

Chapter 6: Quest for truth: Jan sunwai as a mechanism of social audit

“Only by keeping a vigil on the small acts of corruption,
we can prevent the larger ones”

(Aruna Roy, Janawad jan sunwai, April 2001)

6.1 Introduction

This chapter examines the advantages of social auditing in comparison to the conventional audit procedures and illustrates the steps taken by the State towards institutionalising the jan sunwai mode of social audit. This institutionalisation is significant because it deepens democracy. It builds governance from the grassroots to cover the upper echelons of governance. Moreover, it is a participatory process, which channels inputs from all the stakeholders, including the members of the community. Social auditing via the jan sunwai is a quest for truth because it is based on evidence that is arrived at by collating information from all the stakeholders.

The chapter is divided into four sections. Section one examines the advantages of social audit. The social audit is significant because it complements the government auditing procedures. For illustrating the complementarity, the method of social audit is compared with the formal auditing procedure followed by the Indian Accounts and Audit Department under the Comptroller and Auditor General of India. The comparison brings out the non-participatory nature of the conventional audit procedures and the role of social audit in achieving people’s participation. This section also provides a brief description of the auditing of public works. It demonstrates the significance of the jan sunwai based social audit in achieving transparency, combating corruption, promoting deliberation and establishing accountability of the panchayat functionaries. Thus, it illustrates the impact of the jan sunwai in creating a mechanism for decentralised auditing by authorising the people to monitor the programmes.

Section two examines the challenges of social auditing via the jan sunwai. It differentiates the jan sunwai from the law courts. It describes the challenges that

were faced in establishing the truth of people's statements as well as the issues involved in negotiating between written public records and oral testimonies of the people at the jan sunwai. Section three describes the steps taken by select organs of the Indian state for institutionalising the jan sunwai as a social audit mechanism. The process was first institutionalised at the level of the local government, followed by its incorporation into legislation (MNREG Act 2005) at the level of the union and subsequent alignment with the conventional audit procedures by the Comptroller and Auditor General of India. Recently, two states – Meghalaya and Haryana have enacted state-wide social audit acts that cover several development programmes, including those implemented by urban bodies. The discussion on institutionalisation in this chapter is chronological and highlights the elements and processes that can be linked to the jan sunwai. This section also examines the role assigned to different public authorities and civil society actors in conducting the social audit.

The final section concludes the chapter by highlighting how the principles and practices of the jan sunwai have been institutionalised within the social audit mechanism of the State. The civil society consultants to the government have persistently advocated for integrating those components and principles of the jan sunwai that were deemed crucial for promoting transparency, accountability and participation. These included: access to information, participation of the people, safety of the citizens, hearing in an open forum, the right to hearing and time-bound action. It also argues that the inclusion of civil society members as facilitators in the auditing process has widened the scope for participation of civil society in governance and policymaking.

At various points in the text, the terms jan sunwai and social audit have been used interchangeably for denoting the process of collective auditing in an open forum. It is, however, important to mention that the jan sunwai and social audit were not the same. A jan sunwai was an open hearing, where the people expressed their grievances. Their testimonies were verified against the information from the government records. A social audit was an institutionalised process, which

commenced with access to government information and consolidation of records. Thereafter, the information was verified by the people. The difference between the people's audit and social audit can be understood as follows:

A people's audit is "a verification process or audit carried out by civil society groups other than the implementing agency. The findings are placed in the public domain for corroboration." A social audit is an extension of the people's audit whereby the process of verification is "initiated by the government, which provides the infrastructure, but where the actual process of verification is done by the people." (Roy and MKSS Collective 2018, 101–2)

Over the years, civil society organisations have worked constantly towards the inclusion of a mandatory public hearing as part of the social audit process.

6.2 Significance of social audit

This section illustrates the advantages of social audit in comparison to the conventional audit procedures performed by the office of the Comptroller and Auditor General (CAG) – the supreme audit institution in India. It examines the rules for auditing the delivery of welfare services and the accounts of the panchayat bodies because a social audit is related to the delivery of welfare services by the panchayats. Thereafter, the section proceeds to describe the advantages of the jan sunwai as a mode of social audit.

6.2.1 CAG and the kinds of audit in India

The audit function in India is overseen by the office of the Comptroller and Auditor General. The CAG derives its authority from articles 149–151 of the Constitution of India. Its powers, functions and rules of service are prescribed by the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The CAG was authorised to audit transactions of all those entities that were "substantially financed from Union or State Revenues," including the treasuries and the local bodies. It examines and certifies the books of account and financial statements of the union and state governments and other public entities. The CAG's audit is an external audit on behalf of the taxpayers. In comparison, the social audit is a

verification of the outcomes by the taxpayers themselves (for instance, the users of different socio-economic development programmes).

The government audit in India is conducted on two levels: central audit and local audit. The central audit involves the examination of vouchers, income and expenditure accounts, sanction orders and other documents that were submitted by various departments to the office of the Accountants General. The central audit was carried out according to the principles of regularity and propriety audit. The regularity audit evaluated the financial records of an entity and checked if the transactions were per the laws and regulations applicable to the entity. The objective of the propriety audit was to ensure that the funds were received from authorised channels and were used for expenditure on authorised purposes. It also ascertained that the principles of sound management were applied in the disbursement of public funds for avoiding wastage of resources (Office of the Principal Accountants General (A&E)-I Maharashtra 2017).

Local audits were level-one audits, where such primary material like bills, vouchers and purchase orders were inspected, which were not sent to the office of the Accountant General. In the local audit, the Resident Audit Officers inspected the files and registers for accuracy and completeness. They ensured that the accounts were updated and maintained in the prescribed format. Periodic test-audits were carried out for detecting any irregularities in the transactions and maintenance of records. Consolidated audit reports and certificates prepared after the local audit were then forwarded to the office of the Accountant General for compliance, financial and performance auditing (Office of the CAG - India 1987).

The three kinds of audit – compliance, financial and performance – differed in their objectives. The financial audit ascertained that the income and expenditure accounts, balance sheets and other consolidated reports have been prepared according to the financial reporting standards, and provided a true and fair representation of the organisation's financial health (Office of the CAG - India 2017b).

Compliance audit has a component of regularity audit, wherein it ascertained that the transactions were carried out according to the laws and provisions of the Constitution of India as well as the rules that governed the said government entity, corporation or department. Compliance audit also examined the rules, regulations and orders that guided the transactions of an auditable entity “for their legality, adequacy, transparency, propriety, prudence and effectiveness.” The compliance audit ascertained whether the transactions were carried out according to the norms (Office of the CAG - India 2017a).

Performance audit examines the accounts and financial reports of a public organisation or development programmes for determining its performance in terms of economy, efficiency and effectiveness. Economy implies minimising costs and eliminating wastages in implementation. Efficiency is the ratio between the output and the input in terms of resources used. A higher output - input ratio denotes higher efficiency. Effectiveness determines the extent to which the programme or the scheme has achieved its proposed objectives (Office of the CAG - India 2017c). Such audit procedures neither incorporated people’s voices nor were the results communicated directly to the people.

6.2.2 Audit procedure for the panchayat institutions

In the case of panchayati raj, every institution at the corresponding level prepared its accounts and submitted those to the office of Local Fund Audit of the state government. In select states, the accounts were submitted to the Examiner of Local Fund Accounts set up by the CAG. Besides, under section 14 of the CAG-DPC Act 1971, CAG was authorised for conducting test audits of rural and urban local bodies.

In Rajasthan, the Rajasthan Local Fund Audit Act 1954 and Rajasthan Local Fund Audit Rules 1955 guided the audit of the panchayat accounts. According to section 75 clause 4 of the Rajasthan Panchayati Raj Act 1994, the Director, Local Fund Audit was the primary auditor for the panchayats. The sections 248–253 of the Rajasthan Panchayati Raj Rules 1996 prescribed the audit procedure. The

panchayat secretary and the block officer prepared the financial statements and expenditure records in the prescribed format for panchayat and panchayat samiti respectively. The sarpanch arranged and facilitated the audit. The panchayat accounts were sent to the panchayat samiti for the audit. Later, the audit report by the Director, Local Fund Audit was communicated to the gram panchayat. The gram panchayat was required to submit a copy of the audit report to the panchayat samiti, which submitted a copy of its audit report to the zila parishad.

The audit report highlighted the irregularities in the financial statements and contained paragraphs on audit objections. These were required to be discussed in the meetings of the panchayat and the gram sabha. The panchayat samiti ensured that the gram panchayat reviewed and fulfilled the audit objections. The Director, Rajasthan Local Fund Audit also submitted an Annual Consolidated Report to the state government, which presented it before the state legislature. This report contained two chapters on “Status of Account of PRIs” and “Audit findings.” So far, thus, there was no provision for conducting public verification or including the testimonies of the people. The inclusion of people’s testimonies or the physical inspection was possible only in case of the special audit, which was ordered by the Director LFAD if the circumstances so demanded.

Similarly, the CAG conducted test audits of the accounts of the panchayat institutions under the provisions of the RPRA Act, 1994, section 75(4). The audit report of the CAG is tabled before the state legislature. The report usually contains summaries on audit findings, reports on the status of submission of utilisation certificates and the status of the conduct of social audits across panchayats in the state, compliance with the rules for the maintenance of records, reconciliation of balances, and so on (Indian Audits and Accounts Department 2018). In addition to the financial audit of the panchayat accounts, the CAG also conducts performance audit and compliance audit of select development schemes sponsored by the state & central governments. The audit findings for a scheme, one each for compliance and performance audits, are discussed in the annual report on local bodies.

These audit procedures were entirely dependent on documentation and certification by the officers. Absence of verification by the people or physical inspection of the works by the auditing authority made it difficult for these audit procedures to check practices such as the rent-seeking behaviour of the elected representatives or the incidence of ghost entries in employment registers. Similarly, the government audits often were not able to catch small discrepancies like overbilling by a few percentage points, or “adjustments” in the ratio between labour and material. Even in the case of test audits by the CAG, only a sample of works in select village panchayats was inspected. The final report highlighted only select cases out of those examined. Amitabh Mukhopadhyay, former Director General, CAG of India, had pointed out that poor bookkeeping in panchayats was complemented with “audit certification by Examiners of Local Funds of the state governments, which was no more than an exercise in stamping and signing inadequately authenticated accounts” (Mukhopadhyay 2005b).

Such an elaborate system of accounting and auditing was still unsuccessful in preventing irregularities in the delivery of welfare provisions and the functioning of panchayats. These irregularities were spotted during the *jan sunwai*. Open public hearings made the management of a welfare programme transparent to the people. The transparency enabled them to critique the principles adopted during the policy-formulation processes. The *jan sunwai* also determined whether the rules were followed in the implementation of the scheme, the costs of execution and the benefits accrued to the community. Thus, it fulfilled a part of the requirements of the compliance audit as well. Amitabh Mukhopadhyay had drawn attention to the resemblance between the working of the *jan sunwai* and auditing procedures. He observed that the *jan sunwai* was a much richer form of social audit because it incorporated the opinion of the people.

This form of participatory auditing also encouraged the people in keeping a vigil on the development activities in their village. It enabled them to hold the elected representatives accountable for their decisions, demand redressal of their grievances

and influence the policies designed for the people's social advancement. The social audit, thus, extended the "function of public accountability to serve as a method of democratic control, improve the integrity of governance and enhance the legitimacy of the institutions of governance" (Bovens 2005, 182–85). The sections below illustrate the advantages of the jan sunwai mode of social auditing.

6.2.3 Advantages of social auditing through the jan sunwai

6.2.3.1 Sharing audit reports in public domain

The members of MKSS understood from their experiences of organising the jan sunwai that the audit reports of panchayats must be shared among the people and verified collectively:

In the case of a government audit, the government officers and auditors visited the panchayat, audited the records, and granted the certificates that everything is fine. However, when discrepancies were revealed at the jan sunwai, we realised that even the audit reports must be audited. According to the audit report, the check-dam was constructed there. The social audit presented an opportunity of going to the site and verifying whether the check-dam was constructed or not. This was what had happened in Janawad. There were many cases of discrepancies in the construction of projects, which had been certified as completed! So, a jan sunwai was post-government audit. Moreover, the efficacy of government audit came under the scanner at the jan sunwai, where the audit report said the work was completed and the people said the work was non-existent.¹

According to Shankar Singh, "the good thing about government audit was that the paperwork was complete, even if some bills and vouchers were fake."² Therefore, when government reports were collated systematically, the complete history of the implementation of programmes was revealed, such as the timeline of the project and the details of people associated with it – the workers, supervisors, engineers, and others. Later, the people verified the details as true or false. This step could be performed only in the village, in the presence of the people and the community. A state auditor, on the other hand, relied solely on the documents – utilisation certificates, purchase bills and vouchers submitted by the panchayat. S/he

¹ Interview with Shankar Singh, 29 April 2017, Devdungari, Bhim, Rajsamand.

² Interview with Shankar Singh, 29 April 2017, Devdungari, Bhim, Rajsamand.

was not required to visit the village and verify the projects.³ Therefore, it was important to share the audit reports among the people.

Under the Rajasthan Panchayati Raj Act 1994, the panchayat was required to present the annual statement of accounts of the preceding year and the last audit report and replies made thereto before the gram sabha conducted at the start of the financial year. However, the panchayat members read out the aggregates only, without divulging the details. People were discouraged from asking questions. Objections were noted down in a separate column in the register. However, the action taken report was seldom shared with the people. The advocates of social audit were familiar with the practice of concealing information from public scrutiny. Therefore, for countering administrative opacity, provisions for sharing reports and information after every step of the social audit process were included in rules for social audit.

6.2.3.2 Visibility of social contexts and power equations

The jan sunwai illuminated the power equations and social dynamics between communities in a village. For instance, in Bori and Janawad panchayats, the jan sunwai revealed the discrimination in the allocation of welfare goods and construction of water wells and canals. The more powerful sections of the society cornered the infrastructure, leading to the marginalisation of others. To cite an example, the relatives of the panchayat members cornered all the Indira Awaas houses while the members of the Bhil community waited for their allotment. One of the panchayat members justified it saying, “How am I at fault? My name was mentioned in the list of those who have been allotted the houses.”⁴ This revealed the flaw in the compilation of the list of households that were eligible for availing assistance. Similarly, a man had supplied cement for all the development works carried out by the panchayat and overbilled the expenses. He was the husband of a

³ Certification was done by the Junior Engineer after complete physical inspection of the structures.

⁴ Anurag Singh, “Bori Jan Sunwai,” Folder 18-12-1999, Tape 2, (New Delhi: Rough Cut Productions, 2001), Video cassettes.

panchayat member. He explained that panchayat allotted him the tender. A village resident present at the hearing revealed that the man had outsourced the work to other masons and stone suppliers and pocketed the profits, which was illegal. Such practices went unnoticed in the conventional audit procedures and continued to hamper the social goals of the development programmes.

Nikhil Dey explained that with the jan sunwai, social auditing evolved as a process where “people’s issues were audited by the people themselves.” He said:

Issues and aspects that were not covered in other regular audits, such as, social contexts and situations, how policy choices were made, the role of the community and the power equations became visible in a social audit. These were absent in the financial audit. Meanwhile, the jan sunwai was financial, performance, and social audit conducted by the people.⁵

In addition to the pattern of corruption, the jan sunwai also helped in understanding the people’s priorities and how their expectations differed from the objectives of the policymakers. The focus on the interests of the community allowed women’s issues, social issues, the pattern of distribution and other such aspects to be included in the audit report.

6.2.3.3 Deliberative solutions for problems in governance

The jan sunwai stimulated discussions on correcting the root-causes of failure in the implementation of development programmes. It focused on the time-bound redressal of people’s grievances by addressing the causes of delays. Some of these causes were lack of transparency in governance and the inability of the people to participate in the execution and review of schemes meant for their social and economic development.

Fundamental questions such as, “Aren’t we human beings? Don’t we need food,” triggered deliberations on the development goals set by the government. The jan sunwai was a two-way dialogue, where the government functionaries, sarpanch and ward members elaborated upon the government plans and methods. They

⁵ Interview with Nikhil Dey, 30 April 2017, Devdungari, Bhim, Rajsamand.

sought co-operation of the people in the smooth functioning of the panchayat and execution of the public programmes. They shared their problems concerning lack of staff and the requirement of seeking far too many approvals from the state and central governments. The two-way dialogue, on the one hand, was a trust-building exercise. On the other hand, it exposed the fault-lines in the planning process.

For instance, the sarpanch and the panchayat secretary justified the fake entries in the employment register because they were necessary for fulfilling the project guidelines that insisted on maintaining the labour-material ratio at 60:40. This pattern of fraud was replicated in other villages. The ‘adjustment’ in the labour-material ratio deprived the workers of their employment and wages because the labour bills were inflated to offset the pilferage in the bills. The net result was that a significant portion of public funds did not reach the people. An understanding of this encouraged people to scrutinise the muster rolls and look for discrepancies in the bills. The controls against tinkering with labour-material ratio were also built into the social audit under the MNREG Act 2005. This reflects the impact of the jan sunwais as a social audit mechanism.

Similar discussions related to employment on public works, such as “measurement-wise payments” and “full wages for complete work” were also undertaken at the jan sunwai.⁶ Over the years, the civil society members spread awareness among the workers' groups for empowering them to take charge of their work, claim full wages and counter the official claims that ‘people were paid less because they did not work.’⁷ During the social audit campaigns conducted between 2006 and 2008, the role of a competent work-supervisor was emphasised for ensuring that the workers were paid complete wages based on the assigned tasks.

⁶ These concepts had first come up during the struggle for minimum wages in the early 1990s, where a group of workers (including MKSS members Narayan Singh and Devi Lal) kept a measure of the work completed by them. At the end of the fortnight, they had measured their complete task and demanded full wages. However, they were denied wages on the grounds that the work was still not complete, which led to an impasse. (Interview with Narayan Singh, April 207, Devdungari, Bhim, Rajsamand).

This was done because the supervisors were the first administrative contact for the workers.

Another technique called “group-specific measurement and payment” was devised for ensuring that the sincere workers were not paid lower wages because of the tardiness of a few others.⁷ It was proposed that this technique would filter out those persons who entered their names forcefully in the muster rolls and did not work at all. The workers would form their groups and complete the daily group-task assigned to them. The mate would measure the work completed daily in the presence of the people. These micro-level solutions, devised by the workers’ groups during the jan sunwai campaigns, were again incorporated into the MNREG Act.

6.2.3.4 Accountability of local bodies through social audits

The objective of panchayati raj was the political empowerment of the people. The panchayati raj institutions were the primary institutions for planning and implementing development programmes related to the functional areas mentioned in the Schedule XI of the constitution. The gram sabha was the monitoring body for the decisions of the panchayat. However, the participation of people in the gram sabha was restricted by several socio-economic factors. At the same time, the chain of command for the panchayats excluded the people. The secretary worked under the supervision of the sarpanch. The sarpanch was accountable to the block development officer. The power was concentrated with the panchayat samiti, which was the mediating link between the panchayat and the zila parishad. The panchayat samiti ensured that the business of the panchayat was conducted per the rules and regulations. These internal accountability mechanisms were limited to the negotiation of powers between the bureaucrats and elected representatives,

⁷ Usually, the workers were paid according to the tasks completed for an entire muster roll. The quantum of work at the end was divided between the total number of people, including those who did not work and simply loitered near the worksite. Because of this, the work per person increased while the rate of payment remained the same. As a result, those who worked sincerely were paid less. Such practices demotivated the workers.

providing little room for people to demand accountability from either of them. Strengthening the methods of upward accountability also led to the centralisation of authority and abuse of power. This form of superior-subordinate relationship takes away autonomy from the institutions and proves counter-intuitive to innovation at the local level (Ghosh 2005, 257–59).

The people thus had no direct say in the functioning of the public officers, such as the junior engineer, teachers in public schools and healthcare providers. The people could, in theory, oust the incumbent sarpanch during the elections – held once in five years. The sarpanch could be removed if the gram sabha passed a no-confidence motion. However, such measures were not effective because the gram sabha was prone to unethical manipulation by the people with vested interests.

According to Buddhadeb Ghosh, the government must specify the standards, agents and means for achieving “answerability of the public institutions ultimately to the public for their actions or inactions” (Ghosh 2005, 256). The standards of accountability, according to Ghosh, should not merely be restricted to propriety and establishing compliance with laws. It should also extend to achieving the responsiveness of the public servants to the people. Such a standard for achieving public accountability should be able to accomplish the following:

1. Ensure that the officials and the political executives of the panchayats follow the ‘rule of law’ and exercise the administrative powers devolved to them in a fair manner
2. Build integrity in the use of resources and prevent rent-seeking tendencies of the panchayat officials and elected representatives
3. Make the programmes of the panchayats responsive to the felt needs of the local community
4. Evaluate the performance of the panchayats in terms of results. (Ghosh 2005, 259)

The social audit through the jan sunwai fulfilled all the above criteria and positioned people at the centre of the accountability mechanism. The people were provided with a deliberative space along with the right to information, the freedom of expression and the active presence of public officers. Such an arrangement

facilitated a constructive dialogue on the status of the development programmes and fixed the accountability of the officers involved in the implementation of the programmes.

The proceedings of a jan sunwai also prompted questions on the conduct of the officers at the higher level of administration. The signature trail, established through the collective verification of statements and certificates, pointed towards the complicity of the officers at all levels in corruption on the ground. These instances were not detected in the regular audits. The jan sunwai compelled the administration to respond to people's grievances and demonstrated the necessity of establishing downward accountability of the panchayat personnel as one of the ways for safeguarding against the abuse of authority and the misappropriation of funds.

6.2.3.5 Decentralisation of auditing: people as auditors

The panchayati raj devolved only the functions of planning and implementation to the people. Auditing and control were still the preserve of the bureaucrats. Measures for checking corruption and abuse of power, such as through the citizen vigilance committees, were rendered ineffective due to the restrictions on the people's capacity for exercising control over the local government. For instance, the secretary was the custodian of the information and maintained the accounts and records of the panchayat. S/he maintained the secrecy of the panchayat records and could not share the records for inspection without the permission of the sarpanch.⁸

Similarly, administrative and supervisory checks were performed by the panchayat body at the immediate higher level. The audit was delegated to the office of Local Fund Audit of the state government and the CAG. The technicalities of the audit were considered to be beyond the domain of people's participation, and therefore remained a preserve of the officers. The jan sunwai sought to alter the

⁸ The sections 321-326 of the Rajasthan panchayati raj rules explicitly allowed the people to inspect the expenditure details of works carried out by the panchayat upon submitting the application. These rules were reportedly added after a prolonged struggle by the people at the grassroots and the MKSS members for right to information in development works at the panchayat level.

situation by promoting transparency and accountability in governance, starting at the local level and moving upwards.

Heera Ram, a resident of Tal panchayat, described the jan sunwai as space “where they caught the thieves – the corrupt.” His statements signified the potency of the jan sunwai:

At the jan sunwai, we caught the thieves, the corrupt. This was our work. The employment projects were there, the construction works, where the mate marked the attendance arbitrarily. He entered fake names, claimed payments against those names and stole that money. We caught those thieves.⁹

Goetz and Jenkins argued that the jan sunwai engaged “the very poor in the scrutiny of official accountability processes, challenging assumptions that the socially marginal and illiterate may lack the human capital or long-term vision to invest in efforts to improve the quality of governance” (Goetz and Jenkins 2001, 369). Although most of the people were illiterate, this did not deter them from participating at the jan sunwai and testifying with what they knew. As Nortri Bai had pointed out, “one could always appoint literate people as facilitators in the social audit. The people knew everything, and they should be encouraged to participate.”¹⁰

Anyone with the knowledge of the execution of the project could testify at the jan sunwai. People also provided the evidence while confirming or refuting the information contained in panchayat records. Heera Ram explained this in very simple words:

We built check-dams where it had been sanctioned. Or if the pond or dam was too long, we took the measurements and make a map/blueprint for it. At the time of auditing, if someone asked, who has made the map/blueprint? I would say I have made it. He would ask a few questions and go away.¹¹

The social audits were effective in achieving a hassle-free delivery of public services and combating the subversion of the development schemes for personal

⁹ Interview with Heera Ram, 25 April 2017, Devdungari, Bhim, Rajsamand.

¹⁰ Interview with Nortri Bai, 15 December 2015, Abu Road.

¹¹ Interview with Heera Ram, 25 April 2017, Devdungari, Bhim, Rajsamand.

gains. Initially, social audits were mandated only under the MNREG Act 2005.¹² Over the years, social audits have been recommended for monitoring the delivery of public services under other programmes as well as for regulating the functioning of rural and urban local bodies.

6.3 Social auditing at the jan sunwai: Process and its challenges

This section describes the challenges in conducting social audits, such as determining the authenticity of people's oral testimonies and preventing a conflict of powers among different institutions that were tasked with conducting audit, investigating and conducting trial in the cases of corruption and redressing the grievances related to the delivery of public services. Since the jan sunwai dealt with problems that were under the purview of various other government institutions, there arose a conflict of powers. The local bodies insisted that they would provide panchayat records for audits and inquiries by state agencies only. Similarly, the investigation into cases of corruption was carried out by the Anti-Corruption agencies and trials were conducted in the court of law.

6.3.1 Jan Sunwai and the law courts: A comparison

The format of a jan sunwai was comparable to a court of law, where the arguments on both sides were heard in an orderly manner. Although it was an informal forum, the jan sunwai tried to maintain the procedural integrity and solemnities of law courts. However, the jan sunwai did not put anyone on trial or punish them.

¹² The MNREGA had a citizen-centric approach. The demand for national rural employment guarantee act witnessed participation from civil society organisations in Rajasthan, including the MKSS. Thus, some of the transparency and accountability mechanisms built into the MNREG Act 2005, including the social auditing, can be attributed to the jan sunwai. Civil society organisations and activists from other states, for instance, Bela Bhatia and Jean Dreze, attended the MKSS jan sunwais and they practised those in Jharkhand and Chattisgarh. Similarly, discussions stimulated by the jan sunwais were incorporated into the framework of the MNREGA. For instance, the MNREGA is demand-driven, unlike the earlier employment programmes such as Famine Relief Works and Food for Works programme. Under MNREGA, people were issued a receipt upon submitting the job application forms in the panchayat. The work had to be started within 15 days, failing which they were entitled to receive an unemployment allowance. The allowance would be paid out of the remuneration of the officer responsible for the delay in starting the work. It was expected that these provisions, along with social auditing, would safeguard the implementation of the act against corruption.

According to Vijay Nagaraj, the jan sunwai focused on fixing the accountability of the people responsible for corruption and redressing the grievances of the people, who suffered because of corruption. It was not convened for awarding punishment (Nagaraj 2008, 315). The objective of the jan sunwai was to share the information from panchayat records for public verification. A post-jan sunwai report recounting the events of the day was prepared and submitted to the district and state administration for further action. The charges of corruption were then investigated by the Anti-Corruption Bureau and tried in a court of law.

The social contexts visible at a jan sunwai were absent in a court of law. Balu Lal, a resident of Thana village and member of the MKSS believed that a person could say anything in the court because s/he is alone in court. He explained that in a law court, only the lawyers, the judges and the witnesses were present. This enabled the witnesses to testify without any fear as no one would recognise them there. A person was answerable only to the judge. Whereas in a jan sunwai, the person testified in the presence of village residents, who could immediately tell when a person was hiding the truth and questioned them on the spot. People would not make false statements related to development works at a jan sunwai.¹³ V.S. Dave, a former judge of the Rajasthan High Court, had also said that it was very easy to lie in a court, but it was very difficult to lie at a village hearing.¹⁴

Lal Singh, a resident of Sohargarh, further explained that sometimes, the lawyers in the court were infamous for manipulating the witnesses for winning the case. However, in a jan sunwai, there were no lawyers. People narrated their own experiences and presented evidence for their statements. This is evident from Hemsingh's experiences of testifying in Udaipur court after the Kookarkheda jan sunwai:

¹³ Interview with Balu Lal, 24 February 2016, Thana Panchayat, Bhilwara.

¹⁴ Justice VS Dave was on the panel of independent observers at Bhim and Janawad jan sunwai. He was also the Chairman of the state Law Commission that participated in the deliberation on the inclusion of rules for accessing panchayat information under the Rajasthan Panchayati Raj Act.

I told at the jan sunwai that I did not work on school-building construction. I was summoned to a Udaipur court. A policeman had come. I was ploughing the fields. The policeman came and said “there’s a warrant in your name, and you’ve been summoned to Udaipur. I asked sir what summons, I don’t even know anything about it. He just said you’ve been summoned; you have to come on such and such date.”

Then I went to Udaipur (court), but I did not know anything. I sat outside. Then the lawyer came. I asked him, “*Sahib* (Sir), what do I have to say? I do not know what it is.” He said that “say you worked on the school construction.” I said I did not work there. The father-in-law of the sarpanch handled everything. He said that you say that little work was done. I said how could I say whether work was done or not? You would leave after this and I will be stuck. Who will get me acquitted later?

The sarpanch also tried to manipulate the facts, but I did not catch her bait. I said I did not go for work. I was presented before the judge again in the evening. The morning session was over. There was another round at 3 pm. It was already evening by the time everything got over.¹⁵

Lakshman Singh, a former ward member and sarpanch of Kookarkheda panchayat, also recollected his experience of testifying in the court concerning construction works he had carried out as a ward member. He said there was a case where he had transferred a few sacks of cement from one project to another. This was reported at the jan sunwai too. Later, he defended his decision before the judge in the following manner:

I explained everything clearly to the judge there. I had used the cement sacks for repairing a pond. The rainy season was approaching, and it was urgent. I later transferred the cement sacks to the original project. The judge told me I did the right thing, where is the problem here?¹⁶

Lakshman Singh, a former army man, was aware of the legal procedures, and did not object to attending the court hearings. However, for common village residents, this caused a loss of a day’s wage and expenses incurred in travelling to Udaipur for the hearing on multiple occasions. Some of these cases were still pending at the time of the field study. The complexity of the legal procedure and the hassles incurred by the people necessitated a public forum such as a jan sunwai, which was accessible to the people. It was a faster and a more participatory process,

¹⁵ Interview with Hemsingh, 15 December 2015, Abu Road.

¹⁶ Interview with Lakshman Singh, 24 April 2017, Kookarkheda, Bhim, Rajsamand.

which recorded the testimonies of the people for controlling leakages in the development programmes and for enforcing the accountability of public officers.

Another significant difference between the law court and the public hearings was the primacy of the written documents. Lal Singh explained that the court procedures and audits depended on written documents, which were often manipulated by those who knew the legal procedures:

A written document that stated that there was a canal is enough in a court of law. An engineer will provide that. I can get a certificate from the doctor that I was unwell, even if I were not unwell. The doctor would certify it, and I would present it in court. Nobody would refute that.

The village public hearing provided a chance for verifying the existence of the canal or the public well. You could also ask questions such as how many trolleys of cement were used? Who was the supplier? Where was the shop located? Who provided the bullock cart service or the tractor service? Where were the bills? Everything related to the project can be found in the village and verified immediately for establishing the truth.¹⁷

The information-trail and proximity to the evidence was a significant aspect of the jan sunwai that helped in vindicating the truth of corruption in public works. At the same time, arriving at the truth, that is establishing the authenticity and objectivity of people's statements posed a significant challenge to the institutionalisation of the jan sunwai as a method of social audit. The next section discusses the method and the nature of truth examined at the jan sunwai.

6.3.2 Questions on the nature of truth

The question of truth arose during the struggle for land rights and wages between 1987 and 1992. The people and the civil society actors strived for establishing that people had a rightful claim over the village commons and the wages. These struggles, thus, established the significance of information to people's livelihood. The MKSS members understood that "so long as these records remained hidden, [people would] always be called liars. These records must be visible if we were to prove the truth"(Roy and MKSS Collective 2018, 90).

¹⁷ Interview with Lal Singh, 25 February 2016, School for Democracy, Badi ka Badiya, Bhilwara.

The information in the government files – the written truth was needed for substantiating the oral testimonies of the people. At the same time, the oral testimonies of the people also refuted the official information. This involved multiple challenges, which were resolved by devising a procedure for arriving at the truth. The procedure comprised different methods for ascertaining the truth based on the nature of the source and the information. These methods are detailed in the sections below.

6.3.2.1 Triangulation of information from various sources

The jan sunwai was based on facts and reasoning, which were important for establishing the truth. Towards this end, the civil society members triangulated information from different sources using different methods. First, public records were examined. Next, the information was verified privately with the people. Lastly, the information was shared at the jan sunwai and people were encouraged to verify it publicly. The officers and representatives were invited for presenting their point of view. These steps were aimed at revealing the truth regarding corruption in governance. Moreover, false information could undermine the credibility of the forum and the trust it had built among the people.

This process of verification was riddled with challenges. First, public records were not accessible. Second, the people backtracked on their statements during official inquiries, under pressure from the panchayat secretary, mate and the caste assemblies. Participating at the jan sunwai prevented people from backtracking on their statements. Balu Lal explained that:

The fact was that a person cannot lie in public. The jan sunwai was held in the open, in front of everybody. If a person lied, any of the people might call out his or her bluff. Anybody could lie when they were alone, but not in front of so many people. You cannot lie before the people.¹⁸

¹⁸ Interview with Balu Lal 24 February 2016, Thana, Mandal, Bhilwara.

Kaluram added that people in the village knew who was corrupt, and the way corruption was carried out:

At the jan sunwai, the concrete proof was provided. The records were checked, details in different documents were verified – for example, how many fake entries were there, who signed the fake documents and how much money was pilfered. Automatically, the culprit was exposed.¹⁹

Thus, collective and public verification of the information – both, the written records as well as the oral testimonies of the people, helped in establishing truth at the jan sunwai. As the jan sunwai progressed, the corrupt persons improved methods for evading information, manipulating evidence and preventing people from speaking up.

6.3.2.2 Systematic investigation into the expenditure records

A systematic investigation into the expenditure records revealed the frauds and the flaws in auditing. Thus, the first step in the social audit was to access complete project information including amount sanctioned, total expenditure, category-wise expenses, muster rolls and material bills. Thereafter, the information under different categories was collated for different projects for that particular period. The paper trail, thus established, illustrated the entire history of fraud. Moreover, in some cases, people could detect fraud by merely looking at employment registers or wage registers. There were numerous incidents, where people in the village had caught glaring frauds in development expenditure, when the panchayat information was first published.

Ranjeet Singh, a member of the MKSS, recounted an incident when he casually looked into the payment list with the postmaster, who was distributing the MNREGA payments to the people. While going through the list, he came across the names of ten such persons who did not live in the village anymore. He investigated it further and found that members from a single-family had two job cards in two different village panchayats. This was against the government norms. At the same

¹⁹ Interview with Kaluram, 24 December 2015, School for Democracy, Badi ka Badiya, Bhilwara.

time, the family and the members were unaware of this. Later, it was revealed that the mate had fudged the entries wilfully.

6.3.2.3 Door-to-door verification of expenditure details

After collating the information, the civil society members conducted door-to-door verification of the information with the people in the village. People confirmed whether they worked on a particular construction site, and whether they have received their wages. Nortri Bai, a seasoned social auditor and former sarpanch of her village explained the outcome as follows:

The people who did not go to work, denied it firmly. They said they were not in the village. And those who had worked and had not received their payment, they would say they had not been paid. They would also tell the wage rate according to which they were paid. Some received part payment at a lesser wage rate, with three to four outstanding payments. Whoever went to work would say it correctly, and truthfully. Otherwise, in future, if their name were falsely marked on the attendance/muster roll, what would they say in their defence?²⁰

In another instance, a person's name was entered and marked as paid in two muster rolls on two different worksites for the same period. During the verification, the person said that s/he worked only on one of the sites and did not know about their fake entries in the other. Sometimes, they denied working on either of the projects. When the mate, who was in charge of maintaining the muster rolls, was questioned about the duplicate entries, s/he evaded the questions and claimed they did not know anything. In any case, the incidence of corruption was established and was shared with the people at the jan sunwai.

6.3.2.4 Physical verification of infrastructure

In the first series of the jan sunwai, fake entries in employment registers, fraud in labour-material ratio, and irregularities in allotment of houses were revealed. Later, when the complete documents were systematically inspected, a large number of ghost works became known, that is, the buildings existed only on paper. Physical

²⁰ Interview with Nortri Bai, 15 December 2015, Abu Road.

verification of the check dams, community buildings, hospital and canals confirmed the incidence of ghost works. A large number of ghost works were exposed during the second series of jan sunwai. A single canal was shown to have been constructed as three different canals under three different projects. Shankar Singh also narrated a case, where a cement-concrete road was constructed, which read in the panchayat report as “Road from the house of Har Dayal to Hanuman ji Temple.” After some time, the certified bills were presented for another “Road from the Hanuman Temple to the house of Har Dayal.”²¹ However, there was only one road, which was funded twice and one of the allotments was usurped entirely.

Similarly, in the Janawad panchayat, three check-damns were shown to have been completed in the preceding five years. The people in the village confirmed that there was only one check-dam. During the investigation, the panchayat members insisted that there were three check-dams and led the team through three different routes to the same check-dam. Their lie was eventually caught. The discovery of such ghost works highlighted the complicity of other public officers such as the Junior Engineer and Assistant Engineer in defrauding public money. The Junior Engineer and the Assistant Engineer verified the structure and certified the utilisation reports and expenditure. Such structures, however, existed only on paper.

6.3.2.5 Recording people’s statements on video

The jan sunwai as a mechanism for social audit was perfected over the years through trial and error. After a few initial incidents of people backtracking on their statements, the MKSS members started recording the process of the jan sunwai, right from door-to-door investigation to the final hearing. Public sit-ins and protests outside panchayat offices were also recorded.²² People knew that their statements

²¹ Interview with Shankar Singh, 29 April 2017, Devdungari, Bhim, Rajsamand.

²²At many points during the field-work interviews, the respondents would say that incident was recorded in the videos on the Right to Information, or that a particular incident was shot on the video.

were being recorded. Therefore, the chances of people backtracking from their earlier statements reduced considerably.

At the same time, as Rodeji had explained, people were not scared or concerned about how and where the video recording was used. They believed that they were saying the truth.

Shankar *bhai* would talk to them, they would keep talking, and the recording would be on. At the same time, the people were aware that we had the recordings. They knew what they had said in the video. Therefore, now, they had to speak up in the jan sunwai. Sometimes, their expressions would change, but we had to get the truth.²³

The people understood that the jan sunwai was not a trial and no one was punished on the basis of the evidence presented. The idea was to keep the facts before the administration and the community to involve them in collective decision-making.

6.3.2.6 Collective testimonies of the workers

Men and women worked in groups on employment programmes. Group-wise task was assigned, and payments were made upon the completion of the task. All the members of a group were paid the same amount. Many such groups worked together on a worksite, especially on the construction of buildings, roads and canals. In the case of fake entries and payments, the people who had worked on a worksite confirmed whether a person worked with them there. If someone lied that s/he went to work, others would openly refute her or his claim. This was one of the reasons why workers and work supervisors did not try to lie at the jan sunwai. They knew that the other persons present there would challenge their claim. Similarly, the work-supervisors maintained labour-diaries in which they recorded the employment record of the workers. Labour diaries were beneficial for collating the names of workers in the muster rolls and for verifying the overall expenditure. In addition to

²³ Interview with Rodeji, 15 December 2015, Abu Road.

the mate, the mason, suppliers and contractors too maintained a journal for their reference.

6.3.2.7 Peer-check at public hearings

People in the village knew everything that happened in the community. If someone lied at the jan sunwai or manipulated the facts, the others came forward and revealed the truth. This process was effective for investigating and demonstrating the irregularities committed in the allotment of houses under the Indira Awaas Yojana. People verified the names of the people in the beneficiary list and confirmed that they were non-existent. At the Bori jan sunwai, the people testified that most of the persons named in the house allotment list were kin of the panchayat members. This also highlighted the nepotism in the allocation of funds.

6.3.2.8 Body-language and the conviction of the people

The body language of the people also indicated the truth of their statements. Narayan Singh, a former sarpanch and member of the MKSS, explained that “many things could be ascertained from a person’s testimony and body language that could help in distinguishing between truth and lie.” This is not to say that there was a pattern to people’s gait or gestures according to which their statements were judged as true or false. The jan sunwai was based on facts and reasoning, rather than guesswork.

In the jan sunwai videos accessed at the Rough Cut Productions, it could be seen how some women barely uttered a word out of stage-fright or the fear of speaking before the village elders. The MKSS members would make them comfortable and help them in using the microphone or speaking loudly into the microphone. On the other hand, some men and women were extremely vocal about their grievances and named the sarpanch, the work-supervisor and everyone involved in the implementation of the employment programme. In such a situation, if someone lied or tried to manipulate the truth, “the people mocked him and would ask him to swear on his child and say the truth. In that case, the person would be

scared and say the truth.²²⁴ Narayan Singh explained that sometimes people swore on their kids, parents or in the name of god for proving that they were saying the truth. People were scared of unfortunate things happening to their family or loved ones, and, therefore, they did not lie. However, this was also a socio-cultural practice. Oath taking, however, was not a part of the jan sunwai.

6.3.2.9 Fear of law courts and anti-corruption department

The methods that were discussed above were used for ascertaining the truth at the jan sunwai. This particular sub-section describes that the probability of people lying publicly was lower because of the fear of the police procedures, investigation by the anti-corruption department and legal hassles. They also feared that their lies would be eventually caught in the official inquiries. The fear of court procedures, sometimes, deterred people from participating at the jan sunwai. This was one of the reasons for greater emphasis on the institutionalisation of the jan sunwai as a form of social audit, which allowed the verification of expenditure and structures in the village itself, without requiring the people to go to the courts.

6.3.2.10 Platform for speaking the truth

The jan sunwai emerged as a platform for speaking the truth for different sections of society like the masons and other village residents, who were aware of the corrupt practices being carried out. They worked on different worksites and maintained a record in their diaries: the number of cement bags used, the amount of concrete, the day and date of supply, the rate of payment and the total payment made. They knew when the ratio was fudged. They did not speak earlier out of the fear of influential people. The officers were not easily approachable and there was the fear of legal hassles as well. Through the jan sunwai, they helped in exposing the corrupt practices and provided all the details. They demanded an official inquiry into the embezzlement of funds, as they had evidence to prove the irregularities as well.

²⁴ Interview with Narayan Singh, 19 April 2017, Devdungari, Bhim, Rajsamand.

6.3.2.11 Expression of grievances and injustice

The jan sunwai was a forum where the citizens expressed their grievances and demanded the wages and other welfare rights owed to them. The participants at the jan sunwai were poor, marginalised workers, and members of households below the poverty line, who were dependent on the government schemes and programmes for their livelihood. Sushila Devi believed that only the people with genuine grievances would come forward and express their problems at the jan sunwai. The probability of them speaking the truth would be higher. She said, “people who do not have grievances have no reason to come, and those who are corrupt will stay away.”²⁵ This aspect could be understood with the motivation to speak up at the jan sunwai, despite the resistance and the threat of victimisation by the more powerful persons. The people were not scared to testify publicly, despite the possibility of backlash, because they believed that they were speaking the truth.

6.3.3 Oral and written evidence

Audit was once an oral activity, where the financial details were read out before an officer for ratification. The word audit comes from the Latin verb *audire*, which means to hear (Meuwissen 2014, 13). The term *audire* – to hear – is equivalent in meaning to the term *sunwai*, which denotes the process and the assurance of a hearing. At a jan sunwai, the people acted as auditors. The details from the panchayat reports were read out before the people, who were surprised to find the names of dead people, migrants and even cows and goats on the employment registers. The people objected to the blatant improprieties committed in the welfare programmes meant for the needy.

However, there were concerns over the reliability of oral evidence. On various occasions, the oral testimonies of the people conflicted with the written word in the government files. The impasse was resolved by the physical evidence produced by

²⁵ Interview with Sushila Devi, 01 May 2017, Bhim, Rajsamand.

the village residents. Shankar Singh described a case from Rajwa village that illustrated how the people's testimonies were reinforced by physical evidence:

The people had applied for electricity connection three years ago but there had been no connection until now. The people from the electricity department had visited once and distributed electric meter and other equipment such as iron rods. Then, we accessed the list of households that have electricity connections in the Rajwa village. I told them, "see this is the official list, and it says you have electricity connections in your homes. So, how do I believe what you are saying?" They said, "here is the meter, the angle and the iron rod. Nobody has set up the connection." One man came and said, "look! I received the bill also, even though the connection has not been set up." He had visited the electricity department, and the person there said, "don't talk rubbish, just deposit the bill amount." He then went to the Assistant Engineer, who told him, "don't talk rubbish, just pay the bill." Otherwise the electricity connection would be terminated. He told them, "Yes, do that. Terminate the connection."

The Assistant Engineer understood that there was something wrong. Then we conducted a jan sunwai, where the District Collector also came. The people from Rajwa village came with their electric meters and iron rods. I told them, "please tell us about the benefits that you have received." They came to the stage with their equipment. The officer from the electricity division was shocked. He understood that the private company with the tender for rural electrification had committed the fraud.

Then we requested for complete records for village contract and details. They had billed even the smallest items such as nuts and bolts, wiring costs, switch boards, CFL bulbs and a 50ft service line! Per household cost was calculated to be Rs. 3,500 and this was for the BPL households. It was verified by the Assistant Engineer, whose signature was present there. The Junior Engineer had counter-signed it and mentioned that the physical verification had been completed. So, I said foremost, the engineers must be suspended. Why did they certify unfinished projects? The administration understood that it was a big mistake.²⁶

The accessibility to the structures in the villages made it possible for the people to prove their statements as true by providing evidence. However, doubts were continued to be cast on the reliability of oral testimonies of the people and the credibility of the jan sunwai. The institutionalisation of the jan sunwai as a method of social audit was suggested for mitigating these concerns.

²⁶ Interview with Shankar Singh, 29 April 2017, Devdungari, Bhim, Rajsamand.

6.4 Institutionalising social audit via jan sunwai

This section describes the dynamics of the institutionalisation of the jan sunwai mode of social auditing by the government. It examines the need for institutionalising the jan sunwai and the challenges that were encountered in the process of institutionalising. The section also provides a brief overview of the history of social auditing in India and compares the jan sunwai with social audit mechanisms in Kerala, Andhra Pradesh and Karnataka. Thereafter, it elaborates on the steps taken by the Government of India in collaboration with the Comptroller and Auditor General and the civil society actors for institutionalising social auditing via jan sunwai.

Institutionalisation is a process that establishes a practice as a part of “an organised system, society or culture, so that it was considered regular” (*Oxford Advanced Learner’s Dictionary* 2019). Institutionalisation may be effected through orders, policies and legislations made by the State. Between the year 2000 and 2018, the jan sunwai was institutionalised into a social audit mechanism progressively, beginning from the ward sabha and the gram sabha.

The need for institutionalisation arose after the local administration and anti-corruption bureau took note of voluntary restitution by the elected representatives at the Kookarkheda and Surajpura jan sunwais in 1998. Nikhil Dey, a member of the MKSS, recounted the process:

The administration asked us, ‘who are you to decide whether to return the money or not?’ The government said that this was the administration’s work. Otherwise, it would become a Kangaroo Court. We told them it was not a kangaroo court. It was people’s right and duty, and you must institutionalise it. Then the discussion started. How should it be carried out, by whom, which units will be involved? The Rajasthan panchayats were not big in terms of population, but area-wise they were big. So, we thought about strengthening the ward sabha, and also about the elections to the panchayat.²⁷

The civil society actors were aware of the dangers associated with a popular forum. They were aware that this forum could be used as a way of settling scores or

²⁷ Interview with Nikhil Dey, 30 April 2017, Devdungari, Bhim, Rajsamand.

causing public disruption, and therefore, it was important to institutionalise it. Responding to the question on the differences between the jan sunwai and the legal justice system, Shankar Singh said: “ideally, the formal legal process should be followed, and the jan sunwai was precisely about that – all the components of the State machinery should work effectively for the people’s well-being.” He explained that:

This system of settlement outside the legal purview could get out of control. Today, you are conducting the jan sunwai very carefully. Others might organise such public hearings for disrupting public life. They might gather the support of goons and perpetrate violence. For example, the case of cow vigilantes right now, where Pehlu Khan was killed on the spot. Just because you were a local don or mafia, you could do anything. This was not right.

At that time also (in 1998), we accepted that this trend [of dispensing popular justice] was dangerous. The correct way was through the legal system, which had become ineffective and inefficient. For instance, even after so many years (18 years), cases are pending against people, who had testified at the jan sunwai.²⁸

At the same time, the jan sunwai was organised by the civil society, independently of the State. Therefore, it did not have any legal sanction and its findings were not accepted as evidence. The administration might or might not respond to the post-jan sunwai report prepared by civil society. On some occasions, the administration ordered a formal inquiry only after the local and regional newspapers reported the exposures at the jan sunwai. With the institutionalisation of the jan sunwai and social audit, the administration was required to take action against corrupt persons and activities.

The jan sunwai was institutionalised in such a manner that it was not enmeshed in the same set of procedural complexities that afflicted administrative and legal enquiries into corruption and grievance redressal. The independence of the process of social auditing was also maintained by separating the powers between the implementation and the auditing agencies. Finally, provisions were made for ensuring participation of the members of the community, including those belonging

²⁸ Interview with Shankar Singh, 29 April 2017, Devdungari, Bhim, Rajsamand.

to the marginalised sections. The people should be able to exercise their right to freedom of expression fairly and transparently.

6.4.1 Origins of social auditing in contemporary India

This section provides a brief history of social auditing in India and argues that the earlier conceptions of social audit restricted the people's participation to merely saying 'ayes' and 'nays' to the queries of the officers. The element of free and open dialogue between the people and their representatives, which were the distinguishing feature of the *jan sunwai*, was absent from these earlier practices.

In 1978, the Ashok Mehta Committee report on panchayats recommended a social audit of funds allocated for the development of weaker sections of the society. Section VII. 11.1 of the report recommended that

To ensure that the weaker sections of society derive maximum benefits from the various plans we would like to suggest that there should be an independent authority to carry out 'Social Audit' of the funds and programmes earmarked for the scheduled castes and scheduled tribes and ensure that projects designed for them are implemented in a way that the desired impact is not diluted. To begin with, a separate wing may be created in the existing audit set up and the district collector may be made responsible for supplying to the government all the data required for Social Audit. (Mehta 1978, 11)

The district collector was responsible for conducting social audit of the development funds for the weaker sections, especially the scheduled castes and scheduled tribes. Later, the social audit functions in tribal and semi-tribal areas were brought under the purview of the gram sabha by the Panchayati Raj Extension to Scheduled Areas Act, 1996.

An early mention of what a system of social audit should aim to achieve was found in a 1988 report by M. Parthasarthy, former Additional Deputy Comptroller and Auditor General of India. Parthasarthy emphasised the need for a social audit framework that went beyond the vigilance audit aimed at the detection of frauds (Parthasarthy 1988). According to him, a social audit should incorporate community participation for assessing the impact of government schemes ('activities') on different sections of society. The social audit should measure the overall impact of

a social welfare scheme on the people in terms of the social changes that the scheme has brought about, including the ratio of social benefits to the social detriments that were caused over time.

Parthasarthy also pointed that the biggest hurdle to this kind of social audit mechanism was the absence of a reliable information system that provided information beyond the input of resources and output of services. The government agencies usually relied on traditional systems of information that reported the progress of a programme or scheme but failed to provide information on social changes, or how other government schemes affected the results of a particular programme. Parthasarthy suggested an array of measures for building an integrated social audit system that covered all the stages of programme design, implementation, monitoring and evaluation.

Neil Andersson, professor of family medicine and director of Community Information and Epidemiological Technologies Institute, documented the efficacy of social audits for following-up on the health status of survivors of the Bhopal Disaster (1984) in India (Andersson 2011, 1–8). The agencies formed “cluster cohorts” for tracking the status of people’s health over a period. The information from every household was recorded in the “Bhopal Book.” A mixed-method approach was adopted, where the findings from a standard questionnaire were taken back to the people in the community for greater discussion and understanding.

Community participation and feedback of the members regarding the interventions provided to them was a crucial element in the process. The key idea was to reach beyond the ‘patchy’ data provided by the health records that had no information on various indicators, for instance, those who did not turn up for the health check-up and intervention. People from the community and the service providers were also included for collecting information on different health choices that people made based on information available to them. The social audit method for determining the health outcomes evolved with time and the following measures were incorporated for achieving greater reliability of the findings: “acceptable

sampling frame, reproducible questionnaire, and logistics of data turnaround,” along with a set methods for communicating the results to the community and stakeholders.

Andersson argued that social audit helped the policymakers and planners in testing and filling the gaps in the assumptions, evidence, and guesses underlying a policy, scheme or intervention. Compared to its conceptualisation on paper, a programme often worked differently in real settings. The implementation also varied across regions. In such a situation, social auditing highlighted the bottlenecks in the implementation of the programmes as well as the factors that impeded their efficacy in meeting their social objectives.

These were a few instances (not exhaustive) of discussions on the use of social audit in policy and administrative circles. Thus, neither the concept of social audit nor the public hearings were unknown to the Indian society before the 1990s. The pioneering role of the MKSS prototype of the *jan sunwai* was the use of public hearings and social audit for tackling the myriad issues of unemployment, grievance redressal, disruptions in service delivery and corruption in governance through greater citizen-State engagement.

6.4.2 Social audits under the Rajasthan Panchayati Raj Amendment Act 2000

The MKSS members had advocated that the state government in Rajasthan could entrust the ward sabha with the responsibility of conducting social audits. Subsequently, the **Rajasthan Panchayati Raj (RPR) Amendment Act 2000** granted power and responsibility to the ward sabha for conducting social audit for the plots allotted to the weaker sections of the society [8E (d)], and the authority for seeking clarifications from the sarpanch and panchayat members about any specific activity, schemes, income and expenditure [8E (i)]. Every ward sabha ensured “that the panchayat had correctly utilised the funds provided for the plans, programmes and projects” that were sanctioned for the wards.

Wards were considered an ideal unit for social audits because of their size and proximity to the development projects and targeted groups. Wards were also ideal from the perspective of separation of powers between the implementing and the auditing agency:

Rajasthan panchayati raj is ‘Sarpanch Raj,’ which is the rule of the elected panchayat head. In such a situation, a ward panch was an elected member, who did not have executive or cheque signing powers. She or he could function like an MLA. S/he could keep a vigil on panchayat activities, keep track of every household in the ward, take care of reserved quotas such as the dalit, women, widows and so on. Therefore, we held discussions on strengthening ward sabhas.²⁹

The MKSS organised preliminary ward sabhas in three panchayats – Baghmāl, Kushalpura and Todgarh – for demonstrating the process of social audit to the people. The experiences from these ward sabhas were discussed at a public meeting in Jawaja, which was attended by the then Panchayati Raj Minister of Rajasthan, C.P. Joshi. Subsequently, the provisions for social audit by ward sabhas was included in the RPRA Act 2000.³⁰ Later, the Bhim jan sunwai in May 2000 was conducted for demonstrating the process of social audit at the ward level and integrating findings from different wards in panchayat and panchayat samiti. Nikhil Dey recounted that:

For the first time, ward sabhas were convened after properly informing the people and mobilising people to attend. Narayan Singh did this in Kushalpura after the Amendments in the year 2000. The ward sabhas were used immensely during his entire term as sarpanch. We went through the records, and people participated enthusiastically. The implementation of schemes was in the ward only, so it was easy for them to monitor. However, no action was taken by the administration on the social audit findings. Even the resolutions decided in the gram sabha were often not reported to the panchayat samiti.³¹

Social auditing through ward sabhas posed multiple challenges such as “who would be the presiding officer? Who would read out the information and prepare reports after the audit? What would happen to those reports? How will people get their dues?”³² Thus, despite their suitability for social audits and support from the

²⁹ Interview with Nikhil Dey, 30 April 2017, Devdungari, Bhim, Rajsamand.

³⁰ Interview with Nikhil Dey, 30 April 2017, Devdungari, Bhim, Rajsamand.

³¹ Interview with Nikhil Dey, 30 April 2017, Devdungari, Bhim, Rajsamand.

³² Interview with Nikhil Dey, 30 April 2017, Devdungari, Bhim, Rajsamand.

state government, the ward sabhas were not successful. Inaction by the administration against erring representatives and officials undermined the confidence of the people in the ward sabha.

These concerns and challenges were later addressed through the provisions for ensuring that action was taken against elected representatives and officials for committing irregularities. Civil society also emphasised on the time-bound redressal of people's grievances reported during the social audit.

6.4.2.1 Government initiated jan sunwai in Rajasthan

The government of Rajasthan initiated a series of government public hearings (*sarkari jan sunwai*) for reviewing the expenditure of the highest spending panchayat in every panchayat samiti in each district. In doing so, the government “acceded to the concept of collaboration between the citizens and the government, to both monitor and hold the system accountable” (Roy and MKSS Collective 2018, 264). The government announcement also granted institutional legitimacy to the jan sunwai as a forum for dialogue pushed the system from a state of “passive collusion to transparent participation.” This was the consequence of the Bannalal Committee, which investigated the incidences of corruption exposed by the Janawad jan sunwai in 2001 (Mishra 2003, 79). The government initiated social audits for reviewing the development programmes executed by the PRIs.

The MKSS members collaborated with the government jan sunwai in eight gram panchayats – six in Rajsamand, one in Bhilwara and one in Bikaner districts between 16 February and 04 March 2002 (Roy and MKSS Collective 2018, 264–68). Some of these panchayats had a considerable population of scheduled castes and the scheduled tribes. The participation of block development officers, panchayat functionaries and elected representatives varied across different panchayats. Some of them prevented the residents from participating and testifying at the jan sunwai. In Panchu gram panchayat in Bikaner and Jhaalo ki Madaar panchayat in Rajsamand, the sarpanchs and the upper caste persons openly threatened the people against

participating. At Jhaalo ki Madaar, the sarpanchs from forty-one nearby panchayats had gathered, as a show of strength and for protesting against social audit.

In a post-audit note prepared after Panotiya jan sunwai, the MKSS recommended that the jan sunwai must be prevented from becoming a platform for making speeches by the public representatives. It also remarked that the sarpanch and secretary were reluctant to provide complete records and did not organise the information according to the format that was prescribed for social audit. All these activities were performed by civil society activists.³³ Inspired by such experiences, provisions were made in various social audit legislations and guidelines for assigning the responsibility of collating information to particular officers in the public departments.

6.4.3 Social auditing in other states in India

Social audit was introduced in several states after the constitutionalisation of panchayati raj in 1993. Different states conducted social audits according to their corresponding socio-political contexts. This section describes the system of social audit from three states – Kerala, Andhra Pradesh and Karnataka.

6.4.3.1 People’s plan campaign: Kerala

People’s Plan Campaign (PPC) was launched in Kerala in August 1996, shortly after the legislation of the Kerala Panchayat Raj Act 1994. People’s Plan Campaign was an experiment in decentralising powers, funds and responsibility to the local government. The PPC aimed at achieving people’s participation in decentralised development planning, right from the first stage.

The preliminary report of the Committee on Decentralisation of Powers, which advocated the People’s Plan Campaign, stressed upon transparency and accountability in the functioning of the panchayats. The report recommended

³³ MKSS Papers, “Panotiya Jan Sunwai,” file 117-118, p. 12-16, Institutional Collection No. 44, Nehru Memorial Museum and Library, New Delhi.

provisions for accessing information about panchayat works such as the details of a scheme, amount of fund sanctioned, actual expenditure and so on. The report identified ward sabha as a suitable unit for conducting social audits, which included physical verification of the works completed during the financial year and confirmations from the people identified as the recipients of essential public services (Sen 1996, 3–5). It listed the steps to be carried out as part of social audit, which were similar to the preparation for a jan sunwai. However, the key component of an open public hearing was absent from PPC's concept of a social audit (Mukhopadhyay 2005a, 5467–69).

It may however be recalled that a team of members from Kerala Sastra Sahitya Parishad, which participated actively in implementing the PPC, had visited the MKSS in Devdungari, Rajsamand and attended the Bhim jan sunwai in April 2000. The MKSS and people's movements in other states allied with each other for building solidarity networks for advocating common goals and adopting best practices in citizen empowerment.

6.4.3.2 Janmabhoomi: Andhra Pradesh

Janmabhoomi was introduced by the Andhra Pradesh government in 1997 as a people-centred development campaign. There were three important components of the campaign: *Prajala Vaddaku Palana* aimed at taking administration closer to the people and giving practical manifestation to the concept of social audit. *Sbaramadanam* involved voluntary community work by the village residents; and the third component promoted participatory micro-level planning for designing development schemes (Gajapathi 1997).

The social audit, under janmabhoomi, was conducted by the district and block level officers in the presence of the village residents. All the development records and expenditure details were made available to the people for inspection. The people could demand photocopies of these records through an application to the panchayat.

However, the format of janmabhoomi was different from a jan sunwai style open hearing advocated by the civil society in Rajasthan.

Srikrishna Ayyangar (2003) described a janmabhoomi meeting he had attended in 2003 in a village in Andhra Pradesh. According to his account, the key officers sat on the dais. The meeting started with a message from the chief minister that was played on a cassette at the meeting. Then the officials from different departments announced the various schemes introduced by the government and distributed the land titles. Thereafter, every officer left the meeting, except the sarpanch and one more 'educated person.' The people rushed to handover white slips of paper on which they had written their grievances to the 'educated person,' who collected all the slips and left. The meeting was thus over (Ayyangar 2003, 4426–29).

The janmabhoomi meetings were held quarterly and were widely publicised. Officers from state ministries and departments as well as district-based development committees were often required to take part in the meetings. The chief minister of Andhra Pradesh, Chandrababu Naidu, took a special interest in the implementation and success of the janmabhoomi campaign, during whose tenure in 1997 the programme had started. The bureaucracy was, therefore, keen on executing the meetings properly and following up on the redressal of people's grievances (Konkipudi and Jacob 2017).

6.4.3.3 Jamabandi: Karnataka

The state government of Karnataka introduced Jamabandi in the year 2002-03 for promoting transparency and accountability in the functioning of the local bodies and the delivery of public services. Jamabandi was a form of social audit where an inspection team headed by a block officer inspected the panchayat expenditure and carried out physical verification of select works in the panchayat (Mathew and Mathew 2003, 44–45). The people were encouraged for participating in the public verification of the records at jamabandi meetings. The panchayat secretary facilitated the inspection by preparing the documents in the prescribed format and making it

available to the inspection team. On the jamabandi day, the inspection team examined the documents. Any member of the public could also check the details of the works carried out by the panchayat. The jamabandi team verified the details with the beneficiaries of targeted programmes such as public housing and public distribution system. The findings of the jamabandi campaign were documented in a report, which was submitted to the Chief Executive officer and was discussed in the meeting of the panchayat samiti. The CEO ensured compliance with the recommendations of the report, including redressal of people's grievances, initiating action against the defaulting units and recovering funds from them.

Thus, social audit practices in Karnataka, Andhra Pradesh and Kerala differed in several aspects from the jan sunwai in Rajasthan. The impetus for the jan sunwai and social audit in Rajasthan came from the people and the civil society. In other states, social audit was initiated by the corresponding state government. Moreover, the social participatory and independent nature of the jan sunwai was absent in social audit practices in other states.

6.4.4 Social audit under MNREGA 2005

The architects of the MNREGA incorporated a detailed transparency and accountability mechanism into each component of the legislation, including mandatory social audits that provided greater rights to citizens for demanding employment, timely-wages and monitoring implementation of the programme. The programme officers under MNREGA were required “to publicise information concerning the operation of the scheme, to make transaction-level financial data publicly available, and to involve local communities in the auditing process” (Jenkins and Manor 2017, 4). Information related to different aspects of implementation was required to be updated regularly. Every step in the process of applying for work in the panchayat was documented. The muster rolls were compiled and uploaded on the centralised Management Information System (MIS) that was maintained by the ministry of rural development. The data was available in the public domain, and

people could verify the details in their job cards (employment cards) against the information on the MIS.

Social audit was mandatory under section 17(1) of the MNREG Act that empowered the gram sabha to monitor the execution of works within the gram panchayat. The panchayat was required to provide all the documents that were necessary for social audits, such as muster rolls, bills, purchase orders, utilisation certificates and measurement books to social audit team and the gram sabha. The programme officer was responsible for ensuring that regular social audits were conducted by the gram sabha, and actions were taken on the objections raised.

The social audit provisions were included for safeguarding the execution of the act against corruption that affected the rural employment programmes of the earlier decades. Social audit would deter panchayat members from committing frauds. As stated earlier, the acts of corruption were not only a drain on the public exchequer but also led to the subjugation of people's right to work and livelihood and deprived the community of valuable infrastructure.

The participatory aspects of the MNREGA enabled the people to engage in the procedures through which the state programmes operated. It extended beyond the regular citizen engagement activities, such as forming associations, nominating representatives, and holding protests, to include the ability to demand accountability from the department "tasked with delivering on state guarantees" (Jenkins and Manor 2017, 16).

Andhra Pradesh was the first state to implement social audits under the MNREG Act on a campaign mode in 2006. The Society for Social Audits Accountability and Transparency was established in Andhra Pradesh in 2009. The SSAAT was an independent organisation that was responsible for conducting social audits under MNREGA in all the gram panchayats across the state. The process and norms of social audit evolved with inputs from the Andhra Pradesh initiative as well as civil society endeavours in Rajasthan. In addition to MNREGA, the government

has also ordered a social audit of various other welfare schemes such as those under National Health Mission in Uttarakhand, mid-day meals in Andhra Pradesh, social security pensions, rural housing programmes and so on.

The annual report on the review of MNREG Act that was tabled before the state legislature included a paragraph on the implementation of social audit and action taken on the grievances reported at the hearings. In addition to this, the annual financial report on local bodies prepared by the CAG for every state included a paragraph on the status of social audits of the MNREGA works, along with the total number of grievances resolved against the number of grievances registered as part of the social audit.

6.4.4.1 Current status of social audits under MNREGA 2005

Several studies have examined the dynamics of the implementation of social audits under MNREGA (and other welfare programmes too) across different states in India. A recent study conducted by Suchi Pande and Rakesh Dubbudu on social audit process in the select villages of Telangana district highlighted the importance of the political will, bureaucratic support and civil society participation in conducting effective social audits. The study emphasised that the village resource persons were an important link between the social audit units and the village community. The resource persons belonged to rural households that took up employment under NREGA work programmes. They had first-hand information about the micro-realities of programme implementation and were also in touch with other programme participants. Some of them were also dependent on work under MNREGA for their livelihood and participated actively in conducting a social audit (Pande and Dubbudu 2017).

The findings of the field-study in Telangana illuminated the effectiveness of social audits in preventing corrupt practices and in redressing citizen's grievances. About 42% of district resource persons felt that 50 to 75 percent of the social audits that they were a part of during 2014–15 helped in deterring “corruption in wages

paid”— that is, the part of workers’ wages that were pocketed by local officials (Pande and Dubbudu 2017, 22). In many cases, social audits contributed to a corrupt politician not being elected. The study highlighted the obstacles in conducting social audits as reported by the village resource persons: lack of support from senior bureaucrats (21%), limited participation by beneficiaries (19%), lack of NGO engagement (9%), insufficient funds (17%) and lack of follow up action in recovery of pilfered money (33%). Moreover, the social audit societies did not investigate the cases of corruption and did not conduct a trial in such cases. The prosecution of criminal charges was too was the responsibility of another agency. This obstructed follow-up action by social audit units and corrective action against those complicit in corruption.

In addition to MNREGA, social audit was operationalised under several development programmes that guaranteed socio-economic rights to the people. The next section describes the provision for social audit under the National Food Security Act 2013.

6.4.5 Social audit under National Food Security Act 2013

Social audit is a part of the National Food Security Act 2013 (NFSA), which has made it obligatory for the state government to provide essential food supplies to the targeted households at subsidised prices. State governments created their own rules for operationalising the act. These rules were created according to the guidelines on social audit prescribed under Section 28 of the NFSA:

Functioning of fair price shops, Targeted Public Distribution System and other welfare schemes, and publicise its findings and take necessary action, in such manner as may be prescribed by the State Government. (National Food Security Act 2013)

The state governments framed rules for conducting social audit. These rules were framed according to the social audit guidelines formulated by the CAG for the audit of works under MNREGA. The Rajasthan state government passed the Rajasthan National Food Security Act Social Audit Rules 2017, which created independent social audit units for ensuring that social audits were conducted

regularly. Public hearings at the panchayat level were an important component of social audit, along with directions for time-bound redressal of grievances (National Food Security Act (Social Audit Rules) 2017).

The following section discusses the role of the comptroller and auditor general of India in institutionalising the process of social audit that was based on the MKSS prototype of the jan sunwai.

6.4.6 Social audit and role of the Comptroller and Auditor General of India

Section 24(1) of the MNREG Act, 2005 authorised the central government to consult the Comptroller and Auditor General of India for framing the rules for auditing the accounts of the programme at all levels. The CAG collaborated with the civil society actors for defining the rules and standards for social audits and for aligning social audit with the conventional audit process performed by the Indian Audits and Accounts Department.

In 2008, at the XXIV Conference of Accountants General, the then CAG of India stressed the need for upgrading the audit mechanisms for ensuring that the local bodies, societies, autonomous bodies and NGOs followed regular financial discipline that applied to government organisations. The conference deliberated on enhancing “the efficiency and efficacy of auditing towards good governance, transparency and accountability,” which will help in improving the delivery of public services (Office of the CAG - India 2010). Apropos to this, a six-member Task Group on Social Audit was constituted in May 2009 under the chairmanship of Shri Narendra Singh, DAI (LB & AEC)³⁴. Amitabh Mukhopadhyay, then Joint Secretary of the Lok Sabha Secretariat and a long-time supporter of the jan sunwai and social audit, was also a member of the Task Group.

The members of the Task Group attended the jan sunwai and social audit *sammelan* organised during the Bhilwara social audit campaign in 2009 in Rajasthan

³⁴Deputy Comptroller and Auditor General (Local Bodies & Accounts, Establishment & Complaints)

by the MKSS and Sookna evum Rozgar Abhiyan. The Report of the Task Group was submitted in 2010. The primary observations and recommendations of the report included:

- i. The conventional audit methods were largely confined to the administrative offices and were carried out by the government officers and state auditors. Moreover, the primary focus on the CAG audits was on reviewing the administrative processes and their financial viability. The actual outcome and improvement to the people's lives due to the government programmes still remained a secondary concern.
- ii. The devolution of significant funds and responsibilities to the Rural and Urban Local Bodies, and other autonomous bodies for administering socio-economic development schemes of the central and state governments have necessitated newer methods of audit. Although the local bodies did not fall directly within the purview of the CAG, they were financed from the public funds. Hence, they must be accountable for their operations.
- iii. The Task Group recommended social audit and newer methods for "gathering audit evidence such as beneficiary/ stakeholder surveys, physical inspection, audiovisual recordings, statistical sampling, etc." for making the audit process more transparent and for sharing the audit findings in the public domain.
- iv. The report observed that social audit could not sustain itself on a 'stand-alone basis.' It strengthened the formal audit process. However, it could not be considered as a substitute for the CAG audit. The social audit could be positioned within one or more of the three audit types – compliance, financial and performance audit.
- v. The report recommended the participation of civil society organisations for assisting with policy development, implementation of public services, establishing the accountability of the implementing agency, following-up on the execution of audit recommendations, and building the capacity of social

audit personnel at different levels. The Indian Audits and Accounts Department was entrusted with the responsibility for preparing easy audit training modules in local languages for dissemination among the people. The manuals would help them in understanding and participating in social audit process.

One of the key recommendations was that the inspection reports of the CAG be uploaded on its websites, similar to the public discussion of social audit findings at the jan sunwai. The report noted that:

The findings that were discussed and debated at the jan sunwai were in many cases quite similar to [the] inspection report paragraphs. Making available inspection report findings [for social sector programmes] would enable these to be acted upon further in social audit meetings. (Office of the CAG - India 2010)

The Task Group also stressed on maintaining the integrity of the CAG audits against the possibility of “unauthenticated oral evidence.” They suggested that the formal auditors could participate as observers in the gram sabha social audit and the jan sunwai. This would acclimatise them with micro-realities and dynamics of implementing social programmes. The Task Group thus initiated the synergy between social audit and the CAG audits and facilitated the institutionalisation of social audit vis-à-vis the mainstream audit practices.

6.4.6.1 MNREGA Audit Scheme of Rules 2011

The CAG and the Ministry of Rural Development notified the MNREG Audit of Schemes Rules in June 2011. The rules stated explicitly that *social audit [ought] to be part of audit of schemes*. The Sections 3 to 7 laid down the provisions, rules and procedure for conducting social audits and specified the obligations of different authorities in facilitating social audit (MNREG Audit of Scheme Rules, Ministry of Rural Development 2011). The rules were framed with an overarching philosophy of maintaining the independence of the social audit process, achieving maximum transparency and enhancing the participation of the people. These were considered important for promoting free dialogue among the stakeholders, establishing the

accountability of the public officials and redressing grievances of the people. The salient provisions of the Rules were:

- i. Every state was required to set up an independent Social Audit Unit (SAU) that facilitated social audit. The SAU was responsible for training the resource persons for conducting social audits, preparing the documentation formats for reporting the findings of social audit, disseminating the findings of the audit and sharing the action taken report with the people. The SAU was also responsible for spreading awareness among the workers about their rights and entitlements under MNREGA
- ii. Social auditing must be free from the interference or influence of the implementing agencies and officers. At the same time, the agencies and officers were required to facilitate social audit by providing complete records, files and other information to the Programme Officer, who provided these documents to the social audit unit. The social audit unit made these documents available to social auditors and resource persons at least 15 days before the audit.
- iii. The findings of the door-to-door verification of information and physical inspection of the works should be documented in the local language and shared in an open public hearing with the people at the special gram sabha. The elected representatives of the panchayat, the line-functionaries of the different departments and other stakeholders involved in the execution of the projects should be present at the hearing and respond to the people's queries.
- iv. A District Programme Coordinator was appointed in every district, who was responsible for ensuring that the programme officers supplied the complete and collated information to the social audit unit (before the audit). After the audit, the district coordinator also ensured that people were paid their pending wages and the misappropriated amount was recovered from the responsible persons and appropriate action was initiated against them.

- v. The state government was also required to submit a report summarising the social audit findings in a financial year to the CAG of India and present the action taken report in the state legislature.

Over the next three to four years, the social audit units were set up in different states for operationalising the Audit Scheme of Rules 2011.³⁵ Recently, the CAG conducted an audit on the status of execution and compliance with the Social Audit Rules by the states. The CAG audit reviewed the functioning of the units as well as the social audit conducted by the states for the financial year 2014–15. The report found that in 25 states, a social audit of MNREGA works was conducted in only 50% of the gram panchayats. Social audit units had not been set up at all in 15 out of 29 states. The report recommended that the states should specify a period for establishing social audit units and appointing resource persons at the village, state and district levels (Office of the CAG - India 2015).

In March 2015, a Social Audit Conference was organised that emphasised compulsory audit of all the social sector schemes and local bodies through social audits. In his inaugural speech, the CAG of India, Shashi Kant Sharma noted that the development expenditure of the state and union governments was estimated to be 17 lakhs crores in the financial year 2013–2014. Since a large part of this expenditure was spent through the panchayats and urban local bodies, these must be subjected to routine social audits for enhancing transparency and accountability in the implementation of development programmes. He stressed on collaboration with civil society organisations that were active in conducting social audits in different blocks and districts (Sharma 2015).

³⁵This account does not intend to indicate that the social audits were institutionalised without any resistance from different organs of the State, particularly, the chairpersons of the local bodies. Suchi Pande (2014) and Jenkins and Manor (2017) have described the resistances to social audit campaigns in Rajasthan and Madhya Pradesh. They also discussed the problems faced by the panchayat functionaries, such as lack of funds and pressures of accountability to the officers as well as to the people.

In June 2015, the Department of Rural Development constituted a Task Force on Social Audit for reviewing the progress of social audit units in administering the MNREGA Audit of Scheme Rules 2011 and for providing regular guidance and support to the units. The Task Force framed the Auditing Standards for Social Audit after holding consultations with all the stakeholders. It defined the “minimum quality norms for the different aspects of social audits, such as functional and financial independence of the social audit units, recruitment, roll out, training, report preparation, dissemination of reports, and time-bound redressal of grievances” (Department of Rural Development 2015). The select provisions of the report of the Task Force are discussed in the section below.

6.4.6.2 The Joint Task Force on social auditing standards

The Joint Task Force on Social Audit submitted its report in December 2016. In January 2017, the Ministry of Rural Development notified the Chief Secretaries of all states and union territories about the auditing standards development by the Task Force and directed them to adopt and implement the standards at the earliest. The ministry also formed a group of village resource persons for conducting social audits. Such a group would necessarily include members from among the women self-help groups. The village resource persons underwent training and orientation in social audit based on the handbook prepared by the National Institute of Rural Development and Panchayati Raj, and Tata Institute of Social Sciences, Mumbai.

The report of the Task Force defined the norms for conducting social audit and for appointing social audit resource persons at the state, district and village level. The report specified the standards for achieving transparency in the process, training the social auditors and resource persons and ensuring the reliability of the procedure for collecting evidence and conducting the audit. It also emphasised the participation of people, time-bound access to information and redressal of grievances, sharing audit findings through wall paintings and the internet and conducting an open public hearing for a dialogue on the development objectives and achievements (Ministry of Rural Development 2016).

The report incorporated several transparency measures, such as timely access to information, *suo motu* disclosure of information and sharing audit findings with the people. Section 3.2 of the report outlined the provisions for the availability of records, according to which every state government must identify the agencies responsible for providing the records, define the time frame within which the information would be provided, and specify punitive action in cases where the information was not made available in time or incomplete information was provided. The programme officer of MNREGA (and other programmes) was responsible for providing complete information to the social audit teams and ensuring that the public officers also provided the requisite information within the fixed period.

Provisions for transparency also emphasised proactive disclosure of information related to the MNREGA works outside all the panchayat offices and other public places through wall paintings and yellow boards. Proactive disclosure also included updating timely and accurate information on the MNREGA Management Information System (MIS) portal maintained by the Ministry of Rural Department (MoRD). Lastly, the findings at every stage of a social audit must be shared with the members of the local community and all the actors that were involved in administering and auditing the development programme.

In addition to the measures for achieving transparency, the report elaborated on the difference between facilitating and conducting social audits, which will assist in maintaining the independence of the process. While the resource persons at the state and district level were charged with facilitating social audits, the village resource persons were responsible for conducting social audits in the villages. The functions of panchayat members and line-functionaries were defined at different stages of the audit, including their mandatory presence at the social audit gram sabha/public hearings. All the functions related to social audit were governed by the principle that the implementing agency cannot audit itself. Therefore, the participation of the panchayat members and officers from other public agencies was limited to facilitating the process of social audit. They were required to provide all the

information related to the execution of the programmes to the SAU resource persons at least 15 days before the audit was due. This illustrates that the movement for transparency has come a long way from panchayat secretaries asking, ‘who are you to ask for information?’ to obligations on implementing agencies to providing the information in a time-bound manner.

The Task Force also emphasised the independence of the social audit units. The social audit units were inspired by the Society for Social Audit Accountability and Transparency (SSSAT) that were set up by the government of Andhra Pradesh. The SSSAT insulated the implementation of MNREGA from political pressures and maintained the objectivity around conducting social audit. Several state governments have established social audit units as societies under the Societies Registration Act. In some states, these units also operated as cells in the ministry of rural development. The social audit units comprised a governing body including a chairperson, a director and a grievance redressal officer. The grievance redressal officer accepted the complaints against the staff at the unit and presented it before the governing body. There were provisions for a quality assurance and control programme that was administered by the director of the unit and provisions for a periodic assessment by any external agency approved by the governing board.³⁶

³⁶ In 2018, the National Institute of Rural Development & Panchayati Raj, Hyderabad, conducted a study on Social Audit Units (SAU) in India. The study reported that only twenty out of twenty-nine states have set up independent social audit units. In the states that have set up SAUs, only Andhra Pradesh has followed the directives of the Task Force on social audit. States such as Rajasthan and Bihar have not appointed resource persons at the block level, which has hampered the smooth conduct of social audit. Uttar Pradesh, Tamil Nadu and Andhra Pradesh were among the best performers in terms of number of resources persons hired for social audit at all the three levels, while Rajasthan lagged behind severely. As of January 2018, only nine of twenty state social audit units had registered the grievances of the people. The percentage of grievances resolved by the SAUs was 14% for the period of 18 months from 2016-17 to 2017-18 (until November 2017). This estimate did not reflect the grievances that were not registered. The SAUs have defaulted on many other parameters set out by the Joint Task Force on social auditing standards. Notwithstanding, it was observed that the objectives of social audit were achieved in those places where the process was carried out in accordance with the principles and norms of the task force report (Karuna and Dheeraja 2018).

In addition to the independence of the social audit, the report of the Task Force addressed the risks and challenges associated with maintaining the integrity of the audit procedure. It specified methods for authenticating the evidence collected through beneficiary surveys, analysing information related to the implementation of programmes and incorporating the people’s oral testimonies at the public hearings as evidence in the audit reports. Section 3.4 of the report stated that “the audit findings, conclusions, and recommendations must be based on evidence.” Such evidence should be reliable, relevant, sufficient and competent in order to draw logical conclusions. The evidence can take any or all of these forms – physical evidence, oral evidence, the proceedings of the *jan sunwai* that had been documented through reports and electronic recordings, analytical evidence, government memos, internal communications and documents uploaded online, and the physical verification of the works completed under the employment guarantee act. The objective was to make the process reliable and remove the vulnerabilities such as those related to the subjective and equivocal nature of people’s testimonies and the challenges in authenticating the information.

6.4.6.3 Social audit rules and standards

The report of the Joint Task Force defined six basic principles that ought to guide any social audit exercise: access to information (*jaankari*), inclusion and participation of citizens (*bhagidaari*), safety of citizens (*suraksha*), right to hearing (*sunwai*), an open and collective platform (*janta ka manch*), and dissemination of findings and reports (*prasar*).

#Access to Information (Jaankari)

People must have open and equal access to all the information related to the execution of the programmes. This is the first and the most important step in conducting a social audit. Such information must be authenticated, updated regularly and be made available across all the levels. Access to information comprises creating awareness among people about their entitlements and an understanding of the

application and implementation procedure. A combination of media, ranging from government websites to wall paintings and traditional modes of communication in the local language, must be used for disseminating information in an easy and understandable manner.

#Participation of People (Bhagidari)

Participation includes the inclusion of the people in the auditing and the decision-making process. The foremost requirement under this was the inclusion of the marginalised sections of the society in the process of social audit. The village resource persons must reach out to the marginalised sections and facilitate their participation. The standard or condition for participation was included after it was observed that in many instances of social audits, the participation of people was restricted to listening to speeches and information read out by the public officers in the gram sabha. This process of one-way dialogue only informed the people about the decisions of the government, without responding to their queries and concerns. In order to achieve meaningful participation of the people, all the decisions must be taken in full public view after discussions with all the stakeholders.

#Protection of citizens (Suraksha)

Adequate arrangements must be made for the security of the citizens and for creating an environment free of fear, which would enable the participation of the people. District administration and the police department can be contacted for ensuring security and maintaining law and order during the audit as well as the public hearing.

#Citizen's Right to be Heard (Sunwai)

This principle pertained to the redressal of people's grievances that surfaced during the entitlement audit, which was conducted as part of the social audit process. A mechanism for redressing the people's grievances in a time-bound manner must be in place for ensuring that people received their outstanding wages, unemployment allowance and other entitlements. This should also be supplemented with a follow-up mechanism that citizens can use for tracking the status of their grievances.

#Collective platform (Janta ka Manch)

An open public hearing on the lines of a jan sunwai was at the core of dialogical accountability that social audits aimed at achieving. The hearing must be notified and publicised at least 10 days in advance using local means of information and communication activities. All the stakeholders in the delivery of public services would assemble on a common platform and participate in deliberations. The findings of the door-to-door verification of government information would be discussed at the public hearing in a manner that would transform people's testimonies into audit evidence.

#Report Dissemination (Prasar)

The findings and the results of analysis at every step of the audit must be shared with the people of the community as well as the panchayat, block and district administration using relevant modes of communication. The post-audit action taken report must also be shared with the people in the panchayat.

These six standards or principles have encapsulated the complete dynamics of organising a jan sunwai where the people were able to speak freely and their grievances were heard. Thus, the principles and practices of the jan sunwai were institutionalised (in the form of social auditing standards). The principles and practices of the jan sunwai were earlier formulated as the Bhilwara principles, which is discussed in the section below.

6.4.6.4 Bhilwara Principles

The Bhilwara principles were formulated in 2013. They were *Jankari* (Information), *Sunwai* (Hearing), *Karyavahi* (Time-bound action), *Bhagidari* (Participation), and *Suraksha* (Protection). They were called the Bhilwara principles after a group of young people in villages in Bhilwara district were physically attacked for demanding information from the local administration under the RTI Act 2005. These principles, thus, emerged from the people's struggle for resisting victimisation and asserting their rights (Roy and Dey 2014).

Bhilwara principles were conceptualised as the benchmark for any citizen-centric legislation that aimed at demanding transparency and accountability from the state. Therefore, these principles were used as the minimum threshold for conducting social audit. Evidently, the Bhilwara principles were derived from the people's experiences of organising the jan sunwai over two decades as a forum for fostering direct participation of citizens in governance. The counter to every challenge faced in accessing information, organising the jan sunwai and enlisting people's participation has been incorporated for ensuring the effectiveness of social audit and other interventions aimed at achieving transparency, accountability and citizen-state engagement.

For instance, Section 2.2 (of the social audit standards) on professionalism mentioned that the social audit resource persons must refrain from accepting local hospitality and benefits from the panchayat members during all the stages of the audit. They will be provided separate accommodation in public buildings by the local administration.³⁷ The principal requirement for a collective/public platform was also included for ensuring that social audit was not restricted to an isolated and linear process that tended to atomise the citizens and undermined the scope for dialogue and collective action. The dialogue is the essence of democratic participation and the jan sunwai provided the structure and mechanisms necessary for achieving it.

6.4.7 Social audit laws at the level of states

Meghalaya and Haryana have taken the initiative for legislating social audit acts. Meghalaya legislature passed the social audit act in 2017, while the Haryana government approved the draft of the Haryana Community Participation and Public Services Social Audit Act in October 2018 (Chisti 2017; *The Tribune* 2018). In addition to operationalising social audits under MNREGA, these states have also

³⁷ During the researcher's internship with the Shiksha ka Sawaal campaign, which aimed to audit the performance of the government schools, the volunteers were advised not to accept cold drinks, or invitation to eat at the headmasters' homes. Accepting benefits from the implementing agency discredits the process in the eyes of the people and fails to build the trust.

extended the scope of social audit to other social sector programmes as well as to the functions of the urban local bodies.

6.4.7.1 Meghalaya Social Audit Act 2017

In 2017, the Meghalaya government enacted the Meghalaya Community Participation and Public Services Social Audit Act 2017, also known as the Meghalaya Social Audit Act. The rules were announced in April 2019. It is the first state-level legislation that has mandated social audit of twenty-six development programmes implemented by the rural as well as the urban local bodies. This is significant because it extends the promise and benefits of social audit to the areas that are governed under the Sixth Schedule of the Constitution. The provisions of the three-tier panchayati raj structure do not apply to Meghalaya. Instead, the traditional village councils look after local government, including the implementation of the development programmes. The Meghalaya social audit act, section 17, brought the principles of transparency and accountability inspired by the jan sunwai to the areas governed by the traditional village councils. Sections 11-15 of the act included provisions for the participation of local community members in the social audit process. The Meghalaya social audit act also included the provisions for concurrent audits, which were carried out in the same financial year while the implementation of the scheme is in progress (section 16).

In November 2017, pilot social audits were conducted in eighteen villages of Meghalaya, where the nodal officers from every block responded to people's queries and grievances related to the implementation of the development programmes (Meghalaya Society for Social Audit and Transparency 2017). The social audit reports from the hearings were also published on the website of the Meghalaya Society for Social Audit and Transparency (MSSAT). The members of the MKSS and other allied civil society organisations participated actively during the pilot social as well as the state-level social audit convention that was organised in December 2017 (Lyngdoh 2017).

6.5 Conclusion

This chapter examined the process of institutionalisation of the MKSS prototype of jan sunwai into social audit mechanism of the State. Before the jan sunwai became popular, social audit was conceptualised and implemented by the government in a top-down manner as a bureaucratic process with little participation of the people. The institutionalisation of social audit, inspired by the jan sunwai, has opened up the governance for monitoring and greater participation by the people. The social audit rules and standards are aimed at ensuring transparency, accountability and participation of the people in the social audit process. Participation of people was crucial for creating a vertically upwards and diagonal accountability structure, similar to a jan sunwai, where the panchayat members and line-functionaries were made accountable to the people whose interests they served. Moreover, the social audit rules and standards emphasised the safety of citizens against victimisation, the citizen's right to a hearing and a time-bound redressal of their grievances.

The jan sunwai was institutionalised by the State with the efforts of the civil society. The civil society advocated as well as collaborated with different organs of the State for incorporating transparency and accountability mechanisms and legislations in governance. The role of civil society was also crucial for the effectiveness of the jan sunwai in enabling critical engagement between the citizens and the State.³⁸ The presence of civil society – the panel of independent observers at the jan sunwai – checked the arbitrary powers of the local state (sarpanch, panchayat secretary and block officers) and ensured that the jan sunwai was conducted in a fair and transparent manner. The civil society members argued that the people had a

³⁸ Prior to the jan sunwai as well, the civil society – comprising the voluntary associations, collectives, NGOs, labour unions, and local self-help groups, collaborated regularly with the state in the delivery of public services and implementation of development programmes in the rural as well as urban areas. The jan sunwai advanced the scope of their activities to monitoring the implementation of welfare programmes and thus, the activities of the panchayat. This was one of the reasons why the panchayat members opposed the jan sunwai and considered the participation of civil society activists as interference in the workings of the panchayat.

right to participate in the review of government programmes and the right to know about the details of implementation. They argued that the opinion of the people was significant in determining the outcome of the programmes. The role of civil society in convening the jan sunwai and the institutionalisation of its social auditing practices demonstrates the civil society's potential for democratic reform by determining the course of the State policies (Taylor 1990, 97–98).

The institutionalisation of the jan sunwai mode of social auditing has also legitimised the participation of civil society members in the social audit process. During the struggle for transparency in Rajasthan, both – the jan sunwai and the civil society functioned independently of the State. Thus, their activities and outcomes were not considered as legal. To correct that, civil society advocated the State to institutionalise social auditing via jan sunwai. Goetz and Jenkins argued that in addition to institutionalising the jan sunwai as a method of social audit, there was a need for incorporating the “legal standing for non-governmental observers within institutions of public-sector oversight” (Goetz and Jenkins 2001, 369–70). They argued that civil society actors be a part of the accountability mechanisms as independent observers.

Subsequently, provisions were made for including civil society members as facilitators in social audit. In 2010, the Report of the Working Group on Transparency and Accountability had recommended revisions to section 13(b) of MNREGA Act for including the participation of the civil society members:

The Social Audit Forum shall be an open and inclusive forum to encourage broad-based public participation. Any individual or association of individuals shall be allowed to participate, testify and place their observations on record. However, they will have no voting rights (Central Employment Guarantee Council 2010).

The report also presented a set of model social audit rules the specified participation by civil society organisations to facilitate the social audit:

All support and resources that foster its integrity should be given space and opportunity to contribute, and participation is facilitated from any organisation or individual (e.g. social activists, members of workers' associations and civil society organisations) who can build

the capacities of the primary stakeholders to understand the documents, details of work undertaken or have their voice heard (Central Employment Guarantee Council 2010).

Most of these suggestions were incorporated in the Audit Scheme of Rules 2011 as well as the social audit standards formulated in 2016. Under the Meghalaya Social Audit Act as well, the members of the civil society conducted the social audit and were responsible for inspecting the works and the documents and sharing the audit findings at the public hearing. Meanwhile, the nodal officers of the line agencies and district coordinators were responsible for assisting the 'citizen auditors.' Thus, the institutionalisation of the jan sunwai has legitimised the participation of civil society organisations in the social audit, outlining the specific functions to be performed by them.



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