

To,

Shri Giriraj Singh

The Minister

Ministry of Rural Development

Date: 1 October, 2021

Subject: Recommendations related to Social Audits in MGNREGA

Dear Sir,

NREGA Sangharsh Morcha (NSM) is a people's campaign for right to work with dignity and social security, a collective of rural people's organisations, women's organisations and workers' unions. The campaign has deep grass-roots presence and work on NREGA on a day to day basis. We observe the programme closely across different states and advocate for improved and transparent implementation of the same.

We write to you to convey our observations on the status of Social Audits and put forward recommendations for executing Social Audits with letter and spirit, across the nation.

The norms based on which social audits of MGNREGA must take place are clearly determined in the Auditing Standards of Social Audit, as laid down by the Comptroller General of India. However We have observed that the standards of audits and action taken on audit findings are largely unsatisfactory across states.

Our observations are as follows:

1. Social Audit Units(SAU) have been set up in all states of the country. However, The SAUs, in most states, are not independent, They do not have sufficient staff and have not been allocated adequate funds. In some states (E.g: Uttar Pradesh), the officials from the Programme Implementing Agencies(PIA) are responsible for oversight and payments of local SAU cadres.
2. The quality of audits vary widely across the states. Also, Appropriate and timely follow up action has not been taken and uploaded on the website. It has been often observed that Issues are being closed by Programme Implementing Agency(PIA)without any independent oversight.
3. Most Social Audit Units (SAU) have stopped regular audits, since April 2021. A few SAUs have taken up concurrent audits but on a smaller scale. However, the findings of these concurrent audits are placed in the public domain as the Management Information System (MIS) has not been extended to accommodate the entry of concurrent audit data.
4. All social audit reports are not hosted in the public domain. In FY 2019-20, while audits have been done in 51 percent of GPs, the audit findings have been disclosed in the public domain

only for 37 per cent of the audits. Also, Action Taken Reports of the Department that enlist the action taken on social audit findings are not disclosed in the public domain.

5. Several media outlets have indicated heavy misappropriation in NREGA funds as reported by different Social Audit Units in the last 4 years. However, our observations are that the volume of misappropriation is much more than what is reported in audits since audits are not regularly held, in most states each gram panchayat goes through the process of audit once in 3 years and in some states audits do not happen at all.

The NREGA Sangharsh Morcha therefore demands:

1. The Central Government should ensure provision of adequate funds to Social Audit Units for Social Audits to take place as per calendar.
2. The Central government and State governments should ensure that all directors and staff of Social Audit Units shall be appointed as per the Auditing Standards of Social Audit to ensure independence of the unit. The programme implementing agency should have absolutely no interference in the operations of the Social Audit Unit.
3. The Ministry should intervene to ensure that Social Audit Units upload the Social Audit calendars in the public domain and social audits are executed as per the same. There is a need for independent oversight in this regard.
4. The Ministry should ensure that Social Audit Reports are uploaded in the public domain within 7 days of completion of Social Audit Public Hearing . The findings of the concurrent audits should also get uploaded on the website and the centre should make mandatory provisions on the official website for the same.
5. The central government should instruct and ensure that the State governments fill in Action Taken Reports (ATR) on Social Audit findings within a period of 30 days, and the same is disclosed in the public domain. The centre should have a stringent follow-up mechanism to ensure on-time action on irregularities.

We expect a quick action from your end on these issues to ensure that independent social audits are regularized in all states, findings are put in public domain and timely actions are ensured against each irregularity.

Regards

NREGA Sangharsh Morcha

