

Social Audit And Panchayati Raj

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Abstract

Social audit can be used in the various sectors like health, water, financial institution, organizations, companies, public and private sectors. With the help of social audit, industries can measure their performance. The social audit got a legal statue after incorporation of the 73rd amendment to the Indian constitution regarding panchayati raj institutions. This amendment gave power to gramsabha to conduct social audits and it has with this historic amendment that the concept of social audit gained importance in our country. The gramasabha shall conduct regular social audit of all the projects under the scheme taken up with in gram panchayat. So this study analyzed the performance of PRIs through social audit practice. It is purely based on primary data which has used convenient method of sampling method. The result has contributed that, social audit practice through gramsabha has developed the rural area but still there is a need for effective implementation of social audit practice. So government should provide training to panchayat raj employees to effectively carry social audit apart from this other institutions such as NGOs need to support villagers to conduct social audit.

Key Words: Panchayati Raj Institutions (PRIs), Gramsabha, Development, Performance.

Introduction

Social auditing is a process by which an organization / government accounts for its social performance to its stakeholders and seeks to improve its future social performance. The concept was pioneered by Charles Medawar in 1972. A social audit helps to narrow gaps between vision/goal and reality, and between efficiency and effectiveness. It allows us to measure, verify, report on and to improve the social performance of any government effort or organization. Social Audit is different from the development audit. The social audit is a monitor and verifies the social performance claims of the organization and institution. It is particularly and can be anticorruption and efficiency enhancing mechanism. It is based on the premise that citizens want

and have the right to know that the government does, how it does it, how it impact on them and that the government has an obligation to account and be transparent to citizens and it is a formal review of a institution evidence in social responsibility and it look at factors such as companies or organization records of charitable giving, valuator activity energy use transparency and work environment. Social audit can be used in the various sectors like health, water, financial institution, organizations, companies, public and private sectors, with the help of social audit industries can measure their performance. The social audit got a legal statue after incorporation of the 73rd amendment to the Indian constitution regarding panchayat raj institutions. This amendment gave power to gramsabha to conduct social audits and it has with this historic amendment that the concept of social audit gained importance in our country. The gramasabha shall conduct regular social audit of all the projects under the scheme taken up with in gram panchayat.

Objectives of Social Audit

1. To assess the physical and financial gaps between needs and resources available for local development.
2. Creating awareness among beneficiaries and providers of local social and productive services.
3. Increasing efficacy and effectiveness of local development programmes.
4. Scrutiny of various policy decisions, keeping in view stakeholder's interests and priorities, particularly of rural poor.
5. Estimation of the opportunity cost for stakeholders of not getting timely access to public services.

Social Audits are mandatory as per the 73rd Constitutional Amendment in 1993, through which the Village communities are empowered to conduct social audit of all development work in their respective villages and the concerned authorities are duty bound to facilitate them.

- Constitutional amendments in 1992-93 for local self government which introduced provisions for accounts to be placed before the gram sabha and municipal wards are a revealing pointer to the need for accountability, not to a hierarchy of officials or representatives of the people but increasingly to people themselves, since they are the only stakeholders.

- 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. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives.

- Social audit as a term was used as far back as the 1950s. There has been a flurry of activity and interest in the last seven to eight years in India and neighboring countries.
- The key difference between development and social audit is that a social audit focuses on the neglected issue of social impacts, while a development audit has a broader focus including environment and economic issues, such as the efficiency of a project or programme.
- Social audit can also be used for auditing the performance of all three PRI tiers with a social audit committee at each level. These committees should not be permanent, but can be set up depending on the nature of programmes/schemes to be audited.
- 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 rules lay out procedures under the three main stages of a social audit: preparatory phase, social audit forum, and post-social audit phase.
- The social audit forum (meeting of the gram sabha) must be conducted every six months, be presided over by a person selected by the forum, and must be widely publicized beforehand.
- The ‘action taken report’ relating to the previous social audit must be read out, attendance of all concerned officials is compulsory, and minutes of the meeting must be recorded by the secretary in the prescribed format. The audit is open to any outside individual, group, or NGO.
- The post-audit phase requires all complaints of non-performance to be looked into, and anyone involved in deviation of funds to be held accountable and the loss made good.
- The rules clearly state who is accountable for what at each stage of programme implementation. It also says that the central government will meet the costs of establishing and running a social audit cell at the state level.
- "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. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives.”

- In the Panchayati Raj set up, the Gram Sabha, the general assembly of villagers has a key role for effective functioning of Panchayats. In the Gram Sabha meeting, the rural poor, the women and the marginalized people would now get an opportunity to join in decision making on matters affecting their lives.
- Active functioning of the Gram Sabha would ensure a participatory democracy with transparency, accountability and achievement. Gram Sabha has been given ‘watchdog’ powers and responsibilities by the Panchayati Raj Acts in most States, to supervise and monitor the functioning of panchayat’s elected representatives and government functionaries, and examine the annual statement of accounts and audit reports.
- These are implied powers, indirectly empowering Gram Sabhas to carry out social audits in addition to other functions. Members of the Gram Sabha and the village panchayat, intermediate panchayat and district panchayat through their representatives, can raise issues of social concern and public interest and demand an explanation.
- In order to supplement the Panchayati Raj Act, the Government of India, in 1996, passed another Act known as Panchayats (Extension to the Scheduled Areas) Act, which extended the provisions of the Constitution (73 Amendment) Act of 1992 to the tribal areas of Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa and Rajasthan. This came into force on 24 December 1996.
- Social Audits are mandatory as per the 73rd Constitutional Amendment in 1993, through which the Village communities are empowered to conduct social audit of all development work in their respective villages and the concerned authorities are duty bound to facilitate them. The social audits are expected to contribute to the process of empowerment of the beneficiaries and generate demand for the effective delivery of programmes. The instructions require that special Gram Sabhas be arranged to conduct Social Audits in every ward and that Social Audits of all ongoing development works be included as an item of discussion in every Gram Sabha meeting.
- The provisions of Panchayats (extension to scheduled areas) Act 1996 lays down that the completion certificate for all villages development works can only be accorded by the Gram Sabha.

- Social audit of public utilities or public undertakings would be greatly facilitated if the undertaking prepared a social accounting document. Several models of social accounting and reporting have been tried out in a number of countries but efforts at standardizing the models have not borne fruit. Even simple reporting systems devised will enable the social auditor of public utilities or undertakings to draw conclusions about the social benefits and social detriments arising from the operation of a public utility over and beyond the quality of service rendered by it for which it is set up. A reading of such reports over a time period of few years can provide the basis for judging whether the net social benefit is growing in acceptable proportion to the encroachments made by the utility on the resources of the society
- Perhaps the most serious difficulty faced by the social auditor is the absence of a well-conceived information system as part and parcel of a social welfare programme. Government agencies which design programmes often commit the error of relying on traditional government systems of information such as government accounts and government methods of reporting for conveying a picture of how a programme is progressing. This kind of hazy and incomplete system does not help them to take stock, speed up, slow down or apply corrective measures as and when required.
- Constitutional amendments in 1992-93 for local self government which introduced provisions for accounts to be placed before the gram sabha and municipal wards are a revealing pointer to the need for accountability, not to a hierarchy of officialdom or representatives of the people but increasingly to people themselves, since they are the only stakeholders. That is the writing on the wall.
- Social audit assumes even greater importance in the context of democratic decentralization since 1992-93. Structures for accountability are the weakest in panchayats and municipal bodies who are implementing anti-poverty programmes and providing basic social services. Half-hearted devolution of powers by most state governments continues to stymie their effectiveness. Planning by district planning committees as envisaged in the constitutional amendments has hardly been operationalized.
- At the behest of the Finance Commission, the CAG has recently undertaken an exercise in providing technical guidance and supervision to Examiners, Local Funds, which needs to be supported by a vigorous movement for social audit. It must be remembered that, as against the concerns of departmental auditors for classification of transactions under relevant schemes and

programmes, citizens are interested in the veracity of the details in BPL surveys, vouchers and muster rolls. The actual construction of permanent assets along proper specifications also matters to them.

Suggestions

1. Panchayat should educate the villagers about the social audit.
2. The government should provide training to panchayat raj employees to effectively carry social audit.
3. There is a need to create more jobs to the rural people under various schemes especially during off season.
4. Panchayat has to implement social audit for all the programs.
5. Panchayati Raj can improve the quality of social audit by adding further working projects.
6. Social audit practice can be implemented in all the panchayats all over the country.
7. NGOs need to support villagers to conduct social audit.

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