and accountability of government functionaries. In the present context since social audit is being initiated by government, it is vital to have a strong institutional setup to implement it.

The successful implementation of social audit can be achieved by putting in place the required manpower at various levels from top management to those working in the grassroots. The institutional arrangements for the social audit of BSUP and IHSDP schemes are proposed at four levels i.e. the National level, state level advisory, the city/ULB level and at the community level.

1. Core National Advisory Committee
2. State Level Advisory Committee
3. City level Cell Committee
4. Community Social Auditors

Institutional Design structure for conducting social audits

Core National Advisory Committee

Composition: Secretary (HUPA), Mission Director (JNNURM), M/o HUPA and 3 leading experts from the fields of Social Audit, Urban Development and Governance

Functions: The Advisory Group should meet every six months to:
- review progress of social audits
- track grievance redressal
- make recommendations for strengthening outcomes of programme implementation including necessary revisions and issuing guidelines.

	State-level Advisory
Appointment of an Independent Facilitating Agency (IFA) at the state level responsible for conducting social audits on the basis of bidding. The agency must have a demonstrated record of conducting social audits in any sector. The agency should be appointed for a period of one year, and future association should be determined on the basis of its performance. The necessary financial and programme agreements should be drawn up before commencement of social audits.	Composition: Concerned Secretary, In-charge PIU, In-charge, PMU and Director, Independent Facilitating Agency. Depending on the city/town being audited its Mayor, Municipal Commissioner, Chief Engineer and other concerned staff should be present at the meeting. Functions: The State-level Advisory should meet every month to: - identify cities and towns for auditing in the next month - present the grievances and related issues - track action taken report by the concerned city-level authority.
	City-level
Local Partnerships with city-based NGO and CBO at the city/town level, with other departments of social work and/or urban planning/architecture.	Identify settlements for auditing. At least 40% of the sanctioned DPR in the city should be audited. In towns: at least 60% of the sanctioned DPR should be audited. After each audit, the **Independent Facilitating Agency** should submit its findings report within seven days. The concerned city department must submit its action taken report within fifteen days.
	Objectives of Social Audit
Social Audit Committee at neighbourhood / settlement level.	The objectives of the social audit must match the stage of project implementation and the housing typology as per the DPR.
	Methodology and Parameters
	The detailed parameters have been summarised in section 5.1.

Roles and Responsibilities of members of Social Audit Committees at various levels

Some of the key roles and responsibilities of the SAC members include,

1. Possessing comprehensive knowledge of the BSUP/IHSDP schemes
2. Creating awareness among stakeholders and encouraging participation of beneficiaries
3. Examining and keen analysis of the implementation of the BSUP/IHSDP schemes
4. Recording information collected through consultations and discussions

5. Preparing reports based on the information through consultations and verification

6. Incorporating various issues, facts and complaints received into the social audit report

7. Organizing public meeting to inform the beneficiaries and other stakeholders on the outcomes of the audit

8. Reporting the findings of the social audit to the concerned authorities

To undertake the actual social audits at the ULB level and also to educate the community on the benefits and entitlements of the scheme a large number of Community Social Auditors (CSAs) have to be trained. Interested youth from the locality or from the families of beneficiaries can be selected to operate as CSAs. Using CSAs who are literate youth from beneficiary families was arrived at after much thought and experiences from other social audit experiences in the country as to who would actually undertake social audits in the town/city. The CSAs should be acceptable to the public and should be free of political affiliation and should be carried out preferably by a local person who is familiar with the local scenario. Some of the questions that have to be addressed while selecting the CSAs are mentioned below.

1. What should be the competency of the social auditor?

2. What should be the criteria to become social auditor?

3. What is the legitimacy/authorization accorded for the CSA to conduct the social audit of the public work?

2.1   Creating an Enabling Environment

The awareness-creating process is the key to help get the social audit started from day one and continued until the termination of the audit process. The purpose of such a meeting is to create awareness among people about social audit as a tool and the benefits of the right to information. The ULB staff, CSO facilitators, and CSAs have to be oriented to the importance of such an activity as one of the key objectives of social audit is also to make people aware of their rights and entitlements. Information pertaining to the time and place of the social audit can be disseminated in the locality where the BSUP/IHSDP project is under construction. A street play, puppet show, stage performances and door-to-door meetings can be organized by the social audit committee during this activity. Songs can also be composed for this purpose and arranged in the locality before embarking upon the actual audit.

Care needs to be taken to ensure that awareness activity is taken up seriously. It is this activity which will determine the success of the social audit. Awareness among the public regarding social audit has to be raised and they should give voluntary testimony on the audited issue. The

success of the programme depends on how well people are motivated and mobilized to ensure and demand accountability from the officials. Conscious effort should be carried out to create awareness and to maintain interest and enthusiasm of the stakeholders.

3.1   Community Mobilization

Bringing together all the members of a community, discussing and securing their cooperation can be undertaken through a participatory approach. This can also be initiated by the leaders in the community, by assisting or helping people to publicise the event and generating interest and awareness in the community. It should aim at making people aware of their own potential and improving the self-help capabilities (ability to act and the knowledge of how to act).

Following a planned approach to the discussions, allows community groups to speak comfortably without fear of the consequences. Holding focus group discussions and group discussions in small groups to elicit information makes the community members come forward and speak confidently in big gatherings.

Ways to mobilize the community

- Interactions with different people in the community
- Meshing campaign message into outreach programmes of civil society groups
- Use of mass media/ public addressing system
- Puppet Shows
- Distribution of posters, leaflets, stickers, booklets, pamphlets
- Use of informal communication methods (street theatre, wall paintings and posters behind rickshaws and comic cards) and unique sign-up and celebrity endorsements
- Rallies (on foot)
- Door-to-door-campaigns
- Formation of human chains
- Approach the media through press conferences

Concerned officials and other stakeholders should be informed about the social audit and a formal invitation should be given to them for observing the procedures and react to the concerns raised by the community in the social audit meeting.

4.1   Use of RTI in the Social Audit

The Right to Information Act, 2005 is an important legislation that provides opportunities to CSOs to be involved in governance and social transformation processes by using the RTI Act as an effective tool to monitor, review and evaluate government policies, programmes and schemes. CSOs can infuse greater transparency and accountability in the administration of developmental programmes and arrest the abuse of power and misuse of public resources with the help of the RTI Act. Under the RTI Act, the social audit committee can:

- Demand information from the State/ULB information pertaining to any works taken up under BSUP and IHSDP schemes;

- Demand photocopies of various documents like administration and technical sanction, estimates, running account bills etc.

- Demand samples of material used in the construction of roads, drains, buildings etc., from the ULB/Contractors

- Demand to inspect any public development work that may be still under construction or completed

- Demand the status of requests or complaints, details of time delays etc.

Hence for a social audit securing information pertaining to the project is very important. Social Audit Committee must use the RTI Act and apply for information in the event that information requested from government officials is not forthcoming within a reasonable period of time. Social Audit Committee must use the RTI Act and apply for information in the event that information requested from government officials is not forthcoming within a reasonable period of time".

5.1   Time and Frequency of Social Audit

(a) Social audits should be conducted concurrently, on a periodic basis, at least once every six months.

(b) Depending on the stage of project implementation, different objectives/ends can be audited. The social audits should be designed such that they match the stage of project implementation. Each social audit must have a clear focus, with clear and effective methods for data collection, verification and collection of people's grievances.

The key parameters for Social Audit in each stage for each case are as follows:

Housing Model Adopted / Stage of Project Implementation	Relocated stacked housing	In-situ stacked housing	In-situ incremental housing through contractorship	In-situ owner driven incremental housing
	Checking for exclusion and wrongful inclusion should be done at each stage of the Social Audit.			
Under-construction	Quality of construction	Adherence to construction specifications outlined in DPR	Adherence to construction specifications outlined in DPR	Adherence to applicable construction standards
	Adherence to construction specifications outlined in DPR		Quality of construction	Transit accommodation
	Costs of Relocation		Incorporation of customised designs	Access to credit at favourable terms
Upon completion of construction	Provision of essential services (specifically water, electricity, sanitation and SWM)	Provision of essential services (specifically water, electricity, sanitation and SWM)	Provision of essential services (specifically water, sanitation and SWM)	Provision of essential services (specifically water, sanitation and SWM)

Issue of allotment/agreement letters with full details	Issue of allotment/agreement letters with full details		
Construction Quality: including fittings and furnishings	Construction quality: including fittings and furnishings	Construction quality: including fittings and furnishings	
Appropriateness of house/cluster design for quality living	Appropriateness of house/cluster design for quality living	Appropriateness of house/cluster design for quality living	
Collection mechanism of rent/license fee or monthly installment	Collection mechanism of rent/license fee or monthly installment	Collection mechanism of rent/license fee or monthly installment	Collection mechanism of rent/license fee or monthly installment
Impact on livelihood	Impact on Livelihood		
Maintenance of common services and areas	Maintenance of common services and areas	Maintenance of common services and areas	Maintenance of common services and areas
Access to essential services	Enhanced access to essential services	Enhanced access to essential services	Enhanced access to essential services

Note: Row label "Upon Occupancy" appears in the leftmost column spanning the Collection mechanism / Impact on livelihood rows.

Access to social infrastructure	Additional credit burden, in case of land holding	Additional credit burden, in case of land holding	Additional credit burden, in case of land holding

Additional parameters can be added for each stage, if required. Possible indicators for each parameters are discussed in table below:

Recommended indicators for various parameters

Serial	Parameter	Indicator
1	**Quality of construction, adherence to construction standards in case of plotted development**	Audit by third party experts. SAC members should be involved as part of the audit team.
		Auditing construction quality as per design and construction specifications in the DPR.
	Post-occupancy quality audit:	Roofs: Visible cracks and leakages
		Walls: buckling, cracks and seepage
		Floors: any visible depressions
		Toilet fittings: number of working W/S connections, back-flow of sewerage and toilets installed correctly
		Electricity: number of working connections
		Doors and windows: all fitting as per DPR
2	**Provision, access to essential services**	Check for water, electricity, sewerage, solid waste management, storm water drainage, roads, street lighting.
		Last mile connectivity in case of W/S, electricity, sewerage and drainage
		Installation and maintenance of common services.
3	**Costs of Relocation**	Advance notice for eviction and demolition
		Costs of transportation

		Transit accommodation
4	**Access to credit**	Terms of credit
		Collection mechanism
		Administrative procedures involved
5	**Selection and Allotments**	Cases of exclusion and reasons
		Cases of wrongful inclusion
		Terms of allotment communicated to the community
		Terms of allotment adhered to in the allotment letter, agreement, deeds etc.
6	**Design Audit**	Communities provide feedback on the proposed design. Every effort should be made to understand design needs separately for men, women, aged, young people and children. Universal access should be ensured in at least ten units in housing units, and in case of incremental housing model, specific needs should be provided for a case basis.
7	**Impact on Livelihood**	Loss of livelihood
		Access to alternate livelihood options and training for it, for men and women
		Loss of wages
8	**Maintenance and upkeep**	Auditing municipal services provisions and quality
		Auditing upkeep of common services and areas
9	**Access to social services**	Questions of access, affordability, denial, discrimination and extra costs, if any, should be mapped and data aggregated on the number of people affected.

6.1   Funding, Budgeting and Maintaining Accounts for Social Audit

The funding for the social audit has to be earmarked from the funds allocated to BSUP and IHSDP. The financing of social audits will be done by the SLNA. The funds will be released by the SLNA to the cities. The social audit committee at the city will submit the social audit estimate and the cost to be incurred to the ULB who would send the estimated cost to the State. Once approved, the SLNA or the State will release the payment to the city. The city level social audit committee will be in-charge of maintaining the accounts for the expenditure incurred for conducting social audits.

7.1   Reporting

1. Social audits reports will have a number of recommendations and action to be taken issues that need administrative action that would emerge from the social audit process and public hearing. Findings of the public hearing should be summarized and submitted to the concerned Secretary at the state level, responsible for the overall implementation of the programme, within seven days, by the key facilitating agency. The report must submit findings on all the parameters applicable for the particular stage of project implementation. In addition to this, any other parameters deemed relevant should also be included. A full list of the affected families, along with their house numbers should be annexed with the report. An action taken report should be submitted within 15 days of the social audits by the concerned local authority at the city level.
2. The findings report and action taken report formats should be aligned with items shared in Tables above.

 It is also important that these reports are maintained. The onus of maintaining the reports will lie with the SLNA. The committee will receive reports from the various social audit committees located in ULBs. The social audit reports will be sent by the city level social audit committee to the State. The report should contain the details of the audit and also the key issues addressed in the public meeting. A structure for preparing a social audit report is attached as **Annex 1**.

8.1   Follow-up of the Social Audit Findings

After the public meeting the social audit committee (facilitating agency) at the city level will prepare the social audit report. Based on the issues raised by the community the solutions and action to be taken by the concerned ULB officials or the contractor have to be recorded. The social audit committee is also responsible for following it up. The action to be taken and

resolutions made in the public meeting should clearly document the key issue, the solution or the action to be taken and the time required to rectify the problem. The social audit team will check if the ULB has rectified the problems and adhered to the resolutions taken in the public meeting. In case the ULB has not responded the social audit committee will report the same to the SLNA for State level Advisory Committee and to the National Advisory Committee.

9.1 Training and Capacity Building

The training of various stakeholders occupies an important activity in implementing and institutionalizing social audit. There should be a group of master trainers at the state level who will be training social auditors for the state. The trainers should be able to train the trainees from a theoretical and practical point of view. The pool of social audit committee members at the city and at the community level created would initially ensure that further training is provided to the members selected to the social audit committee. The audit committee members would initially undergo Training-of-Trainers exercise where they will be trained on the basic concepts of social audit, Right to Information Act, Methodology and operationalizing social audit, details of BSUP and IHSDP schemes, process of social audit etc. Such training will ensure the effective implementation of social audits. The training programmes will be organised by the cadre of trainers created with the support of government funding. Some key aspects of training and capacity building include:

1. Training and Training Material: The trainers' group should revise training modules on a regular basis. It should be updated as per the response and need of the community. The issues to be addressed further under the training and capacity building include:
   a. Who will revise the training module and how often?
   b. Criteria for selection of social auditors for training;
   c. Renewal of social audit authorization for the social auditors;
2. Training of Other Stakeholders: In addition to the Community Social Auditors, training must be imparted to various other key stakeholders who are involved in the process. Other stakeholders include the community, CSOs, ULB officials, elected representatives etc. All key agencies will need to be trained in discharging their responsibilities under the programme. Basic training on core issues pertinent to social audit and guidelines must be arranged by the ULB with priority accorded to its key functionaries, especially the engineers, town planning staff, Urban Community Development officers etc. A training calendar should be made and training modules should be calibrated in content and process according to different stakeholders. In addition to helping various agencies

in performing their duties under the Act, training programmes should give priority to the competencies required for effective planning, work measurement, public disclosure, social audits and use of the Right to Information Act, 2005.

3. <u>Trainees and Refresher Trainings:</u> The social auditors should also undergo refresher training on a regular basis. Renewal of social audit authorization for the community social auditors should be based on attendance and successful completion of refresher training.

10.1 Institutionalization of Social Audit

Social audit may lead to upsetting the vested interest. Effective mechanism to address the issue should be introduced through continuous consultations with key stakeholders and by institutionalizing social audit through legal provisions. It is evident that social audit initiatives can make a difference in governance. Experience from various initiatives in India proved that impact is the greatest and most sustainable when social audit process is systematically implemented. The social audit process is more effective when it is institutionalized. This process is possible through a number of ways.

10.1.1 Conduct of Social Audit on Regular Basis

The regular of social audit processes will force the state to incorporate this as an integral part of the government. For example, MKSS has exposed remarkable amount of corruption in the Food for Work Programme implemented in the Rajasthan through Jan Sunvais. Thereafter, Government of Rajasthan has incorporated Jan Sunvais as a part of Food for Work Program in the state. Every civil work in the state has to be audited through Gram Sabha with the participation of all villagers. The social audits that would be conducted under BSUP and IHSDP have to be conducted on a periodic basis.

10.1.2 Internalizing within the Government

Social audit brings in transparency and accountability only if it is internalized in the government system. The efforts and a number of pilots implemented by the Strategy Performance Innovation Unit (SPIU) of the Rural Development Department, GoAP has helped the Department to internalize social audit process into the implementation of the MGNREGS. Central Government has incorporated social audit as an integral part of the National Rural Employment Guarantee Act, 2005 of Indian government under Section 17. It gives a central role

to 'social audits' as a means of continuous public vigilance. The MGNREGS makes a provision of 0.50 - 0.75% of the budget for conducting social audit. Similar steps have to be taken up for institutionalizing social audit under BSUP and IHSDP schemes.

10.1.3 Involvement of Civil Society Organisations (CSOs)

CSOs play a crucial role in institutionalizing the process of social audit. These organisations help in creating the awareness and motivating the civil society as facilitators of the process. They can play a very important role in implementing social audits along with the community. For example, the MKSS, Rajasthan has initiated the public hearings to attack corruption and bring in transparency to public works. ActionAid India is also playing a vital role in conducting Jan Sunvais in Orissa and other parts of the country. As seen from the previous experiences, encouraging CSOs participation in the social audit process can help institutionalizing it in BSUP and IHSDP schemes.

10.1.4 Formation of Social Audit Committees

Formation of Social Audit Committees at the ULB level may be the most viable way of initiating the social audit process. The committee members should be selected from different streams of the society depending on the nature of programmes/schemes to be audited. For example the Andhra Pradesh Rural Employment Guarantee Scheme is more focused on forming the social audit committees in every gram panchayat to conduct the social audit of the scheme at different stages of the work. Formation of social audit committees and also have a cadre of community social auditors can help in popularizing the concept of social accountability and thereby acceptance of social audit as a powerful accountability tool by the people at large.

10.1.5 Legal Support

Social audit in the urban local bodies should be given some legal status through law or ordinance to enhance the implementation. This should be followed by rules and guidelines on how, when and where to conduct the social audit. Periodicity of social audit can also be standardized.

10.1.6 Action Taken Report following Social Audit

Unless a punitive, disciplinary or corrective action is taken as a follow up to the social audit findings, (audit resolutions) the thrust and importance of the social audit will be lost. Therefore, a code on this regard should be developed with specification on what sort of disciplinary action to be taken and to whom it should be forwarded. This should be prepared specific to each department and institutionalized in all departments.

11.1 Information Dissemination and Disclosure under Social Audit

11.1.1 Information Dissemination in a Public Hearing

Each piece of information gathered should have appropriate evidence associated with it. The evidence allows the social audit team to verify whether the piece of data is true (e.g. if the indicator was a person received a service, the evidence might be a way of contacting them to verify it or a signature at the very least which the person will be able to testify for).

(a) A formal arena for discussion might be appropriate for presenting the information before the people, as well as before the authorities and officials. Public hearings must be conducted within the communities, at the housing sites. This will ensure easy physical verification, people can draw attention to their problems by physically pointing out to them, women can participate in greater numbers, the loss of wages to the poor is minimised and officials get first hand feedback and can undertake rapid self-assessment of their work.

(b) Every effort should be made to ensure that communities can participate in the public hearings. People should not be silenced at any point and women, older people and persons with disabilities must be given separate opportunity to speak.

(c) The spatial arrangements at the public hearings should be such that they do not re-emphasize the power differential between the local authorities and communities. All necessary arrangements should be made for the public hearings: organizing the public hearing according to the convenience of the people, ensuring access to clean drinking water and shade for people to sit under during summers; and toilets, if the public hearing is not being conducted on site.

11.1.2 Information Disclosure for Awareness

It is very important to disclose information related to the social audit to people. The information pertaining to social audit can be printed in the form of pamphlets and posters and can be shared with the community. Posters can be displayed in public offices in the locality where the social audit is planned. Specific details of the project like the project components, cost, location etc., can be mentioned in these information pamphlets. After completing the social audit, the audit findings should also be shared with the community. The information has to be disclosed to the community lucidly in local language.

11.1.3 Information Dissemination through Internet

For creating better awareness and also to disseminate good practices, knowledge and information on social audit of BSUP and IHSDP programme a website can be designed for this purpose. The website would provide a common platform for institutions and agencies from across the country to access the information it holds. The state level social audit cells should regularly update the website. It would also be an information site where reports, manuals/tools, analysis and other information by various states and ULBs will be uploaded and displayed. Further value additions can also be made in order to enhance the utility of the system.

Presently the BSUP and IHSDP projects are monitored through Integrated Poverty Monitoring System (IPOMS). This system has information pertaining to projects sanctioned under BSUP and IHSDP with specific details of budget, components, towns and locations etc. The social audit reports prepared by committees can also be placed in this monitoring site. This way the MoHUPA will be able to assess the progress achieved by towns/cities in implementing social audit.

12.1 Evaluation of the Effectiveness of the Social Audit

Periodic review of the social audit programme should be conducted through Impact Evaluation Studies. Impact studies should be able to view the social audit from the perspective of different stakeholders and should bring in necessary changes in processes. The impact assessment studies can be conducted by agencies and institutions which have worked on social accountability. Best practices in social audit can be documented and disseminated through media.

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Annex – 1
Social Audit Reporting Format

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Location

The social audit report should start with the details of the ULB where social audit has been conducted. The boundaries of the work in terms of the block and district could also be mentioned.

- Name of the Locality
- Name of the Municipality/Corporation
- Name of the District

Duration of the Social Audit

The duration of the social audit should be detailed in the report. This starts from the day on which initial consultations with ULB officials are started to the date on which the social audit public meeting is completed. The duration can be reported activity wise like

- Date of ULB Consultations
- Time taken for collection of information
- Duration of community interaction and physical verification
- Date of public meeting on social audit
- Date of social audit report submitted by the social audit committee

Details of Social Audit Committee

Details of the how the committee was selected, and members of the social audit committee should be provided in the report. Details of when it was formed and till what duration the committee will exist should also be mentioned.

Objectives of Social Audit

The objectives of the programme or scheme audited i.e. BSUP and IHSDP should be clearly outlined. Since, these objectives will guide the audit process, they should not be vague. It should be specific and achievable.

- To assess the quality of physical infrastructure created
- To assess the usefulness of infrastructure created
- Obtaining the feedback from the beneficiaries

Scope of social audit

The scope of the social audit should be outlined keeping in view the objectives in terms of

- The audit exercise
- Geographical area to be audited
- Time allocated for preparing social audit
- Financial allocation for conducting the social audit

The scope of the audit should be described in depth so that it will prevent drifting away from achieving the objective. For example if an infrastructure project is going to be audited, the report should clearly state what aspects of the infrastructure are being audited.

Stakeholders Involved

The report should clearly detail the stakeholders involved in the programme/scheme. Information like

- Names and designations of the officials
- Elected representatives
- Details of beneficiaries like the number who attended for the social audit process, the beneficiaries covered under the project etc.
- Details of the other stake holders like contractors, material suppliers etc.

Names of the stakeholders who attended for the social audit process may be prepared to enclose with the social audit report.

Process of Social Audit

The process of social audit should be explained stage wise so that the report will be self explanatory. The social audit process will be common for all social audits as given below.

1. Forming the Social Audit Committee (SAC)
2. Preparing a Time schedule for the audit
3. Preparing a Budget for Social Audit
4. Building a Conducive Environment for Social Audit
5. Information Collection

6. Collating and Consolidating Information collected

7. Verification of Information

8. Preparing for Public Meeting

9. Introduction and Initiation

10. Display of Charts

11. Facilitating Discussions

12. Follow-up Activity

This section should capture in detail the processes, methods employed, people's participation, difficulties and challenges faced and resolved.

Key findings of Social Audit

The key findings of the social audit and the resolutions recorded in the public meeting should be clearly stated in the report. The resolutions recorded in the public meeting should also be followed up and social audit committee should ensure that they are complied with.

What was the impact of Social Audit (if any) on?
- Citizens/Community's level
- ERs level
- Govt. Officials level
- CSOs level

Evaluation of Social audit

The social audit report should have a self evaluation of the social audit team regarding the positive and negative factors involved in the social audit. They should also mention the limitations faced in conducting social audit.

List of Documents

The list of document used for verification should be included as an annexure. It will also be appropriate to mention if any of the relevant documents was not available for verification.