

SOCIAL AUDIT

Social audit refers to the steps that are taken to ensure that the work done by NALCO is actually benefiting the people whom it is intended to benefit. It is based on the principle that the local governance should be carried out, as much as possible, with the consent and in complete understanding of the requirements of the people concerned. It is a process and not an event. Thus, Social Audit is nothing but understanding, measuring, reporting, and most importantly improving the efficiency and effectiveness of the governance.

Social Audit is a process that enables citizen of a Gram Panchayat to assess and demonstrate social, economic, and environmental benefits and limitations of a scheme on a citizen of a gram Panchayat Social auditing provides an assessment of the impact of scheme non-financial objectives through systematically and regularly monitoring its performance and the views of its stakeholders. Social auditing requires the involvement of stakeholders. This may include employees, clients, volunteers, funders, contractors, suppliers and local residents interested in the scheme.

IMPLEMENTATION OF SOCIAL AUDIT

1. **Empowerment of people** : Social audit is most effective when the actual beneficiaries of an activity are involved in it. However, people can only get involved in the process when they are given appropriate authority and rights. To this end, the 73rd amendment of the constitution has empowered the Gram Sabha to conduct social audit. This is relevant only in the villages. In the cities, the Right to Information Act empowers the people to inspect public records.
2. **Proper Documentation** : Every thing right from the requirement gathering to planning to implementation must be properly documented. Some of the documents that should made mandatory are:
 - Applications, tenders, and proposals
 - Financial statements, income - expense statements.
 - Registers of workers
 - Inspection reports.
3. **Accessibility of Documents** : Merely generating documents is useless if they are not easily accessible. In this information age, all the documents must be put on line.
4. **Punitive Action** : The final and most important provision, about which nothing is being done yet is to have punitive actions for non-conformance of the process of social audit. Unless there is legal punishment, there will be no incentive for the people in authority to implement the processes in a fair manner.

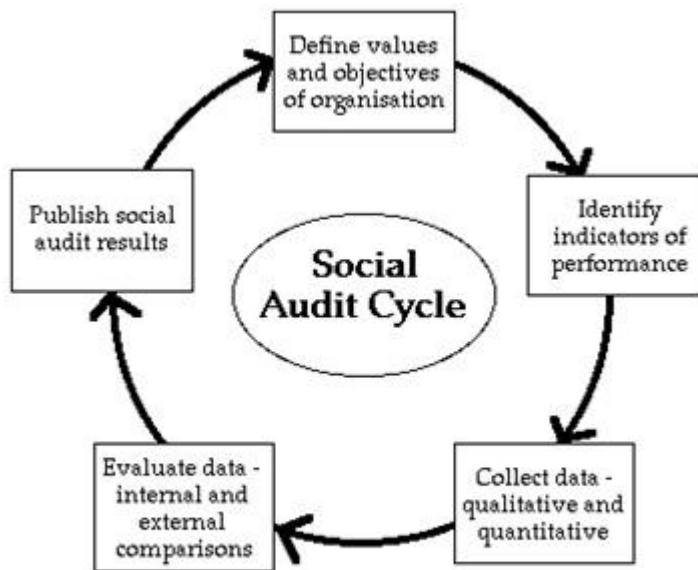


Figure 1: The Social Audit Cycle

HINDRANCES IN SOCIAL AUDIT

1. Mindset of people. Even after 50 yrs of independence people do not understand the concept of govt. for the people, of the people, and by the people. Most of the people still think themselves as being ruled by the politicians, while politicians think that they are the rulers. Due to this reason, common people do not get involved in the developmental activities.
2. Lack of any legal proceedings for not following social audit principles. Unless there is a stringent penalty on authorities for not implementing social audit, they will not give up control because it reduces their kickbacks and authority.
3. Lack of education among the common masses.
4. Untimely transfer of functionaries makes it difficult to have appropriate responsibility fixation
5. Problem of difference in work culture
6. Lack of people participation
7. Timely meetings are not held
8. No follow up

BENEFITS OF SOCIAL AUDIT

- Involvement of people in developmental activities ensures that money is spent where it is actually needed.
- Reduction of wastages.
- Reduction in corruption.
- Awareness among people.
- Promotes integrity and a sense of community among people.
- Improves the standard of governance.
- Benefits disadvantaged people
- Develops human resource and social capital
- Promotes collective decision making and sharing responsibilities

