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Impact of Social Audits in Andhra Pradesh: An Empirical Study

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Abstract- Undoubtedly, one of the most significant efforts to transform rural life in India is the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). A major reason for the failure of many development programs in India has been the lack of accountability. Most poverty alleviation programs have suffered from dishonesty, inefficiency, and absenteeism. Inspections without public participation often fail to gain public confidence. Under Section 17 of the Act, the Gram Sabha is mandated to conduct a Social Audit. Andhra Pradesh was the first and only state to implement social audits under MGNREGA in 2006. The Mazdoor Kisan Shakti Sangathan (MKSS) in Rajasthan pioneered social audits in development programs. Its goal was to increase transparency in wage payments and assess the quality of work through public scrutiny of records. Public participation in social audits has become a key governance issue. While widely appreciated, social audits have been only moderately successful in ensuring full accountability. However, they have raised awareness and strengthened transparency in rural development schemes. Using official social audit reports, this study examines their impact on MGNREGS delivery in Andhra Pradesh.

Social audits are designed as a tool to enhance accountability and transparency in program implementation. The process includes Action Taken Reports (ATRs) on issues identified during audits. This comparative study focuses on social audits under MGNREGS in selected districts, particularly Guntur, using secondary data for analysis.

Key words: Wage seekers, MGNREGS, Social Audit, Transparency and Accountability

I.INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship program of the Government of India that provides the right to work to rural citizens. Enacted as an extraordinary piece of legislation, it was first launched on February 2, 2006, in 200 districts and was extended to all districts across the country by April 2008. The enactment of MGNREGA and its subsequent policy measures have had far-reaching implications for rural development and the realization of the right to employment.

Over the years, numerous studies conducted by NGOs, researchers, and other organizations have examined the impact of MGNREGA on various parameters. While several studies have reported significant positive outcomes—such as increased wage rates, improved food security, and reduced migration—others have highlighted persistent challenges like delayed or non-payment of wages, lack of unemployment benefits, errors in wage calculation, operational bottlenecks, and corruption.

Many evaluations of the scheme have focused on its outcomes but have paid less attention to the sources of irregularities and corruption. This paper aims to analyze the impact of Social Audits, conducted under Section 17 of MGNREGA, in the state of Andhra Pradesh. It seeks to assess how social audits serve as a tool for controlling irregularities and ensuring transparency and accountability in program implementation.

As Jayal (2008) points out, the "instruments of accountability" in India have not been adequately explored, though the Right to Information (RTI) stands as a prominent example. Our focus, however, is on social audits under MGNREGA for two main reasons. First, MGNREGA is a national-level scheme, and effective auditing can significantly contribute to participatory development and rural democratization. Second, since the Government of India invests heavily in implementing social audits, evaluating their efficiency and effectiveness is essential. If social audits function effectively, they enhance the overall impact and credibility of MGNREGA investments.

The primary objective of a social audit is to ensure public accountability in the implementation of projects, laws, and policies. It is an effective tool for promoting transparency, participation, consultation, and accountability under MGNREGA. A social audit combines public participation and monitoring with the rigor of the audit discipline. Since the implementing agency does not audit itself, an independent Social Audit Unit (SAU) facilitates the process, ensuring citizen involvement. Importantly, the social audit process is fact-finding, not fault-finding—auditors cross-verify records with workers and conduct on-site verification, acting as facilitators rather than prosecutors (MGNREGA Guidelines, 2014).

II.OBJECTIVE

1. To know the impact of social audit on MGNREGS in Andhra Pradesh.
2. To know the procedure of Andhra Pradesh in conducting Social Audit
3. To Know if the social audit is successful in implementing and reducing anomalies under MGNREGS

III.METHODOLOGY

MGNREGA has been implemented in Andhra Pradesh since 2006 and social audit of MGNREGA has been in practice since 2006-07. This study used quantitative and qualitative data at both primary and macro level. At the macro level, secondary data for the study will be collected from the MGNREGS website, state level MGNREGS Directorate, Director of Social Audit, Project Director, DWMAs and Program Officers/MPDOs, Block/Mandal and Gram Panchayat officers from the inception of the social audit scheme and practice. Micro level data is collected through primary survey of MGNREGS beneficiary households. Opinion collection was done through house-to-house survey in Guntur district of Andhra Pradesh state.

Sample Design

To understand the perspective of laborers on social audit in MGNREGS in Andhra Pradesh, with a view to ensure adequate representation, the study adopted a multi-stage sampling approach. In Guntur district of Andhra Pradesh, 3gram panchayats were selected from 4 revenue divisions, 2 mandals in each division. The selected mandal is the mandal with the families who have completed more than 100 days in that division and the gram panchayat also has the families who have completed more than 100 days. Households who have completed at least 2 years and 100 days in four years from 2017-18 to 2020-21 have been selected.

Social Audit in Andhra Pradesh

MGNREGS Keeping in view the mandate and spirit of MGNREGA social audits were introduced in AP. The AP model of social audit is largely a state-based accountability model. The Government of Andhra Pradesh has framed a set of rules for conducting Social Audit. The same is known as MGNREGS -AP Social Audit Rules 2008 (GO MS No.317). In Andhra Pradesh, in July 2006, the first social audit was carried out in Nalgonda district on the 'Food for Work' programme, starting with Nalgonda district and followed by Anantapur district in a phased manner (In United AP). The Andhra Pradesh Government, through its Department of Rural Development, has spearheaded this effort with the support of over a hundred voluntary organizations.

Strategy and Performance Innovation Unit (SPIU) of Rural Development Department, Govt. A.P has been entrusted with the task of developing a team in the state and creating institutional space for conducting social audits. It was set up through a DFID-funded reform action plan aimed at institutionalizing 'good governance reforms' in the state. But now it has been transformed into an independent organization in 2009 as Society for Social Audit, Accountability and Transparency (SSAAT). Its cost will be met from the five percent administrative cost earmarked for MGNREGS. Since then, in Andhra Pradesh, on an average, 54 social inspections are conducted every month. Now they have made a calendar and accordingly all gram panchayats are expected to conduct social audit twice.

Social Audit Calendar: The Social Audit Unit (SAU) prepares the Social Audit Calendar for the Gram Panchayats of the State.

Village Social Auditors (VSAs): VSAs are identified by Social Audit Unit in each state. VSAs should be taken from the following groups:

- Members of SHGs (preferably women members)
- Should have worked under MGNREGS or family members who have worked under MGNREGS.
- Women or persons preferably belonging to SC, ST, Notified Tribes, De-Notified Tribes/Other Scheduled Tribes
- Youth from rural groups, Nehru Yuva Kendra, Bharat Nirman volunteers

Training of VRPs: The identified VRPs will attend a training program on key aspects of MGNREGS, Social Accountability and Social Audit.

Village Resource Persons/Village Social Auditor: Village Resource Persons act as the most important link in the chain of social audit process. They play the role of aiding community members to enable them to conduct social audit of their gram panchayat.

Consolidation of Records: The Black (MPDO)Office provides all the necessary documents and the social inspection team cross-checks and verifies these documents. They ensure that all records of total expenditure are available.

Records Verification: The Social Audit team will cross verify the records with the beneficiaries and the worksite as follows:
They verify the documents received from the Program Officer/MPDO for the Gram Panchayat.

a) Through door-to-door verification, they meet all the workers who have worked under MGNREG Scheme during the financial year. It will be examined whether the wage seekers have been given full wages or not.
b) They visit all worksites, take measurements and check the quality of work. They perform 100% verification of all the work executed.

Report Preparation: The social audit team collates all findings and evidence from the verification phase and prepares an issue-wise social audit report for the Gram Sabha.

Social Audit Gram Sabha: After the preparation of the report, the next step in the social audit is to conduct the Social Audit Gram Sabha. The social audit team presents the findings from the verification phase to the public in the presence of an independent observer. The implementation mechanism should respond to the issues raised before the Gram Sabha.

Public Hearing: The purpose of public hearing is to ensure that orders are issued on a public platform and action is taken on the results of the social audit. Officials from implementing agencies should be present and respond to social audit results as well as queries raised by the public.

Following are the key functions of VRPs/VSAs during social inspection:

- Verify whether the MGNREGA wage seekers have received all their entitlements.
- Verify whether the properties created under MGNREGA have been constructed as per the registered norms.
- Assess who is benefiting from the works created under MGNREGA and whether the works are created keeping in mind the local development needs of the GP.
- Verify whether MGNREGA implementation processes in GP are as per the provisions of the Act and its guidelines.
- Ensure early disclosure of all information related to MGNREGA in an easily understandable manner to the GP residents.

Social Audit Follow Up
The Government of Andhra Pradesh established Vigilance cells at the State and District levels to take up follow up action on the Social Audit reports with the following objectives:

- ❖ Speedy Redressal of deficiencies
- ❖ Improve the delivery mechanism
- ❖ Ensure Accountability
- ❖ Close monitoring of disciplinary action
- ❖ Boost up the public confidence
- ❖ Ensure people’s faith in Governance.

State Level:
The State Vigilance Cell headed by the Chief Vigilance Officer (CVO) functions under three broad categories viz. Preventive Vigilance, Punitive Vigilance and Surveillance & Detection.

District Level:

District Vigilance Cell headed by the District Vigilance Officer (DVO) takes up follow up action of both social audit reports and quality control reports, monitor recovery process, filing of criminal cases and refer to RR Act.

Decisions taken by the presiding officer after the public hearing are written in the Decision Taken Format (DTF). One copy of the report of the social audit team shall be sent to the office of the project director, District Water Management Agency (DWMA), another copy to the concerned MPDO, and one copy to the SAU office. The District Vigilance Officer will then take the approval of the Collector / DPC, MGNREGS, through the Project Director, District Water Management Agency as per the DTF. After that, conduct the personel hearing for the accused persons as per DTF, and they will be issued the final orders. Recoveries are made. Those accused who do not like the decisions can appeal to the next higher authority.

Table -1

4 Years Status Report of Social Audit Identified deviations					
S. No	District	2017-18	2018-19	2019-20	2020-21
		Deviation Identified in Rs. Lakhs	Deviation Identified in Rs.Lakhs	Deviation Identified in Rs. Lakhs	Deviation Identified in Rs. Lakhs
1	Anantapur	289.17	44.98	283.21	128.43
2	Chittoor	9.36	9.19	348.91	19.19
3	East Godavari	1909.09	529.19	5416.47	1701.05
4	Guntur	269.17	57.79	320.36	57.59
5	Kadapa	143.24	102.65	128.02	26.48
6	Krishna	483.50	69.91	147.69	60.91
7	Kurnool	59.60	14.87	205.63	137.06
8	Nellore	153.91	31.68	170.24	16.81
9	Prakasam	414.49	424.33	53.52	401.13
10	Srikakulam	817.51	278.57	477.96	311.88
11	Visakhapatnam	1095.33	1400.28	4042.95	5102.67
12	Vizianagaram	1947.29	517.62	366.32	235.26
13	West Godavari	1233.23	738.70	478.80	401.17
Total		8824.93	4219.82	12440.13	8599.69

Source: https://socialaudit.mgnregs.ap.gov.in

Table -2

Year Wise Total EGS Expenditure Details for Social Audit Rs. In Crores					
S. No	District	2017-18	2018-19	2019-20	2020-21
1	Anantapur	429.23	410.55	768.00	397.11
2	Chittoor	311.70	323.18	647.80	140.54
3	East Godavari	427.53	393.47	685.01	393.92
4	Guntur	202.40	241.29	554.91	164.87
5	Kadapa	211.42	244.65	632.89	257.89
6	Krishna	169.32	200.05	460.30	153.73
7	Kurnool	279.44	316.37	592.75	221.24
8	Nellore	301.30	238.77	441.14	141.95
9	Prakasam	405.87	427.97	983.40	312.25
10	Srikakulam	462.01	310.88	764.51	214.04
11	Visakhapatnam	455.41	389.87	765.70	251.55
12	Vizianagaram	414.67	394.67	720.39	231.63
13	West Godavari	324.45	335.66	600.29	242.57
	Total	4394.81	4227.43	8617.15	3123.32

Source: https://socialaudit.mgnregs.ap.gov.in

Table – 3. Year wise Deviation identified by Social Audit Teams (Rs. In Crores)									
S. No	District	2017-18		2018-19		2019-20		2020-21	
			%		%		%		%
1	Anantapur	25.38	5.99	13.55	3.85	49.85	7.06	17.47	4.68

2	Chittoor	8.38	2.83	15.54	5.69	46.16	7.41	5.07	3.75
3	East Godavari	10.29	2.49	7.70	2.56	21.44	3.25	7.52	2.03
4	Guntur	10.23	5.1	4.54	2.02	10.78	1.97	13.83	8.34
5	Kadapa	12.62	6.13	7.003	3.69	30.37	5.25	14.78	5.95
6	Krishna	5.79	3.46	4.02	2.35	11.51	2.59	2.64	1.82
7	Kurnool	22.29	8.12	14.87	6.65	39.03	7.08	18.94	9.21
8	Nellore	31.41	10.89	14.88	7.85	22.86	5.39	7.28	5.56
9	Prakasam	26.13	6.56	22.80	6.26	102.89	11.37	24.89	9.01
10	Srikakulam	11.28	2.66	6.11	2.54	20.33	2.88	5.31	2.49
11	Visakhapatnam	22.45	5.15	14.32	4.36	26.93	3.84	5.78	2.44
12	Vizianagaram	12.91	3.31	7.28	2.61	14.53	2.17	6.82	3.11
13	West Godavari	10.54	3.35	6.40	2.34	14.25	2.60	4.03	1.71
	Total	209.75	5.08	139.08	4.05	410.98	4.83	134.41	4.62

Source: https://socialaudit.mgnregs.ap.gov.in

The above (Table -2 & 3) two tables, if observed, show the amount spent in 13 districts through Mahatma Gandhi National Rural Employment Guarantee Scheme from 2017–18 to 2020–21 and the misappropriation of funds revealed through social audit. If we look at the expenditure incurred through the employment guarantee scheme in the state as a whole, it can be seen that the highest expenditure was Rs. 86171538741/- in 2019-20 and the lowest expenditure was Rs. 31233292519/- in 2020-21. District-wise, in 2017-18 Srikakulam, Visakhapatnam and Anantapur districts spent the highest amount, while Krishna, Guntur and Kadapa districts spent the least. In 2018-19, Prakasam, Anantapur and Vizianagaram districts spent more, while Krishna, Nellore and Guntur districts spent less. In 2019-20, Prakasam, Anantapur and Visakhapatnam spent more, while Nellore, Krishna and Guntur districts spent less. In 2020-21, Anantapur, East Godavari and Prakasam districts spent more, while Chittoor, Nellore and Krishna districts spent less. According to Table 3, looking at the total misappropriation of funds identified through social audit, the districts with the highest misappropriation of funds in 2017–18 were Nellore, Kurnool and Prakasam. East Godavari, Srikakulam and Chittoor districts have the least misappropriation of funds. The social audit found that the highest amount of funds were misused in Nellore, Kurnool and Prakasam districts in 2018-19. In the same year, social audit found that funds were less misused in Guntur, Krishna and West Godavari districts. In 2019-20 Prakasam, Chittoor and Kurnool are the districts where the total amount of funds was misused. In 2020-21, Kurnool, Prakasam and Guntur districts have misappropriated the most amount of funds in the state. West Godavari, Krishna and East Godavari districts have seen the least misappropriation of funds this year.

A social audit is an audit done by beneficiaries in the public interest. A decision will be taken against the accused appearing in the social audit in a public forum. There is less misappropriation of funds if observed in Mgnregs. Not more than 10 percent of the funds identified in the social audit were misappropriated. Misappropriation of funds is much more common in other government programs.

Status of the Records of the MGNREGS Given to Social Audit 2019-20

	MCC	DCC	Total
Total Expenditure (in Cr)	4681.609	3103.637	7785.246
Total Records Given (in Cr)	4674.03 99.84%)	2655.1(85.55%)	7329.13 (94.14%)
Total Records Not Given (in Cr)	7.58 (0.16%)	448.54 14.45%)	456.11 (5.86%)

Source: https://socialaudit.mgnregs.ap.gov.in

According to the above table, if it is observed that records are given for the purpose of social Audit, in Andhra Pradesh the government takes the initiative and gives the records.

The following table shows the Social Audit results in the state of Andhra Pradesh in the financial year 2019-20.

Social Audit Observations in FY 2019-20

S. No	Particulars	FY 2019-20
1	Total Mandals Planned	660
2	Total Mandals audited (89.84%)	593
3	Total Gram Panchayats covered (90.78%)	11741
4	Total Habitations covered	30491
5	Total Job Cards (Working Job Cards)	38.91 Lakhs
6	Total Job Cards Verified while social audits (90.61%)	35.26 Lakhs
7	Total Works	15.91 Lakhs
8	Total Works Record Given	15.27 Lakhs
9	Total Works Audited (99.97%)	15.26 Lakhs
10	Total Expenditure in Cr.	7785.25
11	Records not Submitted in Social Audit in Cr. (5.86%)	456.11
12	Total SA Observations Identified in Cr.	361.20
13	Amount Accepted by Presiding Officer at Public Hearing (Recovery + Referred + Rectified) in Cr.	249.66
14	% of Amount Accepted by Presiding Officer at Public Hearing (Recovery+Referred+Rectified)	69.12

Source: https://socialaudit.mgnregs.ap.gov.in

Analysis of Survey Questionnaire of Social Audit

Table -4, Social Category of the Respondents

Sl. No	Social Category	No. of Respondents	Percentage
1	SC	88	22.00
2	ST	108	27.00
3	BC	163	41.00
4	Others	41	10.00
Total		400	100.00

Source: Primary data

Association between awareness in Social Audit and Social Category

Table-5, Observed and Expected Frequencies

Social category	Awareness in social audit					
	Yes	No		χ^2	*df*	*p*
SC	59[46.61]	0[12.39]		248.10	3	< .001
ST	36[94.80]	84[25.20]				
OBC	163[128.77]	0[34.23]				
Others	58[45.82]	0[12.18]				
	Note. Values formatted as Observed [Expected].					

Source: Primary data

Association between Occupation of the Household and awareness in social audit

Table –6, Observed and Expected Frequencies

	Awareness in social audit				
Occupation of the Household	Yes	No	χ^2	*df*	*p*
Agriculture labour	84[66.36]	0[17.64]	63.80	2	< .001
Daily labour	166[197.50]	84[52.50]			
Cultivation	66[52.14]	0[13.86]			
Note. Values formatted as Observed [Expected].					

Source: Primary data

Table -7, Whether the respondent is aware of Social Audit

Sl. No	Response	No. of Respondents	Percentage
1	Yes	316	79.00
2	No	84	21.00
Total		400	100.00

Source: Primary data

Table -8, Whether respondents think that Social Audit is useful'

Sl. No	Response	No. of Respondents	Percentage
1	Yes	304	76.00
2	No	96	24.00
Total		400	100.00

Source: Primary data

If you look at the aforementioned tables, you'll see that the wage seekers of MGNREGS have highly positive opinions on the social audit of the National Rural Employment Guarantee Scheme. It is observed that the majority of the respondents are revealed that the social audit is useful. ($n = 304$, 76%). Besides, there are about 24 percent of respondents shows not interested. The viewpoint of the wage seekers demonstrates the necessity of a social audit.

IV.SUGGESTIONS

1. Technical training is necessary for everyone involved in social audit.
2. Social audit should be made more widely known at the village level.
3. Every programme the government does needs to undergo a social audit.
4. Social Audit Unit (SAU) shall operate free from political interference.
5. The Right to Information (RTI) Act should be widely known to and used by the general public.
6. Gram Sabhas should be used to recognise achievements.
7. Social Audit issues should be resolved as soon as possible.
8. To ensure that social audit is a continual public monitoring mechanism rather than just an annual exercise, social audit units should also regularly conduct special audits, concurrent audits, and test audits.
9. The State should gradually support the social audit units in terms of all types of resources needed to carry out the exercise in order to make the notion of social audit ubiquitous and more applicable in governance.
10. Decisions taken in the public hearing of a social audit should be transparent.
11. Decisions taken in a public hearing should not be allowed to be dropped in a personnel hearing.
12. Actions should be taken immediately on the statements made in the public forum. Only then will people have faith in social audits.

Limitations of the Study: The analysis was done according to the secondary data of 13 districts in Andhra Pradesh. The primary data is that this study was conducted in 24 Gram panchayats in 8 mandals of 4 revenue divisions from Guntur district. Therefore, the results are not applicable to Andhra Pradesh or India as a whole.

V.CONCLUSION

A social audit should be used as a tool to bring transparency and accountability. Only MGNREGA has adopted this as a mandatory part of its implementation. The government should strive to bring all central schemes under the ambit of social audit to maintain transparency in programme implementation. As experience from the implementation of social audit in MGNREGS has been found that people are empowered through social audit. They are given such a platform by social control that no one can suppress their voices. All implementing agencies should still realize the benefits of social auditing and its impact at the macro level. The central government and state governments are implementing many schemes. This social audit should be conducted for all government programs. A social audit should be conducted to ensure accountability to the people. People's decency should be increased. Decisions taken in the public arena should be trusted by the people. There should be prompt action on public forum decisions. Social inspection should be done without political interference. Only then will people have faith in social audits.

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