

SOCIAL AUDIT

Gram Sabha & Panchayati Raj

(Assessment of present status & recommendation of methods for making
Social Audit, a viable instrument for sustainable programme delivery)

FINAL REPORT

Submitted to

Planning Commission

Govt. of India

New Delhi



VISION

VISION FOUNDATION

For Development Management

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TRUTH is the greatest national possession. A state, people and a system that suppresses truth or fears to publish it, deserves to COLLAPSE"

"Kurt Eisner"

"SATYAMEVA JAYETE"

(Part of National Symbol-The Ashok Chakra)

IS IT TRUE?

India is a democracy!

People are masters!

Government exists to serve the people!

IF IT IS TRUE,

Social Audit of all Development Programmes
need be welcome

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PREFACE

India, one of the mightiest democracies of world with the might of its intellect has earned deep respect for its nationhood in the global scene. Every Indian, who travels abroad feels the strength of Indian Nationhood, Indian Identity. I take this opportunity to quote Dr. Arun Netravali, the first Indian to be President of BEL LABS, USA, “ I am respected all over the world, more as an Indian, than as the President of BEL LABS”. Against, this rising Indian identity, globally, the state of development at the grass root level reflects a very abysmal picture, even after about six decades of Planned Development Initiative, confirming the fact that there is some thing fundamentally wrong in the Development Planning System. If, the same Indian Intellectual Strength can contribute to the growth of economy of USA, South Africa and other African Countries, why can't it contribute to the development of its own people?

This question, has been deliberated time and again since Nineteen sixties, at senior policy level, without meaningful consequences, continuing the old policy directions broadly, except the Liberalisation of Economy in early Nineties. Still, this unanswered questions haunts every sensible Indian. One of such sensitive Senior Member of Planning Commission induced the undersigned to provide him with an answer, after listening to me in one of the presentations of VISION FOUNDATION on entirely a different subject, where I had touched upon these issues.

His sincerity and pain for, in achievement of desired development goals commensurate with the massive investments made, resulted in the present study. It is again a providence that the Right To Information Act 2005 was in the pipeline and the RTI movement was in full swing, making the task of Social Audit related research for inducing policy action more exciting. The Study Report submission was delayed to modify the recommendations in the light of RTI Act 2005, which has changed the fundamentals of Governance process of India, though it is yet to make an impact on a huge system like ours. But, I am confident, Indian Governance Process can no further stay behind the Global Process, where RTI movement is way ahead, specifically after, Indian Identity is always at the Global Stage with global attention on India.

The recommendations of the Social Audit Report, with an objective of making it mandatory and a part of Development Planning Process of India, is expected to act as a CATALYST to the already in motion PROCESS OF CHANGE, confirmed by the RTI Act 2005 being a reality.

I, sincerely hope that the recommendations made after studying the on going activities and consulting the key players in the System like the Controller & Auditor General of India (CAG), Key Ministries, Leading Politicians, NGO Leaders, with a clear objective of making the recommendations get translated in to policies, following the footsteps of RTI Act 2005. It is heartening to record here that the Ministry of Finance has assured the Research Team to issue necessary directions for making PRI Audit mandatory. This is the first step in the process of ensuring Social Audit. As a Change Management Consultant, I do feel the challenges ahead for making change process take root in a large democracy like ours, but the momentum of Change already achieved, will be effective in resolving the challenges.

It would be injustice on my part, not to record the contributions made by Mr. Kapil Sibal, Eminent Jurist and Minister, Science & Technology, GOI and thank him profusely for leading the Research Team to a practical solution in the cobweb of Indian Development Administration System and Dr. Ashok Lahiri, Economic Adviser to GOI, who validated our direction of recommendation making PRI Audit & Social Audit mandatory and putting them in the Internet for being accessed and processed by all concerned. The enthusiasm expressed by CAG team including Dy CAG and Mr. R.N.Ghose, Officer in charge of PRI Audit and information about the work already done, inspired us to think in a more pragmatic manner

Last, but not the least Ms Rohini Nair, Adviser, Rural Development, remained the spring of energy and passion for strengthening the PRIs and Demand Side of the Programme Delivery System, which acted as a major boost to the team. Her inspiration has provided a lot of intangible power to this work and her support will be essential to see the recommendations are implemented.

Prof. Ranjan Mohapatra
Project Director & Chairman, VISION FOUNDATION

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EXECUTIVE SUMMARY

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The huge gap between the desired impact and the actual impact made by the thousands of crores of Rupees made by GOI and other Development funding agencies, takes anyone within the Govt. or otherwise to think deeply about the failures. The Planning Commission, GOI is concerned about this and is keen to address this issue of limited impact of development inputs, in a comprehensive manner. Through a series of deliberations starting with a presentation by *VISION FOUNDATION For Development Management*, it was appreciated that there is a need to strengthen the Demand Side of the **Programme Delivery Systems. Making Social Audit of Development Programmes, mandatory was considered a possibility, which needed a comprehensive assessment, the result of which can be used for necessary policy initiatives. Accordingly, VISION FOUNDATION was commissioned to conduct a study with the following broad objectives.**

- a) To assess the status of Social Audit and Gram Sabha & Panchayati Raj (Gram Panchayat) as per law of the land and as practiced in India, and
- b) To recommend measures for, making the process of adopting implementation of Social Audits as a matter of culture.

VISION FOUNDATION conducted the study covering seven states from different regions of India, selecting One District from under developed and one from Developed Districts of the State and Delhi as a Urban State, for comparison. It contacted 10, 500 Respondents, from Different groups including Beneficiaries, PRI Functionaries, Govt Officials, Political Leaders, NGO Leaders, and Academicians, representing both Demand and Supply System through Depth Interviews, Group Discussions, and Observations. The field study was conducted during April – July 2004, the Draft report was ready during October 2004, but was with held to take the inputs from the enactment of RTI 2005 to make the recommendations more meaningful for fulfilling the objectives. The findings and recommendations are as under.

1.0 FINDINGS

The Secondary Study findings, confirmed the fact that the basic principles of managing change, from a Monarchy to Democracy was neglected, may be due to lack of understanding of the degree of impact of the **Monarchy** for centuries headed by foreign Rulers with exploitative intent including the Muslim Rulers and British Rulers, on the **MINDSET of the CITIZENS / RULED and the RULER CLASS**, the left over, who entered in to the Indian Administration, after Independence. The fact that Lord Mount Baton was retained to support the process of Governance of India through introduction of Systems and procedures of Governance, had contributed to the perpetuation of the MINDSET of Monarchy and Ruler. The first impression lasts long, goes the saying. The first impression of a Monarchy Mindset is strongly imprinted in the Indian Development Management System, which is acting as a difficult RESISTANCE for CHANGE, which could have been easier immediately after Independence. This mindset is dominating the Mind space of both the Decision Makers in Supply Side (the Development Planners and Implementers) and the Demand Side (The Beneficiaries – Gram Sabha & PRI Institutions) . The delay in devolution of power to PRIs confirm the RESISTANCE TO CHANGE. However, the growing Global Trend in Rights of Citizen , initiated by UN Resolutions, adopted by number of countries of the World along with the powerful grass root level movements initiated by NGOs like MKSS, has made India follow the track and lot of resistance , finally enacted RTI 2005. This confirms a beginning of a new era, bringing hope to millions. However the challenges of implementation lies ahead.

The Primary Research Findings confirms the **Health of PRI Institutions/ Gram Panchayat and Gram Sabha, being far below the desired level.** Except the sample state of Maharastra, Tamilnadu & Andhra Pradesh, in rest of the states the health of PRI institutions are mostly on paper, duly validated by the PRI Audit Observations of CAG, presented in next section.

The state of PRIs is influenced by the vested interest groups, resisting empowerment of PRIs and inadequate Audit and Control Systems unable to empower the PRIs and Gram Sabha. *The specific areas of gap and degree of gap are presented in the main report.*

The difference in health of PRIs in different states is induced by the level of awareness, education of Community / Demand System and the Quality of Governance of Supply System along with the activism of select Social Activists. The findings from Delhi as a Urban State, when compared to the Rural States, the PRI institutions of Rural States are far below, the state of RWAs in Urban area, primarily due to the level of awareness and education of the members of RWAs. The comparison of Rural Urban states, confirm, the basic finding that the Health of PRIs (Panchayat and Gram Sabha is **primarily dependent on the level of awareness and education of the members**. Therefore the recommendation is made for adequate investments in awareness and education of the Gram Sabha & Panchayat members.

The PRI Accounting System in India, in spite of the presence of a competent body like CAG is in a sorry state reflected by the following few lines from the Audit Observations of CAG.

- **Huge central assistance lost** due to non-fulfillment of conditions
- No action taken to recover huge amounts of materials from ZP officials for shortage
- Purchases of vehicles made in disregard of government instructions
- Funds released by DRDAs with out taking into account the unutilised balances available with the Panchayat Unions
- Scheme funds temporarily diverted to other schemes and to meet establishment expenses of the Panchayat Unions
- **Advances given for various purposes for huge amounts lying unadjusted**
- Diversion of funds under Indira Awas Yojana and out of Tenth Finance Commission Grants
- Inadequate supply of medicines to rural dispensaries
- Deficiencies in maintenance of Cash Book
- In G.Ps; heavy cash balances maintained
- Receipt of Utilization Certificates (UCs) not watched in majority of GPs
- Unutilised Advances outstanding against executing agencies, Government Officials
- Incomplete works abandoned after huge expenditure
- Wanting UCs
- Non-remittance of dues towards Cess on Land Revenue & Stamp duty to the LBs
- Unspent Grants not credited to Govt. Accounts
- **Procurement of material with out inviting Tenders/Quotations**
- **Irregularities in Muster Rolls, execution of works with out AA&TS**
- Non-realization of Taxes, Rent and License fee
- Loss of revenue due to non-leasing of Gram ponds/tanks, ferry-ghats, orchards, kine-houses etc.
- Accounts not maintained properly, no bank reconciliation statements, important records like Muster rolls, Measurement Books (MBs), Works Register etc. not maintained
- Receipts and payments not entered in the Cash Books
- No self-contribution from Village Councils
- In fructuous/irregular expenditure on incomplete works, non-observance of labour-material ratio
- Substandard works, non-generation of maydays
- Irregularities in giving Scholarships

This state of PRI Accounting is due to the fact that PRI Audit is the State subject and CAG is empowered to play only an advisory and supervisory role. In absence of Quality PRI Accounting and Auditing, funds keep flowing in to PRIs, perpetuating illegal practices and making the PRI System further weak. The condition demands legal provision for making PRI Audit of previously released funds mandatory for release of further funds.

1.1 Clarity about the Definition of Social Audit :

Considering the difference in the interpretation of Social Audit in Western Countries and India, the study team has clarified the definition for this report and useful for Indian conditions.

Definition: *"Social Audit is a process in which, details of the resource, both financial and non-financial, used by public agencies for development initiatives are shared with the people, often through a public platform. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives."*

1.2 FEW ESSENTIAL FINDINGS:

Few essential findings are presented below for supporting the process of analysis.

a) Mindset of Ruler vs Service Provider / Servants Of Public

The Constitution of India, does not recognize the **mindset of both the Citizens / Public and the Servants of People**, which is the fact on the ground, facing all of us even after nearly six decades of Independence. As per the Constitution, the Government is **Of the People, For the People and By the People**, meaning thereby, the GOVERNMENT and the PEOPLE are ONE. But in practice the, People still carry the Mindset of being RULED and the Government carries the Mindset of RULER, with a HUGE GAP between the two, **primarily because, the people have not got a chance and ability till now to hold the Government Accountable for Non-Performance/ ASK QUESTIONS.**

Though, this is about to happen through RTI Act clearing the way for Mandatory PRI Accounting Audit and Social Audit.

b) Right to Information

The long struggle of Civil Society led by Ms Aruna Roy of MKSS, Rajasthan, has finally resulted in the historic RTI Act 2005, which is challenged by various **implementation issues**.. The experiences in the country, primarily during the struggle for RTI Act, confirms, the **resistance** of the system of Governance to **CHANGE** from an environment of **Lack of Accountability** to Public to **Accountability** to Public, influenced by the deep rooted, crystallised mindset.

c) Social Audit and Gram Sabha

- The 73rd Amendment of the Constitution empowered the Gram Sabhas to conduct Social Audits in addition to other functions.
- Gram Sabha is not effective as a grass root level institution.
- CAG not empowered to conduct Accounting Audit of PRIs in the whole country:
- No central policy or regulation making accounting audit and social audit mandatory
- Fear of loss of power of Panchayat by strengthening of Gram Sabha

1.2 SUMMARY OF FINDINGS

The summary of findings is as under.

- a) The SUPPLY SYSTEM is resisting the process of change being brought about, which is natural, based on the simple saying that, " Old Habits Die Hard ".
- b) The Supply System has sections supporting the change process towards accountability and sections, opposing it, confirmed by the fact that the RTI Act 2005 is passed, though there are critical weaknesses retained in the act to make it less effective in demanding accountability.
- c) The DEMAND SYSTEM is weak and dis-empowered through ages of misrule by monarchy after monarchy, leaving it with **limited ability to demand its lawful right** from the Supply System, guaranteed under the Constitution. The saying, " Old Habits Die Hard ", also applies here.

- d) The Civil Society initiatives have greatly contributed to the process of inducing CHANGE in the mindset of both the members of Supply System and Demand System, in spite of road blocks, though much more ground is yet to be covered.
- e) The factors, which contributed to the **success and failure** of empowering the Demand Side and weakening the Supply Side, are as under.

I) Factors contributing to success:

1. Education and awareness of public, contributing to the ability to ASK QUESTIONS, getting out of the mindset of the RULED / SUBJECT.
2. **Demand for Information** through mass movement .
3. **Institutional support** for initiating and sustaining Mass Movement, by committed NGOs with leadership, which has acted as an **external intervention** to empower Demand Side
4. Media effectiveness in catalysing change process
5. Sections of Supply Side, who are pro-accountability being empowered through political process.
6. International pressure through globalisation, creating a culture of Accountability for Governments

II. Factors contributing to failure:

7. **Lack of legal provisions demanding accountability of Supply Side, specifically, the PRI Accounting System**
 8. Lack of focus of the Supply Side to develop and strengthen the control mechanism relating the release of funds at the grass root level, such as compulsory Accounting Audit of PRIs through CAG, for **obvious intention of creating leakages in the development funds by vested interests in Supply Side.**
 9. Lack of trained and certified manpower at Grass root level to conduct PRI Accounting Audit and Social Audits.
 10. Lack of education & awareness leading to inability of the Demand System (Gram Sabha members in Rural India and members of RWAs, Traders Association etc in urban areas) to demand their lawful rights.
 11. Lack of focussed media attention to the issue of empowerment of the Grass Root level institutions, like Gram Sabha, mostly due to economic considerations.
- g) From the above, it becomes clear that to take this, already initiated process of change, to its logical conclusion, there is an obvious need to strengthen the factors, which brought the process of accountability to this stage, stated above and control the factors contributing to failure.
- h) Based on the above analogy, the strategic direction that emerges for increasing the effectiveness of the Programme Delivery System is **empowering the Gram Sabha** through,
- i. Providing them with **capacity to conduct Social Audit** and
 - ii. **Creating Institutional framework, Institutional Capacity, tools and legal sanction** to facilitate the process of **conducting Social Audit and institutionalising** it.
 - iii. **Create an environment** in the country through Media support.

The present **status, after the enactment of RTI, 2005** is given below for comprehension.

	STAGES OF SOCIAL AUDIT PROCESS	INPUT NEEDED	STATUS
↑ ↑ ↑	SOCIAL AUDIT	Legal And Organisational Support Required	Ministry Of Finance Has Assured VISION Team To Issue Guide Lines If Requested By Plan. Comm
	Information Needed	RTI Act To Be Effective	Yet To Be Implemented Effectively
	PRI Accounting Audit	Strong Legal and Organisational Support	Need To Make Legal Provisions PRI Auditing Mandatory By CAG

2.0 RECOMMENDATIONS

Broad Recommendations:

As concluded in the previous section on the **direction of the recommendation** is as under.

- a) Strengthen the Control System to make **Supply System** more effective, including,
 - i. Conducting Quality PRI Accounting & Auditing regularly,
 - ii. Implementing RTI Act effectively and
 - iii. Institutionalising Social audit through effective Mechanism
 - iv. **Making release of Plan fund and Non-Plan fund by Planning Commission and Finance Ministry conditional** to completion of PRI Audit and Social Audit.
- b) Empower the **Demand System**, the Gram Sabha etc to have capacity to ASK QUESTIONS and conduct Social Audit.

Specific Recommendations:

2.1. For empowerment of the Demand System, Invest in Education and awareness of Public/ Gram Sabha members, contributing to the ability to ASK QUESTIONS, to get the people out of the mindset of the RULED / SUBJECT.

This is to the conviction of the study team that the most desirable foundation that need be laid for making the process of Social Audit, institutionalised. This activity need be taken up in a massive scale, investing **about 5 %** of the total Annual Development Funds **for first five years, after which it may be gradually reduced as per the impact assessment**, which is more than justified, against the leakage of 85 to 87 % of development Funds and the correction of the mistake of the post independent Governments to initiate this process of CHANGE from Mindset of MONARCHY to DEMOCRACY.

2.2 Institutional capacity need be increased at PRI, Block, and DRDA level, in terms of Information Storage and distribution mechanism for making RTI Act, be implemented, supporting the process of PRI Audit and Social Audit.

2.3 Support may be provided to Committed and competent **NGOs with leadership** to play the catalytic role including conducting PRI Audit and Social Audit.

2.4 Media need be more Rural and Development focussed:

2.5 Recognise and Reward the members of Supply Side, who have contributed to the process of strengthening Demand System and improved service delivery and **penalise the members** of Supply Side, who have contributed to weakening the Demand System and damaged the Service Delivery:

2.6 Develop an INSTITUTIONAL FRAMEWORK for, organising PRI Accounting Audit and Social Audits and putting them on the INTERNET:

This section being the backbone of recommendation is being presented in a format, so that answers to basic questions of implementation are presented to ease the process of implementation.

a) **WHO - THE INSTITUTION:**

CAG is the ideal body for acting as the NODAL INSTITUTION FOR SOCIAL AUDIT.

b) **WHY - Why CAG to be the nodal institution.**

The answers are as under.

1. **CAG has the Constitutional Mandate,**
2. **CAG has already initiated work, for strengthening the Accounting and Audit of PRI / Urban & Local Bodies,**

c) **HOW? (The Process / the Mechanism)**

The Process of Social Audit recommended is presented as steps below.

1. **Creating Legal Provisions, to make PRI Accounting Audit and Social Audit mandatory for all PRIs to be organised by CAG and be put on the INTERNET, may be by a Directive of Finance Ministry.**

The Finance Ministry directive may make Accounting Audit and Social Audit, a pre-condition to further funds release to any state, using the **powers of a Funding Agency, both the Planning Commission and Finance Ministry for Plan and Non-Plan Funds**, for maintaining the credibility of GOI as a funding agency. In case of a state having a percentage of PRI Auditing complete, only proportionate fund can be released.

2. **Develop a panel of Certified PRI Auditors**, trained and certified by CAG, all over the country from among the un--employed Commerce graduates and the local Accounting Professionals like Accounting Teachers in Schools and Colleges, Accountants in Local Organisations, who can take permission from their employers to conduct PRI Audit for a nominal fee, as a Social Commitment. The fee range can be about Rs 1000 per Audit. The already developed PRI Accounting Formats, may be implemented, for training and implementation all over the country.

3. **Selection and Deployment of PRI Auditors**, to be done by CAG from the list of empanelled List, based on the principle that the Auditor would not have any possibility of being influenced by local vested interest groups. A gap of about 30 KM from his place of residence may be considered a minimum requirement.

4. **Made of payment of Fees:** The fees may be remitted to their bank Accounts with intimation to them by post, after the Audit Report is received and found to be in order after scrutiny.

5. **The number of Audits per year may be two**, i.e. one in every six months, to put pressure on the System of Accountability and induce a leap from motion to the almost immobile accounting process in states as indicated by the present study as well as CAG findings, presented above. This frequency of two audits is expected to speed up the process of Execution of programmes with the fear of auditing and the increased speed will reduce scope of manipulation in execution.

6. **Funding for Social Auditing:**

The cost of Accounting Audits and Social Audit to be spent by CAG, may be charged to different Ministries, based on the respective programme funds audited. About, **2 % of Funds of the Programme Budget, to begin with (to be modified as per need)** , may be allocated for Accounting & Social Auditing to be at the custody of CAG / Finance Ministry to be used for developing Accounting & Auditing System and maintaining it.

This is justified by the benefits out of the above investment being more than the costs, in terms of savings of leakage (about 85-87 %) and reducing GAP between OUTLAY and OUTCOME.

7. The **fee range per Social Audit can be about Rs 2000 per Audit**, which includes the compensation for all the above steps.

8. **Made of payment of Fees:** The fees may be remitted to their bank Accounts with intimation to them by post, after the Audit Report is received and found to be in order after scrutiny.

9. The **frequency of Social Audit** may be one every year to begin with for first three years till the process matures, after which increase in frequency may be considered.

10. **Organise Social Audits** through,

- ⇒ **Development of a Panel of Certified Social Auditors**, trained and certified by CAG, all over the country from among the un--employed graduates and the local credible personalities like School Teachers, Post Masters, College Lecturers / Professors, Local Social Workers, Local NGO Workers , with the permission of NGO Head.
- ⇒ **Selection and Deployment of Social Auditors**, to be done by CAG from the list of empanelled List , based on the principle that the Auditor would not have any possibility of being influenced by local vested interest groups . A gap of about 30 KM from his place of residence may be considered a minimum requirement.
- ⇒ **Conducting Social Audit (THE PROCESS) through the Steps involving** the followings.
 - Collection of relevant information relating to the Development Programmes being implemented in the village by Travelling to PRI Office to collect PRI Audit Report, local offices of Service Providers like Block, District Offices etc to collect desired information and fix up a date and invite them for the Social Audit,
 - Travelling to the village to mobilise the Gram Sabha Members to attend the meeting and motivate them raise their questions fearlessly,
 - Creating awareness through local media like posters, drum beaters etc,
 - Organising the Gram Sabha for Social Audit and recording the minutes of the Social Audit Process and
 - Compiling the Social Audit Report, as per the format prescribed by CAG/ VISION FOUNDATION,

PROCESS FLOW OF SOCIAL AUDIT

INPUTS	PROCESS	OUTPUT
<p>→ Information relating to Development spending, utilisation, physical status</p> <p>→ Attendance / Presence of Community (Demand Side) and reps of Supply Side , Govt, Officials, PRI Auditors, PRI functionaries.</p> <p>→ Expertise / ability to organise the Social Audit Process</p>	<p>→ Election of Chairman for the meeting.</p> <p>→ Presentation of facts and documents to the Gram Sabha</p> <p>→ Receiving queries and response by concerned authorities</p> <p>→ Documentation of the minutes</p> <p>→ Arriving at consensus</p> <p>→ Getting the minutes signed by the Members Present including PRI Auditor and Social Auditor</p>	<p>Social Audit Report containing the PRI Audit Report and comments of the Gram Sabha and other members present.</p>

11. Circulating Social Audit Reports:

- posting it in the web site of CAG and
- emailing it to CAG- State HQ, District office, Block Office and PRIs, pasting hard copies at Village Panchayat Notice Board.

12. Compilation of Social Audit Reports at State Level:

The Social Audit Reports may be compiled at the State level of CAG(PRI Audit & Social Audit wing) and SUMMARY FINDINGS may be reported to all stake holders like,

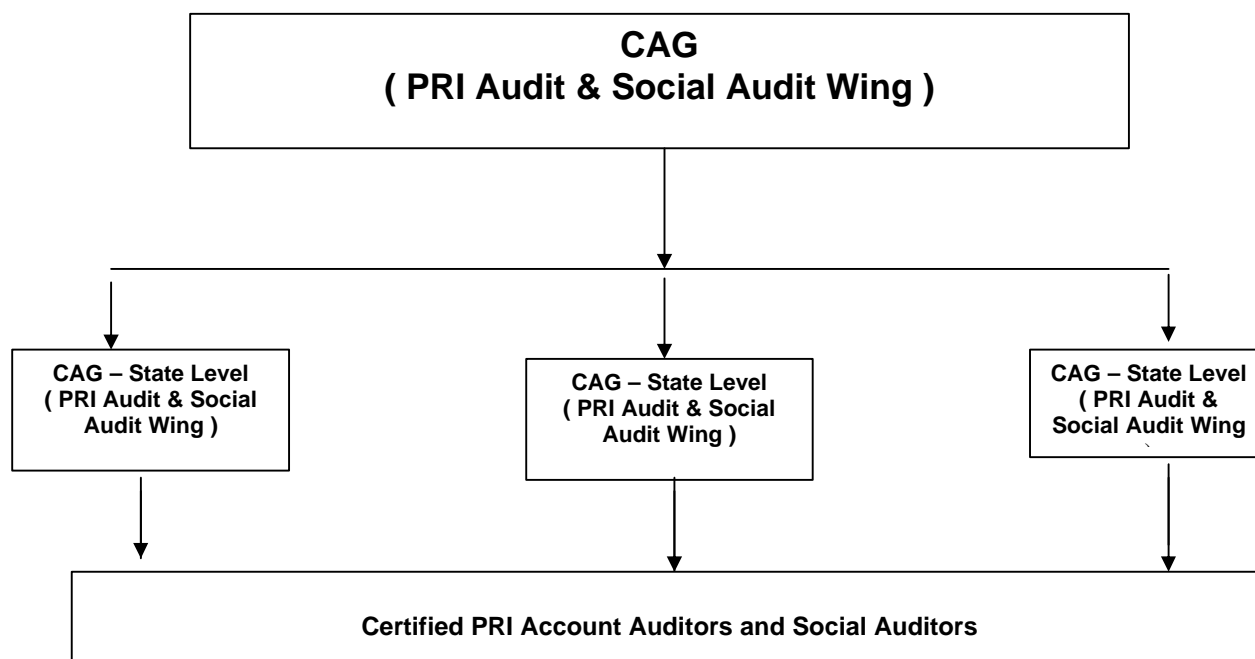
- District Administration
- State Govt,
- Implementing Ministries of Central Government and
- CAG, New Delhi:

13. Compilation of Social Audit Reports at CAG, New Delhi

The CAG at central level may compile the final report received from States for making necessary comments to the Parliament and Govt. of India

INSTITUTIONAL FRAMEWORK & PROCESS

for SOCIAL AUDIT



- ⇒ Development and Deployment of a Panel of Certified PRI Account Auditors
- ⇒ Development and Deployment of a Panel of Social Auditors
- ⇒ Conducting Social Audit
- ⇒ Circulating Social Audit Reports
- ⇒ Compilation of Social Audit Reports at State Level
- ⇒ Compilation of Social Audit Reports at CAG, New Delhi

14. Professional Accounting courses like CA, ICWA, CFA, CS, MBA (Finance) may have courses on PRI Audit and Social Audits for creating larger awareness about PRI Audits and Social Audits. This is essential, not only to support the process by providing trained manpower at different levels, but also to create a supportive environment for the process.

15. Professional NGOs may be engaged by CAG as Nodal State Agencies as Facilitators and Catalysts for supporting the process of Accounting Audit and Social Audit to perform the specific functions.

16. Publication of Social Monthly Magazines in the line of Kurukshetra and Yojana by CAG, which can cover issues on Social Audit processes, the major findings, developments in Social Audit in different parts of the country.

17. Publication of Audit Reports in Local Languages:

18. Inclusion of PRI Auditing & Social Auditing in PLP Programmes Literature, NSS programmes

19. Development of Centralised DATA BASE at CAG for Accounting Audit and Social Audit for ALL PRIs and other LBs

20. Developing VILLAGE LEVEL KIOAKS:

Village Level KIOSKs , may be developed as a REVENUE EARNING source for a Village level entrepreneur selling Governance services like providing information about village / PRI accounts, after maintaining the financial database and also provide basic services linked to e-governance like accepting applications for ration card, land records, complaints, email etc. The kiosk owner generates revenue by charging a small sum from the villagers for the services

21. Parallel Accounting & Auditing Structure to be created matching with Administrative Structure though with skeletal staff, directly reporting to CAG.

In due course, there may be a Parallel Accounting & Auditing Structure to be created matching with Administrative Structure though with skeletal staff, directly reporting to CAG, posted in the Grass root level, to justify the responsibilities for supervising the accounting and control systems of a Huge Country like India.

The issue of PRI Auditing being a state subject need be comprehended by the fact that the GOI as a funding agency draws it right to inspect and audit the Accounts of the Fund Receiving agency, i.e., DRDAs , BDOs, PRIs. etc. This is essential at this stage of maturity of the Governance System of India with a strong Accountability and transparency need through RTI,2005.

22. Discussion of Social Audit Report at District Council may be made mandatory.

23. All the above recommendations are essentials for compliance of RTI Act 2005 directly or indirectly, therefore social audit, implementation is only going to complement and supplement RTI Act implementation.

24. ACTION PLAN to make recommendations be implemented

The action plan may be as under.

I. POLICY MAKING:

Getting policy / Plan approval from competent authority for developing & managing PRI Audit & Social Audit Infrastructure.

2. IMPLEMENTING THE POLICY:

Developing & Managing PRI Audit & Social Audit infrastructure

i. Developing PRI Audit infrastructure

- a) Developing trained manpower for PRI Auditing
- b) Developing manuals/ guidelines for the PRI Auditing
- c) Developing trained manpower in CAG to supervise PRI Auditing
- d) Developing supervisory and checking mechanisms for assessing quality of PRI Audit

ii. Developing social auditing infrastructure

- a) Developing SOCIAL AUDIT manpower at district level
- b) Developing manuals/ guidelines for SOCIAL AUDITING
- c) Developing trained manpower for SOCIAL AUDITING in CAG
- e) Developing supervisory and checking mechanisms for assessing quality of Social Audit

III. Developing CAG infrastructure for analysis and reporting of social audit findings

IV. Developing a manual for compilation, analysis and reporting of social audit findings on quarterly basis starting with annual reporting.

SECTION-1

INTRODUCTION

1.0 BACKGROUND

This section speaks of the need for Social Audit as a Mechanism for Sustainable Programme Delivery and goes on to justify the need of the study.

1.1 Need for Social Audit (for Sustainable Development)

The investment of thousands of crores of rupees made by the Government of India and various national and international agencies, since independence in social development programmes, has not been justified by the impact it has made.

Huge gap between the desired impact and the actual impact takes anyone within the Govt. or otherwise to think deeply about the failures. It is high time that the planners get themselves engaged to seek the real cause and the remedy for such failures.

The Planning Commission is concerned about this and is keen to address this issue of limited impact of development inputs, in a comprehensive manner.

Reasons for failure of the Development Programmes:

*Based on our experience at VISION FOUNDATION, specifically relating to Development Programmes of the Govt. of India and other international development agencies, it can be safely concluded that the dominant reason for the failure of the **Programme Delivery Systems** lies in the **WEAK DEMAND SIDE** as compared to the **SUPPLY SIDE**.*

The major focus by the Government hitherto has been in the Supply Side of the Programme Delivery System as can be seen from the model:

DEMAND SIDE (Problems)	SUPPLY SIDE (Problems)
<p>⇒ Weak, unorganized Beneficiaries, unable to create DEMAND for QUALITY and EFFECTIVE programme Delivery.</p> <p>⇒ Gram Sabhas not being effective to the extent desired.</p> <p>⇒ Vested interest groups want Beneficiaries to remain unorganized and Gram Sabhas in- effective.</p>	<p>⇒ Programme design, not need based.</p> <p>⇒ Even when need based, it is not designed to be practical in implementation.</p> <p>⇒ Even when need based and well designed, it is not managed by competent managers with a result oriented approach.</p> <p>⇒ Failure to achieve results does not lead to any accountability being fixed, leading to poor programme performance.</p> <p>⇒ Failure in controlling the interference of vested interest groups.</p>

*Out of the above broad reasons, improvement of the **SUPPLY SIDE** including the Programme Design system and the process of developing an effective Programme Management and Control System to control vested interest Groups, is a **long term process.***

*In comparison to this, the process of strengthening the **DEMAND SIDE**, may be a short run process including,*

- *Creating, **AWARENESS** and **ABILITIES** of Beneficiaries to enable them to demand their rightful benefits and*
- *Organising Gram Sabha in spirit than letter and in records,*

This in turn, will improve the effectiveness of the total delivery system much faster.

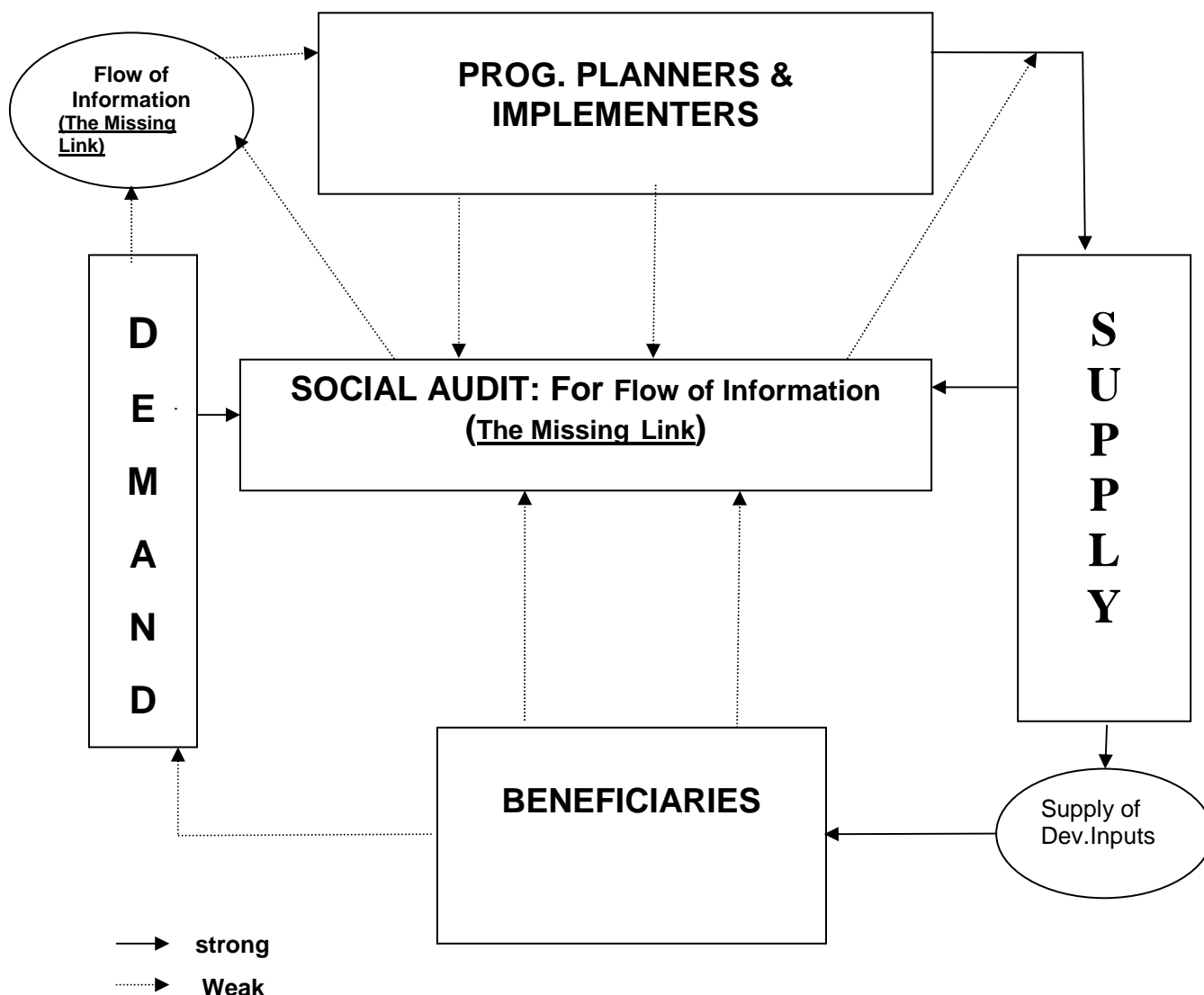
Based on the above, there is a need to **strengthen the DEMAND SIDE** on a priority through:

- a) **Creating a culture of Social Audits of Development Programmes, and**
- b) **Strengthening the Gram Sabhas, the closest institution to the Beneficiaries.**

Social Audit essentially **completes the loop** below by generating and providing relevant information about the Development Programmes, in absence of which the Delivery **System remains Supply Oriented** rather than Demand oriented.

Out of the above broad reasons, improvement of the SUPPLY SIDE including the Programme Design system and the process of developing an effective Programme Management and Control System to control vested interest Groups, is a **long term process**. In comparison to this, the process of strengthening the DEMAND SIDE, may be a short run process

The principle behind Social Audit, is essentially to complete the MISSING LINK as presented below:



In the above paragraphs, Social Audit is referred to as, " a process in which, details of the resource, both financial and non-financial, used by public agencies for development initiatives are shared with the people, often through a public platform. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives."

1.2 Need for study on Social Audit

Based on the above, it may be a possibility to make Social Audit a mandatory process for every Development Programme as a policy of Government. However, the Policy Initiative can be made, only after, the state of Social Audit and allied processes in India is documented to and comprehended.

Thus, there was a need to study the state of various initiatives made in India and outside India in this regard, for making Development Programmes more sustainable, which would form a base for appropriate policy decisions in this regard.

Based on this need, **VISION FOUNDATION**, New Delhi, was commissioned to conduct this study with the following objectives.

VISION FOUNDATION is a national level Social Development Research and Consulting firm, with international recognition, committed to provide **professional management support** to Social Development Sector and promote Development Management as a discipline of management.

2.0 OBJECTIVES

2.1 Broad Objective:

The **Broad Objectives** of the study are:

- a) To assess the status of Social Audit and Gram Sabha & Panchayati Raj as per law of the land and as practiced in India, and
- b) To recommend measures for, making the process of adopting implementation of Social Audits as a matter of culture.

2.2 Specific Objectives :

The **Specific Objectives** of the study in context to **Social Audits** are:

To **assess the legal status of Social Audit** as per central and state legislations.

To assess the **AWARENESS** and **ACCEPTANCE** of Social Audit among the Officials of **state and Central Government**.

To assess the **level of acceptance of implementation** of Social Audits in Different States in India.

To assess the **experience and the LEARNINGS from implementation** of Social Audits wherever they have been implemented.

The **Specific Objectives** of the study in context to **Gram Sabha** are:

To assess the **level of effectiveness / functioning** of GRAM SABHA in different states in India, with specific reference to major programmes like IAY, SGSY in different geographical areas like Rural and Tribal areas.

To assess the GAP between the “ Role Played” and the “ Expected Role” of Gram Sabha in different Development Programmes with specific reference to SELECTION of BENEFICIARIES.

To assess the **factors influencing the HEALTH of Gram Sabha** positively and the factors influencing the HEALTH of Gram Sabha negatively.

The **Specific Objectives** of the study in context to **Social Audits Panchayati Raj** are:

To assess the **level of effectiveness / functioning** of **Panchayati Raj** in different states in India, with specific reference to major programmes like IAY, SGSY in different geographical areas like Rural and Tribal areas.

To assess the GAP between the “ Role Played” and the “ Expected Role” of **Panchayati Raj** “ in different Development Programmes with specific reference to SELECTION of BENEFICIARIES.

To assess the **factors influencing the HEALTH of Panchayati Raj** positively and the factors influencing the HEALTH of **Panchayati Raj** negatively

The final outcome of the study will aim at **Recommending** measures for:

- Making the process of adopting implementation of Social Audits as a matter of culture; and

- Making **Gram Sabhas & Panchayati Raj** vibrant institutions for empowerment of people.

The study will test the following **HYPOTHESES**:

- ⇒ **Social audits have potentials for making a meaningful impact on the effectiveness of the Programme delivery System, the potential of which is not fully utilized;**
- ⇒ **The primary grass-root level institutions, namely the Gram Sabha & Panchayati Raj in rural areas and resident / industrial or traders associations in urban areas need to be strengthened.**

3.0 METHODOLOGY

This chapter highlights the approach and methodology adopted for undertaking the study including coverage, sampling plan and instruments used.

3.1 Approach

Considering the fact that Social Audit as a process is connected to the Development Process, which is holistic in nature, the approach adopted for study of Social Audit has been holistic one with a focus on,

a) The **role of various stakeholders** in the Development system, involving,

- Programme Beneficiaries
- Members of Gram Sabha
- PRI Members
- Govt. Officials at different levels
- Political Leaders
- NGOs
- Central Govt and State Govt. Officials.

b) **Comparison of Rural & Urban Situations:**

Study was designed to cover the variances in Social Audit and allied activities in Rural and Urban settings to find out possible factors influencing the process, which could be useful for policy making.

c) **Comparison of Regions:**

Study was designed to cover the variances in regions of India to find out possible factors influencing the process, which could be useful for policy making.

3.2 Methods of data collection

The following methodology and steps were adopted for the study.

3.2.1 Research Planning and Field Work

An **exploratory research** study was conducted at Ghaziabad, Uttar Pradesh; at the very start to gain an insight into the state of Social Audit in addition to extensive secondary research of literature available.

Secondary Research:

Along with the planning & scheduling exercise, an extensive research was undertaken to collect and assimilate secondary information / data on the subject of Social Audit. Information was collected from various sources namely Internet, libraries, NGOs, magazines, journals, newspapers.

Information about Social Audit and related concepts like Right to Information and Freedom of Information were gathered from secondary information. In addition, secondary research also helped in identifying some of the key stakeholders to be interviewed in various states.

Activities & Steps in Each State:

- 1 The collection of background data from State Secretariat.
- 2 Selection of Sample District, Block, PRIs, Villages etc.
- 3 In-depth interviews of the Officials of State.
- 4 In-depth interview of the officials at the District Level including DRDA, Block, PRIs.
- 5 Collection of secondary data from the DRDA, PRIs.
- 6 In-depth interview of the Bank Officials, NGO Officials, Gram Sabha members,
- 7 In-depth interview of the Gram Sabha members, villagers.

The information gathered from the secondary research was collated and a preliminary analysis was also undertaken for the same. Thereafter the primary issues were identified and six different instruments, for primary research, were planned.

Primary Research:

Primary research was undertaken in eight states in four different zones of the country. Field teams were mobilised and their schedules planned. A list of tentative districts and stakeholders were provided to all the teams. Field teams were provided detailed briefing on the subject and the study instruments. The teams were assigned various states and they proceeded to undertake the primary survey.

The study teams visited the state, district and block headquarters, Gram Panchayats and villages to meet various stakeholders as illustrated in **Table**. The tools used for collection of primary information were,

- Depth Interviews,
- Focussed Group Discussions (FGDs), and
- Interviews.

The interactions were recorded in study instruments by the teams. The discussions and interactions were also *recorded on tape*, which was later transcribed into English and used for analysis.

Field Work:

Field Work was conducted by qualified researchers, engaged for the purpose and they were given training on the objectives of the research and the modalities of the fieldwork.

One group of three Field Researchers (One Supervisor and Two Field Researchers) were appointed for each state.

Copies of the above-mentioned study instruments are enclosed as **Annex 1**.

3.3 Coverage

For the study, India was divided into four zones, East, West, North and South.

- Eight states were covered, selecting two from each zone.
- Two districts were covered from each state,
- Two blocks from each district and
- One panchayat was selected from each Block and
- Two Villages from each Panchayat.

The Coverage of number of states, Districts, Blocks, Panchayats and Villages is presented in **Table**.

Table : Coverage for the study

S. No.	Units covered	Coverage per state	Total coverage (India)
1.	States (two states per zone)	1	8

Instruments used for the study:

- Depth Interview checklists for Government officials at State headquarters.
- Depth Interview checklists for Government officials at Block & District headquarters.
- Depth Interview checklists for Bank officials at State and District Headquarters.
- Guides for Group Discussion with Panchayat Functionaries.
- Interview Schedule for villagers / beneficiaries.
- Schedule for recording general information about villages.

A detailed Field Research Guideline containing,

- General FAQs (Frequently Asked Questions),
- Sampling plan,
- Size & procedure,
- Coverage, field plan & schedule,
- Dos and Don'ts,
- Guidelines to administer schedules / instruments,
- Code of conduct to be followed.

2.	Districts (two districts per state)	2	16
3.	Blocks (two blocks per district)	4	32
4.	Panchayats (one Panchayat per block)	4	32
5.	Villages (two villages per Panchayat)	8	64

The eight states covered for the purpose of this study are Rajasthan, Maharashtra, Tamil Nadu, Andhra Pradesh, West Bengal, Orissa, Uttar Pradesh and Delhi. The state of Delhi was specifically chosen to understand and study the relationship between the urban environment and the concept of Social Audit.

The names of the covered states, districts, blocks, Gram Panchayats and villages are enclosed in **Annex. 2** along with this Report. In the case of Delhi, the coverage is different from other states. In Delhi, we have all the nine districts (namely Central, East, North, New Delhi, North East, North West, South, South West and West), to cover various segments, parallel to PRIs like RWAs, Traders Associations, Welfare Societies and Senior Citizen's Association.

Table: Sample Size covered for each state

NO.	CATEGORY	FGD	PERSONAL INTERVIEW	TOTAL
1	Beneficiaries (Villagers / members of Gram Sabha, having gone through Social Audits., Villagers / members of Gram Sabha without exposure to Social Audits, PRI Members, Local Opinion Leaders)	40	1152	1192
3	Bank officials (State)		70	70
4	Lawyers		2	2
5	Govt. Officials (Central Level)*		10	10
6	Govt. Officials (State)		40	40
7	Politicians		5	5
8	Academicians		12	12
9	NGO Officials		3	3
Total		40	1294	1334

*Central Government Officials were common for all the states.

The names of the covered, blocks, Gram Panchayats and villages are enclosed in **Annex 2**.

Annexure 3 contains the list of some of the eminent persons who were interviewed for the purpose of the study. The names of some persons have been withheld as per their wishes.

3.4 Sampling Plan & Size

The Respondents for the study were,

- Government officials,
- Elected representatives (MPs, MLAs),
- Academicians,
- NGO officials,
- Bank officials,
- Lawyers,
- Panchayat Functionaries,
- Gram Sabha members, and,
- Villagers / Beneficiaries.

In the case of Delhi, members of RWAs (Resident Welfare Associations) and MTAs (Merchant and Traders Associations) were interviewed along with officials from the Bhagidari cell of Delhi Government.

The sample size covered is **1324 per state**. Therefore, the total sample size covered for all eight states is **10592**. The Government officials interviewed at the Centre / Central Government are common for all states. The sampling plan & size is illustrated in **Table**.

3.5 Duration of the Study

The field study was conducted during **April – July 2004**.

3.6 Analysis, Report Writing & Submission

All information collected from secondary and primary sources was collated and put into order to provide a logical form for analysis. MS Excel and SPSS were used to analyse the data and information from various sources. As the data and information is primarily of qualitative nature, extra care has been taken to ensure that the authenticity and meaning of the same is presented in undiluted form.

The findings from diverse group of respondents were brain stormed by the Study Team including their recommendations, which has been presented under various sections. The responses from various Respondents were found to be consistent in most of the parameters, except the Recommendations. Based on this, the findings have been presented, broadly as the response of all the Respondents Groups, except in those cases / parameters, where there is a diverse opinion from the Respondent Groups for obvious reasons, like the Response of, Beneficiaries, PRI Functionaries and Govt. Officials about the State of PRI / Gram Panchayat, Gram Sabha etc.

The process of report writing was initiated simultaneously along with analysis of information and data, which was kept on hold to take advantage of the passing of the RTI Act in the Parliament in 2005, to make the report more comprehensive and action oriented. The study team, conducted few more interviews after the passing of RTI Act and incorporated the necessary changes in the Recommendations respecting the legal climate and the mood of the country to make it more feasible for implementation.

However, this process has caused considerable delay in submission of the Report, though it was for the very purpose of making implementable recommendations.

3.7 Limitations of the study

The study encountered following limitation, which has been taken care of, to ensure that it does not affect the study outcome.

Definition of Social Audit:

The very title of the study got in to debate in the planning phase itself as the definition of Social Audit as practiced in the world, starting with its source of origin is different from the definition, with which it is being promoted in India including the Act of Parliament and various Government Policies, circulars etc. The study has made an effort to resolve this issue and recommended a possible solution.

SECTION-2

FINDINGS

4.0 FINDINGS

This chapter presents the research findings, both **secondary and Primary** separately.

4.1 FINDINGS OF SECONDARY RESEARCH

Under the Secondary Section, the topics covered are,

- Impact of history on the process of Governance and dynamics of grassroots participation, (4.1.1)
- Concepts & definitions, (4.1.2)
- Evolution of Right to Information (4.1.3)
- Evolution of Social Audit and (4.1.4)
- Case studies of Social Audit and similar experiment. (4.1.5)

4.1.1 Impact Of History On The Process Of Governance Dynamics Of Grassroots Participation

Through the ages, India has had a system of public hearing presided over by the “**Panchs & Sarpanchs**”. The people **trusted and empowered** the Panchs & Sarpanchs to take decision on their behalf. This was the earliest known system of settling disputes through public participation, which gradually lost its spine during the rule of the various monarchies that rule various parts of India. Finally the British rulers made all possible efforts to break down the grass root level institutions alongside the state institutions under the monarchy to establish their own institutions of governance beneficial; to their own interest/supremacy at the cost of the citizen/common men supremacy.

During the **British rule** in India, the administration introduced the **Officials Secrets Act in 1923**. The primary function of this act was to protect the interests of the British Government. This act empowered the British administration to **withhold information from its Indian subjects, and to deal with cases of espionage**. According to Section 5 of this Act, an offence is considered, if information received in the course of an official duty is passed on to a non-official.

The Official Secrets Act was adopted by the Indian administration after its independence, making the Act and the mindset perpetuate in the Administrative Machinery, without any change except the colour of the skin of the people in the Government Machinery. Since its inception, very few amendments have been made to the Act. The British rule for over 200 years has created a mindset of the Indian citizen, which is hesitant to **ask for any information** from the public servants, Government officials and created a mindset for the Government Officials to be hesitant to **share information with a non-official**, i.e. citizens, **continuing the trend of British Raj**.

Objections to this provision have been raised ever since 1948, when the Press Laws Enquiry Committee said, “the application of the Act must be confined, as the recent Geneva Conference on Freedom of Information has recommended, only to matters which must remain secret in the interests of national security.” This was sound advice that went unheeded and many seminars, academic debates and political promises later (election manifestoes of almost all major political parties have, at least in the last decade been promising transparency and administrative reform) the position has not changed much.

In fact, the Act has been used time and again to suit the purposes of the government.

TWO INFAMOUS CASES

One was the imposition of the Official Secrets Act to prohibit entry of journalists into an area where massive displacement is taking place due to construction of a large dam, one of the world's largest dams displacing hundreds of thousands, the **Sardar Sarovar Project**. A strong movement against the construction of the dam has raised many pertinent questions about the nature of development and of survival rights of the marginalised as well as the cost to the environment of such large "developmental projects". Public debate and dissent was sought to be suppressed by the use of this law.

Another dramatic instance which has been in the eye of international attention during the last few years is the **Bhopal Gas Tragedy**, in which leakage of Methyl Isocyanate gas from the Union Carbide factory in Bhopal, the capital of the largest state in India, claimed several thousand lives and maimed and handicapped at least the next three generations. Not only did the government refuse to make public details of the monetary settlements between the government and the Union Carbide, but several participants at a workshop on the medical aspects of the victims were arrested for taking notes under the provisions of the Official

Secrets Act! The Bhopal gas tragedy case contained strong seeds for the demand for mandatory provisions to be made in a law, binding government as well as private companies to give information voluntarily on issues affecting the health and environment .

A Working Group was formed by the Government of India in 1977 to look into required amendments to the Official Secrets Act to enable greater dissemination of information to the public. This group recommended that no change was required in the Act as it pertained only to protect national safety and not to prevent legitimate release of information to the public. In practice, however, using the fig leaf of this Act, the executive predictably continued to revel in this protective shroud of secrecy.

In 1989, yet another Committee was set up, which recommended restriction of the areas where governmental information could be hidden, and opening up of all other spheres of information. No legislation followed these recommendations. In 1991 sections of the press 23 reported the recommendations of a task force on the modification of the Official Secrets Act and the enactment of a Freedom of Information Act, but again, no legislative action followed. The most recent of these exercises has been a Working Group which gave its report in 1997. The Working Group made some recommendations for changes in some statutes which protect secrecy such as the Official Secrets Act and also recommended a draft law. The development of public awareness and interest in the issue of right to information is evident from the fact that this Report was much more widely discussed by academia and the media than those in the past. However, this did not alter the fact that this report too seems to have gone into cold storage.

The one point which marks all these exercises is that these processes contain their own seeds of failure. For instance, in India, none of the above exercises were done openly, rarely were any public or wide consultations done on the questions under consideration and neither were the recommendations ever sufficiently publicised. The 1997 Working Group in India, for instance, consisted of ten persons, all male, eight of whom were senior bureaucrats from the Central government. This made the Group highly urban-centric as well as government-centric. Practically the Group made no consultations. The group did not think fit to seek recommendations from any other relevant groups, whether it be civil society groups, representatives of the rural poor, the media, bar associations, etc. By contrast, the process of drafting of South Africa's Open Democracy Bill is one which we would all do well to follow.

This Bill was drafted in consultation with various departments, institutions and persons such as Ministries and government departments/offices (including the premiers of provinces, the Public Prosecutor, Attorney General, South African Police services, South African Defence forces and the national intelligence agency, the Chief justice and judge President of the Supreme Court, the Open Democracy Advisory Forum.

During the present decade, the focus of citizens' groups has shifted from demanding merely an amendment to the Official Secrets Act, to the demand for its outright repeal, and its replacement by a comprehensive legislation, which would make disclosure the duty and secrecy the offence.

Thus, the mindsets of both **Citizen** and **Government Officials** are **old habits**, which will die only after hard efforts. In addition to the above, the history of India for hundreds of years before British Raj, dominated by Rule of Moghul and Indian Kings, has left Indian Citizens with a broken spirit, making them continue to treat the Rulers, may it be the Indian King, Moghul Emperor or British Rulers as GIVERS, PROTECTORS and ultimate authority comparable to GOD.

Thus, the primary challenge for establishment of a new Democratic Government after hundreds of years of Non-Democratic rule is the CHANGE OF THE MINDSET of both the CITIZENS and the DECISION MAKERS in GOVERNMENT, upside down. It's needless to mention here that, the Government of India after independence has not addressed this fundamental need for establishment of a successful democracy, reflected by absence of any meaningful initiatives in this direction. On the other hand, most of the rules, policies reflecting STATE SUPREMACY against CITIZEN SUPREMACY, continuing since ages including British Raj, have been retained. The most prominent of them is the Official Secrets Act. (OSA), which has not been amended in spite of Committees set up for the purpose, as the committee recommended, otherwise or efforts were not made to implement the recommendations.

Thus, it may be concluded that the environment needed for making Social Audit Process operational, is absent. Any effort to institutionalise Social Audit will be against the prevailing mindset in both sides of the Programme Delivery System, concretised since ages, which is obviously the real challenge.

Thus, there is an **obvious challenge for making Social Audit, a standard mechanism for Programme Management**, in terms of,

- Changing the old mindset and habits of Citizens / Beneficiary and
- The Government functionaries.

4.1.2 Definition Of Social Audit & Allied Topics

A) Corporate Social Responsibility (CSR)

The concept of "Social Audit" has been derived from the concept of "Corporate Social Responsibility" (CSR) followed by corporate entities around the globe, where, Social Audit refers to the audit of Social Responsibility role performed by a corporate entity.

Some definitions of Social Audit in the west are as under.

"Social Auditing is the process whereby an organisation can account for its social performance, report on and improve that performance. "

" Social auditing provides an assessment of the impact of an organisation's non-financial objectives through systematically and regularly monitoring its performance and the views of its stakeholders "

In India, we call this CSR. Under CSR as a concept, a corporate entity contributes a portion of its profit for the benefit of the society. The principle stems from the fact that a corporate derives its existence and profit from society, it is therefore its responsibility to give back some of the profit for the benefit of the society.

Corporate social responsibility is essentially a concept, whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. This means not only fulfilling legal expectations, but also going beyond compliance and investing in human capital, the environment and relationship with stakeholders.

Many well known corporate entities around the globe and also in India practise CSR. Microsoft has created a **Bill & Melinda Gates Foundation** for Research & Development work on HIV / AIDS, **McDonald's** outlets take care of its surroundings by maintaining cleanliness and hygiene. In India, **Infosys** has created an NGO to work for development of society, **Tata group** adopts development blocks near its plants for social development, coal mining companies in the public sector provides education, health & welfare facilities to its employees and other people living around the mines. There are many more of such examples.

B) Development Audit (DA)

As per, Working Group, facilitated by EDA Rural Systems, Gurgaon, Development Audit is a step-by-step framework for involving different stakeholders in planning, decision-making, allocation of resources and assessment of results of a programme.

Development Audit has been used by NGOs in India and elsewhere to obtain stakeholder feedback on development programmes, to assess the costs and effectiveness of their programmes and share the results as a basis for future planning.

Development Audit focuses on stakeholder engagement, communication and verification of findings, which help to increase accountability and transparency. Development Audit contributes to transparency in local governance since issues are openly presented and discussed, resources and expenses are reviewed and accounted for. This forms the basis for open decision-making and making the management of programmes more accountable to local stakeholders.

Development Audit can be applied in different programme situations. In case of a village dairy or weaver cooperative, which organises services for its members, the village institution and related support agencies (government or voluntary) are accountable to the members served by the programme. The DA will involve consulting with members, reporting to them, and reporting to their representatives and managers who will take action on their behalf.

Alternatively, a programme may potentially affect the entire village (as for example, watershed, primary education, health services, panchayat activities). In this case, a representative committee and the support agencies are accountable to the entire village. Therefore the DA will involve reporting to the gram sabha as well as to representatives and managers.

In either case, the scope of the audit is likely to cover **costs, outcomes, and who benefits**. The audit may also cover an assessment of the performance of institutions involved in a programme (village committee, support agencies).

C) People's / Public Audit

In relation to development programmes or organisations, an audit represents a public review of how an activity is planned and implemented, whether it is effective (achieving development objectives in accordance with people's needs) and whether it is achieving those objectives efficiently – at reasonable cost.

People's audit as a term was used as far back as the **1950s**. People's audit is based on the principle that democratic local governance should be carried out, as far as possible, with the consent and understanding of all concerned. It is thus a process and not an event.

In a democratic system public funds ultimately belong to the people. Therefore the government must be held accountable for the manner in which it spends their money. The government must spend public funds **efficiently** i.e., the outcome of the expenditure should clearly show that the money was well spent. Public funds should be spent **economically** i.e., the government should spend less but show more good results avoiding wastage. Public money should be spent **effectively** i.e., generating desired outcomes. Finally in a democratic set up there should be an **auditing mechanism** for determining whether the government has followed these norms while spending public money.

Accounting Audit verifies whether the money has been really spent and properly accounted for. It does not look into the qualitative aspect of the work done. In most of the cases, physical verification of the work is also not possible under accounting audit. People's audit is a way of **measuring, understanding, reporting and ultimately improving a system's** social and ethical performance. People's audit helps to narrow gaps between vision/goal and reality, between efficiency and effectiveness. It is a technique to understand, measure, verify, and report on and to improve the social performance of the system. It can be a governing system or organization.

People's audit creates an impact upon governance. **It values the voice of stakeholders, including marginalized / poor groups whose voices are rarely heard.** People's audit is taken up for the purpose of enhancing local governance, particularly for strengthening accountability and transparency in local bodies. Public audit creates a lot of public pressure on the political establishment to take corrective steps.

D) Social Audit In India

In India, Social Audit, the way it is being interpreted is essentially close to Development Audit and People's Audit in spirit, with marginal differences here and there, not worthy of detailing. The word Social may have come from Corporate Social Responsibility, which has

Advantages of People's Audit

Trains the community on participatory local planning.

Encourages local democracy.

Encourages community participation.

Benefits disadvantaged groups.

Promotes collective decision-making and sharing responsibilities.

Develops human resources and social capital

Highlights the development concerns and priorities of different stakeholders

Assesses changes that have taken place (impact) in relation to these priorities, including various dimensions (economic, social, institutional, environmental)

Assesses and monitors financial and other resources involved

Aids in formulating plans for future course of action

⇒ Helps to increase accountability and transparency

started from the western world and continue to dominate both the corporate and social sector institutions.

To resolve the issue of definition of Social Audit, the study has arrived at a definition as given below, considering the fact that,

- a) The allied terms in circulation in different parts of the world including India, like Development Audit and People’s Audit are similar in central focus that is accountability of the service provider and empowerment of people / beneficiary and
- b) The fact that The Parliament has passed an Act using Social Audit as a concept with a specific meaning, which will be difficult to modify.

The definition arrived at by the study team is as under.

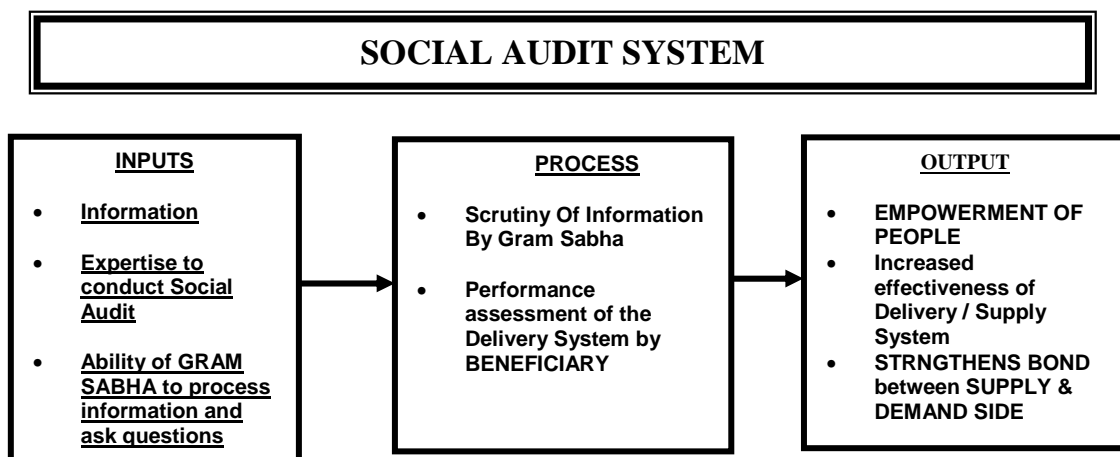
"Social Audit is a process in which, details of the resource, both financial and non-financial, used by public agencies for development initiatives are shared with the people, often through a public platform. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives."

The present report uses this definition in the rest of the pages

Broadly, this process of Social Audit involves, the following components, i.e.,

- a) **Availability of information** / details of the resource, financial and non-financial, used by public agencies for development initiatives,
- b) **Organising the ultimate users** / beneficiaries / people,
- c) **Scrutiny of the information** by the end users.

If, we note the above process, **the basic input to the process is Information availability – willingness of the Government Officials to provide information and ability of people to ask questions.**



People can ask questions only when they possess the requisite information regarding the subject. Therefore the pre-requisite of Social Audit is dissemination of Information. After receiving and understanding the contents of information, the people may demand explanations for the same, **if they have the capacity to ask questions to the authority**, to which they have looked at as GIVERS, RULERS since ages. Thus, the foundation of the

Social Audit process is INFORMATION AVAILABILITY, for which Right to Information Act is recently passed by the Parliament. A detailed section is devoted to this in the following pages.

What is Social Audit?

India is a democracy. People are masters. Government exists to serve the people. It is the primary duty of any master to take a look at the accounts of the servant at regular intervals and hold the servant accountable. Social audit or public audit is a step in that direction. People use right to information to obtain details of the works carried out by a Government Department or the manner in which the money was spent by that Department. This information contained in records is compared with field reality. This is public audit or social audit and is a very important tool in the hands of the people to hold the Government accountable.

Public audits do not have any legal sanction. The findings of a public audit are not acceptable as evidence under any law. However, a public audit creates a lot of public pressure on the political establishment to take corrective steps.

4.1.3 Evolution of Right to Information

a) International Standards

The United Nations:

Very early on, freedom of information was recognized as a fundamental right within the UN. **In 1946**, at its first session, the UN General Assembly adopted Resolution 59(1), which stated: **"Freedom of information is a fundamental human right and ... the touchstone of all the freedoms to which the UN is consecrated."**

In ensuing international human rights instruments, freedom of information was set out as part of the fundamental right of freedom of expression, which included the right to seek, receive and impart information. **In 1948**, the UN General Assembly adopted the Universal Declaration of Human Rights (UDHR) which guarantees freedom of opinion and expression: "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers."

The International Covenant on Civil and Political Rights (ICCPR) was adopted by the General Assembly in **1966**. This guaranteed:

- ⇒ Everyone shall have the right to freedom of opinion;
- ⇒ Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art or through any media of his choice; and
- ⇒ The exercise of the rights. ... carries with it special duties and responsibilities. It may therefore be subject to certain restrictions, but these shall only be such as are provided by law and are necessary.

In 1993, the UN Commission on Human Rights established the office of the UN Special Rapporteur on Freedom of Opinion and Expression. Part of the Special Rapporteur's mandate is to clarify the precise content of the right to freedom of opinion and expression.

The Commonwealth: In 1980, the Commonwealth Law Ministers meeting in Barbados stated that "public participation in the democratic and governmental process was at its most meaningful when citizens had adequate access to official information".

More recently, the Commonwealth has taken a number of significant steps to elaborate on the content of that right. In **March 1999**, the **Commonwealth Expert Group Meeting in London** adopted a document setting out a number of guidelines on the right to know and freedom of information as a human right, including the following: Freedom of information should be guaranteed as a legal and enforceable right permitting every individual to obtain records and information held by the executive, the legislative and the judicial arms of the State, as well as any government-owned corporation and any other body carrying out public functions. These principles and guidelines were endorsed later at the Commonwealth Heads of Government Meeting in **November 1999**.

1992 Rio Declaration on Environment and Development: Principle 10 of the 1992 Rio Declaration on Environment and Development first recognised the fact that access to information on the environment, including information held by public authorities, is the key to sustainable development and effective public participation in environmental governance.

Agenda 21, the 'Blueprint for Sustainable Development', the companion implementation document to the Rio Declaration, states: "Individuals, groups and organisations should have access to information relevant to environment and development held by national authorities, including information on products and activities that have or are likely to have a significant impact on the environment, and information protection measures."

At the national level, **several countries have laws which codify, at least in part, Article 10 of the Rio Declaration**.

In **Colombia, for example, Law 99 of 1993**, on public participation in environmental matters, includes provisions on the right to request information.

Likewise, in the **Czech Republic**, there is a constitutional right to obtain information about the state of the environment, which has been implemented in a number of environmental protection laws.

In **1998**, as a follow-up to the Rio Declaration and Agenda 21, Member States of the United Nations Economic Commission for Europe (UNECE) and the European Union signed the **legally binding Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (the Aarhus Convention)**. The Aarhus Convention recognises access to information as part of the right to live in a healthy environment, rather than as a free-standing right. However, it does impose a number of obligations on States which are consistent with international standards -- for example, it requires States to adopt broad definitions of 'environmental information' and 'public authority', exceptions must be subject to a public interest test, and an independent body with the power to review refusals of request for information must be established.

b) Recent Global Trends

Although freedom of information laws have existed since 1766, when Sweden passed its Freedom of the Press Act, the last 10 years have seen an unprecedented number of states striving to become more transparent and legislating on access to information. Over 40 countries now have comprehensive laws to facilitate access to state records; over 30 more are in the process of enacting such legislation. In Western Europe, only Germany and Switzerland lack legislation. Nearly all Central and Eastern European countries have adopted laws as part of their democratic transitions. Almost a dozen Asian countries have either enacted laws or are in the process of doing so. Similarly, in South and Central America, several countries are considering laws. Many countries in southern and central Africa are following South Africa's lead, with varying proposals for formulating freedom of information laws.

Sweden's Freedom of the Press Act required the disclosure of official documents upon request. The Freedom of the Press Act, now part of the Swedish Constitution, provides among other things that "every Swedish subject shall have free access to official documents". While Chapter 2 sets out the exceptions to free access, it also, in most cases, provides for a right to appeal refusals to grant access to the courts.

Another country with a long history of freedom of information legislation is **Colombia**, whose **1888 Code of Political and Municipal Organisation** allowed individuals to request documents held by government agencies or in government archives.

The **USA passed a freedom of information law in 1967**; this was followed by legislation in **Australia, Canada and New Zealand, all in 1982**.

In Asia, the **Philippines** recognised the right to access information held by the State relatively early, passing a Code of Conduct and Ethical Standards for Public Officials and Employees in **1987**. A Code on Access to Information was adopted in **Hong Kong in March 1995**, and in **Thailand**, the Official Information Act came into effect in December **1997**. In **South Korea**, the Act on Disclosure of Information by Public Agencies came into effect in **1998**, and in **Japan**, the Law Concerning Access to Information Held by Administrative Organs was enacted in April **2001**.

South Africa remains the only African country to have actually passed freedom of information legislation. The **1996 Constitution of the Republic of South Africa** is perhaps unique, not only in the breadth of its guarantee of freedom of information, but also in that it requires the adoption of national legislation to give effect to this right, within three years of its coming into force. The enabling legislation, the **Promotion of Access to Information Act**, came into effect in **March 2001**.

What has spurred this flurry of interest in transparent governance?

Since the 1980s, the collapse of authoritarianism and the emergence of new democracies have given rise to new constitutions that include specific guarantees of the right to information. At the same time, older democracies such as the United Kingdom are seeing the wisdom of enacting legislation. International bodies such as the Commonwealth, Council of Europe and the Organisation of American States have drafted guidelines or model legislation to promote freedom of information. **The World Bank, the International Monetary Fund and other donors are also pressing countries to adopt access to information laws as part of an effort to increase transparency and reduce corruption.**

Finally, there is agitation from media and civil society groups for greater access to government-held information and for more participation in governance.

9/11 has actually led some countries to limit information access. The restrictions have been most profound in the United States and Canada where proposals to limit national and local freedom of information acts have been adopted. In the UK, implementation of the long-awaited information act has been delayed until 2005.

c) The Need For The Right To Information

In recent years, there has been an **almost unstoppable global trend** towards recognition of the right to information by countries, intergovernmental organisations, civil society and the people. The right to information has been recognised as a fundamental human right, which upholds the inherent dignity of all human beings. The right to information forms the crucial underpinning of participatory democracy - it is essential to ensure accountability and good governance.

The greater the access of the citizen to information, the greater the responsiveness of government to community needs. Alternatively, the greater the restrictions that are placed on access, the greater the feelings of 'powerlessness' and 'alienation'. Without information, people cannot adequately exercise their rights as citizens or make informed choices.

The free flow of information remains severely restricted by three factors:

- a. The legislative framework includes several pieces of restrictive legislation, such as the Official Secrets Act, 1923;
- b. The pervasive culture of secrecy and arrogance within the bureaucracy; and
- c. The low levels of literacy and rights awareness amongst India's people.

Constitutional Guarantees

Freedom of expression is protected in **Article 19 of the Constitution of India:** *All citizens shall have the right to freedom of speech and expression.*

The fact that the right to information is included in the constitutional guarantees of freedom of speech and expression has been recognised by Supreme Court decisions challenging governmental control over newsprint and bans on the distribution of newspapers. In a landmark case the petitioners, publishers of one of the leading national dailies, challenged restrictions in the Newsprint Control Order on the acquisition, sale and use of newsprint. The Supreme Court struck down the restrictions on the basis that they interfered with the petitioners' right to publish and circulate their paper freely, which was included in their right to freedom of speech and expression. In a subsequent case, the Supreme Court held that media controlled by public bodies were required to allow both sides of an issue to be aired.

In 1982, the **Supreme Court of India** ruled that access to government information was an essential part of the fundamental right to freedom of speech and expression. The Court stated, "**The concept of an open Government is the direct emanation from the right to know which seems implicit in the right of free speech and expression guaranteed under Article 19(1)(a). Therefore, disclosures of information in regard to the functioning of Government must be the rule, and secrecy an exception justified only where the strictest requirement of public interest so demands. The approach of the Court must be to attenuate the area of secrecy as much as possible consistently with the requirement of public interest, bearing in mind all the time that disclosure also serves an important aspect of public interest.**

The right to know has been reaffirmed in the context of environmental issues that have an impact upon people's very survival. Several High Court decisions have upheld the right of citizens' groups to access information where an environmental issue was concerned. For example, in different cases the right to inspect copies of applications for building permissions and the accompanying plans, and the right to have full information about a municipality's sanitation programme, have been affirmed.

The overall impact of these decisions has been to establish clearly that the right to freedom of information, or the public's right to know, is embedded in the provisions guaranteeing fundamental rights in the Constitution. Various Indian laws provide for the right to access information in specific contexts. Section 76 of the Indian Evidence Act, 1872, contains what has been termed a 'Freedom of Information Act in embryonic form'. This provision requires public officials to provide copies of public documents to anyone who has a right to inspect them.

The Factories Act, 1948, provides for compulsory disclosure of information to factory workers "regarding dangers including health hazards and the measures to overcome such hazards", arising from their exposure to dangerous materials. While this is an excellent provision, in practice it is violated with impunity. The Environment (Protection) Act 1986, and the Environmental Impact Assessment Regulations provide for public consultation and disclosure

in various circumstances. For example, the Environmental Impact Assessment Regulations allow for a procedure for public hearings and publication of the executive summary of any proposal for any project affecting the environment by the person seeking to execute that project. Although this provision is meant to facilitate citizen input, in fact it is too limited and environmental groups have had to go to the courts to get more complete disclosure.

Regardless of these provisions, the system of governance in India has traditionally been opaque, with the State retaining the **colonial Official Secrets Act (OSA)** and continuing to operate in secrecy at the administrative level. **The OSA enacted in 1923** still retains its original form, apart from some minor amendments in 1967. These provisions have been roundly criticised. **The Central Civil Service Conduct Rules, 1964** bolster the provisions of the OSA by prohibiting government servants from communicating any official document to anyone without authorisation. Section 123 of the **Indian Evidence Act, 1872** also prohibits the giving of evidence from unpublished official records without the permission of the head of the relevant department, who is free to grant or to withhold such permission as he or she sees fit.

The poor flow of information is compounded by two factors -- low levels of literacy and the absence of effective communication tools and processes. In many regions, the standard of record keeping is extremely poor. Most government offices have stacks of dusty files everywhere, providing an easy excuse for refusing access to records on the specious excuse that they have been 'misplaced'. The rapid growth of information technology, on the other hand, has meant that most states in the country are now trying to promote technology, primarily to attract investment, and this is indirectly contributing to an improved flow of information.

d) The Campaign For The Right To Information In India

In the last decade or so, citizens' groups have started demanding the outright repeal of the Official Secrets Act and its replacement by legislation making the duty to disclose the norm and secrecy the exception.

It's taken India 77 years to transition from the repressive climate of the OSA to one where citizens can demand the right to information. The recent enactment of the Freedom of Information Act 2002 marks a significant shift for Indian democracy, for the greater the access of citizens to information, the greater the responsiveness of government to community needs.

Interestingly, in India, the movement for the right to information has been as vibrant in the hearts of marginalized people as it is in the pages of academic journals and in the media. This is not surprising **since food security, shelter, environment, employment and other survival needs are inextricably linked to the right to information.**

In the **early-1990s**, in the course of the struggle of the rural poor in Rajasthan, the **Mazdoor Kisan Shakti Sangathan (MKSS)** hit upon a novel way to demonstrate the importance of information in an individual's life -- through public hearings or **Jan Sunwais**. The MKSS's campaign demanded transparency of official records, a social audit of government spending and a redressal machinery for people who had not been given their due. The campaign caught the imagination of a large cross-section of people, including activists, civil servants and lawyers.

The National Campaign for People's Right to Information (NCPRI) formed in the late-1990s became a broad-based platform for action. As the campaign gathered momentum, it became clear that the right to information had to be legally enforceable. As a result of this struggle, not only did Rajasthan pass a law on the right to information, but also in a number of panchayats, graft was exposed and officials punished.

The Press Council of India drew up the first major draft legislation on the right to information in 1996. The draft affirmed the right of every citizen to information from any public body. Significantly, the term 'public body' included not only the State, but also all privately-owned undertakings, non-statutory authorities, companies and other bodies whose

activities affect the public interest. Information that cannot be denied to Parliament or state legislatures cannot be denied to a citizen either. The draft also provided for penalty clauses for defaulting authorities.

Next came the Consumer Education Research Council (CERC) draft, by far the most detailed proposed freedom of information legislation in India. In line with international standards, it gave the right to information to anyone, except "alien enemies", whether or not they were citizens. It required public agencies at the federal and state levels to maintain their records in good order, to provide a directory of all records under their control, to promote the computerisation of records in interconnected networks, and to publish all laws, regulations, guidelines, circulars related to or issued by government departments and any information concerning welfare schemes.

The draft provided for the outright repeal of the OSA. This draft didn't make it through Parliament, either.

Finally in 1997, a conference of Chief Ministers resolved that the central and state governments would work together on transparency and the right to information. Following this, the Centre agreed to take immediate steps, in consultation with the states, to introduce freedom of information legislation, along with amendments to the Official Secrets Act and the Indian Evidence Act, before the end of 1997. The Central and State governments also agreed to a number of other measures to promote openness.

These included establishing accessible computerised information centres to provide information to the public on essential services, and speeding up ongoing efforts to computerise government operations. In this process, particular attention would be placed on computerization of records of particular importance to the people, such as land records, passports, investigation of offences, administration of justice, tax collection, and the issue of permits and licenses.

In 1997, two states passed right to information legislation (Tamil Nadu and Goa) and the Government of India appointed a working group, headed by former bureaucrat and consumer rights activist **HD Shourie, to draft what was reworked into the FREEDOM OF INFORMATION BILL, 2000.** This Bill includes some provisions that were not in the Shourie draft, such as the requirement that urgent requests in cases involving life and liberty should get a response within 48 hours.

However, the Act was criticized on several grounds.

1. It provides for information on demand, so to speak, but does not sufficiently stress information on matters related to food, water, environment and other survival needs that must be given pro-actively, or suo moto, by public authorities.
2. The Act does not emphasize active intervention in educating people about their right to access information -- vital in a country with high levels of illiteracy and poverty -- or the promotion of a culture of openness within official structures. Without widespread education and awareness about the possibilities under the new Act, it could just remain on paper.
3. The Act also reinforces the controlling role of the government official, who retains wide discretionary powers to withhold information. For example, requests for information involving "disproportionate diversion of the resources of a public authority" can be shot down by the public information officer. This leaves open the danger that government officials might be transformed from gatekeepers of the Official Secrets Act to gatekeepers of the Freedom of Information Act.
4. The most scathing indictment of the Bill has come from critics who focus on the sweeping exemptions it permits. Restrictions on information relating to security, foreign policy, defence, law enforcement and public safety are standard. But the Freedom of Information Bill also excludes Cabinet papers, including records of

the council of ministers, secretaries and other officials. Which effectively shields the whole process of decision-making from mandatory disclosure.

5. The Bill provides for a fee to access information, but without specifying what the minimum or maximum amounts would be.
6. Most important, there was no mechanism to punish delay or refusal to grant information. So there is no compelling reason for the official concerned to provide answers. Instead, the law provides for two internal appeals within the government machinery and, in addition, blocks access to civil courts.

e) Important State initiatives

Even before the Central FOI (Freedom of Information) Act was passed some of the States introduced their own right to information legislation. The first amongst these was,

- Tamil Nadu (1997), which was followed by
- Goa (1997),
- Rajasthan (2000),
- Karnataka (2000),
- Delhi (2001),
- Maharashtra (2002),
- Assam (2002),
- Madhya Pradesh (2003) and
- Jammu & Kashmir (2004).

COMMENT ON STATE LAWS

Most of these State laws are restrictive in nature and differ from each other in minor detail. A comparative view of Indian legislation, shows that the various models adopted have different kinds of drawbacks and plus points. While a couple of them have a long list of exceptions, few have adequate provisions for fixing accountability for not providing information.

Madhya Pradesh had taken steps to enact a law on this subject as early as 1997 but failed due to lack of consent by the Centre and Maharashtra repealed its earlier RTI Act of 2000 to bring out a stronger one in 2002.

Tamil Nadu was the first State to set an example by introducing the Right to Information Act on 17 April 1996. The legislation stipulates that the authorities should part with information within 30 days of it being sought. Following the legislation, all Public Distribution System shops in the state were asked to display details of stocks available. All government departments also brought out citizens' charters listing information on what the public was entitled to know and get.

Goa was the second State to enact the Right to Information legislation. One of the earliest and most progressive legislations, it has the fewest categories of exceptions, a provision for urgent processing of requests pertaining to life and liberty, and a penalty clause. It also applies to private bodies executing government works. One weakness is that it has no provision for pro-active disclosure by government.

In **Rajasthan**, the right to information act was passed in 2000. The movement was initiated at the grassroots level. Village-based public hearings called Jan Sunwais, organised by the Mazdoor Kisaan Shakti Sangathan (MKSS), gave space and opportunity to the rural poor to articulate their priorities and suggest changes. The four formal demands that emerged from these Jan Sunwais: 1) Transparency of panchayat functioning; 2) accountability of officials; 3) social audit; and 4) redressal of grievances. The Bill as it was eventually passed, however, placed at least 19 restrictions on the right of access. Besides having weak penalty provisions, it gives too much discretionary power to bureaucrats. Despite this, at the grassroots level in Rajasthan, following systematic campaigns waged by concerned groups and growing people's awareness of their own role in participatory governance, the right to information movement thrives. It was the Jan Sunwais that exposed the corruption that pervaded several panchayats and also campaigned extensively for the right to food after the revelation of hunger and starvation-related deaths in drought-ravaged districts.

In **Karnataka**, access to information existed through the Karnataka Freedom of Press Bill 1983. The essential features of the legislation were (i) immunity to a journalist from disclosure of the source of information (ii) right to access to public documents and (iii) penalty for causing hurt to a journalist on duty. Karnataka also enacted the Right to Information legislation. The State government's irrigation department took a revolutionary step of making the minute details such as tender awarding of a contract, money allocated and expenditure, available to the public.

The **Maharashtra** government has also passed the Right to Information Bill. The legislation will empower the citizens with the Right to Information about various government schemes, their stages of implementation and other details. The Maharashtra legislation has been called the most progressive of its kind. The Act brings not only government and semi-government bodies within its purview but also state public sector units, co-operatives, registered societies (including educational institutions) and public trusts. It provides that Public Information Officers who fail to perform their duties may be fined up to Rs 250 for each day's delay in furnishing information. Where an information officer has wilfully provided incorrect and misleading information or information that is incomplete, the appellate authority hearing the matter may impose a fine of up to Rs 2,000.

In **Delhi**, this law is along the lines of the Goa Act, containing the standard exceptions and providing for an appeal to an independent body, as well as the establishment of an advisory body, the State Council for Right to Information. Residents of the capital can seek any type of information -- with some exceptions -- from the civic body after paying a nominal fee. The corporation has to provide it within a month, failing which the concerned officials could be penalised and are liable to pay Rs 50 per day for any delay beyond 30 days, subject to a maximum of Rs 500 per application. It is also clearly stated that wherever the information is found to be false or has been deliberately tampered with, the official would face a penalty of Rs 1,000 per application.

In **Madhya Pradesh**, the Bill was introduced in 1998 and was passed the Assembly on April 30 the same year. Before the bill was introduced in the Assembly, however, in certain places like Bilaspur and Korba (undivided Madhya Pradesh), the local authorities acquired the access to information. The Divisional Commissioner, Bilaspur initiated in the matter of the Public Distribution System that the citizens were allowed the access to details of food-grains and commodities allotted to their areas and their distribution. The scheme was not only restricted to Public Distribution System, it was also extended to development programmes and pollution awareness. It was observed that the Right to Information has considerably reduced black-marketing and corruption in public distribution system. Moreover, in polluted areas like Korba, the sharing of information on pollution level has raised public consciousness. As a result, officials have become careful about monitoring and controlling pollution level.

f) Freedom Of Information Act, 2002 Passed By Government Of India

The Freedom of Information Act 2002 (FOIA) was passed in December 2002 by the Government of India and received the Presidential assent in January 2003. This legislation was to be uniformly applicable all over the country.

But, the provisions of the Act was criticised by the Civil Society, calling it ineffective, A series of suggestions were made for making it effective, which were as under.

Suggestions for amendments in the Freedom for Information Act, 2002

1. Appeal Mechanism

The Act should be amended to provide for the establishment of an independent administrative body to review refusals by public authorities to disclose information, in accordance with the standards noted above. The provision for precluding appeals to the courts should be deleted

and replaced by a provision that makes it clear that the courts have full powers to review decisions under the law on their merits. It should be clear that any refusal to disclose information should be accompanied by written reasons.

2. Exemptions to the Act

The exemptions provided for in the Act should be subject to a specific harm test. The exemptions provided for in Article 8 and Article 9(d) should be subject to a public interest override. Information should not be withheld under Article 9(d) where the party concerned consents to disclosure.

3. Definitions

"Information" should be defined in Article 2(d) as any record held by a public body.

"Record" should be defined in Article 2(h) as including information stored in any form.

The definition of "public authority" in Article 2(f) should be expanded to make it clear that it includes nationalised industries and public corporations, non-departmental bodies or quasi non-governmental organisations, and private bodies which carry out public functions (such as maintaining road or operating rail lines). The term "citizen" in Article 3 should be replaced by "every person present in India" and subsequent references in the Act to citizens in a similarly restrictive manner should also be amended

4. Cost of providing Information

The Act should make it clear that the cost of accessing information should not be so high as to deter potential applicants from making requests and that costs for personal and public interest requests should be kept low.

5. Provision for Tampering, Open meetings, protection to "Whistleblowers"

The Act should provide for criminal sanctions for individuals who wilfully tamper with or destroy records with a view to preventing them from being disclosed. The Act should provide for open meetings, as described above Provisions to protect not only those who have acted in good faith under the law but also individuals who take positive steps to release information in the public interest ("whistleblowers") should be added to the Act

After nearly a decade of hectic lobbying, the efforts of civil society for entrenching the right to information in India were finally rewarded on 15 June 2005 with the President's assent to the Right to Information Act 2005

g) Right to Information Act, 2005 passed by Government of India

The greater challenge now is the actual implementation of the Act. The clock has already started ticking – central and state governments have only 120 days from the date of Presidential assent to implement the Act in its entirety. By 12 October 2005, the Right to Information Act must be fully functional in every city, township and village across the country without exception.

In real terms, implementation poses a huge challenge to government – the new law covers all central, state, local and panchayat government agencies; with the exception of those in the state of Jammu and Kashmir. These authorities need to be already working swiftly to satisfy the key provisions of the Act and be ready to process applications from the public as soon as possible.

Overall the bill is in keeping with the global freedom of information movement that has seen similar laws enacted in no less than 50 countries around the world, encouraged by the U.N.'s initiatives on better governance. The Indian law comes at time when there are concerns that economic liberalization has not been matched by the creaky working of a colonial-style bureaucracy -- one which has taken shelter behind archaic secrecy laws to protect itself from charges of non-performance and, worse, innumerable charges of high corruption.

Comments on RTI Act 2005:

The Right to Information (RTI) Bill, 2005, is one of the most significant bills that have been passed recently. But concerns of proper implementation will challenge civil society.

In addition to the above, the areas of weakness in the Act, expected to affect its impact are as under.

- a) A good right to information should have two components: government's DTP or Duty to Publish (suo moto) and government's DTF or Duty to Furnish (on request). This Bill's emphasis is on the **DTF, not DTP**. The RTI Act seems to work in many developed democracies, not because of high penalties to bureaucrats or more transparent adjudication of denials, but because most of the information citizens would like to acquire is already available. A high quality democracy would hence make it incumbent on the state to make public all information which affects a citizen.
- b) Another important item left out is the suo moto publication of information, released to any person under the RTI Act and which, because of its subject matter, has become or is likely to become, the subject of subsequent requests for substantially the same records. This would shift the focus of the Bill from DTF to DTP. For instance, under the Delhi RTI Act, citizens demanded the information on the delivery of ration supplies to ration shops in their area and the disbursements of these rations to card holders. Just by getting these details out in the open, the working of ration shops has improved beyond imagination. Seeing the impact of this information, the Delhi government promises to make it available automatically every month. The ration card holders would no longer have to file individual requests and fight monthly battles to assure them their ration. Why then should we wait for some in every ward in every town and municipality to file requests individually?
- c) Again, the Section 4 (e), which stated that prior information of any action (policy, scheme, programme or law) by the government will be communicated to the public, has been deleted.

The challenge that remains is to make DTP an integral and actionable section of the Act. Unless the government commits to making available to citizens most of the necessary information without their asking, RTI would remain more of a paper right.

Summary

All the above stages in the process of evolution confirm the followings.

- a. **Reluctance to be accountable:** The continuing reluctance to part with information to the public as a legacy of the 1935 Official Secrets Act (OSA) introduced by the then British colonial government and perpetuated after independence in 1947 by its Indian successors.
- b. **Insider vs Outsider:** The tendency for the average bureaucrat or politician, once within the system, is to try and protect it since it works so eminently in the interests of insiders and prevents the empowerment of those outside. The conflict of interest still remains even after the Outsiders have become insiders, after the collapse of Monarchy and introduction of democracy.
- c. **Root of Democracy:** This indicates the fact that democratic values have not yet taken root in both the minds of Insiders and Outsiders.

4.1.4 Evolution of Social Audit & Legal Provisions

With the objective of delegating powers to the grass root level, the Government of India has introduced and enacted the following legislations, influencing Panchayat, Gram Sabha and Social Audit. As the Social Audit is a process integrated with the institutions like , Panchayati Raj and Gram Sabha , the findings are presented in an integrated manner.

4.1.4.1 The Constitution (73RD Amendment) Act, 1992 – Panchayati Raj & Gram Sabha)

I) Gram Panchayat

The institution of Panchayats has been in existence in India for a long time. In the post independence era it has been observed that these institutions have not been able to acquire the status and dignity of a viable and responsive people's body due to a number of reasons including absence of regular elections, prolonged super-sessions, insufficient representation of weaker sections like Scheduled Castes, Scheduled Tribes and women, inadequate devolution of powers and lack of financial resources.

Therefore, in 1992 the Government of India initiated an amendment in the Constitution, which empowered the citizens and panchayats with such powers and authority to enable them to function as units of self-government.

This act is known as The Constitution (73RD Amendment) Act, 1992, which came into force on April 24, 1993 to provide constitutional status to the Panchayati Raj Institutions.

The salient features of the Act are:

To provide 3-tier system of Panchayati Raj for all States having population of over 20 lakh.

To hold Panchayat elections regularly every 5 years.

To provide reservation of seats for Scheduled Castes, Scheduled Tribes and women (not less than 33%)

To appoint State Finance Commission to make recommendations as regards the financial powers of the Panchayats.

⇒ To constitute District Planning Committee to prepare draft development plan for the district as a whole.

Almost all the states have passed legislation in conformity with the provisions of the Constitution. **However, in many States the devolution of funds, functions and functionaries have not kept pace with the spirit of the Constitutional Amendments.**

According to this Act, Panchayats shall be given powers and authority to function as institutions of self-government. The following powers and responsibilities are to be delegated to Panchayats at the appropriate level:

- **Preparation of plan for economic development and social justice.**
- **To levy, collect and appropriate taxes, duties, tolls and fees.**
- Implementation of schemes for economic development and social justice in relation to 29 subjects given in Eleventh Schedule of the Constitution.

II) Gram Sabha

In the Panchayati Raj set up, the Gram Sabha, the **general assembly of villagers**, has a key role for effective functioning of Panchayats. In the Gram Sabha meeting, the rural poor, the women and the marginalised people would now get an opportunity to join in decision making on matters affecting their lives. Active functioning of the Gram Sabha would ensure a participatory democracy with transparency, accountability and achievement.

Gram Sabha has been given 'watchdog' powers and responsibilities by the *Panchayati Raj* Acts in most States to supervise and monitor the functioning of *panchayat* elected representatives and government functionaries, and examine the annual statement of accounts and audit reports. **These are implied powers indirectly empowering Gram Sabhas to carry out social audits** in addition to other functions. Members of the *Gram Sabha* and the village *panchayat*, intermediate *panchayat* and district *panchayat* through their representatives, can raise issues of social concern and public interest and demand an explanation.

FUNCTIONS OF GRAM SABHA

Gram Sabha should meet at least once in each quarter preferably on Republic Day, Labour Day, Independence Day and Gandhi Jayanti.

Decide developmental work to be undertaken by Panchayats based on needs assessment.

Suggest remedial measures for economy and efficiency in the functioning of the Panchayats.

Question and scrutinise the decisions of Panchayats in the meeting of Gram Sabha.

Discuss the Annual Financial Statement of Gram Panchayats.

In order to supplement the above-mentioned Act, the Government of India, in 1996, passed another Act known as Panchayats (Extension to the Scheduled Areas) Act, which extended the provisions of the Constitution (73RD Amendment) Act of 1992 to the tribal areas of Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa and Rajasthan. This came into force on 24th December 1996.

Under the Act, Gram Sabha has been vested with powers for :-

Ownership of Minor Forest Produce

Development plans approval

Selection of beneficiaries under various programmes

Consultation on land acquisition

Manage minor water bodies

Control mineral leases

Regulate/Prohibit sale of intoxicants

Prevent alienation of land and restore unlawfully alienated land of Scheduled Tribes

Manage village markets

Control money lending to Scheduled Tribes

Control institutions and functionaries in all social sector.

III. Social Audit:

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

authorities are duty bound to facilitate them. The social audits are expected to contribute to the process of empowerment of the beneficiaries and generate demand for the effective delivery of programmes. The instructions require that special Gram Sabhas be arranged to conduct Social Audits in every ward and that Social Audits of all ongoing development works be included as an item of discussion in every Gram Sabha meeting.

- The provisions of Panchayats (extension to scheduled areas) **Act 1996** lays down that the completion certificate for all villages development works can only be accorded by the Gram Sabha.
- Rajasthan (India) Panchayati Raj (Amendment) Act 2000 vested on the Ward Sabha on “getting information on the detailed estimates of works prepared to be taken in the area of the Ward Sabha, exercising “Social Audit” in all works implemented in the area of Ward Sabha and awarding utilization and completion certificate for such work
- In the state of Madhya Pradesh (India) the process of Social Audit has been specified in the order No. 18069/22/JRY/vi - 7/96 dev. October 30th 1996.
- In the state of Orissa the Social Audit in rural development works has been mandatory with the issuance of Govt. order in the month of September 2002.

4.1.4.2 Eleventh Finance Commission and Ministry of Finance Guidelines

The Eleventh Finance Commission recommendations and their acceptance by GOI have **brought about a major change in the accountability regime in PRIs – accounting, audit and reporting arrangements** etc. Pursuant to the recommendations of Eleventh Finance Commission, Government of India, Ministry of Finance, issued guidelines that the CAG shall be responsible for exercising control and supervision over the proper maintenance of accounts of all the three tiers/levels of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) and their audit.

The guidelines also stipulated that the **Director, Local Fund Audit**, or any other agency made responsible for the audit of accounts of the Local Bodies shall also work under the technical supervision and advice of the CAG. **CAG will prescribe the formats for budget, accounts and database of finances of LBs.**

In all the States, the Director Local Fund Audit (DLFA) or a similar statutory authority conducts audit of local bodies under the State Acts. The Accounts of the LBs are also maintained as per the State Act/Rules. In some States the Reports of the DLFA are presented before the State Legislature. In others, the Reports are submitted/forwarded to prescribed authorities as per the State Act/Rules. The Action taken on the Audit Reports of DLFA is also as per the State Act/Rules.

Action to obtain the necessary consent of the State Governments was initiated in June 2001. The Department has been able to make considerable headway in this regard. The related modalities were finalized after taking into account the existing arrangements for the audit of PRIs and ULBs in various States. As part of technical guidance and support, model accounting formats to be adopted by the PRIs have been prescribed. To upgrade the skills of the functionaries of PRIs and Local Fund Audit Departments, a comprehensive training programme has also being formulated by CAG.

4.1.5 EXPERIENCES : CIVIL SOCIETY INITIATIVE (Social Audit & Similar Experiments)

In this section, some of the relevant case studies in India have been illustrated.

4.1.5.1 CASE STUDY -1

HAMARA PAISA, HAMARA HISAAB :

initiated by Mazdoor Kisaan Shakti Sangathan (MKSS), Rajasthan

The MKSS, born in 1990, is a big grassroots organisation that grew out of a local struggle for minimum wages and its ideology is that change for the local people will only come through a political process.

People in Rajasthan have always had difficulty getting paid the minimum wage. Politicians would always promise to secure the minimum wage in return for votes. However, these promises never translated into lasting change and, over time, campaigners realised that they had to obtain the relevant documentation, in particular the muster rolls. The right to information and the right to survive thus became united in peoples' minds.

a) Activities / Initiatives

The campaign of Mazdoor Kisaan Shakti Sangathan in Rajasthan is known as Hamaara Paisa, Hamaara Hisaab.

Initially, demands to see the muster rolls were met with refusal on the grounds that these were 'secret documents'. These refusals led to a long agitation for the right to access information. By 1994, the MKSS hit upon a new, empowering strategy, based on the idea of a Jan Sunwai or 'public hearing'. The MKSS brought people together and simply read out official documents that they had procured, either through surreptitious means or from officials who had no idea of their import. The documents related to construction records for school buildings, panchayat bhawans and patwari bhawans, dams, bridges and other local structures.

A serious effort was made to ensure that the debate was transparent and accessible to the outside world. The government boycotted the first four hearings. To ensure openness and publicity, anyone could attend and an independent outsider chaired each hearing. Local officials and public representatives were invited, including those likely to be criticised. Despite the expense, the proceedings were videotaped. This deterred speakers from misrepresenting information and put them on oath as they knew what they said could be referred to later.

When the records were read out it was sometimes immediately obvious that they contained false information. Examples were items like bills for the transport of materials over 6 km when the real distance was only 1 km, or people listed on the muster rolls who lived in other cities or were dead. The documentation also proved that corrupt officials and others were siphoning money and that minimum wages were being paid only on paper. The exploitation of the poor in two ways -- by denial of their minimum wages and through corruption by some of the village middle class -- was revealed at the Jan Sunwais in front of the entire village.

b) Effectiveness / Results

People who would have been intimidated on their own now had a platform where they could speak out. This process also brought together the poor and sections of the middle class who had not previously supported them but now spoke out against corruption, which they realised hurt them too.

Learning's

MKSS has proven that People's Audit is a sustainable approach only if the people become aware of their environment and start questioning the Government administration.

MKSS in Rajasthan demanded and got information on minimum wages and government infrastructure programmes, sparking off, in the process, a national movement for freedom of information. After a long battle, the government announced a change in the Panchayat Act, so people could inspect local documents pertaining to development works. This also led to the national movement for Right to Information Act, led by Ms Aruna Roy and others finally the enactment of a legendary Right To Information Act 2005,

4.1.5.2 CASE STUDY - 2

SOCIAL AUDIT in, BOLANGIR district of ORISSA ,

Initiated by **ACTION AID**

In October 2001, the Gram Sabha members of **Jharnipalli Panchayat, Agaipur block** conducted a one-day social audit of development works carried out in the Panchayat over the preceding three years. This audit took place with the active participation of many individuals and agencies, including block and district administration officials, MKSS [Mazdoor Kisan Shakti Sanghatan], NCPRI [National Campaign for People's Right to Information] and Action Aid India.

a) Activities / Initiatives

- **Environment Building**

Action Aid undertook the task of collecting information, sorting & filling, analysis & tabulation and information sharing & physical verification. Many rounds of discussion on the action plan for the entire action-trainings project preceded the work in Bolangir. The strength of many groups spread all over the district of Bolangir was present behind the ones working in this panchayat, and that meant a great deal of confidence to move forward.

As a **first step** in the process, a street play [geeth natya] was created by the villagers [of Adendungri and Kudopalli] and the local organisation, informing them about their right to social audit, and the fact that such an audit is going to be taken up soon in their gram panchayat. Songs were composed for this purpose, and performances arranged in all the nine villages of the gram panchayat. In these villages, four member Committees were set up for the purpose of the social audit [two members from the women's SHGs, and two from the Village Drought Action Committee].

As a **next step**, the local administration was met with, and appraised about the plans. The District Collector expressed his full support and cooperation to the effort. The same feelings were reflected by the local MLA, who wanted similar processes to be taken up in as many gram panchayats as possible in the constituency. At a later date, the local police officials were also informed about the plans for the social audit. The last four weeks preceding the social audit saw the efforts on many fronts intensifying as a run up to the audit.

- **Information Collection**

With the help of the district collector's introduction letter and instructions, a team of people started collecting information related to various works in the panchayat for the past three years [1998-99, 1999-2000, 2000-2001].

Information that was collected included various development works that had been taken up by the block office in Agalpur, and works taken up directly by the Panchayat. Collection of various records and getting copies of the same began in earnest in the first week of October, and continued till the very day of the audit-October 30th! Information was collected regarding the following:

JGSY	Rural Connectivity Programme
EAS	Palli Sabha and Gram Sabha resolutions
CRF	GP accounts
IAY	FFW implemented by NGOs
PMGY	Watershed projects implemented by NGOs
MLA/MPLAD	Veterinary services
ICDS	

Information related to PDS, Kendu Leaf, Social Forestry and DPEP was not available either because it was not collected, or it was refused. Within the records made available, there were gaps – measurement books were not available for engineering works, and utilisation certificates were missing for all the works. Two days before the social audit, a few of these, at the Gram Panchayat level, became available.

- **Information sorting and filing**

All the information and records collected had to be sorted out, and filed, as per the scheme, and finally, village-wise. Each work had a separate file [case record] created, with all papers related to the work put together, and the file cover containing a top sheet with all details.

Documents inside usually included sanction letters, resolutions and recommendations of the panchayat, work orders to contractors, forms of undertaking by the contractor, muster rolls in some cases, running account bills in some cases, bills and vouchers in some cases, estimates of the works etc.

- **Information analysis and re-tabulation**

The next step in the process was to try and analyse the information available in various ways. For instance, muster rolls, which come as records of a week's work, or a fortnight's work, had to be converted into worker-wise records so that verification with individual workers was possible easily.

Similarly, records were studied for violation of norms and guidelines of minimum and equal wages, of the execution of works by contractors (whereas it is banned by the Ministry's policy), of breaching of the estimates based on which the sanction was made in the first instance and so on. Another example is trying to convert technical data into information that could be easily triangulated with the villagers [cubic meters of measurement of morram, converted into equivalent number of tractor trips, for instance].

Both the sorting and analysis stages were possible in a short period of time because of the presence of a large number of volunteers for this social audit – numbering around 40 literate persons on an average, on any given day.

- **Information sharing and field verification**

The next stage was to share the collected/analysed information with the villagers. This stage included holding initial large meetings to explain the purpose of the visits, followed by visiting various sites where the works are supposed to have taken place, and meeting with individual beneficiaries. There were many instances when large meetings were used to verify muster rolls of various works, and cross-check the bills and vouchers. This was a very sensitive phase, and based on the situation, the visiting teams would either just share the information and allow it to sink in, or actually look for validation of the records with reality, in case the villagers were forthcoming and cooperating.

To begin with, there was a pilot exercise held in village Adendungri led by the MKSS activist Nikhil Dey. By this time, the volunteers from various organisations and the villages had been grouped into teams, with team leaders. These teams were expected to stay in the villages, and share, verify and obtain information. The pilot exercise in Adendungri was attended by all these teams, so that they could learn from the process and take up the same in their respective villages.

After this, the teams went into their respective villages. Village stays by the teams meant that some last minute surveys and data collection could be taken up, in addition to triangulating the records with the villagers. Most importantly, the teams tried to focus on the poorest in each of these villages, and assess state support available to them in any form, against what they are supposed to get. In that sense, the purpose of the 4-day stay in the villages by the teams was three-fold:

Assess the extent and instances of corruption, by sharing information with the villagers and by physical verification of works

Instill confidence in people to participate actively in the audit process, and to activate the village level committees set up for the purpose

Focus on the poorest in the villages, and assess the support reaching them or not reaching them [social security, PDS, employment and livelihood security etc.]

- **Confidence-building Measures**

Both the teams staying in the villages, and a “roving team” which went from village to village, began an intense effort to instil confidence about the process in the gram sabha members. Incidentally, the opportunity was used to dialogue with many panchayat ward members too.

There were usually some very pertinent questions asked by the villagers: “what if no action is taken after the social audit – after we gather enough courage and confidence to point out discrepancies in the social audit meeting and nothing happens afterwards, wouldn’t the culprits of corruption become stronger than ever?”, they would question the teams.

Similarly, the villagers would want to know why there is no information or records from the Kendu Leaf Department, when it is such an important source of livelihood for the poor in these villages. When we were un-prepared with re-tabulated muster rolls in the case of earthworks taken up by Gayatri Club in one instance, some of the villagers pointed out that we were being “partial” in our work.

Two days before the social audit, the District Collector visited the “camp” where he was appraised about the preparations for the audit on the 30th. The Collector assured all the village representatives present in this meeting that action would definitely follow the audit, and

anyone found guilty punished. This helped in instilling a good deal of confidence in all the skeptics. That day the Collector gave the social audit team all relevant records available in the Gram Panchayat office – information that was so far unavailable and inaccessible – and sealed the GP office. This news spread to all the villages, and gave further confidence to people who wanted to point out irregularities.

- **The countdown to the People’s Audit**

In the last three days, one more round of publicity in the villages was taken up. A jeep equipped with a public address system went into all the villages and invited people to take part in the audit process actively. On the 29th, Jharnipalli village had its regular weekly market. This was used as an opportunity to stage a play, and distribute pamphlets about the audit. Finally, the MKSS team went into the three most “difficult” villages [these were Chungidadar and Jharnipalli, where the Secretary of the Panchayat hails from, and has many relatives and, Kendumundi, where the present Sarpanch resides] and performed their muppet shows. They also encouraged people for greater participation and involvement, and discussed the need for the same.

Another team was meanwhile going around the district, and contacting other parts of Orissa, to invite people to the audit. The invitees included the elected representatives of the district and the panchayat, various officials in the district and elsewhere, media representatives, activists and NGOs. By this time, “trainees” from other states had also arrived, and they joined various teams in their efforts.

During this period, an engineer also went around to check the physical works that have been claimed in the past three years, and gave his own assessment of the expenditure incurred, and the deviations from plans. A Chartered Accountant went through the accounts of the GP that were available with us, to check the entries, as well as to re-arrange the data in a more relevant fashion.

On the 29th, there was a preparatory meeting with all the teams, and the “presenters” from the villages [each team had identified from amongst their villagers, those persons who can present each work, followed by ones who will testify for or against it], and to finalise the schedule for the actual social audit day, the 30th.

A sequence of presentations was agreed upon, based on strategic reasons of ice-breaking, as well as exposing trends of corruption in this panchayat.

The day before the audit was also spent in preparing charts in oriya, presenting the audit findings. The visual presentations consisted of separate charts on: Gram Panchayat accounts, an overview of all the development works in the GP in the past three years, separate village-wise charts, a chart on all the contractors who got work orders in the past three years, a chart on all the roads claimed to have been laid, a chart on all the “ghost works” discovered in the audit, a chart on the employment generated for the BPL families as per the records, on the Indira Awas Yojana housing in three years, on the Food For Work project taken up by CARE and Palli Niketan, on the watershed work taken up by Sabuja Viplav in two villages, on Gayatri Club’s work in all the villages of the panchayat, on ActionAid India’s work in Bolangir district, and some photographs displaying the status of works claimed in the records. Efforts were made to present information in a simplified and intelligible manner.

All these processes, including the actual day of the audit, were captured both on video and through photographs.

- **Conducting the Social Audit**

The social audit formally began at around 11.15 am on the 30th. As per the plan, people were first allowed to read all the visual presentations put out. Many people [other than the

media] could be seen walking around taking down notes of the information. Some of the villagers asked for clarifications on information pertaining to their village, and the records were checked again.

The day began by a formal welcome to all the panelists and the participants by the Convenor of CADMB, and the Vice President of Gayatri Club. The Country Director of AAI gave an introduction to the social audit, and the powers vested with the gram sabha for the same. This was followed by the President of CDAC running everyone through the months of preparation for the Jharnipalli social audit including the germination of the idea, and by laying down the ground rules for the day.

From then onwards, a team of four “programme controllers” [nomenclature given by the villagers on the earlier day!] took over the role of facilitating the proceedings. As the day progressed, it became clearer that these anchors had an important role to play, and that in this case, the selection of the facilitators was very good. They were able to draw people out, and attempted to engage many people in the process.

The team leaders from all the villages coordinated with their village presenters, and made presentations about each work as per the records. This was followed by testimonies from other villagers. The panelists spoke and raised questions now and then. There were questions posed by the media section also.

It was decided the earlier day that village-wise presentations may be unwise – while one village’s audit findings are presented, the others might not be interested, and it is also unfair to the last village that gets discussed during the day, to wait for hours for their turn! Instead, work-wise/issue-wise presentations were preferred. The sequence of presentations was like this:

- Road works – Adendungri, Patharmunda, Amjharan, Podhpalli, Jharnipalli, Pandkital, Kendumundi, Kudopalli – major works, with muster rolls also read out, followed by testimonies
- Smaller road works – a brief introduction of the work, and getting testimonies from groups of villagers collectively, in a rapid manner
- Gayatri Club – presentation by a CLC member, and cross examination by villagers
- CARE Food For Work programme in four villages [Amjharan, Pandkital, Kudopalli and Adendungri]
- Construction works – Adendungri school building, Jharnipalli AWC building, Jharnipalli CC; Indira Awas Yojana in Adendungri and Patharmunda
- Anganwadi-related issues – Jharnipalli and Patharmunda villages
- PDS – several case studies presented
- Panchayat accounts for three years – presentation and clarifications
- Demands put forward by the villagers, emerging from the social audit
- Response to these by the ZP Chairperson and the District Collector
- Ms Aruna Roy’s address to the participants and her observations

Many other works that were supposed to be shared had to be dropped from the programme because of the paucity of time.

The questioning, and the issues raised were very pertinent: insights into the ineffectual and non-functioning of the panchayat, the gram sabha and the palli sabha were highlighted. Does this panchayat have meetings at all, people were left wondering. The opaque fashion of functioning was obvious.

The failure of the local bureaucracy to monitor and check the possibilities of corruption was also brought out. There were **many instances when they were in collusion [the junior engineer had certified many ghost works through his measurement books, for example, with the BDO certifying them too].**

The Secretary of the GP was called to the mike in some cases to elaborate on a particular issue. For instance, it was discovered that all the ghost works had something in common – they had all claimed to use the same tractor [and its driver] for transporting materials into various villages...the same vehicle number, the same village, the same driver who signed on receipts. One of the gram sabha members demanded that it be revealed who this person was – and went ahead to inform everyone that this is the Secretary's own tractor. Subsequently, it was also revealed that the tractor did not exist with the Secretary for all the three years, though it appears consistently on the records.

There were many muster rolls read out where false names were recorded of people who have migrated out of the village years ago. Of people who feel insulted to find their names 'on lowly works like road-laying', and have never taken part in the work. Of elderly people who are incapable of working anymore. There were muster rolls where the amounts recorded were higher than the amounts actually paid to the labourers.

There were also instances when the panelists and facilitators drew a blank response from the villagers – this happened especially in the case of Jharnipalli works. The presence of some powerful people from the village silenced many others. There were some stalemates too – an entire village got split vertically into two groups, which presented contradictory testimonies with regard to a road work [Jharnipalli].

There were instances when the local organisation Gayatri Club was targeted by the villagers, both by the ones who genuinely wanted to raise issues related to its functioning, and also by people who saw it as the weakest link in the entire process. On the positive side, it meant that the villagers get into the habit of questioning critically all development works in their village – whether taken up by government agencies, or non-governmental agencies.

Many dalits in the villages came forward to speak, including women who were willing to testify. In one instance, when an entire village kept quiet out of fear [of the Secretary and a couple of powerful contractors in the village], it was two women from the village, who came out with the truth very boldly. Here, it has to be pointed out that women were not actively drawn out to participate during the first quarter of the audit – the reason was simple – they were invisible, and seated far from the "dias". Until somebody pointed out that the facilitators need to address the women too, they were ignored. Once they were encouraged to start speaking, they were bolder than the men in pointing out various problems.

Towards the end, both the Zilla Parishad Chairperson and the District Collector promised the gram sabha members that action would be taken against everyone found guilty of corruption and criminal offences in the panchayat.

b) Effectiveness / Results

The audit found that:

- Although the works were not carried out, the sanctioned funds were shown in the records as having been utilized.
- Contractors were banned under government guidelines, but 31 contractors were working on the project.
- The contractors did not maintain muster rolls.

- Instead of the target of 100 man-days of employment for families below the poverty line (BPL), only 12 half days of work were generated.
- The BPL families could not buy subsidized food from the public distribution system (PDS) shops as partial wages because they did not possess the needed ration cards.
- The local bureaucracy had failed to monitor and check the possibilities of corruption. There were many instances when they were in collusion [the junior engineer had certified many ghost works through his measurement books, for example, with the BDO certifying them too.

After the social audit, the Gram Sabha members of Jharnipalli panchayat put forth a set of demands. These were:

- The District Collector should set up an enquiry committee, which should give its report in the shortest period possible
- Recoveries to be made from the guilty, and criminal proceedings initiated against them
- Henceforth, all records should be kept open for the people for inspection
- Records of all departments, including the forestry departments should be made available to the people
- Information boards should be put up outside the concerned offices
- A similar audit to be taken up each year
- A permanent solution to be evolved for tackling hunger and starvation issues in the village.

Learning

- ⇒ Community mobilisation by External Agencies is essential for creating awareness about the rights of the gram Sabha , in making the panchayat accountable , capacity building of people for being able to access pertinent records, and understand what the records claim to make Social Audit be possible and effective.
- ⇒ More demystification of the process would also enable better and higher levels of participation, especially by the poor.
- ⇒ Action Aid had initiated and organised this event in 2001, since then no further progress has been reported from the area, reflecting the power of strengths interest acting against the Social Audit and weakness of PRIs, Gram Sabha etc , unable to organise Social Audits.

“You are all like doctors, and we are the patients – you might give us many good medicines, but unless we, as patients, are willing to get cured, there is no cure” – A dalit woman from Jharnipalli, confirming the growing awareness, though insufficient in number to organise Social Audits.

4.1.5.3 CASE STUDY - 3

SOCIAL AUDIT in Delhi initiated by **PARIVARTAN**

Parivartan (a non-profit organization) initially started up to help people get their work done in government departments without having to pay bribes, continues its crusade to educate and help people assert their right to information.

Parivartan, a voluntary organisation active in Delhi, started out as a people’s movement in June 2000, to provide relief to taxpayers from extortionist corruption in the income tax department. “The idea was to help people get their income tax refunds without paying bribes,” says Manish Sisodia Parivartan’s founder. Taxpayers in Delhi were instructed not to pay bribes but to approach Parivartan with their grievances. The organisation has so far resolved about 700 grievances and helped some 2,500 customers in the Delhi Vidyut Board (DVB).

a) Activities / Initiatives

Parivartan soon realised that although its role as troubleshooter provided immediate relief to people, it neither empowered citizens to resolve their grievances directly, nor helped bring about permanent systemic changes.

The organisation began to use the Delhi Right to Information Act 2001 to resolve public grievances. The Delhi Right to Information Act, which came into effect on October 2, 2001, empowers citizens to access government files by simply filling out a form and submitting it to the concerned department. However, implementing the law is the problem and needs lots of honest efforts to put it in practice.



b) Effectiveness / Results

Some of the major cases initiated by Parivartan in Delhi are as follows:

- A social audit of the Corporation of Delhi showed that public money is routinely redirected away from the purposes it is intended for.
- A social audit was conducted by Parivartan, a citizen's initiative, along with the local residents of two resettlement colonies of North East Delhi, - Sundernagri and New Seemapuri - for development works undertaken by the Engineering Department of the Municipal Corporation of Delhi (MCD) in these two resettlement colonies between April 1, 2000 and March 31, 2002. Only works pertaining to construction of roads, lanes and drains and installation of handpumps were taken up for social audit - a total of 68 contracts worth about Rs 1.42 crores.
- Ration shopkeepers won't divulge their records, Food Department officials won't file complaints, and the police won't act on their own or accept complaints from the public. After the initiatives of Parivartan, a number of people from different parts of Delhi have filed applications under the Delhi Right to Information Act and sought the records of their ration shopkeepers. More than 250 people from different areas have filed RTI applications so far. The people received records in Kalyanpuri, R K Puram, Bhatti Mines and Anna Nagar.

Learning

- ⇒ Availability of information can improve Governance to a large extent in urban setting as well.
- ⇒ Resistance from the Insiders – Supply Side of Governance is strong and need be countered through sustained effort.
- ⇒ Civil Society initiative is the ultimate hope in making delivery system improve.

PDS `mafia' trying to gag info seekers

By Devesh K. Pandey

NEW DELHI OCT. 10. Non-government organisations helping people gather facts on the public distribution system are facing stiff resistance from officials of the Food and Supplies Department in the Capital.

It all began when a few NGOs joined hands recently to expose

"unscrupulous" ration dealers who divert the government supplies to open market at higher rates, ignoring their customers. In a bid to get data on food distribution, these NGOs, including Parivartan, motivated over 150 customers across the Capital to file applications to the Food and Supplies Department on August 29. Interestingly, the idea about getting information through applications came from a woman named Triveni, an Antodaya Card holder, who had not been getting supplies from her ration shop. Days after she applied for details about that shop, she started getting supplies on time.

On September 23, some applicants were called to the Nandnagri Food and Supplies Department office for gathering the desired documents. Accompanied by two Parivartan activists, the applicants reached there but were taken aback to see that almost 35 ration dealers of the area were already having tea outside the office. The ration dealers, including a local leader, attacked the applicants and the Parivartan activists. The ration shopkeepers even gheraoed the police station where the activists went to lodge a complaint. The police registered a case naming two of the assailants, but no arrests have been made so far.

Panini Anand of Parivartan said NGOs were facing such resistance all across the city. A few days ago, a resident of Yamuna Vihar, who had filed an application, was offered Rs. 40,000. In another case on September 22, an applicant was offered Rs. 20,000 by a ration dealer of the area. Such incidents are being reported from Harsh Vihar and other pockets as well. "It is hard to believe that not only ration dealers, but also food supplies officers are requesting customers not to file applications. The ration dealers know it quite well that they can be put behind bars if they are found diverting more than 100 kg a month. As per a recent Supreme Court ruling, the license of a ration dealer will be revoked if he is found not giving supplies in time," said Anand. He said those not yielding to their offers were being threatened with dire consequences.

Anand said the real problem was with the functioning of the distribution system. "The Government offers very small commission to the ration dealers and they can't even pay their expenses, including telephone and electricity bills. Hence, they divert the supplies to earn more. Now, it has gone to the hands of the mafia, including local politicians, who easily procure licenses against the names of their own men."

4.1.5.4 CASE STUDY - 4

REHABILITATION OF CHILD WORKERS in Jamtara district of **Jharkhand** initiated by

CHILD LABOUR ELIMINATION SOCIETY (CLES)

In 1995, the non-governmental Child Labour Elimination Society (CLES) initiated a project to set up 40 Vidyalayas (schools) in three blocks with a high incidence of child labour in Jamtara district. The Ministry of Labour, Government of India, provided the funds for the project.

To supervise the schools, three-tier committees were formed at the district, block and panchayat/village levels, with the district-level committee having the Deputy Commissioner as its ex-officio chairperson. At the block level, the circle officer (CO) is the nodal officer entrusted with the responsibility for smooth functioning of the schools. The committee at the panchayat and village level included members who were active during the mass literacy campaigns in the district.

However, most committees at the lowest level are either defunct and not functional or not properly constituted. Visibly, this particular weakness has resulted in the diminution of an important forum of citizen interaction, reflection and action.

a) Activities / Initiatives

Programme activities

A series of block and village level meetings with parents were followed by meetings with local civil society groups/activists and schoolteachers and generated a lot of optimism.

Parents formed a committee of five to eight members, **decided on indicators and modalities of monitoring and the role and responsibilities of monitors**, i.e.,

- ⇒ the presence or absence of two teachers;
- ⇒ serving of midday meals to the children; and
- ⇒ routine health checks for children by the local health department..

It was also agreed to devise a suitable format to record data, keeping in view the limited ability of parents in recording detailed observations.

Data was to be recorded on simply designed but ingenious worksheets with suitable pictures/drawings depicting the three broad indicators.

Effectiveness / Results

The parents met the circle officer and apprised him of their findings, concerns and suggestions for improved school functioning, such as slackness on the part of doctors in conducting routine health checks, difficulties in the running of one school due to a vacant teacher's post, need for roof construction/repair in another school and sports equipment for all schools.

Leanings

- ⇒ The initiatives undertaken by CLES has created a new paradigm of participatory approach, where the Government and the people can work together. This has also led to better transparency in the working of the Government.
- ⇒ This initiative also illustrates that the people are willing to take the initiative for better governance, if supported by external agents.

The district official accepted some of the demands. This and other such meetings helped citizens to understand the way government business is conducted and the skills of negotiating with officials.

4.1.6 EXPERIENCES: GOVERNMENT INITIATIVE for people's empowerment

This section covers the various models currently in practice in India though not in the league of Social / People are Audit, but addresses the grievances of the people. The present discussion focuses on there,

1. Key features
2. Strengths and limitations,
3. Learning, etc.

4.1.6.1 Model – 1:

Appellate Authority for Redressal of Public Grievances

This is primarily a “**tripartite**” model, wherein one party is the **receiver of services / benefits**, the other is the **service provider** and the third party is the **arbitrator**. Under this model, if the receiver is not happy with the service provided, he approaches the service provider with his grievances, if he fails there, he approaches the arbitrator for Redressal of his grievances.

The arbitrator hears the complainant and the service provider and decides on a course of action for redressal of grievance. **The arbitrator's decision is based on statutes.**

Two examples presented here are as under.

1. Public Grievance Commission, Government of Delhi
2. Consumer Protection Act, Government of India.

a. Public Grievance Commission, Government of Delhi.

The Government of Delhi set up the Public Grievance Commission in **November 1997** to redress the **grievances of the public against the various departments of Govt. of Delhi within the shortest possible time**. The Commission also plays an important role in implementation of the Delhi Right to Information Act enacted in the year 2001 by acting as **Appellate Authority**.

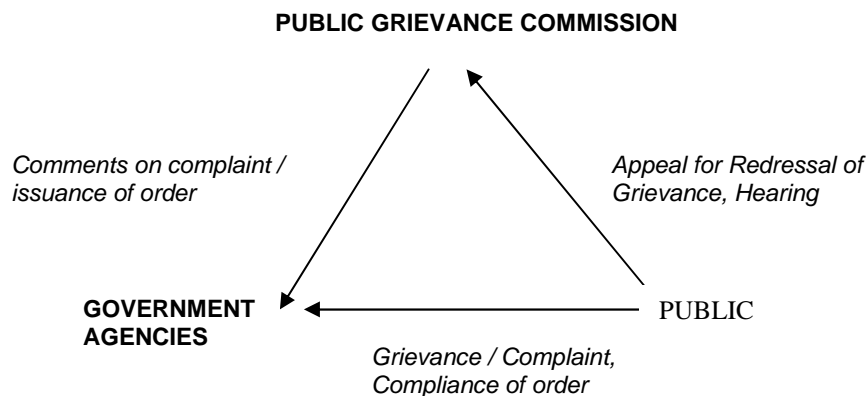
Any person having any grievances against any of the following Departments can approach the Commission for redressal. For this purpose the complainant may approach the Commission in person or through a representative.

1. All Departments of Govt. of NCT of Delhi
2. Delhi Police
3. All Local Bodies like the MCD, NDMC, Delhi Cantonment Board except Erstwhile Delhi Vidyut Board.
4. All autonomous organizations, public undertaking and other institutions located In Delhi, which are owned/substantially financed by the Government of Delhi.
5. All Officers/ Officials working in any of the Departments, Local Bodies, Public undertaking, organizations and institutions from (I) to (IV) above.

The complaint may relate to omission and commission of any acts by the officials of any of the above Departments, organizations or institutions and includes the cases of in-action,

harassment, extortion of money, corruption, abuse of power and authority by, any of the above. Any person who is the victim of any excess done by any of the officials of the aforesaid Departments / Public Bodies/ Institutions or who has not been able to resolve his grievances through the respective Departments or the organizations as above in Delhi, may approach the Commission for redressal of his grievance. Figure illustrates the institutional structure for redressal of public grievances in the national capital territory of Delhi.

Figure: Institutional Structure for Redressal of Public Grievances, Delhi.



When a complaint is received in the Commission its content is examined and if found vague or superfluous, it is rejected outright and the complainant informed accordingly. Where the complaint prima-facie merits further enquiry the complaint is registered in the Commission and acknowledgment is sent to the Complainant. The complaint is then forwarded to the concerned Department for comments. The Commission may at its discretion, call for a report from the concerned Departments/Undertakings/Local Body against whom the complaint has been made and also call the complainant to hear him in person and ascertain the exact nature and extent of the grievance. If need be, the commission may summon both the parties and get resolved the issue in its presence. If no comments are received or the comments received is not to the satisfaction of the complainant/this Commission, the complaint is listed for hearing before the designated Member of the Commission who passes appropriate orders. However, the complainant is **not authorised to take the help of an Advocate** or a Legal Practitioner in these hearings.

Besides, taking cognizance of and making scrutiny of complaints made by the complainants to the Commission in writing, it has the powers to take suo-moto cognizance of matters coming to its notice through newspapers, magazines and other media channels. For this purpose, it may go into the complaints and other matters that come to its notice through press etc. It may also summon the concerned official of the Departments/Local Body/organization along with relevant documents to appear before the Commission and explain their case in detail. Moreover, if there is sufficient evidence with the Commission of corrupt practices or inaction in redressal of public grievances, the Commission also refers the case for disciplinary proceedings against the concerned officials.

However, in respect of the following, the complaints are not entertained by the Commission:

1. Where the complaint made is anonymous and contains vague and superfluous allegations.
2. Where the matter is already sub-judice in any court of law, tribunal or a judicial or quasi-judicial authority.
3. Where the complainant has not exhausted the channels of remedies available to him in the concerned Department/Organization.

4. Where the complaints pertain to service matter. However, the complaints relating to the grant of terminal benefits like the Commission in exceptional cases of hardship may entertain GPF/Gratuity to retired Govt. employees.
5. Where the complaints are by the serving Govt. officials against their Departments.

b. Consumer Protection Act, Government of India

As per the Consumer Protection Act, the issue of **consumer rights** involves three primary stakeholders, namely,

1. **Consumers,**
2. **Government / Implementers and**
3. **Vendors.**

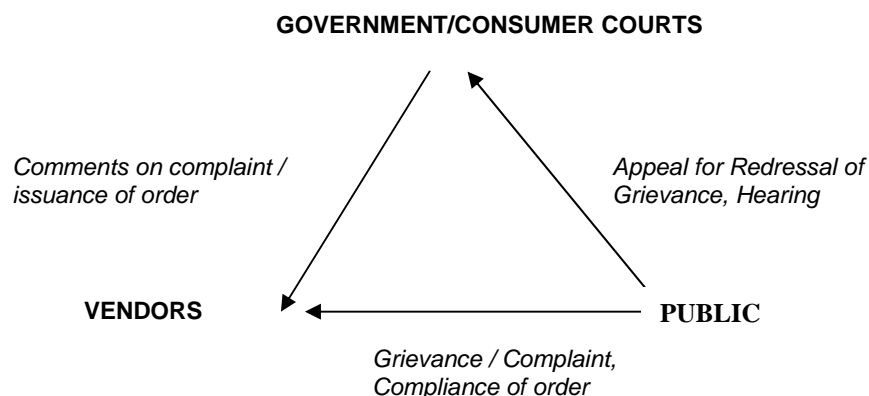
The consumer is the recipient of goods & services, vendor is the provider of goods & services, Government / implementer facilitates the consumer to obtain justice and redress his grievances.

The Consumer Protection Act aims to redress grievances of consumers with **minimum expenses & lesser time**. The Government, as a facilitator, has established a quasi-judicial system, called District Forums, in each district, state and at the National levels. State Consumer Disputes Redressal Commission and National Consumer Disputes Redressal Commissions with apex body as National Consumer Disputes redressal commission (NCDRC) has also been set up to provide speedy justice to aggrieved consumers.

The Consumer Protection Act becomes an alternative and cheapest remedy available to the aggrieved consumers by way of **civil suit**. Further in the complaint/appeal/petition, submitted under the Act, a consumer is **not required to pay any court fees or even process fee**.

Figure illustrates the institutional mechanism for redressal of consumer grievances established under Consumer Protection Act, enacted by Government of India.

Figure: Institutional Mechanism for Redressal of Consumer Grievances in India



SUMMARY:

Based on the above, the summary on, characteristics, strengths & limitations, learning are as under.

a) The **key features** of the model are as follows:

- ⇒ This is a “tripartite” model in which there are two primary stakeholders and one independent arbitrator.

- ⇒ Effective for implementation with **people of high education and information**, who can initiate action on their own.
- ⇒ **Established Government statutes** provide structural support to the model.
- ⇒ **Establishment of Government Infrastructure** for implementing the Redressal process.

b) Strengths & weaknesses of the Model

The strengths of the model are as follows:

- ⇒ Statutes enacted and notified by Government are in place.
- ⇒ Government Infrastructure available, like offices of District, State and Central Consumer Courts are available under Consumer Protection Act and the Office of Public Grievance Commission, Delhi

The limitations of the model are as follows:

- ⇒ Limited to urban areas due to the relatively high awareness and education levels.
- ⇒ Primarily INDIVIDUAL GRIEVANCE mechanism, except Public Grievance Commission, Delhi. Accepts community-based grievances..

Learning	
⇒	Presence of an independent appeal authority backed by statute acts as the key driver
⇒	Absence of focus on Public Awareness Generation , to take advantage of the facilities, usual lacunae of any Government initiative, reduces the potential impact.
⇒	Absence of a catalytic agent to bring together the grievance settling authority and the aggrieved person or community.

4.1.6.2 Model – 2

Participatory Approach :

Bhagidari, Delhi

The Government of Delhi initiated the concept of 'Bhagidari: The " **citizen – government partnership** ' in January 2000. The ideology behind BHAGIDARI is to bring the PEOPLE close to GOVERNMENT and make them participate in the process of governance.

Bhagidari literally means "collaborative partnership". The idea draws its inspiration from the philosophies of Mahatma Gandhi, and *Panchayati Raj* system in India. Bhagidari scheme envisages collaboration between citizens and the city administration for the improvement of the civic services.

The concept of "**Bhagidari**" ,

- ⇒ Is a means for facilitating citywide changes,
- ⇒ Utilises processes and principles of multi-stakeholder collaboration (citizen groups, NGOs, the Government)
- ⇒ Applies the method of Interactive Events comprising of Large Groups
- ⇒ Aims to develop 'joint ownership' by the citizens and government.
- ⇒ Facilitates people's participation in governance

The aim of initiating Bhagidari in Delhi are:

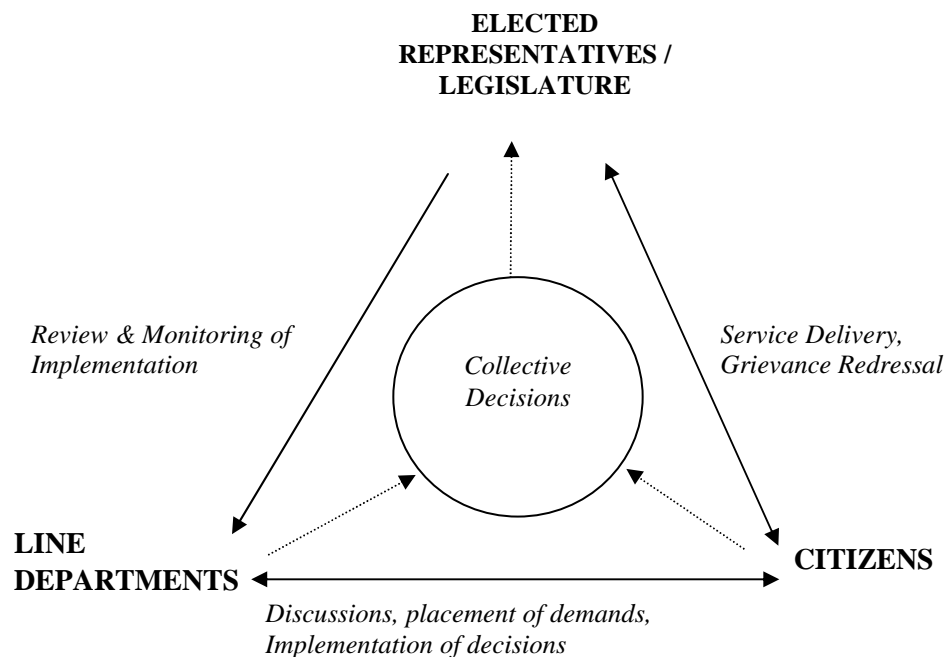
- Better service delivery to citizens
- Augmentation in living conditions of citizens including physical infrastructure, environment, other services and facilities, thereby leading to a “hassle-free” Delhi;
- Partnership and participation of citizens in governance
- Sense of ownership in the people, for the city of Delhi

Traditionally, the people expect that the government should solve all their problems. Bhagidari is a movement from total dependence on the government officials to a PARTNERSHIP with PUBLIC or GOVERNMENT – PUBLIC PARTNERSHIP in Governance

Bhagidari has tried started to change this way of thinking in Delhi. Bhagidari involves understanding the needs and perceptions of people and looking at each other’s constraints, appreciating the other’s strengths and then arriving at a consensus, which can be implemented. Thus the focus is shifted from, **passing on the responsibility to sharing the responsibilities.**

Under Bhagidari, various issues of general concern, like civic services, developmental issues, programme planning & implementation are, taken up for discussion and are solved. In addition to the specific “**citizenship & governance**” issues taken up through the **Bhagidari workshops.**

Figure Bhagidari Model



The Bhagidari approach is implemented in the following three stages:

1. **Discussions of problems and arriving at consensus solutions** – Workshops with citizen groups are held where representatives of citizen groups (RWAs/MTAs) discuss the selected issues with officials of various departments participating in Bhagidari scheme. The groups discuss and **build consensus on solution** of issue-based problems. The role of each stakeholder (including the citizen’s) and their responsibilities are identified and committed.

2. **Implementation of solutions** – After the workshop, the RWA/MTA wise list of solutions is sent to the offices of the concerned departments. They hold regular meetings to implement and monitor solutions. The Area Officers of the concerned department ensure a fortnightly meeting with the RWAs of their areas. The District Officers of the public utilities monitor and co-ordinate the working of these Area Officers.
3. **Monitoring of implementation** – Monthly reviews are undertaken by the Heads of Departments and the Deputy Commissioners. Quarterly reviews are also taken by the Chief Secretary and the Steering Committee headed by Chief Minister.

SUMMARY:

a) Key features of the Model

The characteristics of the model are as follows:

- Appropriate for empowered citizens with ability to participate in the process of development of their local area.
- This is a system of participatory governance, where citizens participate,
 - ⇒ Decision making stage and
 - ⇒ Implementation

b) Strengths & limitation of the Model

The strengths of the model are as follows:

- ⇒ Giving right to people to participate in the decision-making process and implementation process, leading to empowerment.
- ⇒ Strong leadership backing by the highest authority of state, i.e., Chief Minister, confirming political commitment.

The limitations of the model are as follows:

- ⇒ Implementation and monitoring activities undertaken by the Government at different levels is not supported by an effective system
- ⇒ Majority of the ideas proposed during the discussion stage are not taken up for implementation.
- ⇒ Any law or the constitution does not support the Bhagidari system.
- ⇒ Bhagidari misused for vested interests, reflecting lack of maturity of the process.

Learning:

- ⇒ Political vision and commitment is a basic necessity for empowerment and initiating any process of participative democracy.
- ⇒ In spite of its teething problems, opposition by vested interest groups, it has gained ground as a very successful experiment of grass root democracy.
- ⇒ Bhagidari has potential of becoming a role model for other states to imitate.

4.1.6.3 Model – 3

Local self-governance approach

(Madhya Pradesh, Kerala and Andhra Pradesh)

The essence of the approach is **transfer of power to the people**, thereby minimising the bottlenecks in the process and increasing the effectiveness of the development process.

In the present context, the approach of local self-governance has been adopted only by a handful of states in India. The models as adopted by Madhya Pradesh, Kerala and Andhra Pradesh have been illustrated in this section.

→ GRAM SWARAJ, MADHYA PRADESH

The state of Madhya Pradesh took steps to devolve powers and authority to the Panchayat institutions and initiated innovative measures to empower, strengthen and institutionalize the Panchayati Raj institutions. The system of Gram Swaraj was initiated on 21ST January 2001 under the able leadership and vision of the then **Chief Minister, Mr. Digvijay Singh, who emerged as a champion of decentralisation and reform in governance. The model is popularly known as the Digvijay Singh Model.**

Gram Swaraj is a new system of local self-governance at the village level, which moves from **indirect to direct democracy**. It is based on the premise that in a village people can assemble and sit collectively, and therefore representatives to represent the views; aspirations, needs and interests of the people are not required. The new system intends to give power to the people directly and not to their representatives.

The primary objective of introducing the new system of Gram Swaraj is to transfer power to the people and to **sincerely take forward the process of democratic decentralization to its logical end**. The new structure is substantially influenced by **Gandhian commitment** to Gram Swaraj to facilitate social, economic and political autonomy at the village level.

In order to operationalise this system in the field, it was **decided that Gram Sabhas would have to be strengthened**, which under the new structure will exercise all the powers of Gram Panchayats and many more powers will also be devolved to Gram Sabhas. Accordingly, the Gram Sabha of each village would be recognized as an independent entity and would function as decision-making bodies and to discharge its duties and implement its decisions.

In the new system, the funds would be given to Gram Panchayat and then the funds will automatically flow to Gram Sabhas. The **Gram Panchayat will act only as a post office** as the constitutional requirement and union government directives do not allow for direct transfer of funds to the Gram Sabhas.

Though, this was an ideal initiative, its success is depended upon the political support it gets in future from different political leaderships. However, it is a positive development to note that in 2005, the state cabinet chaired by the Chief Minister Shri Babulal Gaur here today endorsed Madhya Pradesh Pandhayatraj and Gram Swaraj (amendment) Ordinance 2005.

According to the amendment, the **State Election Commission would conduct the elections** of Up Sarpanch of gram panchayats and Presidents and Vice Presidents of janpad and zila panchayats. The decision has been taken to ensure fair and transparent elections for these posts.

The other amendments are,

a) It would be no longer compulsory that the quorum be in proportion to the population of respective sections. This is induced by a he High Court decision, which held as unconstitutional the provision that to complete the quorum of gram sabha presence of one-third members and representation of scheduled castes and scheduled tribes in proportion to the total strength was necessary.

b) It has also been decided to reduce the quorum for gram sabha meetings from 20% to 10%. Following this the decisions of gram sabha will be more practical.

Key features of the Model

→ Power devolution from Panchayat to Gram Sabha in the line of the Panchayatiraj Act for devolution of power to Panchayat from State.

Learning

⇒ The political class is always more interested in concentrating power in its own hand rather than devolving it to others

MP experiment shows that it is not at all easy to implement decentralization of power as it involves taking away power from more powerful people and groups and giving it back to people at grass roots level. These politically powerful groups naturally oppose and even try to topple the government which tries to take away power from these groups. There were many brickbats thrown at Digvijay Singh and several attempts by his political opponents within his party to topple him. He realized at this early stage that the political class is always more interested in concentrating power in its own hand rather than devolving it to others.

⇒ Decentralisation brings votes

Digvijay Singh could manage to win last bitterly fought assembly elections against many odds mainly due to the decentralization of power, which he had done during his last tenure. This gave him and the Congress Party a solid weapon to keep off his rivals within the party as well as fight well-entrenched political rivals like BJP.

⇒ Involvement of credible Leaders to sell the idea of decentralisation and train the villagers , how to use power.

It is very easy to give powers to gram sabha but those who know how a village functions and what are social and political compulsions at village will know how difficult it is to carry out such an experiment. While implementing the scheme, the MP government was aware of the Indian social reality as it takes into account the caste system and power relations at the village level. Elaborate provisions have been made to protect the interest of the larger community as well as the deprived classes.

To make the scheme successful, the MP government had appointed a high level committee comprising of renowned people like **Anna Hajare, Nirmala Deshpande, Subba Rao, B D Sharma** and others. This committee took its model to people and discussed it with people before finalizing its recommendations. Most the recommendations now find a place in the scheme devised by the MP government.

→ LOCAL SELF GOVERNMENT INSTITUTIONS (LSGI) – KERALA

The unrelenting pressure from academics, NGOs and fisher folk groups, led the government to appoint a committee to look into modifications of the state's Panchayati Raj Act. The committee recommended the integration of key ingredients of decentralization — autonomy, role clarity, facilitation, people's participation, accountability and transparency.

The legislation for Panchayati Raj system was followed by establishment of the **State Planning Board (SPB)**, which was designated as the implementing agency for the programme. To create greater awareness of the initiative, the Board launched a People's Campaign for Decentralized Planning. A **People's Plan Cell** was specially created in the SPB to monitor the decentralization process and to create awareness among people about their rights under Panchayati Raj.

The State Government recognised that information access is the key to making the right plans, therefore they started providing data and using information technology tools. The State Planning Board also serves as a forum for the state's policy planners and economists to discuss and organize large-scale training and policy development programmes. **The guiding principle of these reforms is that action must be taken at the level where it matters, and not at any higher level. This would help to ensure greater community participation.**

The People's Campaign for Decentralized Planning played a crucial role in capacity – building institutions and individuals for implementing decentralized planning. Its programmes aimed to empower elected local bodies, and garner support and advice from experts, officials and volunteers. It helped Panchayats to put in place the first proposals and projects for implementation. Recognizing that knowledge about local resources is important for all planning exercises, **SPB facilitated surveys and seminars to document both natural and human resources**, thereby providing the baseline data for future planning for all panchayats. It is estimated that more than 100,000 volunteers helped in mobilizing people, and around 2.5 million people attended the various local body meetings.

Besides ensuring people's participation in decision-making, the other significant component in making decentralization a reality is the provision of adequate finances to support these programmes at the grass root level. **About 40 per cent of the state's outlay in the Ninth Five Year Plan for projects and programmes was allotted to local bodies**, as against 9 per cent in earlier plans. Local body plans now form a major part of the total state plans. More than 65 per cent of agriculture-related issues have been transferred to Panchayats. This has helped focus on the real needs of the villages. Earlier, the state was spending only 5 per cent of its budget on agriculture. Now Panchayats are spending more than 10 per cent on agriculture.

Some of the provisions of the LSGI model followed in Kerala are as follows:

1. Performance Audit

It was part of the steps taken on decentralization of power from **1997-98** more funds than those of the previous years were sanctioned to the local self-government bodies. This sanctioning of more funds necessitated the strengthening of audit arrangement. In the light of this, in the local self-government bodies, **new audit system (performance cum corrective audit)** was implemented. It aims at the **quarterly review** of the administrative measures. By means of performance audit, irregularities are detected. And it gives chances to avoid such irregularities and remedy the avoidable errors.

It was deploying employees from the Secretariat and Panchayat/ Municipal Departments the performance audit teams were organized. By organizing Performance Audit Teams the beginning of the implementation of the idea of deployment of the officials could be made. The

Government have decided to appoint an official not below the rank of a Deputy Account General as the State Performance Auditor.

2. Grama Sabhas/Ward Sabhas

It is provided in the Act that the grama sabhas in the Panchayat should meet at least once in three months and the meeting of the quorum should be 10%. The powers and duties of the sabha have been increased. The grama sabhas/ward sabhas have power to discuss budget, Audit report, plan documents, estimate of public works.

The Government cannot cancel any resolution without ascertaining the opinion of the ombudsman or Appellate Tribunal for the local self-government.

3. Administrative Reports

It is stipulated that the annual administrative reports of the panchayats/municipalities should be published.

4. Grants

It is also provided in the act that grant should be given to the local self-government bodies according to the specific yardsticks. In this matter an annual report should be submitted to the Governor and a copy be placed before the Assembly. The land revenue amount used to be given only to the panchayats is now shared with block/district panchayats also.

5. Right to information

It is provided that the people have the right to know the full information regarding the administration of the local self-government bodies and withholding of information is made punishable. The procedure to get information is also provided.

6. District Planning Committee

The District Planning Committee is clad with powers to examine and propose changes in the draft for development projects prepared by the panchayats and municipalities. The Government is to consider the proposals and priorities in the draft prepared by the District Panchayat Committee when the State Plan is prepared. The District Planning Committee has power to monitor and evaluate the implementation of the Plan.

7. The Revised Public Works Rules

Transparency in public works has been ensured. Each item of work is subject to the scrutiny of village assembly/ward assembly. These rules provide facilities to the rural beneficiaries to take up work at low cost, avoiding contractors.

Key features of the Model

- Power devolution process strengthened,
 - ⇒ By focus on information generation leading to effective planning, Training of functionaries for capacity building.
 - ⇒ Building institutional support like SPB
 - ⇒ Focus on Performance Audit

Learning:

Institutional of the process of devolution needs INFORMATION GENERATION, TRAINING FOR CAPACITY BUILDING and BUILDING STATE LEVEL INSTITUTIONS to strengthen the process of devolution.

→ JANMABHOOMI – ANDHRA PRADESH

Janmabhoomi (Motherland) is a people- centered development process launched in **January 1997** by the State Government of Andhra Pradesh. This process has evolved out of the experience gained through the implementation of Prajala Vaddaku Paalana (taking administration to the door steps of the people) launched in **November 1995** and Sramadanam (contribution of labour) launched in January, **1996**.

It aims at establishing an ideal society, which embodies and cherishes the principles of people's participation, equality, transparency and accountability leading to sustained economic development and excellence in all walks of life. The **goal is, an enhanced quality of life for every man, woman and child in the State**. The process aims to ensure people's participation, making government institutions accountable to the people, and responsive to felt needs. It also aims at equity, equality, transparency, innovation and sustainability, leading to sustained economic development and excellence in all walks of life.

The programme has several components,

- ⇒ Pollution control,
- ⇒ Women welfare,
- ⇒ Farmers,
- ⇒ Water harvesting,
- ⇒ Supply of subsidized gas connections to the economically backward,
- ⇒ Education, and
- ⇒ Schemes for the handicapped.

An important part of the Janmabhoomi programme is '**Shrama Daanam**' (voluntary labour). This aims at enhancing public participation in the form of both money and labour in different developmental projects in the village. The government provides part of the funds for projects such as building roads, schools, water tanks, with the remaining being contributed by the village community.

Janmabhoomi aims at overall development of the State, through good governance at the grassroots level, through **accountability, transparency and responsiveness**. The policy of decentralization strengthens the local bodies and develops a framework for a larger role for them. This has considerably enhanced sustainable development initiatives at all levels in the State.

The following are the five core areas of Janmabhoomi:

1. Community Works
2. Primary Education
3. Primary Health and Family welfare
4. Environment Conservation
5. Responsive Governance

Key features of the Model

The characteristics of the model are as follows:

1. The premise for this model is that the people wish to bring in change but do not have the powers to do so.
2. In this model the people decide instead of their representatives.
3. The Government shares information with the people.

Learning

- ⇒ Although, the intentions were positive, the management of the change process in the grass root level from old Panchayati Raj System, where PRIs were powerful, to the new, where Gram Sabhas were to be more powerful, was not managed effectively like may be Madhya Pradesh.
- ⇒ Specifically, the involvement of credible social worker like Anna Hazare made the processes of change more effective. In addition to this, it was reported in the press that the TDP leaders at grass root level acted against this change process, making the common man get dissatisfied.

4. This model follows the participatory approach for governance.

Strengths & limitation of the Model

The strengths of the model are as follows:

1. People have the power to take their own decisions
2. Laws amended to support the initiative

The limitations of the model are as follows:

1. Strengthening of Gram Sabha did dilute the powers of Panchayati Raj Institutions, creating resistance and failure of objectives.
2. Gram Sabhas are not yet adept to perform as an autonomous unit of governance.
3. Misuse of power for vested interested is possible

SUMMARY LEARNING of EXPERIENCES TILL DATE:

- ⇒ Various experiences indicate that Social Audit / Peoples Audit is gaining ground in India, though miles to go.
- ⇒ Commitment of Political Leadership is a must for making devolution of power effective. (Delhi, MP and others). Without support of the Government, direct or indirect , Jan Sunwai by Parivartan was not possible.
- ⇒ Political climate is changing in favour of Social Audit, public participation
- ⇒ It gets VOTES also, so politically beneficial
- ⇒ RTI has acted as a catalyst for change in this direction and making Social Audit process more comfortable, as information availability will be easier. Though quality of implementation of RTI is yet to be seen.
- ⇒ But, it affects the vested interest groups, who operate between the Beneficiary / people and the Government, who act as the primary stumbling blocks. They are primarily of two groups, the grass root level leaders and bureaucrats, primarily lower bureaucrats
- ⇒ Needs information base for development planning (Kerala)
- ⇒ Needs Training and capacity building of officials to support (Kerala)
- ⇒ Needs effective Performance monitoring (Kerala)
- ⇒ State Level Institutions to support the process (Kerala)
- ⇒ **DEMAND SIDE** of the Delivery system has got activated through sensitisation by NGOs (MKSS Movement) leading to demand and enactment of RTI Act,2005.**SUPPLY SIDE**, response has been fragmented as reflected by selected political leaders taking lead to devolve power and use it as a strategic tool for political mileage. But , majority of the political establishment are afraid of **losing control** , **leading to the effort to create hurdles for implementation**

4.2 Findings of Primary Research

This section presents the findings on the perception of various stakeholders ,including , Villagers / Beneficiaries and Gram Sabha members , Government officials, elected representatives (MPs, MLAs), Academicians, NGO officials, Bank officials, Lawyers, and Panchayat Functionaries, contacted through interview and Group Discussion etc. on various issues, involved in the process of Social Audit.

The issues covered as per the study objectives includes,

- Functioning of the **Panchayati Raj** Institutions – Gram Panchayat
- Functioning of the **Gram Sabha** and
- Awareness & Preparedness for **Social Audit**.
- Functioning of Urban institutions parallel to PRIs and **comparison**
- **Summary of Factors influencing Health of PRIs** (Gram Sabha , Panchayat & Social Audits)
- Status of PRI Accounting & Auditing in India

The findings on the above are presented below. State wise findings are presented in **Annexure 4**

4.2.1 Status of of Panchayati Raj Institutions- Gram Panchayat (in different parts of India wrt, IAY & SGSY in Rural Tribal & Urban Areas)

It is of common knowledge that Panchayati Raj Institutions and Gram Sabha forms the backbone of the programme delivery system for Government schemes. The functioning of these institutions primarily influences the **OUTCOME** of the programme delivery system, irrespective of the budgeted **OUTLAY**, as repeatedly stated by the Finance Minister, Mr. P.C.Chidambaram. *The key to the gap between the OUTLAY and OUTCOME lies in the management and control of the processes of these institutions.*

Therefore, for generating a solution to the most fundamental problem of Indian Development Systems, there is a **need for an insight in to functioning of these institutions**.

The **primary study findings** are presented below under the heads based on the questions asked to the respondents.

4.2.1.1 Awareness about Duty of Gram Panchayat

At the National level 70% people are aware about the duties of the GRAM PANCHAYAT. It is highest in the states of Maharashtra where it is 85% and lowest in West Bengal which is 65%.

Awareness Level of Respondents (%)						
Rajasthan	Maharashtra	West Bengal	Orissa	UP	Tamil Nadu	Andhra Pradesh
72	85	65	70	70	75	72

Comments:

The validation of the above percentages through In-Depth Interviews and GD , revealed that,
⇒ The, perceived level of awareness of the Beneficiaries / villagers was limited , which acted as a reference point for measure of awareness level.

- ⇒ The Limited knowledge was based on the over all understanding of PRI, provided to them by the PRI functionaries / NGOs and in absence of any direct IEC activity on behalf of the Government.
- ⇒ However, the ranking of awareness level among states was found to be true.

4.2.1.2 Suggestions of Improving GRAM PANCHAYAT

- ⇒ Regular Meeting of Ward Sabha & GRAM PANCHAYAT,
- ⇒ Supervision by senior villagers or a particular person deputed by govt.,
- ⇒ Increase in funds and timely release;
- ⇒ Control over local politics
- ⇒ Training of PRI functionaries
- ⇒ Increasing Peoples Participation
- ⇒ Better coordination among GS members
- ⇒ More transparency in the functioning of GRAM PANCHAYAT

Perception of stakeholders about duties of Gram Panchayats

The various duties of Gram Panchayats, as stated by the stakeholders, are as follows:

- Planning for development,**
- discussion with Gram Sabha members and preparation of Annual Action Plan,**
- Implementation of public works / Schemes,**
- Follow-up with block level officials,**
- Selection of beneficiaries,**
- Supervision & monitoring, utilisation of funds.**
- ⇒ Levying & collection of taxes.
- Information Management – Recording, compilation and storage of information for further usage.**
- Information dissemination**
- Sensitisation and Helping villagers**

4.2.1.3 GAP: Expected role & role played by GS, GRAM PANCHAYAT

The table below speaks of the ground realities and a complete story.

Gap in expected role and role played by GRAM PANCHAYAT and GS (% of respondents)								
Respondents	Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
Beneficiaries	80	20	35	35	60	20	20	40
PRI Functionaries	10	5	10	15	20	5	5	10
Govt. Officials	100	40	100	100	100	60	60	80

Comments:

- ⇒ The gap is more understood by the Government officials, as they are more aware about the **constitutional role and actual role** being performed by GRAM PANCHAYAT and the coordination between GRAM PANCHAYAT and GS, more clearly than other stake holders like PRI functionaries and Beneficiaries.
- ⇒ The villagers feel the gap is less, as they are not very clear about the role of GRAM PANCHAYAT and GS that they are performing.

- ⇒ The GRAM PANCHAYAT functionaries claim that there is no or limited gap as they are performing according to the limitations of both AWARENESS and FUNDS.
- ⇒ The gap is less in those states like Maharashtra , reflecting a genuine health of the PRI institutions.

4.2.1.4 Role played by GRAM PANCHAYAT in Programme Planning

At the national level, Role played by GRAM PANCHAYAT in programme planning is divided in to broadly TWO groups of states like,

- a) Maharashtra, TN, AP , with higher degree of effectiveness and
- b) UP, Rajasthan, Orissa and WB, where GRAM PANCHAYAT is not active in a desired way along with lack coordination between GS & GRAM PANCHAYAT.

4.2.1.5 Role played by GRAM PANCHAYAT in Programme Implementation

GRAM PANCHAYAT is satisfactorily monitoring and controlling Programme implementation with the support of GS and from the block development office in states like Maharashtra, TN, AP, where as in states like UP, Rajasthan, Orissa and WB, it is mostly on paper .

4.2.1.6 Quality of GRAM PANCHAYAT functioning, functions, functionaries

The findings follow the above pattern, with specific reference to the dominance of vested interest groups and local politics.

→ Support from Block officials to GRAM PANCHAYAT

At the National level this support is rated to be 56% by all respondent groups .

Support from Block Officials (% of respondents)							
Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
45	70	55	47	52	63	61	56

Comments:

- ⇒ In the national Level, Block Office is over loaded and understaffed, both terms of quantity and quality, wrt motivation etc.
- ⇒ In the states like Maharashtra, TN, AP, the Quality of Governance contributes the higher percentage.

4.2.1.7 Factors influencing the Performance of GRAM PANCHAYAT

As per the perception of Respondents, the factors are as under.

Lack of training and able Panchayat functionaries

Internal politics & infighting

Personal greed

Religious and caste affiliations

Attitude of the Sarpanch

Ignorance about development programmes and their procedures

Inadequacy of funds

Interest & participation of locals

Low participation and education among women

4.2.1.8 Gap: Expected role & role played by GRAM PANCHAYAT

The table below speaks of the ground realities and a complete story.

Gap in expected role and role played by GRAM PANCHAYAT (% of respondents)								
Resp	Rajasthan	Maharashtra	WB	Orissa	U P	TN	AP	All India
Ben	50	15	20	50	70	20	20	35
PRI Fun	5	5	10	10	15	5	5	8
Govt. Off	100	40	100	100	100	60	60	80

Comments

- ⇒ This gap is generally in selection of beneficiaries.
- ⇒ The dominant groups play an active role and the closeness to sarpanch also effect the selection.
- ⇒ Tribal and most vulnerable sections of the society are generally ignored or the people from the backward areas are left out
- ⇒ This gap is less where the QUALITY OF GOVERNANCE is better in terms of its REACH to Grassroots level through regular visit of government officials to GRAM PANCHAYAT and GS.
- ⇒ It is also less where the people are more aware and **take active part in the GS meetings.**

4.2.1.9 Suggestions

- ⇒ Training of GRAM PANCHAYAT Functionaries
- ⇒ Awareness Generation,
- ⇒ Capacity Building of villagers,
- ⇒ Regular visit by Block & district level officers at GRAM PANCHAYAT Level,
- ⇒ Increasing funds & people participation
- ⇒ Displaying everything on notice board at GRAM PANCHAYAT level

4.2.2 STATUS OF GRAM SABHA

Based on the findings of the study under this section, a summary report is presenting giving essence of all the responses received for the questions asked to the Respondents, considering the need for a comprehensive understanding.

4.2.2.1 Quality of GS functioning

At the national level, functioning of GS is divided in to broadly TWO groups of states like,

- Maharashtra, TN, AP , with higher degree of effectiveness and
- UP, Rajasthan, Orissa and WB, where GS is not active in a desired way

The table below gives the ground realities

Quality of GS Functioning (% of respondents)							
Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
30	60	50	50	30	70	60	55

Comments

- ⇒ The figures above reflects the satisfaction of the Respondents based on perception that GS is functioning if, the there good level of attendance in meetings and , where the dominance of vested groups and sarpanch is less.

4.2.2.2 Role played by GS in Programme Planning & implementation

At the national level, role of GS Programme Planning and implementation is divided in to broadly TWO groups of states like,

- Maharashtra, TN, AP, Gs is very active and plays an important role in programme planning and implemetation.
- UP, Rajasthan, Orissa and WB, where GS is not active in a desired way.

4.2.2.3 Attendance in GS Meetings

At the National level attendance average is around 35%, In the States like Tamil Nadu, Maharashtra and Andhra Pradesh attendance is more than 60% where as in states like UP, West Bengal, Rajasthan and Orissa the attendance is less than 30%.

Attendance in GS Meetings (% of respondents)							
Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
20	50	30	30	20	60	50	35

Comments

- ⇒ In Tamil Nadu women representation and the representation of weaker section is more than 30%,
- ⇒ In Orissa women representation is less then 10% and weaker section is not participating
- ⇒ The representation in the GS meetings is low because of lack of interest by the weaker section and women esp. in Rajasthan, Orissa, and UP
- ⇒ The socio cultural reasons, specifically the **MINDSET of being ruled and INABILITY to QUESTION** also play an important part in the low representation of the above mentioned groups. There is also a feeling among the Respondents that these meetings are dominated by few people and by sarpanch for his interest.

- ⇒ It is high in the states where social awakening has taken place and people are exerting for their rights.

4.2.2.4 No. Of Gram Sabha Meetings conducted

No. Of Gram Sabha Meetings conducted per Year							
Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
2	6 (8 in Osmanabad District including One Women GS)	2	2	2	4	2 (4 in few villages in Warrangal Dist)	Mostly 2 , most of them in paper , except few TN & Maharastra

Comment :

- ⇒ Health of Gram Sabha in different sampled states reflect the national picture with huge diversity, with Maharastra & Tamil Nadu with 6 and 4 Gram Sabhas and others States doing it as a mere formality in paper.
- ⇒ The Strength of Gram Sabha , reflected here is the result of inputs from a strong Governance / Delivery System (Supply Side) and the History, Culture and Mindset of the Community(Demand Side) , supported by QUALITY SOCIAL ATIVISTS., providing catalytic inputs.

4.2.2.5 Level of Need based dev. planning involving GS

Only 40% plans are need based at the national level. In the States like Tamil Nadu, Maharashtra and Andhra Pradesh need based planning is done in more than 50% cases where as in states like UP, West Bengal, Rajasthan and Orissa need based planning is done in less than 30% cases.

Level of Need based planning (% of respondents)							
Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
30	50	30	30	30	60	70	40

4.2.2.6 Level of awareness about Dev Pro. & SA

Level of awareness about development programme is very high. 70% People at the National level are aware about the programmes. Maximum awareness Maharashtra, Tamil Nadu and Andhra Pradesh and only 50% people are aware in the remaining states surveyed.

Level of awareness about development schemes (% of respondents)							
Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
20	70	40	50	40	70	60	50

Comments

- ⇒ Respondents are very much aware about the schemes which are being implemented in their areas, but cannot differentiate between central government schemes and state schemes.
- ⇒ Although a majority of the respondents have not been able to name the programmes / schemes under implementation in their areas, they have been able to mention the activities being undertaken the schemes. **Some of the better aware** respondents have been able to mention the names of a few schemes also.
- ⇒ The various activities and schemes, mentioned by respondents, were introduced both by Government of India and the State Government. The activities and schemes mentioned by the primary stakeholders were mostly Rural Development programmes namely IAY SGRY, SGSY, PMGSY, IRDP, Antodaya, Annapurna, NOAPS, schemes for the handicapped under Social Justice and Pension schemes, others schemes like MPLAD and Women & Child Development Schemes.

Source of knowledge about schemes

The sampled primary stakeholders have obtained information about the schemes and programmes from,

- Gram Panchayat members,
- Sarpanch,
- Block office,
- Gram Sevak,
- fellow villagers,
- Ward members and
- Gram Sabha meetings.

In West Bengal, the local workers of political parties play a major role in disseminating information. In Orissa, Uttar Pradesh and Tamil Nadu the media (television, radio, newspapers) also plays a major role in increasing the knowledge & information base of the beneficiaries.

4.2.2.7 Awareness of right to know

At the National level this awareness is 60%. It is generally more than 50% in all the states except Rajasthan from where the Right To Information movement started, reflecting the impact of the MKSS movement being limited to the areas of its activism.

Awareness about right to know (% of respondents)							
Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
20	90	50	50	70	70	70	60

4.2.2.8 Ability to ask Questions

At the National level this ability is among 45 % of the population and In the States like Tamil Nadu, Maharashtra and Andhra Pradesh more than 60% people are able to ask questions where as in states like UP, West Bengal, Rajasthan and Orissa less than 30% people are asking questions.

Ability to ask questions (% of respondents)							
Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
10	40	20	15	10	45	40	25

→ Information seeking at grass-root level

The primary research reveals that only 25% of the sampled people living in villages, across India, can ask questions and seek information on various subjects.

The sampled Primary stakeholders (beneficiaries) seek general information and specifically about various development programmes at the village level. The beneficiaries obtain information from Gram Panchayat members, Sarpanch, fellow villagers and Gram Sabha meetings, Block office & BDO (Block Development Officer), Bank officials, ward members. In West Bengal the beneficiaries approach the local workers of political parties for seeking information. In Maharashtra and Orissa, the villagers also obtain information through media sources namely newspapers and television.

Most of the beneficiaries seek information related to “Details about Scheme” closely followed by the “Benefits from the scheme”. About 36% of the beneficiaries seek information about the Modalities (Whom to Approach, Where to Approach and Procedures) of a scheme. A negligible number of beneficiaries seek other information related to a scheme, like Name of the contractor, Estimate of the scheme, Expenditure involved in implementation and Materials used for undertaking the work. Figure illustrates the types of information sought by primary stakeholders

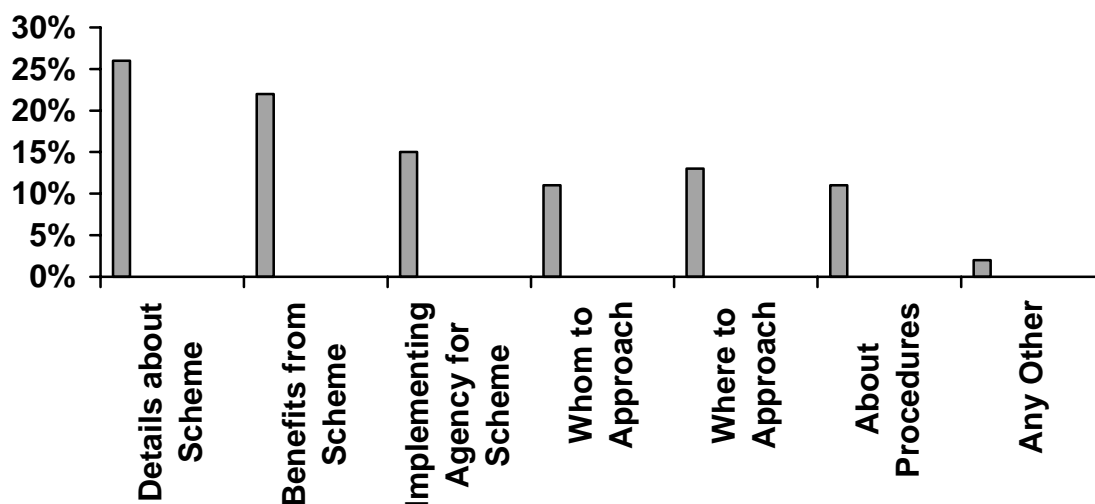


Figure : Types of Information Sought

→ Reasons for not seeking information

As seen from above, a majority of the sampled primary stakeholders (beneficiaries) do not ask questions and seek information. The primary task of the people living in villages is to find avenues for earning and supporting their dependents. The various reasons cited by beneficiaries, for not questioning and seeking information are as follows:

Too busy in their daily livelihood activities to think about other problems.

Lack of awareness, interest & initiative among the village folk.

Lukewarm response from village Pradhan de-motivates the village folk to undertake initiatives.

Past refusal of information by Block Office.

Women in villages lack the initiative to question officials and seek information.

The Fear of Government and Panchayat officials.

State of hopelessness

4.2.2.9 Suggestion from Respondents : making GS members ask Questions

- ⇒ Presence of Officials,
- ⇒ Less dominance of vested groups,
- ⇒ More participation of people,
- ⇒ Information about programmers,
- ⇒ Increase power to ward member,
- ⇒ Involvement of NGO, MLA, MP,
- ⇒ Display everything on notice board at GRAM PANCHAYAT level.
- ⇒ More involvement of women and weaker sections.

4.2.3 AWARENESS & PREPAREDNESS FOR SOCIAL AUDIT:

4.2.3.1 Awareness about SA

At the national level this awareness is around 40%. In the States like Tamil Nadu, Maharashtra and Andhra Pradesh more than 50% respondents are aware about Social audit in states like UP, West Bengal, Rajasthan and Orissa less than 20% are aware about Social audit.

Awareness about SA (% of respondents)								
Respondents	Rajasthan	Maharashtra	West Bengal	Orissa	U P	Tamil Nadu	Andhra Pradesh	National level
Beneficiaries	5	15	10	15	10	20	20	10
PRI Functionaries	80	90	80	80	70	90	90	83
Govt. Officials	100	100	100	100	100	100	100	100

Comment:

- ⇒ There is a huge gap in awareness about the awareness level from Govt. Officials to Beneficiaries, reflecting the REACH of Communication Media, being limited to PRI functionaries.

4.2.3.2 The factors affecting awareness about Social Audit are as follows:

The summary of responses on above parameter are as under.

Lack of Education at Village level

Politics at Gram Panchayat level

Lack of interest in People – they are not very much interested in any other activities except their livelihood.

Lack of awareness about rights

Lack of information about various Government Schemes and procedures.

Over Dependency on Panchyat and ward members

Socio-cultural Environment.

4.2.3.3 Benefit to the Public from Social Audit , as perceived by stake holders

Almost all the stakeholders have stated that Social Audit is desirable for proper implementation of Development programmes. The benefits as cited by the stakeholders are as under:

It will bring Transparency and accountability in the whole system

It will improve quality of work and service delivery at all levels.

Public / Social Audit will help improve people's participation at Gram Sabha and Gram Panchayat levels

The primary stakeholders (beneficiaries) will be able to gain control over the implementation of Development Programmes undertaken by Gram Panchayat.

4.2.3.4 Feasibility of SA

All over the country every segment of the society surveyed felt the SA is feasible.

4.2.3.5 Legal Status of SA

In 50% states surveyed SA has got legal sanction, where as in the states of Orissa, West Bengal and Andhra Pradesh it does not have any legal validity. (**Ref : Annexure -5**)

Although the laws have been enacted in few states, they are yet to become effective, as people are not very much aware about them, specifically, UP, where , there is an Act for Social Audit, which mostly ineffective.

Presently, the people are not well aware about the enacted laws and are therefore not able to use their rights. Level of awareness, about laws, varies across zones and is good in some develop states like Maharashtra and Tamilnadu. The primary reasons for ineffectiveness of the enacted laws are lack of information and awareness of the people.

4.2.3.6 Preparedness and present status of People's / Social Audit

According to the Primary Research, the concept of Social audit is presently inoperative across **in all the states surveyed across the country**. Participation of people in Gram Sabha meetings, which is very essential for the success of Social Audit, is well **below 35% in the surveyed states** . Further, people are not aware about their rights; they lack education & information about various Development programmes.

In select pockets of Maharashtra and Tamilnadu, people are questioning the Government administration about various issues and are aware about their rights.

In specific pockets of the India, catalysts are propagating the concept of People's / Social Audit, namely MKSS in Rajasthan, Parivartan in Delhi and Action Aid in Orissa.

4.2.4 Functioning of Urban institutions parallel to PRIs and comparison

It was felt essential to make a comparison of urban conditions with Rural conditions with reference to Social Audit Processes, in the light of the development happening during the course of the study in Urban Areas like Delhi initiated through Bhagidari Scheme, empowering the urban grass root level institutions like RWAs- Resident Welfare Association.(Refer : Case Study on Bhagidari in section 3.)

The Study team conducted in-depth interviews of Respondents of, RWAs, Traders Associations, Senior Citizens, etc, from the Demand System and the Government Officials involved the Bhagidari Programme from the Supply System to generate the following collusions , which is presented below in a comparative form.

4.2.4.1 Status of RWA in Delhi

The RWAs are functioning effectively and getting support from the people. The have become more important especially after the Bhagidari scheme.

Sl. No.	Variables	% Respondents
1.	Number of Meetings of Managing Committee	Twelve per Year
2.	Number of Meeting of General Body	Two per Year
3.	Attendance in Meetings	85
4.	Level of Awareness about issues	90
5.	Awareness about RTI	50
6.	Awareness about Social Audit	50
7.	Ability to Question	90
8.	GAP (Expected Role & Role Played)	20
9.	Desirability of Social Audit	100

Comment

- ⇒ People in Delhi are more aware about their responsibilities and their rights.
- ⇒ Level of awareness about RTI Act is very low despite it being force in Delhi for the last 3 years. There is not much publicity about it through media and other mediums.
- ⇒ People are still not much aware about the concept of Social audit but feel it is necessary for the transparency and accountability.
- ⇒ Attendance in the meetings is high as the people find it useful and a source of airing their problems and raising issues.

4.2.4.2 Area of Problem in Service Delivery as reflected by RWA members

The problematic areas which the people still find are listed below. These departments have also been referred as one of the most corrupt departments by the media.

Sl. No.	Problematic Area	% Respondents				
		North	South	East	West	Average
1.	DJB	40	70	70	50	57.5
2.	Electricity Supply	40	65	80	60	61.25
3.	MCD	80	40	90	70	70
4.	DDA	70	50	80	60	65

Comments

- ⇒ Most of the people are more worried about their day to day problems.
- ⇒ People have more problems with those departments from where they deal more often.

4.2.4.3 Advantage of BHAGIDARI Scheme in Delhi

Sl. No.	Advantages	% Respondents
1.	Direct Access to Government	60
2.	Increase in Responsiveness of The Government	65
3.	Decrease Interference of vested interests in development process	80
4.	Decrease in dependence upon MLA/Councillors/Local Leaders	95
5.	Increase in level of Service Delivery	75
6.	Increase in level of Grievance Redressal	70

Comments

People of Delhi have become more empowered to solve their problems.

Their dependence on the elected representatives has decreased.

Government officials have also become more responsive.

4.2.5 Summary of factors influencing the HEALTH of Grass roots level Institutions (Gram Panchayat & Gram Sabha RWAs)

4.2.5.1. Factors influencing the Health PRI Institutions (Gram Panchayat & Gram Sabha RWAs)

The factors influencing the Health of PRIs are both positive and negative, which are presented below based on the study findings.

Institutions	Positive Influences	Negative Influences
Gram Panchayat	Involvement & Commitment of Govt. Officials Fear of Accounting & Auditing Availability of genuine Social Activists Level of awareness and education of PRI Functionaries Quality of Education and awareness of Gram Sabha members Level of women empowerment	Implementation of too many programmes Limited funds, Internal conflict local politics, Intervention by NGOs, Dominance of Sarpanch, Lack of education Training of PRI functionaries, Proxy functioning of the Panchayat functionaries Vested interest

Gram Sabha	<p>Involvement & Commitment of Govt. Officials</p> <p>Fear of Accounting & Auditing</p> <p>Availability of genuine Social Activists</p> <p>Level of awareness and education of PRI Functionaries</p> <p>Quality of Education and awareness of Gram Sabha members</p> <p>Level of women empowerment</p>	<p>Low literacy</p> <p>Limited Awareness and participation</p> <p>Dominance and over indulgence of Sarpanch</p> <p>Lack of interest & time of villagers</p> <p>Politics & infighting</p> <p>Lack of training</p> <p>Aloofness of the village secretary & Pradhan</p> <p>In few states like UP, Rajasthan, TN, etc caste barriers have a significant influence on the role played by Gram Sabha</p> <p>Limited Government input for strengthening of Gram Sabha</p> <p>In some cases, inaccessibility of regions</p> <p>Vacant positions in Block offices also influence the support provided by the Government offices</p>
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4.2.5.2. Factors influencing the health of urban grass root level organisation

The factors influencing the Health of PRIs are both positive and negative, which are presented below based on the study findings.

Institutions	Positive Influences	Negative Influences
RWAs	<p>⇒ Level of awareness and education RWA members.</p> <p>⇒ Level and awareness of RWA office bearers.</p> <p>⇒ Less interference of Vested groups</p> <p>⇒ Better response from Government.</p> <p>⇒ Better Service Delivery</p> <p>⇒ Better Grievance redressal.</p>	<p>⇒ Lack of Knowledge about RTI</p> <p>⇒ Lack of Knowledge about Social Audit.</p> <p>⇒ Lack of time</p> <p>⇒ Concern with the issues which effect their day to day life.</p>

4.2.5.3. Comparison of URBAN vs. Rural Grass root Institutions

Parameters for Comparison	PRI & Social Audit	Urban Local Bodies & Social Audit
Grass Root Institution	PRIs (Gram Panchayat, Gram Sabha)	RWA (Trader Association, may not be a comparison, as it is not

		citizen based institution, but profit oriented organisation)
Health of PRI & RWAs	Very poor , even after years of existence and support from Government	Very Strong , only after about 10 years of existence, to the extent that the RWAs are demanding more POWER from the Government in Decision Making and implementation along with fund allocation.
Differential Factors influencing the health of Grass Root Level Institution	Level of Education, Awareness and economic level of Gram Sabha members is too LOW	Level of Education, Awareness and economic level of RWA members is too HIGH
<p>Summary Conclusion:</p> <p>The empowerment of RWAs in a fast pace is the result of the Quality of Education, and awareness of RWA members and their ability to ask questions, which is on higher scale in comparison to the Rural Population / Gram Sabha Members.</p> <p>Thus, the Quality of Education, Awareness of RWA members makes all the difference.</p>		

Summary of Primary Findings

The Primary Research Findings confirm the **Health of PRI Institutions/ Gram Panchayat and Gram Sabha, being far below the desired level.** Except the sample state of Maharashtra, Tamilnadu & Andhra Pradesh, in rest of the states the health of PRI institutions are mostly on paper, duly validated by the PRI Audit Observations of CAG, presented in next section.

The state of PRIs is influenced by the vested interest groups, resisting empowerment of PRIs and inadequate Audit and Control Systems unable to empower the PRIs and Gram Sabha. *The specific areas of gap and degree of gap are presented in the main report.*

The difference in health of PRIs in different states is induced by the level of awareness, education of Community / Demand System and the Quality of Governance of Supply System along with the activism of select Social Activists. The findings from Delhi as a Urban State , when compared to the Rural States, the PRI institutions of Rural States are far below , the state of RWAs in Urban area, primarily due to the level of awareness and education of the members of RWAs. The comparison of Rural Urban states, confirm, the basic finding that the Health of PRIs (Panchayat and Gram Sabha is **primarily dependent on the level of awareness and education of the members.** Therefore the recommendation is made for adequate investments in awareness and education of the Gram Sabha & Panchayat members.

4.2.6 Status of PRI Accounting in India

The status of PRI Accounting in India, presented below is sourced from the records of CAG and in-depth interviews of Senior Official of CAG.

India is today world's largest functioning democracy with 3.4 million elected representatives in the PRIs/ULBs. The main features of the 73rd Constitutional Amendment are:

- Three-tier structure for PRIs
- Regular elections every five years
- Constitution of state finance commissions to recommend measures to improve the finances of Local bodies
- Gram Sabhas or Village Assembly at the Gram Panchayat Level
- Local Bodies – a State Subject in the Constitution

a) PRIs –73rd Amendment and Accounting & Auditing

Constitutional amendments empower Local Bodies (LBs) to discharge functions listed in 11th Schedule to the Constitution covering 29 subjects. States are expected to devolve responsibilities, powers and resources to the LBs as envisaged in the Constitution, with respect to preparation & implementation of plans for economic development and social justice. Legislature may endow ULBs with power and authority to function as institutions of self-government. Almost all the states have passed legislation in conformity with the provisions of the Constitution. However, in many States the devolution of funds, functions and functionaries have not kept pace with the spirit of the Constitutional Amendments. District Planning Committee to consolidate plans of all Panchayats and Municipalities and prepare a draft development plan.

The Constitutional Amendment provided for **State Legislature making provision for maintenance of accounts and their audit**. Elections for the panchayats to be conducted by state election commission.

b) Eleventh Finance Commission and MOF Guidelines:

EFC recommendations:

- Augmentation of finances of local bodies, grants for maintenance of accounts and creation of database on finances
- Improve accountability, control and supervision over audit and accounts by CAG
- CAG to prescribe the formats for budget, accounts and database of finances of LBs
- The EFC recommendations and their acceptance by GOI **have brought about a major change in the accountability regime in PRIs – accounting, audit and reporting arrangements etc.**

Audit & Accounts Arrangements

- In some States the Reports of the DLFA are presented before the State Legislature
- In others, the Reports are submitted/forwarded to prescribed authorities as per the State Act/Rules
- The Action taken on the Audit Reports of DLFA is also as per the State Act/Rules.

Role of CAG

- Audit mandate flows from CAG's Duties, Powers and Conditions of Service (DPC) Act and State enactments.
- CAG conducts audit under Sections 14, 19(3) and 20 of the DPC Act based on financing and public interest
- Audit under State enactments – West Bengal, Bihar & Jharkhand by Examiner Local Fund Accounts under AG
- Entrustment audit based on MOF guidelines- **Technical Guidance & Supervision (TGS)**-arrangement under Section 20(1)
- Under The W.B. Panchayat Act 1973 Examiner of Local Accounts has audited 3357 Gram Panchayats in 2003-4.

EFC Recommendations & MOF guidelines – TGS (Technical Guidance & Supervision) parameters

- CAG entrusted with responsibility of exercising control and supervision over maintenance of accounts, their audit for all LBs
- DLFA to function under the technical guidance and supervision of CAG
- Parameters for TGS by CAG over Local Fund Audit Department in States provide for local fund audit in accordance with guidelines by CAG
- DLFA remains the Primary Auditor- **Local fund audit to continue- CAG is to provide technical guidance and supervision to improve the quality of audit**
- Staff of DLFA to continue to function under administrative control of State Government and no adverse staff implication for State Government
- DLFA to receive technical guidance and advice of CAG

TGS Parameters

- CAG would guide in planning and monitor quality and timeliness in certification of accounts and their audit by DLFA
- Training for staff by agency approved by CAG
- Director Local Fund Audit shall submit reports as prescribed by AG
- AG would conduct test check of some units to scale up the quality
- Test check would comprise of Comments on Accounts and Transaction Audit
- Audit oriented towards people's welfare

PRI Audit & Accounts – Initiatives by CAG

- 19 States have entrusted TGS/audit to CAG
- In addition, first two tiers of Panchayats in **Karnataka** entrusted under Section 19 (3) of DPC Act, TGS for the 3rd tier under consideration, and
- **Rajasthan** and MP PRI Acts provide for test check of PRIs by AG
- Audit parties deployed under TGS arrangement in major states and Audit Reports issued in Karnataka, Maharashtra, Rajasthan, UP & Orissa and is expected , in also Kerala, West Bengal & T.N.
- Auditing Standards and Guidelines for Certification Audit prescribed by CAG
- Uniform Accounting and Budget Formats for PRIs prescribed by CAG, which are amenable to computerisation for comparison and aggregating information at state and central levels
- In addition to Receipts and Payments Accounts, the formats provide for statements to be appended regarding demand & collection, assets, receivables & payables etc.

- **17 States have responded** for adoption of these formats with some modification, of which **only 6 States** have issued formal orders.
- Formats for database on finances of PRIs suggested by CAG
- Training initiatives taken by CAG includes, raining in two phases.
- **First phase:** Training for Trainers from AG, Local Fund Audit, PRI Deptt. of states conducted in Bihar, Orissa, UP, Chattisgarh, Uttaranchal, Himachal , Kerala and Gujaragt.
- **Second phase:** trainers to impart training to staff of PRIs at district headquarters

Future Plans for PRI Audit by CAG

- **Establish the institutional framework** for audit of rural & urban local bodies
- **Persuade the remaining states** to entrust TGS of audit of LBs to CAG
- Get the PRI Accounts formats adopted by all the States
- Get the formats for database on finances of PRIs adopted by the states
- Organise training in Accounts preparation, certification & audit for staff of AG, PRIs and DLFA
- **Establish dedicated field units for PRI audit** in a phased manner – **separate group officers to head PRI Audit office**
- RTI Kolkata has been declared as **nodal centre of excellence in PRI audit & Accounts**
- Improving Accountability mechanisms in Local Bodies
- Accounting Standards for LBs
- Translation of Accounts Formats/Manuals in Vernacular languages

Improving Accountability mechanism

- At present the **accountability mechanism in local bodies weak & need improvement**

CAG's Role :

- Maintenance of Accounts & Audit – selection of agency/person under the overall supervision of CAG
- Publish the annual **accounts of the LBs in the official gazette**
- **Reporting Mechanism** – strive for formation of a separate legislative committee in all states
- Reports through vernacular press and media

Some Important findings from the AG's Audit Report of ZPs

- Percentage of receipts from own sources very low – ZPs mainly funded by Government
- While **huge unspent balances remained** with ZPs, Government organised **interest-bearing loans from financial institutions**
- Unrealistic budgets by ZPs- no coordination with the State Government
- **Huge idle funds with ZPs for long for inoperative/completed schemes having no scope for further utilisation**
- Ineffective Internal Audit system in ZPs
- Gram Panchayats did not contribute their matching share in violation of guidelines
- **Irregularities in Cash Book**

- **Over-reporting of utilisation of fund to Government by ZPs** Huge loss of interest for failure to transfer Central Plan Funds to Savings Bank Accounts
- **Funds kept in Local Fund Account in violation of guidelines**
- **Huge diversion of central funds** for other purposes by ZPs

Indira Awas Yojana (Housing Scheme for the poor)

(ZPs, PSs and GPs responsible for implementation at District, Block & Village levels)

- While 94% funds spent, physical achievement only 72% of the target
- Considerably less houses constructed for weaker sections About 80% houses constructed without sanitary latrine and smokeless chullahs (Chimneys)
- Houses constructed of about Rs.40 lakh **with the help of Contractors in violation of guidelines**

Some Important Audit Findings of Employment Assurance Scheme (EAS)

- Only 2 to 5 man days employment provided against 100 days stipulated
- Labour-material ratio violated with excess spending on materials
- Huge amounts spent without annual action plan
- Doubtful creation of man days –achievement not supported by documents

Some Important Audit Findings - J.R.Y (Jawaharlal Rojgar Yojana- Employment oriented programme)

- Huge shortfall in achievement of targets for creation of man days
- UCs not obtained from PSs and GPs
- **Diversion of funds noticed**
- Against 22.5% exp. Stipulated for weaker beneficiaries, only 5% was incurred
- **Over-reporting of expenditure to Government**
- **Payment of wages not supported by muster rolls**
- **Work executed through contractors**

SUMMARY OF PRI AUDITING IN INDIA

- ⇒ **Huge central assistance lost** due to non-fulfillment of conditions
- ⇒ No action taken to recover huge amounts of materials from ZP officials for shortage
- ⇒ Purchases of vehicles made in disregard of government instructions
- ⇒ Funds released by DRDAs with out taking into account the unutilised balances available with the Panchayat Unions
- ⇒ Scheme funds temporarily diverted to other schemes and to meet establishment expenses of the Panchayat Unions
- ⇒ **Advances given for various purposes for huge amounts lying unadjusted**
- ⇒ Diversion of funds under Indira Awas Yojana and out of Tenth Finance Commission Grants
- ⇒ Inadequate supply of medicines to rural dispensaries
- ⇒ **Deficiencies in maintenance of Cash Book**
- ⇒ **In G.Ps; heavy cash balances maintained**
- ⇒ Receipt of Utilization Certificates (UCs) not watched in majority of GPs
- ⇒ Unutilised Advances outstanding against executing agencies, Government Officials
- ⇒ Incomplete works abandoned after huge expenditure
- ⇒ Wanting UCs
- ⇒ Non-remittance of dues towards Cess on Land Revenue & Stamp duty to the LBs
- ⇒ Unspent Grants not credited to Govt. Accounts
- ⇒ Procurement of material with out inviting Tenders/Quotations
- ⇒ Irregularities in Muster Rolls, execution of works with out AA&TS
- ⇒ Non-realization of Taxes, Rent and License fee
- ⇒ Loss of revenue due to non-leasing of Gram ponds/tanks, ferry-ghats, orchards, kine-houses etc.
- ⇒ Accounts not maintained properly, no bank reconciliation statements, important records like Muster rolls, Measurement Books (MBs), Works Register etc. not maintained
- ⇒ Receipts and payments not entered in the Cash Books
- ⇒ No self-contribution from Village Councils
- ⇒ In fructuous/irregular expenditure on incomplete works, non-observance of labour-material ratio
- ⇒ Substandard works, non-generation of maydays
- ⇒ Irregularities in giving Scholarships

SECTION-3

ANALYSIS

&

RECOMMENDATION

5.0 Summary of Findings & Analysis

Based on the findings of both Secondary and Primary study, the Research Team brainstormed the findings and the summary of analysis and conclusion is as under.

5.1 Getting the Terminology Right - Social Audit or People's Audit –

In India, what we commonly mean by Social Audit is, globally known as People's Audit or Public Audit. The concept of Social Audit in global perspective is derived from the concept of Corporate Social Responsibility, whereby the companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

As stated in previous section, the study team recommends, the definition of Social Audit, as under. ***"Social Audit or Public Audit is a process in which, details of the resource, both financial and non-financial, used by public agencies for development initiatives are shared with the people, often through a public platform. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives."***

Broadly, this process of Social Audit is one step ahead of accounting audit as it covers non-financial details in addition to financial details, the domain of Financial / Accounting Audit.

It involves, the following components, i.e.,

- a) **Availability of information** / details of the resource, financial and non-financial, used by public agencies for development initiatives,
- b) **Organising the ultimate users** / beneficiaries / people,
- c) **Scrutiny of the information** by the end users.

If, we note the above process, **the basic input to the process is Information availability – willingness of the Government Officials to provide information and ability of people to ask questions.**

5.2 Gap between Provision and Practice

5.2.1 Mindset of Ruler vs Service Provider / Servants Of Public

The Constitution of India, does not recognise the **mindset of both the Citizens / Public and the Servants of People**, which is the fact on the ground, facing all of us even after nearly six decades of Independence.

The fact on the ground is the mindsets of both **Citizen** and **Government Officials** are **old habits**, which will die only after hard efforts. The history of India for hundreds of years before British Raj, dominated by Rule of Moghul and Indian Kings, has left Indian Citizens with a broken spirit, making them continue to treat the Rulers, may it be the Indian King, Moghul Emperor or British Rulers as GIVERS, PROTECTORS and ultimate authority comparable to GOD.

5.2.2 Right to Information

The importance and the need of the law cannot be overemphasised or undermined. The legal basis of this right could be traced to the Constitution of India where right to information is a fundamental right. The long struggle of Civil Society led by Ms Aruna Roy of MKSS, Rajasthan, has finally resulted in the historic RTI Act 2005, which is challenged by various **implementation issues**, as discussed at 4.1.3.

This confirms, the **resistance** of the system of Governance to **CHANGE** from an environment of **Lack of Accountability** to Public to **Accountability** to Public, influenced by the deep rooted, crystallised mindset .

5.2.3 Social Audit and Gram Sabha

- **The 73rd Amendment of the Constitution has given ‘watchdog’ powers and responsibilities to the Gram Sabhas to supervise and monitor the functioning of panchayat and government functionaries, and examine the annual statement of accounts and audit reports. These provisions indirectly empower the Gram Sabhas to conduct Social Audits in addition to other functions.**
- **Gram Sabha not effective as a grass root level institution :** The study findings reveal that **most of the Gram Sabhas** are not aware of their constitutional power. Gram Sabha is conducted once in every quarter, **but it does not bear any significance to the villagers.** Gram Sabhas are mostly treated as a routine meeting to complete the paper works and formalities of the Panchayats.
- **CAG not empowered to conduct Accounting Audit of PRIs in the whole country:**

As per the **Eleventh Finance Commission recommendations, the CAG shall be responsible for exercising control and supervision over the proper maintenance of accounts of all the three tiers/levels of PRI.** The Director, Local Fund Audit and similar agencies have been made responsible for the audit of accounts of the local bodies under the supervision and advice of the CAG. Although CAG has been making efforts to guide and train the local fund auditors, but Panchayats being a State subject, CAG cannot control their accounting and audit process. Moreover, it is not possible for CAG to conduct audit of all **2.41 lakh Panchayats. Therefore, there is no unified audit procedure of accounting audit for all Panchayats across the country.** Local Fund Auditors not being adequately staffed and equipped to conduct regular audit in all Panchayats, and Gram Sabhas being almost defunct in many of the Panchayats, **there is virtually no form of audit – accounting or social, as a control mechanism** in a large number of Panchayats.

- **No central policy or regulation making accounting audit and social audit mandatory:** As the Gram Sabhas are not active in large part of the country, there is little demand for information or accountability of the Government programmes. Even for the Central Government funded programmes, there is **no central policy or regulation making accounting audit and social audit mandatory.** As a result, there is a great possibility of leakage of Central Government funds at various stages of programme delivery chain.
- **Fear of loss of power of Panchayat by strengthening of Gram Sabha:**

From the Gram Swaraj experience of Madhya Pradesh, it has emerged that, Gram Sabhas are not yet adept to perform as an autonomous unit of governance. It is often thought that, strengthening the Gram Sabhas may dilute the powers of Panchayati Raj Institutions. Gram Swaraj does not entrust any judicial or policing functions to the Gram Sabha and therefore it remains largely an extension of government, acting as a people development agency, with extremely limited governance functions and role.

Despite the transfer of power and functions to Gram Sabha, the Gram Panchayat remains powerful and it would be a challenge to strengthen and institutionalise the Gram Sabha and not let the Gram Panchayat overshadow the new system. It would also be a challenge to protect and articulate the interests and stakes of the poor and marginalized communities in the way of Gram Swaraj system in Madhya Pradesh.

More safeguards are needed to prevent the privileged and powerful from misusing a highly democratic and progressive system.

5.3 Summary Analysis of the above is as under.

- a. The SUPPLY SYSTEM is resisting the process of change being brought about, which is natural, based on the simple saying that, “ Old Habits Die Hard “.
- b. The Supply System has sections supporting the change process towards accountability and sections, opposing it, confirmed by the fact that the RTI Act 2005 is passed, still there are critical weaknesses retained in the act to make it less effective in demanding accountability.
- c. The DEMAND SYSTEM is weak and dis-empowered through ages of misrule by monarchy after monarchy, leaving it with **limited ability to demand its lawful right** from the Supply System, guaranteed under the Constitution. The saying, “ Old Habits Die Hard “, also applies here.
- d. The Civil Society initiatives have greatly contributed to the process of inducing CHANGE in the mindset of both the members of Supply System and Demand System, in spite of road blocks, though much more ground is yet to be covered.
- e. The factors, which contributed to the **success and failure** of empowering the Demand Side and weakening the Supply Side, are as under.

i. Factors contributing to success:

1. Education and awareness of public, contributing to the ability to ASK QUESTIONS, getting out of the mindset of the RULED / SUBJECT.
2. **Demand for Information** through mass movement .
3. **Institutional support** for initiating and sustaining Mass Movement, by committed NGOs with leadership, which has acted as an **external intervention** to empower Demand Side
4. Media effectiveness in catalysing change process
5. Sections of Supply Side, who are pro accountability being empowered through political process.
6. International pressure through globalisation, creating a culture of Accountability for Governments

ii. Factors contributing to failure:

1. Lack of legal provisions demanding accountability of Supply Side, specifically, the PRI Accounting System
2. Lack of focus of the Supply Side to develop and strengthen the control mechanism relating the release of funds at the grass root level, such as compulsory Accounting Audit of PRIs through CAG, for **obvious intention of creating leakages in the development funds by vested interests in Supply Side.**
3. Lack of trained and certified manpower at Grass root level to conduct PRI Accounting Audit and Social Audits.

4. Lack of education & awareness leading to inability of the Demand System (Gram Sabha members in Rural India and members of RWAs, Traders Association etc in urban areas) to demand their lawful rights.
 5. Lack of focussed media attention to the issue of empowerment of the Grass Root level institutions, like Gram Sabha, mostly due to economic considerations.
- f. From the above, it becomes clear that to **support this, already initiated process of change**, to its logical conclusion, there is an obvious **need to strengthen the factors, which brought the process of accountability to this stage, stated at e (I) above and control the factors contributing to failure**.
- g. Based on the above analogy, the strategic direction that emerges for increasing the effectiveness of the Programme Delivery System is **empowering the Gram Sabha** through,
- i. Providing them with **capacity to conduct Social Audit** and
 - ii. **Creating Institutional framework, Institutional Capacity , tools and legal sanction** to facilitate the process of **conducting Social Audit and institutionalising it**.
 - iii. **Create an environment** in the country through Media support.

The present status after the enactment of RTI, 2005 is presented below for comprehension.

STAGES OF SOCIAL AUDIT PROCESS	INPUT NEEDED	STATUS
SOCIAL AUDIT ↑	Legal And Organisational Support Required	Ministry Of Finance Has Assured VISION Team To Issue Guide Lines If Requested By Planning Commission
Information Needed ↑	RTI Act To Be Effective	Yet To Be Implemented Effectively
PRI Accounting Audit	Strong Legal and Organisational Support	Need To Make Legal Provisions PRI Auditing Mandatory By CAG

5.4 Conclusions & validation of Hypothesis :

Based on the above summary analysis, the study hypothesis gets confirmed that,

Social audits have potentials for making a meaningful impact on the effectiveness of the Programme delivery System, the potential of which is not fully utilized;

The primary grass-root level institutions, namely the Gram sabha & Panchayati Raj in rural areas and resident / industrial or traders associations in urban areas need to be strengthened.

6.0 RECOMMENDATIONS

Broad Recommendations:

As concluded in the previous section on the **direction of the recommendation** is as under.

- a) Strengthen the Control System to make **Supply System** more effective, including,
 - i. Conducting Quality PRI Accounting & Auditing regularly,
 - ii. Implementing RTI Act effectively and
 - iii. Institutionalising Social audit through effective Mechanism
 - iv. **Making release of Plan fund and Non-Plan fund by Planning Commission and Finance Ministry conditional** to completion of PRI Audit and Social Audit.
- b) Empower the **Demand System**, the Gram Sabha etc to have capacity to ASK QUESTIONS and conduct Social Audit.

Specific Recommendations:

6.1. For empowerment of the Demand System, Invest in Education and awareness of Public/ Gram Sabha members, contributing to the ability to ASK QUESTIONS, to get the people out of the mindset of the RULED / SUBJECT.

This is to the conviction of the study team that the most desirable foundation that need be laid for making the process of Social Audit, institutionalised. This activity need be taken up in a massive scale, investing **about 5 %** of the total Annual Development Funds **for first five years, after which it may be gradually reduced as per the impact assessment**, which is more than justified, against the leakage of 85 to 87 % of development Funds and the correction of the mistake of the post independent Governments to initiate this process of CHANGE from Mindset of MONARCHY to DEMOCRACY.

The Education and awareness of the Gram Sabha and the common man may be initiated through mass media campaigns including both Above the Line and Below the Line media, such as,

- Above the line: TV, News Paper, and Radio
- Below the line: Wall Paintings, Street Plays, Video Vans, and Village Meetings etc.

The communication need be focussed on the following basic messages.

- You are NO MORE the SUBJECT, the RULED, You are the elector of the Government, therefore have the right to ask questions,
- If, you don't take charge, use your rights / powers and ASK QUESTIONS, you will continue to be RULED (though illegally), your rights and powers will be snatched away by your elected representatives.

6.2. Strengthen the Institutions for enabling Public / Gram Sabha to get information:

All the institutions including the PRI, Block, DRDA, State Information Commission to be strengthened in terms of,

- Organisation / institutional capacity. In terms of Information Storage and distribution mechanism, trained manpower etc.
- Willing and attitude of the Top Team of these institutions to share information.

6.3. Support may be provided to Committed and competent NGOs with leadership to play the catalytic role:

It is an established fact that any CHANGE in any system including the Public System / Domain, needs external intervention. MKSS is an example in this regard. Therefore, the Government Policy need be supportive to NGOs working as catalysts for facilitating the process of information sharing and decision-making at the grass root level.

6.4. Media need be more Rural and Development focussed:

Traditionally, media is not social, rural or Development focused, may be due to consideration of ad revenue, but the productivity of Media Input for Development Systems is much more than many other systems. The Government Policy need be designed to induce the Private Media, the dominant media today to cover Rural, Social issues through policy incentives.

6.5. Recognise and Reward the members of Supply Side,

Who have contributed to the process of strengthening Demand System and improved service delivery and **penalise the members** of Supply Side, who have contributed to weakening the Demand System and damaged the Service Delivery: As confirmed by our Primary Research Findings, almost all the Officials of Government and Banks are in strong support of Social Audit, as they are concerned about the leakage of developments, making their task more painful.

This action of Government is expected to exhibit commitment of the Government to this Change Process and motivate others to follow the direction.

6.6. Develop an institutional framework for, organising PRI Accounting Audit and Social Audits and putting them on the INTERNET:

This section being the backbone of recommendation is being presented in a format, so that answers to basic questions of implementation are presented to ease the process of implementation.

a) WHO - THE INSTITUTION:

CAG is the ideal body for acting as the NODAL INSTITUTION FOR SOCIAL AUDIT.

b) WHY - Why CAG to be the nodal institution.

The answers are as under.

- 1. CAG has the Constitutional Mandate, CAG's DPC Act, CHAPTER III (DUTIES AND POWERS OF THE COMPTROLLER AND AUDITOR-GENERAL)**

“ Comptroller and Auditor-General to compile accounts of Union and States
10. (1) The Comptroller and Auditor-General shall be responsible-

- (a) For compiling the accounts of the Union and of each State from the initial and subsidiary account rendered to the audit and accounts offices under his control by treasuries, offices or departments responsible for the keeping of such accounts; and**
- (b) For keeping such accounts in relation to any of the matters specified in clause (a) as may be necessary:”**

- 2. CAG has already initiated work, for strengthening the PRI / Urban & Local Bodies,** as presented in previous section. CAG will only have to add a Social Audit Wing to its PRI Audit Wing. The Social Audit Wing will work in coordination with the

PRI / Urban / Local Bodies wing and coordinate the Social Audit process in the manner as presented under HOW, below.

c) HOW? (The Process / the Mechanism)

The Process of Social Audit recommended is presented as steps below.

1. **Ensure Accounting Audits of PRIs through CAG**, (in addition to State Government Audit, as state audits have failed to achieve desired objectives and as per law the state its right to conduct Audit of its institutions and efforts by CAG to persuade the states to adopt CAG Guidelines are more costly in terms of cost of time and the volume of leakage.)

- ⇒ **Through special directives from GOI, to make PRI Audit, a pre-condition** to further funds release to any state, using the powers of a Funding Agency for maintaining the credibility of GOI as a funding agency. In case of a state having a percentage of PRI Auditing complete, only proportionate fund can be released.
- ⇒ **Develop a panel of Certified PRI Auditors**, trained and certified by CAG, all over the country from among the un--employed Commerce graduates and the local Accounting Professionals like Accounting Teachers in Schools and Colleges, Accountants in Local Organisations, who can take permission from their employers to conduct PRI Audit for a nominal fee, as a Social Commitment. The fee range can be about Rs 1000 per Audit. The already developed PRI Accounting Formats, may be implemented with due modification, if needed by CAG, for training and implementation all over the country.
- ⇒ **Selection and Deployment of PRI Auditors** , to be done by CAG from the list of empanelled List , based on the principle that the Auditor would not have any possibility of being influenced by local vested interest groups . A gap of about 30 KM from his place of residence may be considered a minimum requirement.
- ⇒ **Made of payment of Fees:** The fees may be remitted to their bank Accounts with intimation to them by post , after the Audit Report is received and found to be in order after scrutiny.
- ⇒ **The number of Audits per year may be two**, i.e. one in every six months, to put pressure on the System of Accountability and induce a leap from motion to the almost immobile accounting process in states as indicated by the present study as well as CAG findings, presented above. This frequency of two audits is expected to speed up the process of Execution of programmes with the fear of auditing and the increased speed will reduce scope of manipulation in execution.
- ⇒ **The cost of Audits to be borne by CAG** on behalf of, GOI, which may be charged to different Ministries, based on the respective programme funds audited. This cost is expected to be less than the damage due to leakage and loss of development opportunities, creation of an UNJUST and CORRUPT SOCIAL ENVIRONMENT, which is damaging the foundation of future development, by spoiling the social values, the backbone of any development system. If, estimated the cost of two audits per PRI per year would be Rs 2000 X 2,41,000 village Panchayats = Rs 482,000,000 is a small amount in comparison to 85 % PRI Expenditure in the year 1997-98, estimated to be Rs 1779148.39 lakhs (85 % of Rs 2093115.75 lakhs- (gross) **Annexure 6**
- ⇒ **The fee range per Social Audit can be about Rs 2000 per Audit**, which includes the compensation for all the above steps.

- ⇒ **Made of payment of Fees** : The fees may be remitted to their bank Accounts with intimation to them by post , after the Audit Report is received and found to be in order after scrutiny.
- ⇒ The **frequency of Social Audit** may be one every year to begin with for first three years till the process matures, after which increase in frequency may be considered.

2. Organise Social Audits through,

- ⇒ **Development of a Panel of Certified Social Auditors**, trained and certified by CAG, all over the country from among the un--employed graduates and the local credible personalities like School Teachers, Post Masters, College Lecturers / Professors, Local Social Workers, Local NGO Workers , with the permission of NGO Head.
- ⇒ **Selection and Deployment of Social Auditors**, to be done by CAG from the list of empanelled List , based on the principle that the Auditor would not have any possibility of being influenced by local vested interest groups . A gap of about 30 KM from his place of residence may be considered a minimum requirement.
- ⇒ **Conducting Social Audit (THE PROCESS)** through the **Steps** involving the followings.
 - Collection of relevant information relating to the Development Programmes being implemented in the village by Travelling to PRI Office to collect PRI Audit Report, local offices of Service Providers like Block, District Offices etc to collect desired information and fix up a date and invite them for the Social Audit,
 - travelling to the village to mobilise the Gram Sabha Members to attend the meeting and motivate them raise their questions fearlessly,
 - creating awareness through local media like posters, drum beaters etc,
 - Organising the Gram Sabha for Social Audit and recording the minutes of the Social Audit Process and
 - compiling the Social Audit Report, as per the format prescribed by CAG/ VISION FOUNDATION ,

PROCESS FLOW OF SOCIAL AUDIT

INPUTS	PROCESS	OUTPUT
→ Information relating to Development spending, utilisation, physical status → Attendance / Presence of Community (Demand Side) and reps of Supply Side , Govt, Officials, PRI Auditors, PRI functionaries. a) Expertise / ability to organise the Social Audit Process	→ Election of Chairman for the meeting. → Presentation of facts and documents to the Gram Sabha → Receiving queries and response by concerned authorities → Documentation of the minutes → Arriving at consensus → Getting the minutes signed by the Members Present including PRI Auditor and Social Auditor	Social Audit Report containing the PRI Audit Report and comments of the Gram Sabha and other members present.

3. Circulating Social Audit Reports:

- ⇒ posting it in the web site of CAG and
- ⇒ emailing it to CAG- State HQ, District office, Block Office and PRIs, pasting hard copies at Village Panchayat Notice Board.

4. Compilation of Social Audit Reports at State Level:

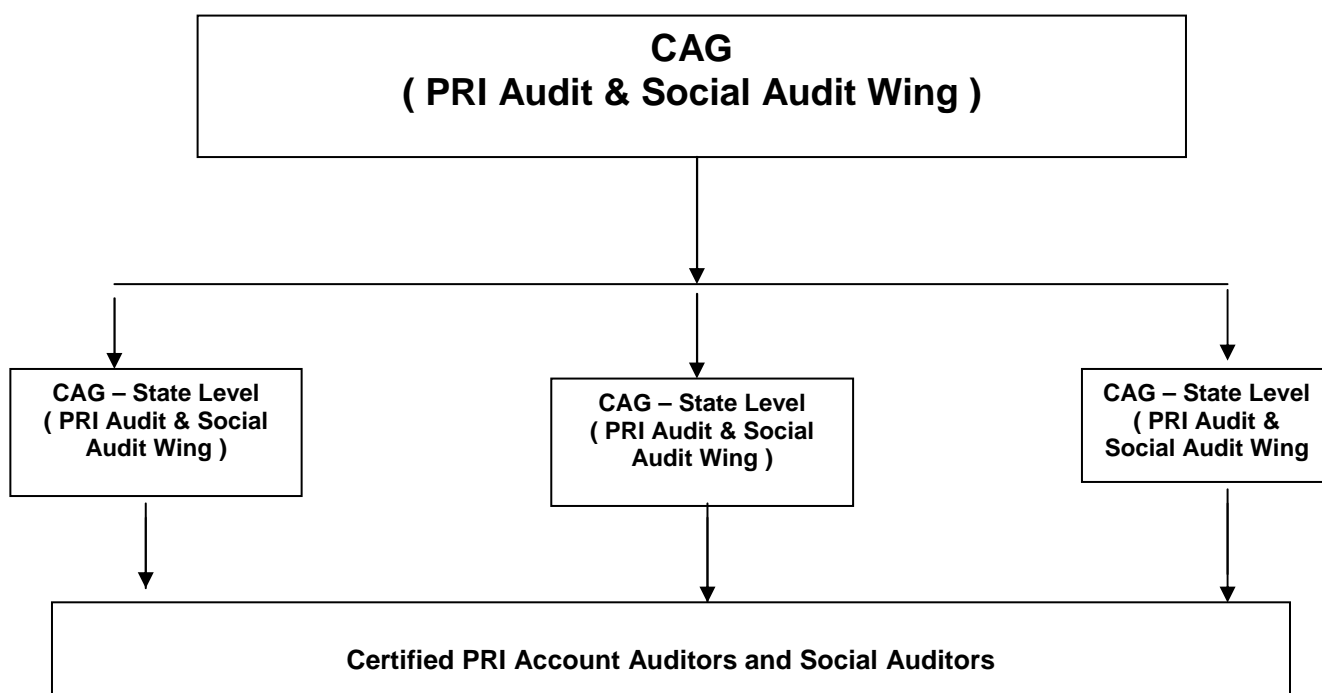
The Social Audit Reports may be compiled at the State level of CAG(PRI Audit & Social Audit wing) and SUMMARY FINDINGS may be reported to all stake holders like,

- ⇒ District Administration
- ⇒ State Govt ,
- ⇒ Implementing Ministries of Central Government and
- ⇒ CAG, New Delhi:

5. Compilation of Social Audit Reports at CAG, New Delhi

The CAG at central level may compile the final report received from States for making necessary comments to the Parliament and Govt. of India

INSTITUTIONAL FRAMEWORK & PROCESS for SOCIAL AUDIT



- ⇒ Development and Deployment of a Panel of Certified PRI Account Auditors
- ⇒ Development and Deployment of a Panel of Social Auditors
- ⇒ Conducting Social Audit
- ⇒ Circulating Social Audit Reports
- ⇒ Compilation of Social Audit Reports at State Level
- ⇒ Compilation of Social Audit Reports at CAG, New Delhi

6.7 Creating Legal Provisions, may be a Directive of Finance Ministry to make PRI Accounting Audit and Social Audit mandatory for all PRIs to be organised by CAG and be put on the INTERNET:

The Finance Ministry Direction is justified by the fact that it is the responsibility of the government to ensure that the funds being released. **The interaction of the Research Team with Finance Ministry about the feasibility of a directive of this kind has received strong positive response. A request from Planning Commission would be required to make a directive by MOF to make Social Audit recommendations mandatory.**

6.8 Professional Accounting courses like CA, ICWA, CFA, CS, MBA (Finance)

May have courses on PRI Audit and Social Audits for creating larger awareness about PRI Audits and Social Audits. This is essential, not only to support the process by providing trained manpower at different levels, but also to create a supportive environment for the process.

6.9 Professional NGOs may be engaged by CAG as Nodal State Agencies

As **Facilitators and Catalysts** for supporting the process of Accounting Audit and Social Audit to perform the specific functions like,

- a) Training of PRI Auditors and Social Auditors, as per the needs of CAG
- b) Supporting CAG officials in the state to empanel PRI & Social Auditors
- c) Acting as the resource centre to be used by PRI & Social Auditors and CAG officials at Field Level.

The NGOs, eligible for this kind of role, need be selected based on basic parameters like,

- a) Professional Team with necessary strengths in Accounting and Management Control Systems, specifically in Social Sector including Social Audit
- b) Village level volunteers to act as back up team to get the required linkages with grass root communities for facilitating PRI Audit and Social Audits
- c) Credibility and standing as a institution of professional competence and commitment.

6.10 Publication of Social Monthly Magazines

In the line of Kurukshetra and Yojana by CAG, which can cover issues on Social Audit processes , the major findings, developments in Social Audit in different parts of the country.

6.11 Publication of Audit Reports in Local Languages:

Local Language publication may add to awareness, interest level and finally induce action of the community.

6.12 Including PRI Auditing & Social Auditing in PLP Programmes Literature, NSS programmes

The Course Ware of these programmes will go a long way in creating awareness and making an overall impact on the system, reducing resistance for change

6.13 Funding for Social Auditing:

2 % of Funds of the PRI Grants to be allocated for Accounting & Social Auditing to be at the custody of Finance Ministry to be used for developing Accounting & Auditing System and maintaining it.

This is justified by the benefits out of the above investment being more than the costs, in terms of savings of leakage and reducing GAP between OUTLAY and OUTCOME.

6.14 Development of Centralised DATA BASE at CAG for Accounting Audit and Social Audit for ALL PRIs and other LBs

The DATABASE once developed can be used as a major input for effective policy making , as it will be able to provide field based factual evidence for rational policy decision making.

6.15 Developing VILLAGE LEVEL KIOSKS:

Village Level KIOSKs , may be developed as a REVENUE EARNING source for a Village level entrepreneur selling Governance services like providing information about village / PRI accounts, after maintaining the financial database and also provide basic services linked to e-governance like accepting applications for ration card, land records, complaints, email etc. The kiosk owner generates revenue by charging a small sum from the villagers for the services

6.16 Parallel Accounting & Auditing Structure to be created matching with Administrative Structure though with skeletal staff, directly reporting to CAG.

In due course, there may be a Parallel Accounting & Auditing Structure to be created matching with Administrative Structure though with skeletal staff, directly reporting to CAG, posted in the Grass root level, to justify the responsibilities for supervising the accounting and control systems of a Huge Country like India.

The issue of PRI Auditing being a state subject need be comprehended by the fact that the GOI as a funding agency draws it right to inspect and audit the Accounts of the Fund Receiving agency, i.e., DRDAs , BDOs, PRIs. etc. This is essential at this stage of maturity of the Governance System of India with a strong Accountability and transparency need through RTI, 2005.

6.17 Making discussion of Social Audit Report at District Council , mandatory

This binding may reduce the time lag between initiation and effective implementation of Social Audits.

6.18. ACTION PLAN to make recommendations be implemented

The action plan may be as under.

I. POLICY MAKING:

Getting policy / Plan approval from competent authority for developing & managing PRI Audit & Social Audit Infrastructure.

2. IMPLEMENTING THE POLICY:

Developing & Managing PRI Audit & Social Audit infrastructure

i. Developing PRI Audit infrastructure

- a) Developing trained manpower for PRI Auditing
- b) Developing manuals/ guidelines for the PRI Auditing

- c) Developing trained manpower in CAG to supervise PRI Auditing
- d) Developing supervisory and checking mechanisms for assessing quality of PRI Audit
- ii. Developing social auditing infrastructure**
 - a) Developing SOCIAL AUDIT manpower at district level
 - b) Developing manuals/ guidelines for SOCIAL AUDITING
 - c) Developing trained manpower for SOCIAL AUDITING in CAG
 - e) Developing supervisory and checking mechanisms for assessing quality of Social Audit
- III. Developing CAG infrastructure for analysis and reporting of social audit findings**
- IV. Developing a manual for compilation, analysis and reporting of social audit findings on quarterly basis starting with annual reporting.**

SECTION-4

ANNEXURES

**ANNEXURE 1
INSTRUMENTS
FOR
FIELDWORK**

INSTRUCTIONS TO FIELD RESEARCHERS

GENERAL

- *This schedule has to be administered at DISTRICT & BLOCK level.*
- *This is an IN-DEPTH INTERVIEW Schedule. The respondent has to be PROBED for responses for all the listed points.*
- *DO NOT PROMPT THE RESPONDENT AT ANY STAGE, UNLESS SPECIFIED.*
- *All listed points should be administered. No point should be omitted / ignored unless specified.*
- *All discussions to be recorded on tape (Dictaphone) and transcribed on paper (dialogue by dialogue) in English / Hindi. The transcription has to be attached along with this schedule and submitted to the Office.*
- *Transcription header details: Name of team leader, interview conducted by (name of interviewer), date, place (name of city / town, district, block), name of interviewee & designation.*
- *Name and code of team leader / members have to carefully filled along with the date. (End of schedule)*
- *Please contact Team leader in case of any doubt.*

SPECIFIC

- *The schedule has been divided into 2 sections – A, B.*
- *Section A is to be administered to the respondent.*
- *In Section A, points 5, 6 & 7 are to be discussed only with District officials.*
- *In Section A, Box 1 is for reference only and is not to be revealed to the respondent.*
- *In Section A, the respondent should be briefed about the concept before discussing point 4. The concept has been described in Box 2 (following Box 1).*
- *Section B is to be filled in by the interviewer separately.*

SAMPLING

- *At District Level – District Collector / District Magistrate & Project Director (DRDA) – 2*
 - *At Block Level – BDO – 1*
-

AT THE END OF THE INTERVIEW THANK THE RESPONDENT FOR HIS / HER TIME & INVOLVEMENT.

CHECK LIST-DI
GOVERNMENT OFFICIALS (Block & District)

(For officials of Block & District level)

SECTION A: Issues / parameters / topics to be discussed

1. Opinion of the Officer about the **functioning** of Gram Sabhas in your area
 - a. Frequency of meeting
 - b. Level of attendance
 - c. Representation of all sections
 - d. Level of participation

2. Opinion of the Officer about the **effectiveness** of Gram Sabhas in your area
 - a. Degree of acceptance of Gram Sabha recommendation by Panchayat.
 - b. Degree of support sought by the Panchayat and Block officials in execution of Development Programmes.
 - c. Level of ability of Gram Sabha to demand performance of Panchayat and Block Officials. (performance wrt, timely disbursement of funds, respecting the recommendation of Gram Sabha, visit of officials to village , work sites and village meetings.)

3. Opinion about Gram Sabha & GP functioning:
 - a) Opinion about the functioning of Gram Sabha,
 - b) Factors influencing functioning of Gram Sabha, both positively & negatively.
 - c) Opinion about the functioning of GP.
 - d) Factors influencing functioning of GP, both positively & negatively.
 - e) Quality of **coordination** between GP and Gram Sabha.
 - f) Opinion about the **ABILITY of Gram Sabha** members to ask questions to the Government Officials about the Development Schemes?
 - g) Gap between the “ Role Played “ and “ Expected role “ of Gram Sabha wrt, selection of beneficiary and all other roles listed in Box 1 below.
 - h) Gap between the “ Role Played “ and “ Expected role “ of Panchayat wrt, selection of beneficiary and all other roles listed below.
 - i) Opinion about the **RIGHT** of Gram Sabha members / villagers to question the Government officials and political leaders on the implementation of schemes and programmes in their area?
 - j) Opinion about the **DUTY** of Government officials and political leaders to be answerable to the villagers for the success and failure of any scheme / programme?
 - k) Suggestion for the effective implementation of Development programmes with transparency and without delays

Project Title: Social Audit / Jan Sunwai & Gram Sabha – Study of its Present Status and Recommendations for Improvement

Role / functions of the Gram Sabha – for reference only. (DO NOT REVEAL TO RESPONDENT)

List of Role / functions of Gram Sabha for reference
1. Ownership of minor forest produce
2. Development plan approval
3. Selection of beneficiary
4. Consultation on land acquisition
5. Manage minor water bodies
6. Control mineral lease
7. Regulate / prohibit sale of intoxicants
8. Prevent alienation of land and restore unlawfully alienate land of STs
9. Manage village markets
10. Control money lending to STs.
11. Control institutions and functionaries in all social sector

Brief about Social Audit / Jan Sunwai (DO NOT READ OUT TO RESPONDENT. To be explained to the respondent in common man's terms.)

Social Audit / Jan Sunwai is a process in which details of resources, both financial & non-financial, used by public agencies for development initiatives are shared with the people, through a public platform. Social Audit / Jan Sunwais allow people to enforce accountability and transparency, thus providing the ultimate users an opportunity to scrutinize development initiatives.

This entire process is in two stages: In **Stage1** the information is made accessible, which is seen and understood by the citizen. In the **Stage2** the citizen, seeks clarifications / questions the authorities on the physical & financial statements.

4. Opinion about the introduction of Social Audit / Jan Sunwai as a mandatory practice for releasing further funds and improving the quality of programme implementation including reach of programme benefit to deserving targets.

Questions only for District level:

5. Opinion about support provided by Block Office in the activities undertaken by GP & GS.
6. Factors influencing the performance of Block in supporting and activating the functioning of GP & GS, both positively & negatively.
7. Level of **NEED BASED** development planning in practice involving Gram Sabhas.

Project Title: Social Audit / Jan Sunwai & Gram Sabha – Study of its Present Status and Recommendations for Improvement

SECTION B: To be filled in by the interviewer separately

8. Name/Code of State (Code: Andhra Pradesh – 1, Delhi – 2, Maharashtra – 3, Orissa – 4, Rajasthan – 5, Tamil Nadu – 6, Uttar Pradesh – 7, West Bengal – 8)

9. Name/Code of District (Code: 1 to 2): _____

10. Name/Code of Block (Code: 1 to 4): _____

11. Name of the respondent: Mr. / Ms. / Dr. (tick whichever applicable) _____

12. Department (Please request the respondent for his/her Visiting Card): _____

13. Government official interviewed at level (Code: District Level – 1, Block Level – 2)

Name of Team Member with code: _____

Name of Team Leader with code: _____

Date: _____

INSTRUCTIONS TO FIELD RESEARCHERS

GENERAL

- *This schedule has to be administered at State level.*
- *This is an IN-DEPTH INTERVIEW Schedule. The respondent has to be PROBED for responses for all the listed points.*
- *DO NOT PROMPT THE RESPONDENT AT ANY STAGE, UNLESS SPECIFIED.*
- *All listed points should be administered. No point should be omitted / ignored unless specified.*
- *All discussions to be recorded on tape (Dictaphone) and transcribed on paper (dialogue by dialogue) in English / Hindi. The transcription has to be attached along with this schedule and submitted to the Office.*
- *Transcription header details: Name of team leader, interview conducted by (name of interviewer), date, place (name of city / town), name of interviewee & designation.*
- *Name and code of team leader / members have to carefully filled along with the date. (End of schedule)*
- *Please contact Team leader in case of any doubt.*

SPECIFIC

- *The schedule has been divided into 2 sections – A, B.*
- *Section A is to be administered to the respondent.*
- *In Section A, the respondent should be briefed about the concept before discussing points 5 to 10. The concept has been described in Box (following point 4).*
- *In Section A, points 9 & 10 are to be discussed only with Law Department officials.*
- *In Section A, Box is for reference only and is not to be revealed to the respondent.*
- *Section B is to be filled in by the interviewer separately.*

SAMPLING

- *At State Level – Secretaries & Directors of various Departments like Rural Development, Panchyati Raj, Social Justice & Empowerment, Planning, Law, Health, Education, WCD (Women & Child Development) – 5*
-

AT THE END OF THE INTERVIEW THANK THE RESPONDENT FOR HIS / HER TIME & INVOLVEMENT.

CHECK LIST-DI

STATE GOVERNMENT OFFICIALS (Secretary Law, Panchayati Raj, Rural Development , Planning, Education , WCD & Health)

SECTION A: Issues / parameters / topics to be discussed

1. Opinion about the role played by **Gram Sabha** in programme **planning**:
 - i. As per guideline
 - ii. In practice
 - iii. Gap
2. Opinion about the role played by **Gram Sabha** in programme **implementation**:
 - i. As per guideline
 - ii. In practice
 - iii. Gap
3. Opinion about the role played by **GP** in programme **planning**:
 - i. As per guideline
 - ii. In practice
 - iii. Gap
4. Opinion about the role played by **GP** in programme **implementation**:
 - i. As per guideline
 - ii. In practice
 - iii. Gap

Brief about Social Audit / Jan Sunwai (DO NOT READ OUT TO RESPONDENT. To be explained to the respondent in common man's terms.)

Social Audit / Jan Sunwai is a process in which details of resources, both financial & non-financial, used by public agencies for development initiatives are shared with the people, through a public platform. Social Audit / Jan Sunwais allow people to enforce accountability and transparency, thus providing the ultimate users an opportunity to scrutinize development initiatives.

This entire process is in two stages: In **Stage1** the information is made accessible, which is seen and understood by the citizen. In the **Stage2** the citizen, seeks clarifications / questions the authorities on the physical & financial statements.

5. Level of awareness about the concept and practice of SOCIAL AUDIT / JAN SUNWAI in different parts of the country wrt, MKSS (Mazdoor Kissan Sakti Sangathan)
6. Opinion about **desirability** of Social Audit / Jan Sunwai for effective programme planning & implementation
7. Opinion about the **feasibility** of implementing Social Audit / Jan Sunwai wrt , possible problems and solutions.
8. Legal status of Social Audit / Jan Sunwai / Right to information in the state (collect documents).

FOR LAW DEPARTMENT :

9. Method of making Social Audit / Jan Sunwai / Right to information, mandatory for programme planning & implementation in the state
10. Possible legal hurdles in getting Social Audit / Right to information getting passed as an act and implemented.

Role / functions of the Gram Sabha – for reference only. (DO NOT REVEAL TO RESPONDENT)

List of Role / functions of Gram Sabha for reference
1. Ownership of minor forest produce
2. Development plan approval
3. Selection of beneficiary
4. Consultation on land acquisition
5. Manage minor water bodies
6. Control mineral lease
7. Regulate / prohibit sale of intoxicants
8. Prevent alienation of land and restore unlawfully alienate land of STs
9. Manage village markets
10. Control money lending to STs.
11. Control institutions and functionaries in all social sector

SECTION B: To be filled in by the interviewer separately

11. Name/Code of State (Code: Andhra Pradesh – 1, Delhi – 2, Maharashtra – 3, Orissa – 4, Rajasthan – 5, Tamil Nadu – 6, Uttar Pradesh – 7, West Bengal – 8)

12. Name of the respondent: Mr. / Ms. / Dr. (tick whichever applicable) _____

13. Department (Please request the respondent for his/her Visiting Card): _____

Name of Team Member with code: _____

Name of Team Leader with code: _____

Date: _____

**CHECK LIST-DI
BANK OFFICIALS**

1. Opinion about Gram Sabha & GP functioning:

1. Opinion about the functioning of Gram Sabha ,
2. Factors influencing functioning of Gram Sabha. both positively & negatively.
3. Opinion about the functioning of GP.
4. Factors influencing functioning of GP. both positively & negatively.
5. Quality of coordination between GP and Gram Sabha.
6. Opinion about the **ABILITY** of Gram Sabha members to ask questions to the Government Officials about the Development Schemes ?
7. Gap between the “ Role Played “ and “ Expected role “ of Gram Sabha wrt ,selection of beneficiary and all other roles listed below.
8. Gap between the “ Role Played “ and “ Expected role “ of Panchayat wrt ,selection of beneficiary and all other roles listed below.
9. Opinion about the **RIGHT** of Gram Sabha members / villagers to question the Government officials and political leaders on the implementation of schemes and programmes in their area?
10. Opinion about the **DUTY** of Government officials and political leaders to be answerable to the villagers for the success and failure of any scheme / programme?
11. Suggestion for the effective implementation of Development programmes with transparency and without delays
12. Opinion about the introduction of Social Audit / Jan Sunwai as a mandatory practice for releasing further funds and improving the quality of programme implementation including reach of programme benefit to deserving targets.
13. Advantages and disadvantages of, before Gram Sabha is empowered with Social Audit / Right to information Act and after it is empowered, in **Loan disbursement & recovery situation**

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

Situations	Advantage :	Disadvantages
Weak Gram Sabha		
Strong Gram Sabha (SA/ RI etc)		

List of Role / functions of Gram Sabha for reference
1. ownership of minor forest produce
2. development plan approval
3. selection of beneficiary
4. consultation on land acquisition
5. Manage minor water bodies
6. control mineral lease
7. regulate / prohibit sale of intoxicants
8. prevent alienation of land and restore unlawfully alienate land of STs
9. Manage village markets
10. Control money lending to STs.
11. Control institutions and functionaries in all social sector

Brief about SOCIAL AUDIT / Jan Sunwai (DO NOT READ OUT TO RESPONDENT. To be explained to the respondent in common man's terms.)

Social Audit is a process in which details of resources, both financial & non-financial, used by public agencies for development initiatives are shared with the people, through a public platform. Social Audits allow people to enforce accountability and transparency, thus providing the ultimate users an opportunity to scrutinize development initiatives.

This entire process is in two stages: In **Stage1** the information is made accessible, which is seen and understood by the citizen. In the **Stage2** the citizen, seeks clarifications / questions the authorities on the physical & financial statements.

Instructions for GD moderator

- ❖ **Sample:** 1 GD to be conducted with every selected RWA / MTA in Delhi
 - ❖ **Total Duration:** Maximum 90 minutes
 - ❖ **Target Audience:** RWA / MTA members
 - ❖ All discussions to be recorded on tape (**Dictaphone**) and **transcribed on paper** (dialogue by dialogue) in English / Hindi. The transcription has to be attached along with this schedule and submitted to the Office.
 - ❖ **Transcription header details:** Name of team leader, interview conducted by (name of GD coordinator), date, place, address, phone numbers, name of participants, their age, occupation.
 - ❖ All sections of the GD instrument have to be answered. Blank answers will not be accepted.
-

Dos and Don'ts for GD Moderator

- ❖ **PLEASE REQUEST THE PARTICIPANTS TO DESCRIBE AND ILLUSTRATE WHEREVER APPLICABLE.**
 - ❖ GD moderator **SHOULD NOT** prompt the participants.
 - ❖ GD moderator should ensure participation from all the participants.
 - ❖ GD moderator should ensure that a few persons **SHOULD NOT** dominate the discussions.
 - ❖ GD moderator should ensure that all the topics are covered.
 - ❖ GD moderator should ensure that all topics should have equal weightage in time.
-

Instructions for conducting GD

1. Introduction About Yourself & Team
 2. If required, produce letter from Planning Commission,
 3. Brief introduction about participants (Name, age, education occupation)
 4. Brief introduction – general (e.g. information received through TV channels, newspapers, information received on current topics like Lok Sabha elections, etc.)
 5. Begin GD
-

**GUIDELINES FOR CONDUCTING GD
WITH
MEMBERS RWA / MTA listed under Bhagidari Scheme**

1. How many of your members are aware of the Bhagidari Scheme? (Please indicate numbers or percentage)

Number Approximate %
2. How were the members educated / made aware about the scheme? (**Please describe**)
3. To what extent has Bhagidari affected your work / lives?
(Please ask respondent to **describe** the scenarios: *before launch of Bhagidari* and *after its introduction*)
4. How often does your RWA / MTA meet to discuss various issues? (Frequency of meetings)
5. Which are the departments you are interacting with and what are the **BROAD ISSUES** pertaining to them? (*May be noted on separate sheet*)

DEPARTMENTS

1. Delhi Jal Board (DJB)
 2. Delhi Vidyut Board (DVB)
 3. Municipal Corporation of Delhi
 4. Department of Environment and Forests (E&F)
 5. Delhi Police (DP)
 6. New Delhi Municipal Council (NDMC)
 7. Sales Tax Department
 8. Weights and Measures Department
 9. Industries Department
 10. Any other Department (please specify name _____)
-
6. How do you ensure that the decision taken, at the Bhagidari meetings, are implemented by the respective Govt. departments? If it is not implemented or delayed, what do you do?

 7. What does the RWA / MTA do to ensure consistent progress of the project by the concerned department? Does the department update you on the progress of the project OR Do you demand for a progress report from the department?

8. If the officials of the Department are uncooperative, whom do you approach for Redressal of Grievances?

9. What, according to you, are the problems in the existing Bhagidari scheme, which hamper its effectiveness?

10. Please provide suggestions to strengthen the Bhagidari scheme?

**GUIDELINES FOR CONDUCTING GD
WITH
GRAM PANCHAYAT MEMBERS**

PARAMETERS OF INFORMATION to be probed through GD:

Group-1 (Functioning of Gram Panchayyat)

1. The frequency of Meeting conducted in Gram Panchayat (GP).
2. The Quality of meetings conducted in GP.
3. The process of Decision Making in GP
4. The quality of Accounting & Auditing

Group-2 : (Funtions of GP)

1. Preparation of **Plan** for eco dev & soc justice with specific reference to,
 - a. Need assessment
 - b. Preparation of Plan through participation of public
 - c. Ratification by Gram Sabha
2. **Implementation** of Dev programmes / schemes with specific reference to,
 - a. Follow up with the Block and other agencies for getting plan approved
 - b. Selection of beneficiary.
 - c. Supervision & Monitoring of programme implementation
 - d. Release of funds.
3. **Levy, collect & appropriate** taxes in terms of possibilities and actual.
4. **Information management wrt,**
 - a. Recording of data,
 - b. Compilation,
 - c. Storage and dissemination.

Group-3 :

Functionaries :

1. **Awareness Level of GP members wrt,** functions and functioning of GP, Gram Sabha and various development scheme details.

Group- 4

Opinion about Gram Sabha & GP functioning:

1. Opinion of the GP members about the functioning of Gram Sabha.
2. Factors influencing functioning of Gram Sabha.
3. Opinion of the GP members about the functioning of GP.
4. Factors influencing functioning of GP.
5. Quality of coordination between GP and Gram Sabha.

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

List of functions of Gram Sabha for reference
1. ownership of minor forest produce
2. development plan approval
3. selection of beneficiary
4. consultation on land acquisition
5. Manage minor water bodies
6. control mineral lease
7. regulate / prohibit sale of intoxicants
8. prevent alienation of land and restore unlawfully alienate land of STs
9. Manage village markets
10. Control money lending to STs.
11. Control institutions and functionaries in all social sector

Instructions for GD moderator

- ❖ **Sample:** 1 GD to be conducted in every Panchayat village
- ❖ **Total Duration:** Maximum 90 minutes
- ❖ All discussions to be recorded on tape (**Dictaphone**) and **transcribed on paper** (dialogue by dialogue) in English / Hindi.
- ❖ All sections of the GD instrument have to be answered. Blank answers will not be accepted.
- ❖ **Discussion details:** Name of team leader, conducted by (name of GD coordinator), date, village / place, block, district, name of participants, their age, occupation.

Dos and Don'ts for GD Moderator

- ❖ GD moderator **SHOULD NOT** prompt the participants.
- ❖ GD moderator should ensure participation from all the participants.
- ❖ GD moderator should ensure that a few persons **SHOULD NOT** dominate the discussions.
- ❖ GD moderator should ensure that all the topics are covered.
- ❖ GD moderator should ensure that all topics should have equal weightage in time.
- ❖ **Very Important:**

The issues to be addressed in the GD are put in the form of specific questions for better understanding of the moderator. The issues may be covered through discussion without asking direct questions.

Questions may not be asked in sequence. If the participants have already discussed the topic along with another question, then the question pertaining to that topic may be skipped.

Instructions for conducting GD

- 1. INTRODUCTION ABOUT YOURSELF & TEAM**
 - 2. If required, PRODUCE LETTER FROM PLANNING COMMISSION,**
 - 3. BRIEF INTRODUCTION ABOUT PARTICIPANTS (Name, age, education occupation)**
 - 4. BRIEF INTRODUCTION (e.g. information received through TV channels, newspapers, information received on current topics like Lok Sabha elections, etc.)**
 - 5. BEGIN GD**
-

About Gram Panchayat, its role & responsibilities, linkages

1. What does your Gram Panchayat do (about activities in brief)?
2. What are the major roles and responsibilities of your Gram Panchayat (in detail)?
3. With whom does the Gram Panchayat coordinate (backward & forward linkage)?
4. How does it convey the demands of the public to the Government representatives at the block & district levels?
5. Does the Gram Panchayat convey any information from the Government representatives to the public? If so, how?
6. What are the factors influencing the functioning of Gram Panchayats?

General Awareness

7. What are the schemes / programmes being implemented by the Government in your block / village?
8. Do you convey the information on schemes / programmes and their benefit to the public? If so, how?
9. What kind of help (in context to information on schemes / programmes) do you extend to the public (in detail)?
10. How do you ensure participation of the public in the activities of Gram Panchayat (in detail)?
11. How do you make sure that people receive the benefits from the programmes?
12. What has been the role of your Gram Panchayat in implementation of major programmes like, SGSY, SGRY, Indira Awas Yojana, etc?
13. Is the Gram Panchayat involved in the selection of beneficiaries for the schemes / programmes? If yes, please explain the procedure in detail.

Awareness about Right to Information and Social Audit

14. Are you aware about constitutional rights? Please enumerate (as many as possible).
15. Are you aware about the Right to Information for citizens?
16. Do you think that Indians must have the Right to Information?
17. Do you think that people need to be informed about the government policies and programmes/ stages of implementation/success/ budget and expenditure?
18. In your opinion, can an ordinary citizen have a right to question, examine and review government information and decisions?
19. What type of information must be accessible to the common citizens in different areas (in detail)?
20. In your opinion, do you think that the general public has a right to question the Government officials and political leaders on the implementation of schemes and programmes in their area?

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

21. Do you think that Government officials and political leaders are answerable to the general public for the success and failure of any scheme / programme?
22. Prior to launching of a programme, do you think that a “Need Assessment Study” should be undertaken and validated by the public?
23. Do you think that the community should be involved in the planning stage of the development process? What effect will this have on the process?
24. Who, according to you, is responsible for concealing information in Government Departments? Why, do you think, they do it?
25. How can the schemes / programmes be effectively implemented, with transparency and without causing any delays?
26. Do you think that involvement of the public will lead to an effective system of governance?
27. In your opinion, do people have the courage to speak out against malpractices being practiced in implementing schemes and programmes? Do you think that this will help in effective governance?
28. Please rate your opinion about requirement of Social Audit in the following areas. Please rank the following in your order of priority. (**Rank: Top priority – 5, High priority – 4, Average priority – 3, Low priority – 2, Last priority – 1**) **DO NOT PROMPT THE PARTICIPANTS.**

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

	Government Departments / Institutions	Rank
a)	Panchayats and Rural Development	
b)	Food and civil supplies and consumer protection	
c)	Social welfare	
d)	Jails	
e)	Scheduled castes and scheduled tribes welfare	
f)	Backward classes and minority welfare	
g)	Women and child development	
h)	Local administration (Block, Tehsil, Police)	
i)	Co-operatives banks	
j)	Roads and Transport	
k)	Public health system (CHC, PHC, SC)	
l)	Education/ school education	
m)	Labour welfare	
n)	Forest and dairy development.	

THANK THE PARTICIPANTS FOR THEIR TIME AND INVOLVEMENT.

GUIDELINES FOR CONDUCTING FGD WITH GRAM SABHA & LOCAL OPINION LEADERS

Instructions for FGD moderator

- ❖ **Sample:** 1 FGD to be conducted in every non-panchayat village under the Gram Panchayat
- ❖ **Total Duration:** Minimum: 45 minutes, Maximum 90 minutes
- ❖ **No. of participants:** 8-15 (not less than 8, not more than 15)
- ❖ All discussions to be recorded on tape (**Dictaphone**) and **transcribed on paper** (dialogue by dialogue) in English / Hindi.
- ❖ **Transcription header details:** Name of team leader, conducted by (name of FGD coordinator), date, village / place, block, district, name of participants, their age, occupation.

Dos and Don'ts for FGD Moderator

- ❖ FGD moderator **SHOULD NOT** prompt the participants.
- ❖ FGD moderator should ensure participation from all the participants.
- ❖ FGD moderator should ensure that a few persons **SHOULD NOT** dominate the discussions.
- ❖ FGD moderator should ensure that all the topics are covered.
- ❖ FGD moderator should ensure that all topics should have equal weightage in time.
- ❖ **Very Important:**

The issues to be addressed in the FGD are put in the form of specific questions for better understanding of the moderator. The issues may be covered through discussion without asking direct questions.

Questions may not be asked in sequence. If the participants have already discussed the topic along with another question, then the question pertaining to that topic may be skipped.

Instructions for conducting FGD

- 1. INTRODUCTION ABOUT YOURSELF & TEAM**
 - 2. BRIEF INTRODUCTION ABOUT PARTICIPANTS (Name, age, education occupation)**
 - 3. BRIEF INTRODUCTION (e.g. information received through TV channels, newspapers, information received on current topics like Lok Sabha elections, etc.)**
 - 4. BEGIN FGD**
-

About Gram Sabha, its role & responsibilities, linkages

1. What does your Gram Sabha do (about activities in brief)?
2. What are the major roles and responsibilities of your Gram Sabha (in detail)?
3. With whom does the Gram Sabha coordinate (backward & forward linkage)?
4. How does it convey the demands of the public to the Gram Panchayat, Government representatives at the block & district levels?

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

5. Does the Gram Sabha convey any information from the Gram Panchayat & Government representatives to the public? If so, how?
6. What are the factors influencing the functioning of gram sabhas?

General Awareness

7. What are the schemes / programmes being implemented by the Government in your block / village?
8. Do you convey the information on schemes / programmes and their benefit to the public? If so, how?
9. What kind of help (in context to information on schemes / programmes) do you extend to the public (in detail)?
10. How do you ensure participation of the public in the activities of Gram Sabha (in detail)?
11. How far is your Gram Sabha effective in ensuring that people have access to benefits?
12. What has been the role of your Gram Sabhas in major programmes like, SGSY, Indira Awas Yojana, etc?
13. Is the Gram Sabha involved in the selection of beneficiaries for the schemes / programmes? If yes, please explain the procedure in detail.

Awareness about Right to Information and Social Audit

14. Are you aware about constitutional rights? Please enumerate (as many as possible).
15. Are you aware about the Right to Information for citizens?
16. Do you think that Indians must have the Right to Information?
17. Do you think that people need to be informed about the government policies and programmes/ stages of implementation/success/ budget and expenditure?
18. In your opinion, can an ordinary citizen have a right to question, examine and review government information and decisions?
19. What type of information must be accessible to the common citizens in different areas (in detail)?
20. In your opinion, do you think that the general public has a right to question the Government officials and political leaders on the implementation of schemes and programmes in their area?
21. Do you think that Government officials and political leaders are answerable to the general public for the success and failure of any scheme / programme?
22. Prior to launching of a programme, do you think that a “Need Assessment Study” should be undertaken and validated by the public?
23. Do you think that the community should be involved in the planning stage of the development process? What effect will this have on the process?
24. Who, according to you, is responsible for concealing information in Government Departments? Why, do you think, they do it?
25. How can the schemes / programmes be effectively implemented, with transparency and without causing any delays?
26. Do you think that involvement of the public will lead to an effective system of governance?
27. In your opinion, do people have the courage to speak out against malpractices being practiced in implementing schemes and programmes? Do you think that this will help in effective governance?
28. Please rate your opinion about requirement of Social Audit in the following areas. Please rank the following in your order of priority. (*Rank: Top priority – 5, High*

priority – 4, Average priority – 3, Low priority – 2, Last priority – 1) DO NOT PROMPT THE PARTICIPANTS.

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

	Government Departments / Institutions	Rank
a)	Panchayats and Rural Development	
b)	Food and civil supplies and consumer protection	
c)	Social welfare	
d)	Jails	
e)	Scheduled castes and scheduled tribes welfare	
f)	Backward classes and minority welfare	
g)	Women and child development	
h)	Local administration (Block, Tehsil, Police)	
i)	Co-operatives banks	
j)	Roads and Transport	
k)	Public health system (CHC, PHC, SC)	
l)	Education/ school education	
m)	Labour welfare	
n)	Forest and dairy development.	

THANK THE PARTICIPANTS FOR THEIR TIME AND INVOLVEMENT.

DEPTH INTERVIEW SCHEDULE – BANK OFFICIALS

INSTRUCTIONS TO FIELD RESEARCHERS

GENERAL

- *This schedule has to be administered at State, District and Block level.*
- *This is an IN-DEPTH INTERVIEW Schedule. The respondent has to be probed for responses for all the questions.*
- *DO NOT PROMPT THE RESPONDENT AT ANY STAGE, UNLESS SPECIFIED.*
- *All questions should be administered. No question should be omitted / ignored unless specified.*
- *Name and code of team leader / members have to carefully filled along with the date. (End of schedule)*
- *Please contact Team leader in case of any doubt.*

SPECIFIC

- *In question 11, a Flow Diagram has to be shown for dissemination of information from Point of Origin to Point of Destination. Please request the respondent to draw / describe.*
- *If interviewing official at State Level, code for questions 2 & 3 will be 9.*

SAMPLING

- *At State Level – MD / CGM of Lead Bank of State, Scheduled Banks / Cooperative Banks, CGM of Nabard – 5*
 - *At District Level – Managers of Scheduled Banks / Cooperative Banks – 2*
 - *At Block Level – Managers of Scheduled Banks / Cooperative Banks – 2*
-

1. Name/Code of State (Code: 1 to 8): _____

2. Name/Code of District (Code: 1 to 2): _____

3. Name/Code of Block (Code: 1 to 4): _____

4. Name of the respondent: Mr. / Ms. / Dr. (tick whichever applicable) (Please request the respondent for his/her Visiting Card) _____

5. Please provide your telephone number: _____

6. In context to implementation of Government programmes, please describe the nature of activities of the Bank. **Please request the respondent to describe.**

7. Please name the Government schemes, where Bank is involved in providing support services.

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

8. As most of the Government schemes have an inbuilt subsidy component, does the bank provide information to the public about the subsidy? If YES, please explain how. If NO, please explain why not? **Please request the respondent to describe.**

9. What channel / route is adopted to offer banking services to the public? **Please request the respondent to draw / describe.**

10. How does your Bank coordinate with the following: **Please request the respondent to describe.**

		Contact Person	Issues
1.	DRDA		
2.	Block Office		
3.	Gram Panchyat		
4.	Gram Sabha / Beneficiaries		

11. In context to the Government programmes, please explain the channel of transfer of funds. **(Please draw flow diagram – point of origin to point of destination) Please request the respondent to draw / describe.**

12. How are the various stakeholders (mentioned in question 10) involved in the process of flow of funds? At which point in the above diagram are they involved. **Please request the respondent to point out in the diagram drawn above.**

13. Do representatives from the public raise any doubts / seek clarification regarding the schemes / programmes from the Bank? (Code: Yes – 1, No – 2). **If YES, ask question 14, if NO ask question 15.**

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

14. How are their doubts clarified? **Please ask the respondent to describe in detail.**

15. Why, do you think, the public does not raise any doubts / seek clarification regarding the schemes / programmes from the Bank? **Please ask the respondent to describe in detail.**

16. Are you aware about Right to Information for citizens? (Code: Yes – 1, No – 2). **If YES, ask question 17, 18, if NO ask question 19.**

17. Please enumerate the salient points of the same. **Please ask the respondent to describe.**

18. How is a common citizen affected by Right to Information? **Please ask the respondent to describe in detail.**

19. Would you like to share information with the public? (Code: Yes – 1, No – 2). **Please specify reasons for both answers.**

20. How would you like to share the information? (Code: Willingly – 1, Only when demanded – 2, Both situations – 3). **Please specify reasons for all answers.**

Brief about SOCIAL AUDIT (DO NOT READ OUT TO RESPONDENT. To be explained to the respondent in common man's terms.)

Social Audit is a process in which details of resources, both financial & non-financial, used by public agencies for development initiatives are shared with the people, through a public platform. Social Audits allow people to enforce accountability and transparency, thus providing the ultimate users an opportunity to scrutinize development initiatives.

This entire process is in two stages: In **Stage1** the information is made accessible, which is seen and understood by the citizen. In the **Stage2** the citizen, seeks clarifications / questions the authorities on the physical & financial statements.

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

21. Do you think that there is enough **transparency** in the working of the Banks?
(Code: Yes – 1, No – 2). **Please specify reasons for both answers.**

22. Do you think that **transparency** will lead to better **accountability** (in context to implementation) on the part of the Banks? (Code: Yes – 1, No – 2). **Please specify reasons for both answers.**

23. Do you think that Social Audit will prove as an effective implementation tool for programmes? (Code: Yes – 1, No – 2). **Please specify reasons for both answers.**

THANK THE RESPONDENT FOR HIS / HER TIME & INVOLVEMENT.

Name of Team Member with code: _____

Name of Team Leader with code: _____ Date: _____

DEPTH INTERVIEW SCHEDULE – GOVERNMENT OFFICIALS

INSTRUCTIONS TO FIELD RESEARCHERS

GENERAL

- *This schedule has to be administered at State, District and Block level.*
- *This is an IN-DEPTH INTERVIEW Schedule. The respondent has to be probed for responses for all the questions.*
- *DO NOT PROMPT THE RESPONDENT AT ANY STAGE, UNLESS SPECIFIED.*
- *All questions should be administered. No question should be omitted / ignored unless specified.*
- *Name and code of team leader / members have to carefully filled along with the date. (End of schedule)*
- *Please contact Team leader in case of any doubt.*

SPECIFIC

- *In question 8, a Flow Diagram has to be shown for dissemination of information from Point of Origin to Point of Destination. Please request the respondent to draw / describe.*
- *If interviewing official at State Level, code for questions 2 & 3 will be 9.*

SAMPLING

- *At State Level – secretaries & directors of various departments like Rural Development, Health, Education, WCD (Women & Child Development), Planning – 5*
 - *At District Level – District Collector / District Magistrate & Project Director (DRDA) – 2*
 - *At Block Level – BDO – 1*
-

1. Name/Code of State (Code: 1 to 8): _____
2. Name/Code of District (Code: 1 to 2): _____
3. Name/Code of Block (Code: 1 to 4): _____
4. Name of the respondent: Mr. / Ms. / Dr. (tick whichever applicable) _____

5. Department (Please request the respondent for his/her Visiting Card): _____

6. Please provide your telephone number: _____
7. How is the general public informed about the schemes / programmes in your area? (*In case of any particular department ask about that Department's programmes only*)
Please request the respondent to describe.

8. What channel / route is adopted to disseminate information to the public? Who informs the public? **(Please draw flow diagram – point of origin to point of destination)**
Please request the respondent to draw / describe.
9. How are the citizens / beneficiaries involved in the process of information dissemination? At which point in the above diagram are they involved. **Please request the respondent to point out in the diagram drawn above.**
10. Is there any system of **assessing the need of the people** before designing and launching any new programme? (Code: Yes – 1, No – 2). If **YES**, how is it done?
If **NO**, why not? **Please request the respondent to describe in detail.**
11. Do representatives from the public raise any doubts / seek clarification regarding the schemes / programmes under implementation? (Code: Yes – 1, No – 2). **If YES, ask question 12, 13, if NO ask question 14.**
12. If **YES** to question 11, who / what category of people seek clarifications? Please encircle the relevant answer. **(Multiple responses possible)**
(a) Elected representatives (MP, MLA / MLC, Councilor, Panch / Sarpanch)
(b) General Public (individual / group)
(c) NGO / Activists
13. How are their doubts clarified? **Please ask the respondent to describe in detail.**

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

14. Why, do you think, the public does not raise any doubts / seek clarification regarding the schemes / programmes under implementation? **Please ask the respondent to describe in detail.**

15. Are you aware about Right to Information for citizens? (Code: Yes – 1, No – 2). **If YES, ask question 16, 17, if NO ask question 18.**

16. Please enumerate the salient points of the same. **Please ask the respondent to describe.**

17. How is a common citizen affected by Right to Information? **Please ask the respondent to describe in detail.**

18. In today's scenario, do you think that a common man:

• Is aware about his fundamental rights? (Code: Yes – 1, No – 2). **Ask respondent to elaborate for both answers.**

• Is aware about Right to Information? (Code: Yes – 1, No – 2). **Ask respondent to elaborate for both answers.**

• Exercises his fundamental rights and Right to Information? (Code: Yes – 1, No – 2). **Ask respondent to elaborate for both answers.**

• Questions the Bureaucracy and Government machinery on various development issues? (Code: Yes – 1, No – 2). **Ask respondent to elaborate for both answers.**

19. Would you like to share information with the public? (Code: Yes – 1, No – 2). **Please specify reasons for both answers.**

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

20. How would you like to share the information? (Code: Willingly – 1, Only when demanded – 2, Both situations – 3). **Please specify reasons for all answers.**

Brief about SOCIAL AUDIT (DO NOT READ OUT TO RESPONDENT. To be explained to the respondent in common man's terms.)

Social Audit is a process in which details of resources, both financial & non-financial, used by public agencies for development initiatives are shared with the people, through a public platform. Social Audits allow people to enforce accountability and transparency, thus providing the ultimate users an opportunity to scrutinize development initiatives.

This entire process is in two stages: In **Stage1** the information is made accessible, which is seen and understood by the citizen. In the **Stage2** the citizen, seeks clarifications / questions the authorities on the physical & financial statements.

21. Do you think that there is enough **transparency** in the working of the Government? (Code: Yes – 1, No – 2). **Please specify reasons for both answers.**

22. Do you think that **transparency** will lead to better **accountability** (in context to implementation) on the part of the Government? (Code: Yes – 1, No – 2). **Please specify reasons for both answers.**

23. Do you think that Social Audit will prove as an effective implementation tool for programmes? (Code: Yes – 1, No – 2). **Please specify reasons for both answers.**

THANK THE RESPONDENT FOR HIS / HER TIME & INVOLVEMENT.

Name of Team Member with code: _____

Name of Team Leader with code: _____ Date: _____

PREPAREDNESS OF PEOPLE FOR SOCIAL AUDIT

Interview Schedule – Villagers

INSTRUCTIONS FOR FIELD RESEARCHER

GENERAL

- *This schedule has been divided into 5 sections (A, B, C, D, E).*
- *Each Section has to be administered to the respondents. DO NOT SKIP ANY SECTION.*
- *DO NOT PROMPT THE RESPONDENT AT ANY STAGE, UNLESS SPECIFIED.*
- *Respondents have to be PROBES for answers, wherever indicated (e.g. Please ask the respondent to describe in detail)*
- *All questions should be administered. No question should be omitted / ignored unless specified.*
- *Name and code of team leader / members have to be carefully filled along with the date. (End of schedule)*
- *Please contact Team leader in case of any doubt.*

SAMPLING

- *Information to be collected from households in the village – Village Level – Random household survey.*
- *10 households per village X 8 villages per state = 80*
- *Two villages under the same Gram Panchayat, one will be the panchayat village itself and another village.*
- *In each village, 10 households will be contacted for interview. The sampled households will be selected by following the cluster sampling technique. One cluster will consist of 5 households, thus 2 clusters will be selected in each village.*
- *The 2 clusters will be selected from two distinct parts of the village, taking the Cluster Head Household (CHH) near a landmark (e.g. temple, well, hand pump, choupal, school, etc.). The remaining 4 households in the cluster will be selected following the right hand rule after completing the CHH, selecting every alternate house.*

Serial Number (for official use only)

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1. State: _____ (Code: 1 to 8)

2. District: _____ (Code: 1 to 2)

3. Block: _____ (Code: 1 to 4)

4. Name of Village: _____ Gram Panchayat: _____

Section A. Socio-Economic profile

5. Name of respondent: _____

6. Age: 7. Gender: (Code: Male – 1, Female - 2) 8. Education Qualification: **(Please fill in the relevant code & sub-codes of the educational qualifications of Graduate, Postgraduate, Technical Graduate, Doctor, Diploma Holder etc).**Code Sub-code

Code: 1-Illiterate, 2-Primary, 3-Non-Matric, 4-Matric, 5-Intermediate, 6- Graduate (Arts-61, Commerce-62, Science-63), 7-Post Graduate (Arts-71, Science-72, Commerce-73, Agriculture-74, Engg. & Tech.-75, Veterinary-76), 8-Technical Graduate (Civil Engg.-81, Mechanical-82, Electrical-83, Agri.-84), 9-Doctor (Allopathy-91, Homeopathy-92, Ayurvedic-93, Veterinary-94), 10-Diploma Holder (Civil-101, Mechanical-102, Electrical-103, Textiles-104, Instrumentation-105, Leather-106, computer-107), 11-MBA/MCA, 12-Any other (please specify_____).

VERY IMPORTANT: Questions 9 to 12 should be asked at end of the interview9. Social group of the respondent (Code: SC – 1, ST – 2, OBC – 3, Minorities – 4, General / Others – 5) 10. Number of members in family (please specify exact number) 11. Occupation of the family/head of the family

Code: Daily wages – 1, Govt. Sector – 2, Private sector – 3, Business – 4, Small trade – 5, Professionals (doctor, lawyer etc) – 6, Unemployed – 7, Any other – 8 (please specify_____).

12. Average Monthly Household Income (**DO NOT PROMPT**)

Code: Less than Rs.500 – 1, Rs.501-Rs.1000 – 2, Rs.1001-Rs.1500 – 3, Rs.1501-Rs.2500 – 4, Rs.2501-Rs.3500 – 5, Above Rs.3501-Rs.5000 – 6, Above Rs.5000 – 7

Section B. General Awareness about environment, Government machinery13. Do you know that the Government implements various schemes for development in your village? (Code: Yes – 1, No – 2). **If YES, proceed with interview, if NO Terminate interview.** 14. What are the Schemes being implemented by the Government in your Block / village? (As many as possible, according to memory) **DO NOT PROMPT THE RESPONDENT.**

15. Who provides you information on schemes / programmes? (**Please circle the relevant answers**). **Multiple response possible.**

- | | |
|-------------------------------|--------------------------------------|
| DRDA official – 1 | State Department officials – 5 |
| GP/PRI member – 2 | School teacher/opinion leaders – 6 |
| Politicians – 3 | NGO/external agency – 7 |
| Collector's / DM's office – 4 | Any other – 8 (please specify _____) |

16. What information do you normally receive? (Please circle the relevant answer)

- | | |
|------------------------------------|--------------------------------------|
| Details about the scheme – 1 | Where to approach (Place) – 5 |
| Benefits from the scheme – 2 | What to do (Procedures) – 6 |
| Implementing agency for scheme – 3 | Any other – 7 (please specify _____) |
| Whom to approach (Department) – 4 | |

17. Do you have any doubts after receiving the information? (Code: Yes – 1, No – 2) **If YES, ask question 18, if NO ask question 22.**

18. What are the doubts? **Please ask the respondent to describe. Ask question 19.**

19. Do you seek any further information on the subject? (Code: Yes – 1, No – 2). **If YES, ask question 20, if NO ask question 22.**

20. Are your doubts clarified? (Code: Yes – 1, No – 2). **If NO, ask question 21, if YES, ask question 22.**

21. Do you approach someone else for information? (Code: Yes – 1, No – 2). **If yes, whom do you approach (ask for name and designation)**
_____.

22. Are you a beneficiary to any of the schemes? (Code: Yes – 1, No – 2). **If YES ask question 23, if NO ask question 29.**

23. Please indicate name of scheme? (name of scheme to be mentioned)

24. How did you expect to benefit from the scheme? Code: Monetary benefit (immediate) – 1, Employment for Self (short / long term) – 2, Social Benefit (education / health) – 3, Any other benefit (Please specify) – 4

25. Did you receive full benefits as mentioned under the scheme? (Code: Yes – 1, No – 2). **If NO, ask question 26, if YES ask question 29.**

26. Who, according to you, has received a part / share from your benefit? (Ask for name, designation) **Ask question 27.**

27. Did you approach someone and point out the problem? (Code: Yes – 1, No – 2). **If YES, whom did you approach (ask for name and designation).** _____
_____. **If NO, ask question 28.**

28. Why you did not approach anybody for your problem?
 Code: Did not know whom to approach – 1, Nobody can help – 2, This is the normal practice – 3, Would be detrimental for receiving benefits from future schemes – 4, Any other Reason (please specify) _____

Section C. Awareness About Gram Sabha, Gram Panchayat

29. Are you aware about **Gram Sabha**? (Code: Yes – 1, No – 2)

30. Have you participated in any of the Gram Sabha meetings? (Code: Yes – 1, No – 2)

31. How frequently are the Gram Sabha meetings conducted?
 Code: Once every month – 1, once every two months – 2, once every 3 months – 3, once in six months – 4, once in a year – 5, Less Frequently – 6 Any other – 7 (please specify) _____

32. What is discussed in Gram Sabha meetings?
 Code: Information / news about new Programmes / Schemes – 1, Updation about previous programmes / schemes – 2, Income & Expenditure on programmes / schemes – 3, Allotment / allocation to beneficiaries – 4, All of the above – 5, None of the above – 6, Any other (please specify) – 7 _____

33. If you have doubts, do you clarify with the Gram Sabha members? (Code: Yes – 1, No – 2). **If NO, ask respondent to mention the reason.**

34. Do you know the Panch and Sarpanch of your village and **Gram Panchayat**? (Code: Yes – 1, No – 2). **If YES, please ask for name** _____

35. Please enumerate some activities & responsibilities of Gram Panchayat. **Ask the respondent to describe.**

a)		f)	
b)		g)	
c)		h)	
d)		i)	
e)		j)	

36. Please **Rate your Level of Satisfaction** for the above-mentioned activities of the Gram Panchayat in terms of Expectations & Actual Performance. **(Code: Very Satisfactory – 3, Satisfactory – 2, Not Satisfactory – 1, Not performed – 0)**

	Activities & Responsibilities of GP	Expectations	Actual Performance
a)			
b)			
c)			
d)			
e)			
f)			
g)			
h)			
i)			
j)			

37. How do you rate the performance of your Gram Panchayat in terms of:
- (a) Implementation of Programmes
- (b) Dissemination of Information
- (Code: Excellent – 5, Good – 4, Average – 3, Bad – 2, Poor – 1).**
38. Do you think that the Gram Panchayat conceals information from you? (Code: Yes – 1, No – 2). **If YES, ask question 39, if NO, ask question 40.**
39. What information is concealed from you? (Please circle the relevant answer).
- Funds received – 1 Details & progress about programme / scheme – 4
 Expenditure incurred – 2 Any other – 5 (please specify) _____
 Allotment of beneficiaries – 3 _____

Section D. Awareness About Constitutional Rights, Right to Information

40. Are you aware of your constitutional Rights? (Code: Yes – 1, No – 2). **If YES ask question 41, 42, 43, if NO ask question 44.**
41. Please ask the respondent to list the constitutional rights. (as many as possible, according to memory) **Do not prompt the respondent.**
42. Do you exercise your constitutional rights? (Code: Yes – 1, No – 2). **If YES, ask question 43, if NO ask question 44.**
43. Please request the respondent to quote an example (in context to exercising constitutional rights). **Do not prompt the respondent.**

The Parliament has passed the Right to Information Act, which empowers the citizens of India to demand for information from the Government.

44. Are you aware of the Right to Information for citizens? (Code: Yes – 1, No – 2). **If YES, ask question 45, if NO ask question 46.**
45. Can you describe the salient features of the Right to Information in brief.

Section E. Initiation of Right to Information / Social Audit

If the Government Departments provide you with information regarding various development programmes / schemes

46. Do you think that there is enough **transparency (explain the term to the respondent)** in the working of the Government? (Code: Yes – 1, No – 2). **Ask question 47.**

47. Please specify reasons for both answers. **Ask the respondent to describe.**

48. Do you think that transparency will lead to better **accountability** (in context to implementation) on the part of the Government? (Code: Yes – 1, No – 2). **Ask question 49.**

49. Please specify reasons for both answers. **Ask the respondent to describe.**

50. In your opinion what are the two most appropriate reasons for the lack of awareness amongst people on the issue of right to information- Reason-1

Lack of education – 1

Lack of information – 2

Shyness / introvert behaviour – 3 Reason- 2

Lack of accessibility to the responsible authority – 4

Lack of Interest – 5

Fear in mind – 6

Pessimistic attitude towards Government programmes – 7

Any other – 8 (please specify) _____

51. Who is primarily responsible for concealing information in government departments? Code: Politician – 1, Bureaucrat – 2, Panchayat Functionaries – 3, Any other – 4 (please specify)

Brief about SOCIAL AUDIT (DO NOT READ OUT TO RESPONDENT. To be explained to the respondent in common man’s terms.)

Social Audit is a process in which details of resources, both financial & non-financial, used by public agencies for development initiatives are shared with the people, through a public platform. Social Audits allow people to enforce accountability and transparency, thus providing the ultimate users an opportunity to scrutinize development initiatives.

This entire process is in two stages: In **Stage1** the information is made accessible, which is seen and understood by the citizen. In the **Stage2** the citizen, seeks clarifications / questions the authorities on the physical & financial statements.

52. In your opinion, if you do not place a demand for services, what could it lead to? (**DO NOT PROMPT THE RESPONDENT**).

a)		f)	
b)		g)	
c)		h)	
d)		i)	
e)		j)	

53. What is the extent of corruption in development programs in your area (in context to the implementation of development programmes / schemes)? **(Code: Extremely corrupt – 5, Highly corrupt – 4, Moderately corrupt – 3, Less corrupt – 2, Not corrupt – 1).**

54. Please name the areas / institutions where corruption is prevalent. **(Ask the respondent to list the institutions. DO NOT PROMPT)**

a)		f)	
b)		g)	
c)		h)	
d)		i)	
e)		j)	

55. What, according to you, should be done to reduce corruption? **(Ask the respondent to describe. DO NOT PROMPT)**

Name of Team Member with code: _____

Name of Team Leader with code: _____

Date: _____

VILLAGE SCHEDULE

INSTRUCTIONS FOR FIELD RESEARCHER

- *This schedule is to be administered in 8 villages in every state, 2 under every Gram Panchayat.*
- *Information to be collected from village pradhan / headman.*
- *All questions should be administered. No question should be omitted / ignored.*
- *The SEAL of the panch / sarpanch / village pradhan has to be put as indicated (No. 6)*
- *Distance from District Headquarters to Block Headquarters and from Block Headquarters to the village has to be clearly indicated in KM. (No. 8)*
- *A hand-drawn MAP from the Block Headquarters to the village has to be attached with this schedule. (No. 8.2)*
- *Name and code of team leader / members have to carefully filled along with the date. (End of schedule)*
- *Please contact Team leader in case of any doubt.*

1. Name/Code of State (Code: 1 to 8): _____

2. Name/Code of District (Code: 1 to 2): _____

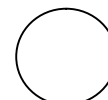
3. Name/Code of Block (Code: 1 to 4): _____

4. Name of Village: _____

5. Name of Gram Panchayat: _____

6. Name of Headman / Pradhan / Sarpanch: _____ S/O _____

Please provide SEAL



7. Village Profile:

7.1 Population of village: Total:

7.2 Population of village: Male: Female:

7.3 Population of village (according to caste) :

7.3.1 General Population:

7.3.2 SC Population:

7.3.3 ST Population:

7.3.4 Minorities (Christians / Muslims / Budhhists, etc.) Population:

7.3.5 OBC Population:

7.4 Approach road to village:

(Code: Metal Road-1, Kutchha Road-2, Brick Road-3, Any Other-4 (please specify _____))

--

8. Distance from

8.1 District Headquarters to Block Headquarters: _____ km.

8.2 Block Headquarters to the Panchyat village: _____ km.

(please attach A4 sized hand drawn MAP along with this schedule).

Project Title: Social Audit & Gram Sabha – Study of its Present Status and Recommendations for Improvement

9. Status of Power Connectivity in the village:
- 9.1 Domestic – Yes-1 / No-2
 - 9.2 Irrigation – Yes-1 / No-2
 - 9.3 Any Other (Please specify _____) – Yes-1 / No-2
10. Status of Water availability in the village:
- 10.1 Pipeline – Yes-1 / No-2
 - 10.2 Hand pumps – Yes-1 / No-2
 - 10.3 Wells – Yes-1 / No-2
 - 10.4 Ponds / Open wells – Yes-1 / No-2
 - 10.5 Any Other (Please specify _____) – Yes-1 / No-2
11. Primary crop grown in the village:
- 11.1 Wheat - Yes-1 / No-2
 - 11.2 Paddy - Yes-1 / No-2
 - 11.3 Cash Crops (e.g. Sugarcane, sunflower, etc) Yes-1 / No-2
(Please specify _____)
 - 11.4 Vegetables Yes-1 / No-2 (Please specify _____)
 - 11.5 Floriculture (e.g. rose, carnations, etc.) Yes-1 / No-2
(Please specify _____)
 - 11.6 Any other - Yes-1 / No-2 (Please specify _____)

Name of Team Member with code: _____

Name of Team Leader with code: _____ Date: _____

ANNEXURE 2
COVERAGE
AREA

Annexure-II

Zone	State	District	Block	Gram Panchayat	Villages	
West	Rajasthan	Ajmer	Kishan Garh.	Silora	Silora Udai Pur Kalan	
			Srinagar	Kana Kheri	Kana Kheri Rampur Ahiran	
		Sirohi	Pindwara	Adarsh Dungri	Adarsh Dungri Dungri (Ward)	
			Abu Road	Surpagla	Surpagla Chhapri	
		Maharashtra	Pune	Purandar	Bhivri	Bhivri Gaikwad Basti
				Khed	Chakan	Chakan Ward No.5(Chakan)
	Osmanabad		Kallamb	Mangrool	Mangrool Ward No.3(Mangrool)	
			Tuljapur	Malumbra	Malumbra Ward No.3(Malumbra)	
	East	West Bengal	Bardhawan	Kalana-2	Anukhal	Anukhal Gobindbari
				Bardhwan-1	Saraitikar	Saraitikar
Purulia			Bara Bazar	Bara Bazar	Barabazar Baisnabdih	
			Para	Para	Para	
Orissa		Puri	Gop	Simuli	Paitabarai Simuli	
			Pipili	Mangalpur	Mangalpur	
		Bolangir	Khaprakhol	Ghunshar	Ghunshar	
			Agalpur	Duduka	Duduka	
South		Tamil Nadu	Salem	Sankari	Sanaiyassipatti Agraharam	
				Veerapandy	Moodithuri	Naikhampathy Moodithuri
	Namakkal		Kolli Hills	Valavandhivadu		
			Vennandur	Pallvannaicken Patti	Thottiaman thai Pallvanaicken Patti	
	Andhra Pradesh	Warangal	Hanamkonda	Kondapatty	Kondapatty Kondapatty	
			Lengaleghan pur	Neelutal	Mulabai(SC Colony) Neelutal	
		Karim Nagar	Mustabad	Pothugal	Gannavari Pally Pothugal	
			Huzurabad	Kandugula	S.C colony,Kandugula Kandugula	
North	Uttar Pradesh	Varanasi	Kashividyapeeth	Meshpur	Meshpur Yadav Basti	
			Chiraingaon	Saudahan	Saudahan Mahauli	
		Jaunpur	Dobhi	Chandvak	Chandvak Hardaripur	
			Suithakalan	Kammarpur	Kammarpur Kashipur	
	Delhi	All 9 districts of Delhi Metropolitan area				

ANNEXURE 3
LIST OF
EMINENT
PERSONS
INTERVIEWED

Annexure-III

Selected List of eminent Respondents Interviewed (Politicians, Sr. Govt. Officials, NGOs, Opinion Leaders)

Sl. No.	Segment	Name	Designation	Organisation
1.	Politicians	Mr. Digvijay Singh	Former Chief Minister	Madhya Pradesh
2.		Mr. Rabi Ray	Former Speaker & Social Activist	Lok Sabha
3.		Mr. Oscar Fernandes	Leader	Congress
4.		Dr. Sanjay Paswan	Leader & Former Minister (NDA Government)	BJP
5.		Mr. Kapil Sibbal	Politician cum Lawyer	Congress
6.		Mr. J. B. Patnaik	Former Chief Minister	Orissa
7.	Government Officials	Dr. Ashok Lahiri	Economic Advisor	Ministry of Finance, Government of India
8.		Mr. G. Patnaik	IAS, Commissioner, Civil Supplies	Government of Delhi
9.		Dr. P. B. Thomas	Sr. Economic Advisor	Ministry of Rural Development, Govt. of India
10.			Dy. CAG	CAG India
11.		Mr. R.N. Ghosh	Director, LB	CAG India
12.		Dr. Sandeep Khanna	Additional Secy	Ministry of Social Justice & Empowerment
13.		Ms. Shailaja Chandra	Chairperson, Public Grievance Commission & former chief secretary	Govt. of Delhi
14.	NGO & International Development Bank	Mr. Nikhil	Coordinator	MKSS, Rajasthan
15.		Ms. Frances Sinha	Executive Director,	EDA Rural Systems, Gurgaon
16.		Mr. Harsh Mander	Former Country Director	Action Aid India, Delhi
17.		Mr. N.K. Prusty	Director	CARE India, Delhi
18.		Mr. A. R. Nanda	ED & Ex. Secy. Family Welfare, Govt. of India	Population Foundation of India
19.		Mr. Jagat Ballav Pattanaik	Sr. Manager- Programme Unit	Action-Aid India
20.		Mr. Warren Waters	Senior Social Scientist	The World Bank
21.	Judiciary	Mr. J.K. Das	Advocate	Supreme Court
22.		Mr. B. Panda	Lawyer & MP	Orissa High Court
23.		Justice G. B. Patnaik	Former Chief Justice of India	Supreme Court
24.	Academicians/ Opinion Leaders	Dr. P.K. Samant Ray	National Consultant	UNFPA
25.		Prof. P. B. Nayak	Director	Delhi School of Economics
26.		Mr. S. K. Chaturvedi	ED	Power Grid Corporation of India Ltd.

ANNEXURE 4

STATE REPORT

Annexure-IV State Summary Report Social Audit

S. No.	States	Rajasthan	Maharashtra	West Bengal	Orissa	Uttar Pradesh	Tamil Nadu	Andhra Pradesh	Summary
	Awareness about Duty of GP	72%	85%	65%	70%	70%	75%	72%	National 72% Maharashtra 85%
	Suggestions of Improving GP	Regular Meeting of Ward Sabha & GP, Supervision by senior villagers or a particular person deputed by govt., funds should be released on time; Control over local politics & training, More transparency in the functioning of GP	Regular Meeting of Ward Sabha & GP, Supervision by senior villagers or a particular person deputed by govt., funds should be released on time; Control over local politics & training, More transparency in the functioning of GP	More funds, Transparency of accounts, Training, control over local politics, Awareness generation & Increasing Peoples Participation	More funds, Transparency of accounts, Training, control over local politics, Awareness generation & Increasing Peoples Participation	Regular Meeting of GP and Ward Sabha, Awareness Generation, Control over local politics, Coordination bet GS members.	Trainings for the panchayat members. More involvement of villagers in GP works. Control over local politics. More awareness among people. Increasing funds.	Control over local politics, Increasing funds for development schemes, all fund details should be mentioned on notice board of GP, technical training to GP members.	
	Suggestion:	Awareness	Awareness	Presence of	Presence of	Training of	Display every	Awareness	

	making GS members ask Questions	Building, Participation of all sections, Training, Regular Visit of Block/district Level Officials, control over local politics	Building, Participation of all sections, Training, Regular Visit of Block/district Level Officials, control over local politics	Officials, Dominance of vested groups, more participation of people, Information about programmers, Increase power to ward member, involvement of NGO, MLA, MP, Display everything on notice board at GP level.	Officials, Dominance of vested groups, more participation of people, Information about programmers, Increase power to ward member, involvement of NGO, MLA, MP, Display everything on notice board at GP level.	GP & GS members, Awareness Generation, Regular visit of Block or District level officials at GP. Control over local politics and coordination between GP &GS.	thing on notice board at GP level. More awareness about government schemes and about their rights. More involvement of local people for any development works. Support to GS from Block and District level officials.	Generation, Increasing people participation, Women participation in GS meetings, Display everything on notice board.	
	Gap: Expected role & role played by GS, GP	80%	20%	35%	35%	60%	20%	20%	National 40% States Max. Rjasthan 80 Lowest TN 20%
	Role played by GP in Programme Planning	Dominated by influential people & Local politics, Sometimes GS recommendations are ignored	GP is working satisfactorily upon the GS recommendations	Huge gap exists due to lack of coordination between GP members, Sometimes GS recommendations are ignored	Huge gap exists due to lack of coordination between GP members, Sometimes GS recommendations are ignored	Huge gap exists due to lack of participation & coordination between GP members.	Program planning is done by GP on the recommendation of GS. But there is no proper planning. It helps in employment	GP is planning the programmes with the participation of Panchayat secretary and Sarpanch	

							generation and literacy.	along with the GS.	
	Role played by GP in Programme Implementation	It is the implementing agency and directly report to the BDO, Zila Parishad, Sarpanch & ward Members are responsible for Monitoring of the Implementing Projects	GP is satisfactorily monitoring and controlling Programme implementation with the permission of GS	GP is satisfactorily monitoring and controlling Programme implementation with the permission of GS	GP is monitoring and controlling Programme implementation with the permission of GS	Do not follow Guidelines, Work only on paper	All the programs are implemented by GP after the approvals from ZP and block level officials	GP is receiving funds through block & ZP and is directly responsible for the implementation of programs.	
	Quality of GP functioning, functions, functionaries	Overall quality is average; Poor in backward and tribal districts (being dominated by few influential people and local politics)	Overall quality V. Good some problems seen in tribal and backward regions like osmanabad where influential people tend to dominate	Overall quality is average. Some problems like Local Politics, lack of funds and coordination between GP and GS exists.	Overall quality is average. Some problems like Local Politics, lack of funds and coordination between GP and GS exists.	Overall quality is average. Problems like not following guidelines, Local Politics, lack of coordination between GP and GS exists.	GP is playing the role according to guidelines. There is good working culture and coordination between members. Though the negative factors are 1) local politics at GP level 2) Lack of funds	Satisfactory	
	Support from Block	45	70	55	47	52	63	61	National 56% Maharashtra

	officials to GP								70%
	Factors influencing the Performance of Block/GP	Local Politics, Lack of Knowledge, interest & participation of locals, Do not have technical person, Low participation and Education among women	Local Politics, Lack of Knowledge, interest & participation of locals, Do not have technical person, Low participation and Education among women	No major influencing factor except Conflict between GP members.	No major influencing factor except Conflict between GP members.	Local Politics, Lack of Knowledge, interest & participation of locals, Do not have technical person, Low participation and Education among women	No major influencing factor except Conflict between GP members.	No major influencing factor except some Conflict between GP members	
	Gap: Expected role & role played by GP	50% gap exists beneficiaries, Local & Party politics becomes deciding factor	15% of gap exists. Problems recorded mainly from tribal & backward regions	There are about 20% gaps mainly in the selection of beneficiaries.	50% gap in selection of beneficiaries.	There are 70% gaps in the selection of beneficiaries, lack of coordination and motivation for work.	Only 20% gap in Selection of beneficiaries is based on GS meetings.	There are minimal gap of about 20%.	National 40% Gap States UP 70% Maharashtra 15%
	Suggestions		Funds should be released on time; community Mobilisation, Monitoring of GP activities by	Training, Awareness Generation, Capacity Building of villagers, regular visit by Block & district level officers	Training, Awareness Generation, Capacity Building of villagers, regular visit by Block & district level	Training, Awareness Generation, Capacity Building of villagers, regular visit by Block & district level	Training, Awareness Generation, regular visit by Block & district level officers at GP Level, Increasing people	Awareness Generation , Increasing people & women participation, Displaying everything	

			BDO, Training for ward Punch, good Coordination between GP & GS	at GP Level, Increasing funds, Increasing people participation, Displaying everything on notice board at GP level.	officers at GP Level, Increasing funds & people participation, Displaying everything on notice board at GP level.	officers at GP Level, Increasing people participation, Displaying everything on notice board at GP level.	participation, Displaying everything on notice board at GP level.	on notice board at GP level, More power to GS, people Should ask questions more confidently.	
	Role played by GS in Programme Planning	Low awareness of people leads to Decisions mainly taken by Sarpanch and dominant groups	GS is Playing an imp. Role for programme planning & selecting beneficiaries	Important work towards programme planning is being done but awareness is low	Important work towards programme planning is being done but awareness is low	Low awareness of people leads to Decisions mainly taken by Sarpanch and dominant groups	GS is very active and playing an imp. Role for programme planning.	Gap between guideline and practice is 3:2.	National GS doing important work but low level of awareness a hindrance. Dominant groups and sarpanch influence the decisions
	Role played by GS in Programme Implementation	Dominant groups and Sarpanch is mainly involved	All developmental works and selection of beneficiaries is based on GS	GS has not been vested with much power, programmes are discussed in meetings	GS has not been vested with much power, programmes are discussed in meetings but there is no proper Guideline	All developmental works and selection of beneficiaries is based on GS	GS participate in programme implementation that are discussed in meetings	Implementation is done by GP	GS is implementing the schemes and also selecting the beneficiaries.
	Attendance in GS Meetings	20%	50%	30%	30%	20%	60%	50%	National 35 % States lowest Rajasthan 20%

									Highest TN 70%
	Quality of GS functioning	30%	60%	50%	50%	30%	70%	60%	National 55% Southern 65% Northern 30% States Tamil Nadu 70% Rajasthan and UP 30
	Level of Need based dev. planning involving GS	30%	50%	30%	30%	30%	60%	70%	National 40% Southern 65% Eastern 30% States Andhra Pradesh70% Rajasthan and UP 30
	Level of awareness about dev Pro. & SA	20%	70%	40%	50%	40%	70%	60%	National 50% Southern 65% western 45% States Tamil Nadu 70% Rajasthan 20
	Awareness of right to know	20%	90%	50%	50%	70%	70%	70%	National 60% Southern 70% Eastern 60% States Tamil Nadu70% Rajasthan 20%
	Ability to ask Questions	10%	40%	20%	15%	10%	45%	40%	National 25% Southern 42.5% Eastern 15% States Tamil Nadu 45%

									Rajasthan 10%
Awareness about SA (Beneficiaries)	5%	15%	10%	15%	10%	20%	20%		National 10% Southern 20% Eastern 10% States Tamil Nadu 20% & Rajasthan 5%
Desirability of SA	Most Desirable	Most Desirable	Most Desirable	Most Desirable	Most Desirable	Desirable	Most Desirable	Most Desirable	Most Desirable
Feasibility of SA	Feasible	Feasible	Feasible	Feasible	Feasible	Feasible	Feasible	Feasible	Feasible
Legal Status of SA	Legally Approved	Legally Approved	Do not have enough legal backing	Do not have enough legal backing	Legally Approved	Legally Approved	No legal status, as yet	National 50% legally app. Regional western Legally approved Eastern Not legal sanctions.	
Hurdles in Passing an act	No Hurdles	No Hurdles	No Hurdles	No Legal Hurdle	No Hurdles	No Hurdles	Not legally approved	No legal Hurdles	
Comments on SA	V. Imp. For better impact of dev. Programmes	SA is playing a V. imp. Role for all dev. Works	Awareness Generation, Community Mobilisation and according powers to GS is needed	SA is necessary for all government schemes for greater transparency and quality.	SA is necessary for all government schemes for greater transparency and quality.	SA is necessary for all government developmental schemes. It would improve the quality of work at all level.	SA would bring quality & transparency in all developmental works.	SA will bring quality and transparency	

ANNEXURE 5
LEGAL
PROVISIONS

Annexure – V

PROVISIONS OF AUDIT IN SELECTED STATES AS PER PANCHAYATI RAJ ACTS

Sr. No (1)	Name of the State (2)	Section of the Act (3)	Audit arrangement (4)	Existing provisions of audit (5)
1.	Bihar	Section 31, 57 and 87 of the Act	Examiner Local Fund Audit under the C & AG	Examiner, Local Fund Accounts
2.	Gujarat	Section 121 for Panchayat Audit Section 143 for Taluk Panchayat Section 166 for Distt. Panchayat Gujarat Local Fund Audit 1963	Audit by Local Fund Examiner	Audit of District and Taluk Panchayat under section 14 of DPC Act where applicable
3.	Haryana	Section 43 and 105	Audit by Director of Local Audit Haryana	
4.	Himachal Pradesh	Section 118 of Panchayati Raj Act	All the 3-tiers are audited by the Auditors of P.R. Department. Similarly, for all urban bodies.	Audit under guidance of Dy. Controller (F&A) at State headquarters. The auditors are supervised by a Distt. Audit Officer located at Distt. headquarters.
5.	Karnataka	Section 126 of Zilla Parishad Act 1983 and Section 246 of Zilla Parishad Act, 1993 for Mandal Panchayat Section 253 & 262 of Karnataka PR Act, 1993 for Audit of Taluk & Zila Panchayat	Audit by CAG for first two tiers under section 19(3) of the DPC Act. Audit of Gram Panchayats is done by Controller of State Accounts	Audit by CAG for first two tiers under section 19(3) of the DPC Act. Audit of Gram Panchayats is done by Controller of State Accounts
6.	Kerala	Section 215	Audit by Examiner of LFA	DRDA Audit under section 14 of DPC Act.
7.	Maharashtra	Section 4 of Bombay Local Fund Audit Act 1930	Chief Auditor, Local Fund Account Maharashtra Also under Section 14 of CAG's Act where applicable	Chief Auditor, Local Fund Account Maharashtra Also under Section 14 of CAG's Act where applicable
8.	Tamilnadu	Section 193	Director Local Fund Audit for ULBs and first 2 tiers of PRIs. Gram Panchayat audited by Deputy Block Development Officer	Asstt. BDO conducts audit of Village Panchayat Accounts; to be monitored by Asstt. Director of Rural Development (Audit) at the Distt. level. Audit of Zilla Parishad u/s 14 of DPC Act.

9.	Uttar Pradesh		Audit by Director LFA and Chief Audit Officer, Cooperative Societies and Panchayats. TGS given to CAG. Audit of Zilla Parishad u/s 14 of DPC Act.	Audit by Director LFA and Chief Audit Officer, Cooperative Societies and Panchayats. Audit of Zilla Parishad u/s 14 of DPC Act. TGS given to CAG
10.	West Bengal	Part V Chapter XVIII of West Bengal Panchayat Act, 1973 as amended	Examiner Local Fund Audit under CAG.	Audit conducted by Examiner, Local Fund Accounts of IA&AD. In addition audit of Zilla Parishad under section 14 of DPC Act.

**ANNEXURE 6
REVENUE AND
EXPENDITURE
OF PRI (ALL
TIERS)**

State-wise Revenue and Expenditure of Panchayati Raj Institutions (all tiers)

(Para 8.25)

(Rs. in lakhs)

State	Item	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
1. Andhra pradesh									
Revenue	Own Tax	4574.44	5003.91	4762.89	4621.45	4944.84	5766.94	7748.39	7990.07
	Own Non-Tax	1695.13	3368.16	2896.80	3654.03	4349.83	4784.81	5263.29	5789.62
	Own Revenue	6269.57	8372.07	7659.69	8275.48	9294.67	10551.75	13011.68	13779.69
	Other Revenue	93790.47	107432.44	133170.55	137650.34	148856.74	153050.27	191052.11	237378.88
	Total Revenue	100060.04	115804.51	140830.24	145925.82	158151.41	163602.02	204063.79	251158.57
Expenditure	Exp. on C S	7573.29	12727.08	15634.97	13564.69	15778.76	20187.95	26742.82	40338.49
	Other Exp.	92460.57	103035.71	125646.83	131623.31	144624.47	146503.97	176813.05	210020.08
	Total Exp.	100033.86	115762.79	141281.80	145188.00	160403.23	166691.92	203555.87	250358.57
2. Arunachal Pradesh PRIs do not exist.									
3. Assam									
Revenue	Own Tax	298.25	304.34	310.51	316.76	323.10	329.56	336.14	342.86
	Own Non-Tax	2.71	2.77	2.83	2.89	2.95	3.01	3.07	3.13
	Own Revenue	300.96	307.11	313.34	319.65	326.05	332.57	339.21	345.99
	Other Revenue	0.00	0.00	42.86	43.72	44.59	45.47	46.39	1204.32
	Total Revenue	300.96	307.11	356.20	363.37	370.64	378.04	385.60	1550.31
Expenditure	Exp. on C S	0.00	0.00	1398.35	1407.93	1431.03	1454.08	1477.93	1082.14
	Other Exp.	213.17	826.95	2006.57	2144.02	2559.65	2623.02	2961.45	2974.77
	Total Exp.	213.17	826.95	3404.92	3551.95	3990.68	4077.10	4439.38	4056.91
4. Bihar									
Revenue	Own Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Non-Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Revenue	359.08	565.13	29494.98	63315.94	59164.15	44218.27	38379.39	36596.09
	Total Revenue	359.08	565.13	29494.98	63315.94	59164.15	44218.27	38379.39	36596.09
Expenditure	6. Exp. on CS*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Exp.	13630.18	15087.41	46320.38	89672.76	92655.67	64214.39	59158.97	66039.74
	Total Exp.	13630.18	15087.41	46320.38	89672.76	92655.67	64214.39	59158.97	66039.74
5. Goa									
Revenue	Own Tax	75.15	95.83	103.22	128.54	186.39	211.44	254.13	291.36
	Own Non-Tax	29.70	24.23	31.54	34.35	72.35	92.94	104.44	104.88
	Own Revenue	104.85	120.06	134.76	162.89	258.74	304.38	358.57	396.24
	Other Revenue	262.45	438.11	412.66	473.78	517.52	464.33	323.22	661.24
	Total Revenue	367.30	558.17	547.42	636.67	776.26	768.71	681.79	1057.48
Expenditure	Exp. on C S	47.11	57.28	80.13	88.30	137.46	153.88	175.63	222.55
	Other Exp.	160.81	243.39	208.68	259.95	267.05	319.27	348.95	540.79
	Total Exp.	207.92	300.67	288.81	348.25	404.51	473.15	524.58	763.34
6. Gujarat									
Revenue	Own Tax	1750.89	1900.74	2090.77	2341.96	2504.42	2590.59	2959.83	3093.28
	Own Non-Tax	994.18	949.07	1053.36	1005.66	861.96	967.95	1031.40	942.83
	Own Revenue	2745.07	2849.81	3144.13	3347.62	3366.38	3558.54	3991.23	4036.11
	Other Revenue	99071.21	108972.06	115932.00	120241.71	146078.56	165152.38	229501.80	219217.60
	Total Revenue	101816.28	111821.87	119076.14	123589.33	149444.94	168710.92	233493.03	223253.71
Expenditure	Exp. on C S	883.67	1077.16	1157.75	1191.74	1151.09	1185.98	1533.76	1657.28
	Other Exp.	107213.66	121758.43	133711.66	140314.72	149767.42	178499.78	198333.74	225223.57
	Total Exp.	108097.32	122835.59	134869.41	141506.46	150918.51	179685.76	199867.50	226880.85

State	Item	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
7. Haryana									
Revenue	Own Tax	98.00	208.00	264.00	260.00	266.00	18.00	334.00	450.00
	Own Non-Tax	2841.00	2685.00	3804.00	3707.00	4006.00	3833.00	3801.00	4851.00
	Own Revenue	2939.00	2893.00	4068.00	3967.00	4272.00	3851.00	4135.00	5301.00
	Other Revenue	1690.00	1447.00	1521.00	1718.00	1884.00	2219.00	2796.00	3221.00
	Total Revenue	4629.00	4340.00	5589.00	5685.00	6156.00	6070.00	6931.00	8522.00
Expenditure	Exp. on C S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Expen.	6787.00	5829.40	8615.80	9862.30	10824.80	12230.10	9782.10	14642.90
	Total Expen.	6787.00	5829.40	8615.80	9862.30	10824.80	12230.10	9782.10	14642.90
8. Himachal Pradesh									
Revenue	Own Tax	2.00	67.39	32.14	42.86	54.30	46.49	41.20	67.70
	Own Non-Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Revenue	2.00	67.39	32.14	42.86	54.30	46.49	41.20	67.70
	Other Revenue	401.72	505.84	486.86	467.89	524.08	574.95	1608.08	2457.34
	Total Revenue	403.72	573.23	519.00	510.75	578.38	621.44	1649.28	2525.04
Expenditure	Exp. on C S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Exp.	403.76	570.12	519.07	510.76	578.48	621.44	1649.28	2525.04
	Total Exp.	403.76	570.12	519.07	510.76	578.48	621.44	1649.28	2525.04
9. Jammu & Kashmir Information not furnished									
10. Karnataka									
Revenue	Own Tax	1474.48	1439.56	1620.61	1681.71	2156.29	2320.12	2317.13	2592.43
	Own Non-Tax	258.57	319.96	344.25	257.36	308.18	409.04	454.94	421.29
	Own Revenue	1733.05	1759.52	1964.86	1939.07	2464.47	2729.16	2772.07	3013.72
	Other Revenue	129709.57	159385.99	175708.71	216177.07	243281.12	276679.73	321889.48	373792.82
	Total Revenue	131442.62	161145.51	177673.57	218116.14	245745.59	279408.89	324661.55	376806.54
Expenditure	Exp. on C S	10968.91	13836.07	17655.87	21942.24	20381.74	27621.64	31369.24	36124.04
	Other Exp.	114122.98	136118.90	148223.15	186262.13	178867.45	231474.97	297535.32	333516.85
	Total Exp.	125091.89	149954.97	165879.02	208204.37	199249.19	259096.61	328904.56	369640.89
11. Kerala									
Revenue	Own Tax	2835.23	3504.03	3514.91	4292.66	5104.44	6967.60	7866.22	8755.35
	Own Non-Tax	296.28	219.24	358.04	404.03	456.89	824.52	1073.67	1153.99
	Own Revenue	3131.51	3723.27	3872.95	4696.69	5561.33	7792.12	8939.89	9909.34
	Other Revenue	6530.42	6639.22	9404.58	10932.81	13791.34	20124.30	50232.80	88367.25
	Total Revenue	9661.93	10362.49	13277.53	15629.50	19352.67	27916.42	59172.69	98276.59
Expenditure	Exp. on C S	3160.70	2976.38	3715.94	4357.63	5309.33	3859.99	6220.83	8725.05
	Other Exp.	6712.83	7581.01	9868.74	11553.71	14143.48	26374.29	49491.12	64331.03
	Total Exp.	9873.53	10557.39	13584.68	15911.34	19452.81	30234.28	55711.95	73056.08
12. Madhya Pradesh									
Revenue	Own Tax	294.22	360.71	477.96	635.58	931.55	1066.53	1145.84	1167.10
	Own Non-Tax	899.95	1181.76	1054.94	1041.43	1649.67	1903.53	1992.99	2036.73
	Own Revenue	1194.17	1542.47	1532.90	1677.01	2581.22	2970.06	3138.83	3203.83
	Other Revenue	22173.46	22041.78	30486.24	30489.52	27652.60	45377.35	67354.24	174697.64
	Total Revenue	23367.63	23584.25	32019.14	32166.53	30233.82	48347.41	70493.07	177901.47
Expenditure	Exp. on C S	794.00	1063.19	1502.06	1318.97	1628.64	3958.55	5089.95	5640.33
	Other Exp.	21849.13	22306.04	30930.82	31058.47	28637.01	45133.96	67069.34	172889.57
	Total Exp.	22643.13	23369.23	32432.88	32377.44	30265.65	49092.51	72159.29	178529.90
13. Maharashtra									
Revenue	Own Tax	2425.87	3076.22	3042.93	4482.72	4700.62	5821.72	6900.26	7459.15
	Own Non-Tax	994.63	1085.19	1012.02	1404.11	1606.25	1827.01	2681.32	3757.86
	Own Revenue	3420.51	4161.41	4054.95	5886.82	6306.88	7648.74	9581.58	11217.00
	Other Revenue	101099.43	114407.29	162615.29	164956.48	198381.31	240627.58	279077.82	319530.01
	Total Revenue	104519.94	118568.70	166670.24	170843.30	204688.19	248276.31	288659.40	330747.02
Expenditure	Exp. on C S	10165.49	11793.42	15875.33	17676.57	19949.00	27255.22	32223.91	34154.14
	Other Exp.	134259.58	176536.43	191513.41	230455.78	299746.14	291987.42	362443.10	424384.16
	Total Exp.	144425.07	188329.85	207388.74	248132.35	319695.14	319242.64	394667.01	458538.30

State	Item	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
14. Manipur									
Revenue	Own Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Non-Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Revenue	33.88	40.66	41.45	58.40	73.39	62.97	36.00	34.81
	Total Revenue	33.88	40.66	41.45	58.40	73.39	62.97	36.00	34.81
Expenditure	Exp. on C S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Exp.	92.69	96.90	91.76	124.16	165.21	157.06	133.59	208.70
	Total Exp.	92.69	96.90	91.76	124.16	165.21	157.06	133.59	208.70
15. Meghalaya									
Revenue	Own Tax	0.00	0.64	0.71	1.40	5.32	6.95	3.70	4.80
	Own Non-Tax	225.74	254.54	177.44	209.37	132.64	218.72	250.77	311.17
	Own Revenue	225.95	255.18	178.15	210.77	137.96	225.67	254.47	315.97
	Other Revenue	687.61	717.99	694.64	793.02	850.97	948.88	1197.91	1436.25
	Total Revenue	913.56	973.17	872.79	1003.79	988.93	1174.55	1452.38	1752.22
Expenditure	6. Exp. on CS*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Exp.	1179.12	1528.97	1523.78	1601.90	1477.88	1964.58	2109.14	2356.28
	Total Exp.	1179.12	1528.97	1523.78	1601.90	1477.88	1964.58	2109.14	2356.28
16. Mizoram									
Revenue	Own Tax	0.00	0.00	0.00	0.11	0.07	0.80	0.17	1.07
	Own Non-Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Revenue	0.00	0.00	0.00	0.11	0.07	0.80	0.17	1.07
	Other Revenue	0.00	0.00	0.00	0.00	0.00	0.00	74.00	74.00
	Total Revenue	0.00	0.00	0.00	0.11	0.07	0.80	74.17	75.07
Expenditure	Exp. on C S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Exp.	66.73	75.09	79.09	75.09	81.89	81.89	155.89	149.58
	Total Exp.	66.73	75.09	79.09	75.09	81.89	81.89	155.89	149.58
17. Nagaland									
Revenue	Own Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Non-Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Revenue	2273.13	1937.24	1904.65	2795.39	4769.59	8160.00	9461.08	9283.93
	Total Revenue	2273.13	1937.24	1904.65	2795.39	4769.59	8160.00	9461.08	9283.93
Expenditure	Exp. on C S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Exp.	2273.13	1937.24	1904.65	2795.39	4769.59	8160.00	9461.08	9283.93
	Total Exp.	2273.13	1937.24	1904.65	2795.39	4769.59	8160.00	9461.08	9283.93
18. Orissa									
Revenue	Tax	355.38	725.75	383.08	411.37	474.53	469.99	449.21	462.34
	Own Non-Tax	234.99	122.15	267.50	291.86	327.37	248.81	264.55	237.04
	Own Revenue	590.37	847.90	650.58	703.23	801.90	718.80	713.76	699.38
	Other Revenue	17222.62	16690.13	20245.96	35244.39	38971.40	51816.49	60622.82	63302.87
	Total Revenue	17812.99	17538.03	20896.54	35947.62	39773.30	52535.29	61336.58	64002.25
Expenditure	Exp. on C S	988.23	1527.73	1601.59	1467.14	1121.03	1300.62	462.21	793.25
	Other Exp.	16824.76	16010.30	19294.95	34480.48	38652.27	51234.67	60874.37	63209.00
	Total Exp.	17812.99	17538.03	20896.54	35947.62	39773.30	52535.29	61336.58	64002.25
19. Punjab									
Revenue	Own Tax	65.02	65.09	65.42	66.14	65.20	67.30	67.99	69.85
	Own Non-Tax	2090.68	2346.70	2941.30	3855.86	4467.96	4925.52	4680.89	5316.77
	Own Revenue	2155.70	2411.79	3006.72	3922.00	4533.16	4992.82	4748.88	5386.62
	Other Revenue	7589.91	8563.48	9687.64	10893.85	12083.11	12747.32	9214.66	8154.42
	Total Revenue	9745.61	10975.27	12694.36	14815.85	16616.27	17740.14	13963.54	13541.04
Expenditure	Exp. on C S	3945.25	4219.64	4752.36	7540.67	7077.72	8464.64	4869.60	3915.10
	Other Exp.	6054.11	7034.02	8050.31	7784.22	8751.77	10149.84	11115.09	12038.01
	Total Exp.	9999.36	11253.66	12802.67	15324.89	15829.49	18614.48	15984.69	15953.11

State	Item	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
20. Rajasthan									
Revenue	Own Tax	Break up of tax and non-tax is not furnished							
	Own Non-Tax								
	Own Revenue	2427.61	2332.55	2084.36	2359.96	2554.04	2635.68	3204.12	3074.57
	Other Revenue	73022.18	64477.40	68265.69	82349.35	105920.31	126338.02	141603.75	148946.18
	Total Revenue	75449.79	66809.95	70350.05	84709.31	108474.35	128973.70	144807.87	152020.75
Expenditure	Exp. on C S	3.60	48.40	243.50	504.65	810.15	1043.84	1091.00	1163.57
	Other Exp.	74288.48	65692.47	69790.46	84154.95	108075.65	127186.15	144352.01	152574.73
	Total Exp.	74292.08	65740.87	70033.96	84659.60	108885.80	128229.99	145443.01	153738.30
21. Sikkim									
Revenue	Own Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Non-Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Revenue	0.00	116.00	71.00	66.00	64.93	122.17	143.84	146.23
	Total Revenue	0.00	116.00	71.00	66.00	64.93	122.17	143.84	146.23
Expenditure	Exp. on C S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Exp.	0.00	116.00	70.90	66.00	64.93	122.17	143.84	146.23
	Total Exp.	0.00	116.00	70.90	66.00	64.93	122.17	143.84	146.23
22. Tamil Nadu									
Revenue	Own Tax	1479.76	1776.61	1580.61	2269.00	2380.20	3121.19	2813.03	3293.80
	Own Non-Tax	91.83	79.82	93.84	85.05	90.95	90.89	101.96	109.97
	Own Revenue	1571.59	1856.43	1674.45	2354.05	2471.15	3212.08	2914.99	3403.77
	Other Revenue	26378.03	29316.70	38211.64	42659.05	30133.58	30655.38	39250.98	38812.64
	Total Revenue	27949.62	31173.13	39886.09	45013.10	32604.73	33867.46	42165.97	42216.41
Expenditure	Exp. on C S	6644.63	5631.30	6825.87	8436.90	7879.21	9287.42	10215.66	16386.42
	Other Exp.	15322.21	13577.40	15480.36	17623.22	18255.16	19250.11	28896.03	32675.45
	Total Exp.	21966.84	19208.70	22306.23	26060.12	26134.37	28537.53	39111.69	49061.87
23. Tripura									
Revenue	Own Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Own Non-Tax	1.42	2.31	2.59	2.80	3.44	5.02	5.19	6.03
	Own Revenue	1.42	2.31	2.59	2.80	3.44	5.02	5.19	6.03
	Other Revenue	123.35	103.00	94.00	73.53	125.99	508.87	1095.55	6981.00
	Total Revenue	124.77	105.31	96.59	76.33	129.43	513.89	1100.74	6987.03
Expenditure	Exp. on C S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Exp.	123.35	103.00	94.00	73.53	125.99	508.87	1095.55	6981.00
	Total Exp.	123.35	103.00	94.00	73.53	125.99	508.87	1095.55	6981.00
24. Uttar Pradesh									
Revenue	Own Tax	622.12	671.83	744.58	911.36	900.01	798.53	661.63	865.36
	Own Non-Tax	1653.23	1836.91	2236.67	2804.11	3002.66	2938.46	3288.30	3799.81
	Own Revenue	2275.35	2508.74	2981.25	3715.47	3902.67	3736.99	3949.93	4665.17
	Other Revenue	40655.36	42171.17	43327.35	58923.65	57467.86	67875.95	59166.23	83659.19
	Total Revenue	42930.71	44679.91	46308.60	62639.12	61370.53	71612.94	63116.16	88324.36
Expenditure	Exp. on C S	236.00	307.00	633.00	653.00	673.00	693.00	770.00	5060.44
	Other Exp.	43139.90	44977.45	46645.71	61481.52	60487.57	70956.52	66668.00	85653.63
	Total Exp.	43375.90	45284.45	47278.71	62134.52	61160.57	71649.52	67438.00	90714.07
25. West Bengal									
Revenue	Own Tax	546.73	553.01	576.55	501.69	549.79	593.78	602.58	784.61
	Own Non-Tax	876.69	899.35	876.76	868.53	907.88	896.70	896.73	1174.60
	Own Revenue	1423.42	1452.36	1453.31	1370.22	1457.67	1490.48	1499.31	1959.21
	Other Revenue	5796.96	18859.76	27159.16	41315.26	47312.86	53347.40	50145.79	46816.25
	Total Revenue	7220.38	20312.12	28612.47	42685.48	48770.53	54837.88	51645.10	48775.46
Expenditure	Exp. on C S	192.35	194.68	190.00	192.29	195.49	196.02	197.21	194.51
	Other Exp.	11908.78	31983.50	34866.03	41518.34	53391.86	57855.42	52406.74	55293.40
	Total Exp.	12101.13	32178.18	35056.03	41710.63	53587.35	58051.44	52603.95	55487.91

(Rs. in lakhs)

State	Item	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Total (All States)									
Revenue	Own Tax	23849.68	19753.66	19570.89	22965.31	25547.08	30197.54	34501.45	37691.13
	Own Non-Tax	13186.73	15377.16	17153.88	19628.43	22246.98	23969.93	25894.51	30016.72
	Own Revenue	37036.41	35130.82	36724.77	42593.74	47794.06	54167.47	60395.96	67707.85
	Other Revenue	624346.53	707160.94	871063.27	1023999.11	1140504.04	1303752.76	1557478.07	1867846.53
	Total Revenue	661382.94	742291.76	907788.05	1066592.85	1188298.10	1357920.23	1617874.02	1935554.38
Expenditure	Exp. on C S	41661.98	55459.33	71266.72	80342.72	83523.65	106662.83	122439.75	155457.31
	Other Exp.	673028.18	773026.13	895457.11	1085496.71	1216971.39	1347609.89	1602997.74	1937658.44
	Total Exp.	714690.16	828485.46	966723.83	1165839.43	1300495.04	1454272.72	1725437.49	2093115.75

Source: State Governments.

CS = Core Services (water supply, street lighting, sanitation and roads).

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