INNOVATION, TRANSPARENCY AND GOVERNANCE : A STUDY OF NREGS IN ANDHRA PRADESH

C. Sheela Reddy*

ABSTRACT

In a country like India, effectively monitoring and delivering a massive scheme like National Rural Employment Guarantee Scheme (NREGS), involving governance structures from top to bottom, is, indeed, a challenge. As such, certain leakages and loopholes in its implementation cannot be ruled out. However, with effective and innovative tools like e- governance, ICT, social audit etc., Andhra Pradesh government has been a pioneer in the implementation of NREGS effectively. All stages of NREGS work, from registration of workers to issue of job cards, preparation of work estimates, muster rolls and payments to workers have been computerised. Government of Andhra Pradesh developed an end-to-end MIS system through which job cards, work estimates and payment order are issued. While social audit is mandatory under NREGS, Andhra Pradesh government has put in place a system where an autonomous Society for Social Audit, Accountability and Transparency (SSAT), has institutionalised social audit of NREGS in such a way that it maximises government support but minimises its interference. The government of India has taken not only the social audit in A.P, but also its website as a model for evaluation. Even the administrative structure is also borrowed by some other States in India. The governance of NREGS in Andhra Pradesh and the way the State has been successful in ensuring transparency and accountability to a great extent in its implementation with the use of IT, e-governance and social audit has certainly made a difference.

Introduction

Rural employment programmes in India earlier were in the hands of private contractors and their political masters. The greatest beneficiaries of such programmes were private contractors who received 'work orders' and together with the local political bosses and officials fudged muster rolls (attendance registers that determine wages to be given) to produce inflated figures and misappropriate funds. A substantial part of the loot was recycled through the so-called "PC" (percentage) system, whereby various functionaries received fixed percentages of the amounts released. The contractors also had to satisfy their political bosses, for whom these funds came handy during election campaigns.

*   Associate Professor, Indian Institute of Public Administration, I.P. Estate, Ring Road , New Delhi. sheelachavva@gmail.com

**   In the present paper, MGNREGA, MGNREGS, 'act', 'scheme', and 'programme' are used interchangeably to mean NREG Act- supported scheme or programme.

This is the sort of situation that led P. Sainath to say that "everybody loves a good drought" — the peak season for rural employment programmes. An important reason for this appalling scenario has been the lack of transparency and accountability in our delivery systems that have allowed corruption to proliferate unchecked.

The NREGA passed by the Union Parliament in 2005 gives legal guarantee of a hundred days of wage employment in a financial year to adult members of rural households, who demand employment and are willing to do unskilled manual work. "Unskilled manual work" means any physical work which any adult person is capable of doing without any special skill or training. The objective is to enhance the livelihood security of rural people by generating wage employment through choice of works that develop the infrastructure base of the area. However, the key issue has been how effective can this programme be, given the past experiences with Food for Work programmes. Unlike earlier public works programmes, the NREGA is supposed to be "demand-driven"; projects are to be initiated in response to people's demand for work. NREGA was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2 October, 2009. The uniqueness of this Act is in the fact that it carries emphasis on issues like equality of wages for men and women, elimination of work contracting/middlemen, payment of wages only through bank and post office accounts to prevent corruption, creating transparency in workers' muster rolls etc.

NREGA is the first ever law nationally, that guarantees wage employment at an unprecedented scale. The primary objective of the Act is augmenting wage employment. Its auxiliary objective is strengthening natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion and so

encourage sustainable development. Given the scale of investment in this programme, levels of involvement of government machinery, and targeted 'poor' people, concerns have been raised about the targeting, delivery efficiency (time and resources) and reach of the benefits. Accountability in general entails more paperwork, delays in decisions and inbuilt processes of opaqueness and exclusion. However, in Andhra Pradesh, these concerns have been overcome through innovation and transparent systems. Leakages and corruption have been curtailed. Targeting is and always a challenge. In this regard, the process outcomes include strengthening grassroots processes of democracy and infusing transparency and accountability in governance through effective use of ICT and innovative social audit. The delivery system has been made accountable, as it envisages an Annual Report on the outcomes of MGNREGS to be presented by the Central Government to the Parliament and to the State Legislature by the State Government. The implementation of NREGS in Andhra Pradesh clearly specifies that the desirable aspects of governance - transparency and accountability - could be ensured by designing innovative and appropriate systems. The present paper is an attempt to depict that innovative and effective use of ICT and institutionalising social audit have facilitated transparency and accountability in the governance of NREGS in A.P.

NREGA – A Brief Overview

MGNREGS is a 'Centrally Sponsored Scheme'; the Ministry of Rural Development (MoRD) is the nodal agency for implementation of the scheme at the Central level. There is Central Employment Guarantee Council (CEGC) to advise Government of India on NREGS related matters. The Act requires every State to formulate a State Rural Employment Guarantee Scheme (SREGS), which should conform to the minimum

features specified under the Act. For the purposes of regular monitoring and reviewing the implementation of this Act at the State level, every State government shall constitute a State council to be known as the …… (name of the State) State Employment Guarantee Council.

The NREGA offers 100 days of work to unemployed families in rural areas. The two conditions for adults of a household to apply are: they must be living in a rural area and willing to undertake unskilled manual labour for which they receive the minimum wage which varies from State to State and cannot be less than ₹ 60. According to the Act, rural households have a right to register themselves with the local Gram Panchayats (GPs), and seek employment. Work is to be provided within 15 days from the date of demand, failing which the State Government will have to pay unemployment allowance at the stipulated rates. At least one-third of persons to whom work is allotted have to be women. Disbursement of wages has to be done on weekly basis and not beyond a fortnight. Work should ordinarily be provided within 5 kms radius of the village or else extra wages of 10 per cent are payable. Worksite facilities such as crèche, drinking water, shade have to be provided. Social audit has to be done by Gram Sabha, grievance redressal mechanisms are put in place for ensuring a responsive implementation process. Each State determines how implementation will occur on the ground; in many places, a Field Assistant is hired to oversee the NREGA worksite and to issue pay slips, and a Technical Assistant is hired to provide technical input and oversight of worksite processes.

The Government of Andhra Pradesh formulated the Andhra Pradesh Rural Employment Guarantee Scheme (APREGS)

Phase-wise Districts Implementing NREGA In Andhra Pradesh

S.No.	Phase - I Districts	Phase - II Districts	Phase - III Districts
1	Vizianagaram	East Godavari	West Godavari
2	Chittoor	Guntur	Krishna
3	Y.S.R.Kadapa	Kurnool	Visakhapatnam
4	Anantapur	S.P.S.Nellore	
5	Mahaboobnagar	Prakasam	
6	Medak	Srikakulam	
7	Ranga Reddy		
8	Nizamabad		
9	Warangal		
10	Adilabad		
11	Karimnagar		
12	Khammam		
13	Nalgonda		

under the NREGA for implementation in 13 districts from February 2006 and later extended this scheme to 19 districts in the State from April 2007. From April 2008, the APREGS is being implemented in 22 districts (excluding urban district of Hyderabad city) and 1098 mandals across the State.

NREGA - Inbuilt Transparency Safeguards

Under NREGA, rural labourers have a legal entitlement not only to work on demand but also to minimum wages. To prevent corruption, a wide range of transparency safeguards have been built into the Act, making the NREGA one of India's most unique experiments in strengthening governance systems. Decentralised planning and implementation, proactive disclosure and social audits of NREGS ensure transparency to a great extent.

Decentralisation of governance systems lies at the core of an accountable system. The NREGA draws strongly on this principle. Section 13 (1) of the NREGA mandates that the 'Panchayats at the district, intermediate and village levels will be the principal authorities for planning and implementation of the schemes'. The District Programme Coordinator and Programme Officer shall be responsible for the implementation of the scheme in the district and block level, respectively in accordance with the provisions of the Act. The State government shall make available to the District Programme Coordinator and the Programme Officers necessary staff and technical support as may be necessary for the effective implementation of the scheme.

The Act stipulates that a minimum of 50 per cent of the funds and relevant works be executed by the Gram Panchayat. To ensure that planning and works selected reflect the needs and priorities of the local citizens, section 16 (3) (4) of the Act states that 'every Gram Panchayat shall prepare a development plan and maintain a shelf of works'. The works are related to water conservation, drought proofing, irrigation canals, horticulture and land development, renovation of traditional water bodies, flood protection, rural connectivity. This shelf of works is prepared based on recommendations of the Gram Sabha. These recommendations are in turn forwarded to the Programme Officer. A similar system is followed at the intermediate and district Panchayat level.

Access to regular, reliable and relevant information is an important prerequisite for accountability, the core aspect of governance. The NREGA guidelines mandate that all levels of government maintain proper records containing information on inputs, processes, outputs and outcomes related to the NREGA. To ensure that this information is proactively disclosed and made available to citizens, the NREGA guidelines stipulate that all information will be displayed to the public through display boards and paintings on the walls of the Panchayat offices. In addition, all Gram Panchayat level NREGA accounts and summaries of these accounts are to be made publicly available for scrutiny. The guidelines also mandate that all rural households are entitled to a job card into which employment and wage details must be entered, and muster rolls are to be kept on the worksite and read out in public at the time of payments. Building on the provisions of the Right to Information Act (RTI), the NREGA stipulates that all information requests related to the NREGA be made available to the applicant within 7 days, as opposed to the stipulated 30 days in the RTI Act. To facilitate ease and access to information, an integrated Monitoring and Implementation System has also been developed. The guidelines stress that all NREGA related documents be digitised and regularly uploaded onto the MIS systems both at the State and Central government level.

A social audit is a process in which the people work with the government to monitor and evaluate the planning and implementation of a scheme or programme. The social audit process is critically dependent on the demystification and wide dissemination of all relevant information. Social audit or the process of cross verification of government records with realities on the ground completes the feedback loop in the accountability chain. It creates a platform for the poorest and most disempowered to participate in governance. The Section 17 of the NREGA mandates that regular social audits be conducted in the Gram Sabhas at least once every six months. The NREGA guidelines dedicate an entire chapter to the social audit process.

The accountability and transparency measures enshrined in the NREGA have proved to be a catalyst for some State governments and civil society organisations to take innovative steps towards developing and institutionalising accountability tools into the governance system. One of the most interesting examples of these innovations can be found in the State of Andhra Pradesh (AP) where the government has initiated a systematic process of undertaking social audits for all NREGS works across the State. The Andhra experience is unique as the government has proactively taken steps to open itself up to scrutiny by citizens. This has facilitated the conduct of social audits at an unprecedented scale and thus offers some extremely important insights into the effectiveness of a social audit as a tool to strengthen accountability systems within the State as well as for citizens to demand accountability.

Andhra Pradesh has made rapid strides towards a transparent and accountable system through strict record-keeping, institutionalised social audits and the payment of wages through post offices. In addition to these aspects, use of Information Technology (IT), the proactive role of civil society has enhanced transparency and accountability.

Use Of Information Communication Technology (ICT) For Transparency

ICT was identified as a tool that would enable the implementation of NREGS, especially as the size of the programme was very large, not only from the geographical and financial perspective but from the perspective of the size of the target group of beneficiaries as well. ICT ensures transparency and helps in information dissemination, and facilitates online monitoring and evaluation of the programme.

In fact the website posted by the Government of Andhra Pradesh at www.nrega.ap.gov.in provides summary data with a suite of options to capture information stretching from an overview of the programme at the State level down to the multiple transactions taking place at the level of individual wage seeker in any village. While the quality of data can only be as accurate as its entry at the point of primary transaction, the fact remains that the programme decision making both at the policy as well as grassroots levels benefits greatly from the spread of the network and speedy access to the database. Extensive computerisation of the entire scheme has been done to facilitate availability and accessibility of information up to the individual wage seeker level merely by the click of the mouse. All stages of NREGA work, from registration of workers to issue of job cards, preparation of work estimates, muster rolls and payments to workers have been computerised. The bitter experiences of Andhra Pradesh in Food for Work Programme prompted the government to take comprehensive measures in digitalising all the records ranging from vouchers, bills to pay orders which are available for scrutiny. The entire implementation process of NREGS has

also been computerised with the help of Tata Consultancy Services (TCS), the largest software company in Asia. Government of Andhra Pradesh developed an end-to-end MIS system through which job cards, work estimates and payment order are issued.

Total programme is being run through specially designed software to make the system more accountable and transparent, to minimise corruption and the time taken for various processes. Pay slips are generated in computer and distributed to the labour at their door-steps. Pay slips carry information about the amount of wages deposited in the accounts of labour. Entire information about job card holders, works, muster rolls, expenditure, and progress are put in public domain through website nrega.ap.gov.in. The above information can be accessed at district, mandal, village and household level.

Labour payments in Andhra Pradesh are increasingly being made within a week of completion of the previous week's work. By the last (sixth) day in a week's work, the measurement sheets and muster rolls of the entire week are closed and reach the mandal (sub-block) computer centre. The next day, the muster data are fed into the computer. On day eight, the pay order is generated by the computer and the cheques are prepared. By day ten, these cheques are deposited into the post office accounts of workers. The next day cash is conveyed to the post office so that on days 12 and 13, workers are able to access their wages from their accounts. All payments to labour are made only through these accounts; there are no payments in cash. Further, to ensure payment of wages within one week's time, customised application software was developed with the support of M/s. Tata Consultancy Services (TCS), provides the basis for a transparent and organised database linking the progress of the projects from the village level to the State level. TCS was selected as a partner in this engagement,

to study the processes from State level to Village Panchayat and design a system which could meet the programme requirements and work in the Indian rural environment. The Tata Consultancy Services team and the Commissioner of Rural Development identified payment of wages as the weakest link in the process chain. Hence, a framework for disbursement of wages using an automated solution was designed, consisting of three distinct software components – a laptop-based one for enrolment of beneficiaries by capturing finger prints data, a Point-of-Service device for disbursement of wages by authenticating bio-metric data and a portal hosted on the data centre.

Since the computer system is tightly integrated end-to-end, any work registered in the system is alive, status-visible and amenable to tracking. Delays at any stage can thus be immediately identified and corrected. The system keeps track of the work from the day the work-ID is generated and starts flagging delays in the payment cycle as soon as they occur. Because the network secures all levels from the ground up to the State headquarters and data are transparently and immediately available on the website, a delay at any stage is instantly noticed by the monitoring system. Free availability of this information on the website also facilitates public scrutiny, thus engendering greater transparency and better social audit.

The Andhra Pradesh experience clearly shows that the TCS' ICT solution has certainly ensured effective and efficient governance of NREGS in terms of innovation, transparency and accountability. The software is the result of an extensive field study across several districts conducted by TCS in close collaboration with the Andhra Pradesh's department of rural development, involving interviews with various stakeholders in the chain. The TCS carried out a comprehensive study of the Act and the Maharashtra

experiment in implementing a similar programme. The study revealed that in the absence of any extensive use of information technology, it would be difficult to reconcile progress of work with wages leading to leakage of funds. With ICT solution, all the stakeholders' viz. citizens, media, NGOs, officials, politicians can view the data live on the Internet, and use the information for furtherance of the cause. Details of personnel and officials involved in implementation at each stage are being logged into the system increasing the accountability. The system has effectively blocked all possible leakages thereby reducing fraud to a great extent. By making available the standard schedule of rates for each locality available online, there is no possibility for excess sanction of amounts and subsequent recoveries at a much later date. A cumbersome process of preparing estimates has been simplified, duly saving several person-months of unproductive time that otherwise the field officials would have had to spend in the process. Use of this solution enabled the State to reduce overall administrative cost. Apart from accuracy, the time taken to generate work estimates has been reduced from 15–20 days to 5 minutes per estimate and the time for issuance of job cards- 3 min per card, pay order- 15 min per work.

For the first time, a programme of this magnitude and social importance is implemented using comprehensive ICT systems. The computer system uses templates for each type of work for arriving at the manpower, material requirement estimates and complete engineering calculation for the works. Computation of payment to the workers is done by the software based on out-turn of the group of workers. The entire programme is monitored using the consolidated data on internet. Data from the *mandals* is uploaded to a district/State server through data network, dial-up connection or even physical media. Irrespective of location, beneficiaries can browse for information about their villages, progress of the work and details of wage payments. Officials can monitor the programme more effectively as the NREGA portal provides features to generate reports and also analyse the data. Changes in policies, work estimation standards and payment rates during the course of implementation of the scheme based on ground realities could quickly be adapted. The programme is being closely and effectively monitored using the system. Fulfilment of 100 days guarantee for every household can be monitored. Every work and every rupee spent on EGS can be tracked. All the MIS reports required by the district, State and Central administration are readily available, reducing the effort of preparation of such reports and increasing the accuracy of data. Another unique feature is that the entire information is available on the internet both in English and the local language of Andhra Pradesh, i.e., Telugu. Officials can monitor the programme more effectively as the NREGA portal provides features to generate reports and analyse the data. By making data available for public scrutiny, the NREGA portal facilitates social auditing of the NREGA implementation under the Right to Information Act.

The NREGS-AP software and website have been recognised as one of the best ICT solutions in the country and world-wide. Thus, TCS was able to provide a comprehensive solution that successfully automated the MGNREGS- AP and the project has won many national and international awards.

* Award for Excellence in e-governance 2006

* Manthan award for best e - content website 2007

* Finalist Global Knowledge Partnership Awards, Kuala Lumpur, Malaysia, December 2007

* Bronze Medal for best website National e-governance award -2008

* Commendation Stockholm Challenge Award, Stockholm, Sweden, May 2009

* NASSCOM Social Innovation Honours Award, 2011

Andhra Pradesh is the first State to implement an automated solution for the Rural Employment Guarantee Scheme. It provides total accountability and transparency in implementing the scheme and is a role model for the rest of the country. The website, which is both in English and Telugu, facilitates social audit and programme monitoring effectively. It facilitates transparency and visibility of all transactions to all the stakeholders, increases accountability, reduction in fraud and administrative costs due to the use of IT and automation wherever possible. Accurate and faster wage payments, through the use of automation and biometric authentication and effective programme monitoring, through the centralisation of data and generation of MIS reports is ensured.

Civil Society And Social Audit – A New Dimension

It is a fact that only a vigilant public can make use of the Information Technology as a support system in an effective and meaningful way. Andhra Pradesh provides us a remarkable example of civil society action enriching mainstream politics. Social activists in India have historically played a watchdog role, raising questions and reflecting the concerns of the most vulnerable sections. This has generally brought them into conflict with State agencies. The Mazdoor Kisan Shakti Sangathan (MKSS) led by Aruna Roy, one of the architects of NREGA, introduced the concept of social audit into development practice nearly two decades ago. But even in Rajasthan, where MKSS started its work, mainstreaming social audits has

remained a distant dream. There has been violent resistance from the vested interests threatened with exposure and State support has been uncertain many times.

In Andhra Pradesh, the MKSS and the government are supporting each other to ensure transparency and accountability. An MKSS activist is working full-time within the government as Consultant and Specialist, NREGA social audit. The credit for this must, of course, go to the State government that has set up a separate unit exclusively for social audit, which enjoys great freedom of action. The work of this remarkable unit of dedicated people has culminated in the truly historic rules recently passed by the Andhra Pradesh Cabinet (2008) drawn upon the experience in the State over the last two years. The new rules approved by the Andhra Pradesh Cabinet promise full support to "any independent initiative of wage seekers to carry out additional social audits." This is a historic step in the direction of institutionalising social audit that civil society can take forward. Effective social audit requires demanding, alert and responsible community, civil society and proactive public servants.

The constructive engagement between State and civil society which began at the planning and strategy phase has continued to the implementation stage. At every step, civil society has offered its expertise, experience, insights and skills to the government to experiment with social audits. In the long run, this partnership can go a long way in guarding against cooption of the social audit process by the State.

Special Institutional Arrangements For Capacity Building In Social Audit In Andhra Pradesh

Andhra Pradesh is the only State which established a full-fledged Social Audit Unit at the State level with exclusive Staff. The unit

works independently and reports to Government. AP has put in place a system where an autonomous Society for Social Audit, Accountability and Transparency (SSAAT), led by a social activist (and not a government servant) has institutionalised social audit of MGNREGA in such a way that maximises government support but minimises its interference. Importantly, it has kept up a separation of the implementing and auditing bodies and proved that ordinary labourers when imparted with the right skills can conduct effective social audits. Today, social audits are done regularly in all districts of AP. Social audit teams are selected from among villagers based on a randomised process and trained by district resource persons, themselves selected and trained by SSAAT. They are then allotted villages to conduct the social audits, thus avoiding the pitfalls of Gram Sabha selection, auditing in one's own village etc. SSAAT established in 2009 is registered as a society under societies Act. All operational staff are drawn from the social activists and support staff are from government. The Commissioner, Rural Development of the State enters into a MoU with SSAAT for conduct of social audit on the basis of a calendar prepared for the same. This model has proved to be very successful.

The successful implementation of social audit in Andhra Pradesh was primarily achieved through capacity building of all stakeholders from top management to those working in the grassroots through a series of activities and training programmes. A number of training manuals and guides were created to achieve this and put in place a robust institutional structure for undertaking social audits across the State. In addition to the three training modules and three training films, a step-by-step procedure for undertaking social audit of works under NREGS (AP) and a social audit questionnaire were also prepared. The capacity building activities include the following :

* *State Level Social Audit Unit :* The Rural Development Department, Government of Andhra Pradesh put together a team of people who were from different work backgrounds but who all invariably had experience of working at the grassroot level on rights of the poor people. People from administration worked closely with those from non–government groups. Expertise was drawn from other places where social audits had been carried out previously. The team was kept small and manageable.

* *State Level Resource Persons (SRPs):* Resource Persons were trained through a Training of Trainers (ToT) programme in social audit methodology. The resource persons were selected from civil society groups with not less than 10 years of grassroots experience.

* *District Level Resource Persons (DRPs):* A cadre of trainers and resource persons were developed at the district level to further undertake trainings at mandal and village level. District Resource Persons coordinate social audit activities at the district level.

* *Village Level Social Auditors (VSAs) :* To undertake the actual social audits at the village level and also to educate the community on the benefits and entitlements of the scheme, DRPs identify a few energetic literate youth in every village who usually belong to the families of NREGA workers themselves to operate as village social auditors. Using Village Social Auditors who are literate youth from wage seekers families was arrived at after much brain storming and trials as to who would actually undertake social audits in the village.

* *Training of Officials :* The officials of the State machinery like Mandal Parishad Development Officers (MPDO), Village Administrative Officers (VAOs), officers of the District Water Management Agencies (DWMAs), Engineers of the Panchayat Raj Department etc., were also trained in social audit to get them on board and support and cooperate with the community in undertaking the social audits.

* *Training of Political Executive :* Political representatives like the elected members of the Panchayat, Mandal Parishad Territorial Constituency (MPTC) Members, Zilla Parishad Territorial Constituency (ZPTC) Members etc., were also provided training to actively participate in social audits.

Social Audit Process - Innovative Feature Of NREGA In Andhra Pradesh

NREGA mandates the regular conduct of social audits for all aspects of the scheme. A social audit is the process of reviewing official records and determining whether State-reported expenditures align with money spent on the ground. The first step in a social audit is the procurement of official records. Once procured, these records are studied and made accessible to the general public. Next, evidence is gathered through interviewing individual participants in development programmes, panchayat members, and local officials. The social audit process in Andhra Pradesh begins with filing of applications for NREGA records under the Right to Information Act by District Resource Persons (DRPs) designated by the government. This is done at least a fortnight before the social audit commences. The rules passed by the Andhra Pradesh Cabinet stipulate that "concerned officials shall provide the information requested for without fail within seven days of the receipt of the application." The trained

Village Level Social Auditors form into teams and go door-to-door authenticating muster rolls, check out worksites, record written statements of workers and conduct a series of meetings in each village.

The social audit process culminates in a massive public meeting at the mandal headquarters attended by people from every village, their elected representatives, the media, the NREGA functionaries concerned, and senior government officers. At this meeting, village-wise social audit findings are read out, workers testify and the officials concerned respond to the issues raised by giving an explanation about their actions under complaint. Officials are also required to specify the nature of remedial action they will take in what time period. Senior officials affix responsibility and a number of corrective or disciplinary actions are taken during the meeting itself. Social audit rules specify that an "action taken report shall be filed by the Programme Officer within a month of the social audit being conducted and the same shall be communicated to the Gram Sabha." In addition, there is a rigorous follow-up where social audit teams go back to their villages every 15 days after the mandal public meeting to ensure that the decisions taken are actually enforced. Immediate corrective action is taken on the gaps and lapses. Administration does not interfere at any stage in the social audit process.

Social audit has been proved very effective. As of June 30, 2010, ₹ 82 crore worth of misappropriated funds have come to light, of which around ₹ 15 crore has been recovered; 33,807 field-level functionaries have been implicated; 3,842 staff have been dismissed based on the social audit findings and 1,430 suspended. A total of 548 FIRs have been lodged and 1,220 departmental enquiries have been initiated. All this has been possible by 60,000 village social auditors (wage earners trained in social audit) trained

by 700-odd district and State resource persons largely drawn from civil society organisations and 22 technical resource persons. Nothing could establish with more clarity, the benefits of institutionalising social audit in an open and participatory way. Andhra Pradesh's initiatives and its outcomes silence in one stroke all the opponents of social audit in the rest of the country. It is noteworthy that this approach to social audit is expounded in the 'NREGS-AP Conducting of Social Audit Rules' adopted in 2008, based on the very recommendations of the MoRD working group which is facing clandestine resistance at the Central and other State levels. Andhra Pradesh, according to the Rural Development Ministry, is the only State which has drafted social audit rules and had even set up a separate organisation for framing them. They have gone to the extent of inducting a civil society activist for heading the organisation something which has paid rich dividends and is borne out by the fact that while in Andhra Pradesh misappropriation to the tune of ₹ 88 crore has been detected so far (Feb 1, 2011), it is not even ₹ 8 crore in the rest of the country. Besides, about 5,000 officials have been removed on charges of corruption and other irregularities.

The discussion on the AP social audit experience would be incomplete without appreciating the central role of the AP government in facilitating this process. The most striking feature of the Andhra model for conducting social audits is that the State government has willingly opened itself up for scrutiny and done so by proactively mobilising citizens to monitor its programmes. This has important ramifications on current conceptualisations of State civil society relationships and their individual roles in addressing accountability deficits.

Transparency And Governance Through Social Audit In Andhra Pradesh

The Social Audit Punishment of Corrupt Practices Ordinance passed by AP government in August 2011 stipulates that action has to be taken on the people found guilty. The ordinance proposed to set up special mobile criminal courts per district or group of districts with 1st class Judicial Magistrates. The mobile courts would go to the villages to try cases for quick justice. Jail sentence of up to 2 years is awarded for fraudulent records, misappropriation, non-disbursal of payments and abetment of the above. But apart from administrative action, what is interesting is that in village after village after the social audit was done, corrupt officials have gone back to the workers and returned the money that was taken from them. It was found, for instance, that there is a growing nexus between the field assistants who maintain the muster rolls and the technical assistants who are responsible for the measurement of work done and the local post-master. The most common type of corruption noted was that the number of days worked as shown against the name of a worker is increased and the additional dues are transferred into the post office accounts of the workers. However, since most labourers are illiterate, they have no idea what has been entered in their job cards or in the passbooks. They merely sign their names on the withdrawal slips. They are paid for the work they did legitimately and the additional money is shared between the field assistants, technical assistants and post-masters.

Several research studies showed that social audit was a real revelation to State officials managing NREGA as well as for the labourers who had no idea of how the State was being defrauded. In village after village, labourers have testified against fraud and the government has taken remedial action. The studies revealed that before the practice of social audit started, labourers used to take it for granted that there would be cuts in their wages and commissions would have to be paid to middlemen and contractors. After the social audit, they realised that they did not have

to give any cuts to anyone and they have started questioning this practice. Although the Government of Andhra Pradesh organised mass awareness programmes prior to the implementation of NREGA and members of Self-Help Groups played a major role in building awareness, people in many villages reported that their awareness about NREGA really grew after the social audit process started. For the first time they fully understood that this was a guarantee and a right and that the contractors were forbidden to take on works. Interestingly, as a result of the social audit process, their awareness about pay slips and the method of calculation of wages and the fact that wages were to be paid through post office or bank accounts rose by more than 50 per cent. In the past, there was very little understanding of the procedures and rules governing any schemes. However, once the social audit process started and the verification of muster rolls and job cards began, people started to understand how fraud was taking place. Now this was no longer a process of verification in isolation but a matter of their wages and their accounts.

It was realised that corruption in NREGA in Andhra Pradesh is mostly at the lower level and amongst staff, which is responsible for maintaining records and making payments. Corruption at higher levels in NREGA has not been reported. The social audit reports provide detailed information, village by village, of what is happening; who is being paid what; for how much work. The credibility of social audit is enhanced due to use of IT. There is exclusive website for social audit – www.socialaudit.ap.gov.in and the link provided in NREGS website. All social audit reports are now available in the public domain. Social audit has a significant and lasting effect on citizens' awareness levels, improves the implementation process, enhances citizens' bargaining power and offers them a never before opportunity to address petty

grievances. In this process, it increases the confidence and self-respect of the poorest and disempowered.

The most remarkable element in NREGS in AP is that rural development department has played a very supportive role in this entire process. The social audit team is given complete autonomy by the department in its every-day operations. To ensure the smooth conduct of the audit and the full support and cooperation from local level officials, the government from time to time, issued various orders detailing rules and processes related to the audit. These orders are essential as they have given the social auditors easy access to government records as well as made it incumbent on local officials to participate in the public hearings and respond to social audit findings.

Conclusion

India's past experience with welfare programmes to the poor have been greatly affected by corruption and poor delivery system. The same concerns were raised with regard to NREGS. But, the innovations the government of Andhra Pradesh has made in governance to implement NREGS has belied these experiences. Andhra Pradesh is unique in having institutionalised the social audit process through an autonomous State unit which makes a huge difference to the quality of governance of the programme, has a good MIS (designed by TCS), and is spending more than 4 per cent on administration of the programme, using its own resources to pay for the excess amount. Rapid evacuation of information on the works taken up under NREGA, and the awareness that there is a larger section of monitors of each of the activity has helped in reducing, if not obliterating, the regular concerns of corruption, wrong targeting and delays. The innovation is that it has reduced paperwork, without reducing the information flow.

For the success of any scheme, governance aspect is crucial. Though NREGA has made strict provisions for checking corruption and mismanagement, AP government has set an example in innovation and transparency in terms of governance. Andhra Pradesh, known for its e-governance initiatives in different departments of the government, is technically advanced enough to effectively implement NREGS with ICT. Social audit with the help of ICT complements financial audit, assesses performance and unpacks decisions. Social audit combined with financial audit can present the true picture of spending, policy implementation, gaps and leakages in policy execution and outcomes of NREGS.

The governance structures and the associated officials have extended the needed cooperation in this regard. The innovation, transparency and governance with reference to National Rural Employment Guarantee Scheme (NREGS) in Andhra Pradesh deserve appreciation. Even Shri Jairam Ramesh, Union Minister for Rural Development showered accolades on AP for its model implementation of NREGS. He said that the social audit conducted in AP was acknowledged and adopted in several other States. Aruna Roy, social activist and member of National Advisory Council also recommended adoption of the Andhra model for the rest of the country. The launch of mobile courts for trying the accused in the misappropriation of NREGS funds was also unique to the State. The MGNREGA Sameeksha - an anthology of independent research studies and analysis on the Mahatma Gandhi National Rural Employment Act, from 2006 - 2012 also mentioned that social audits in AP have significantly increased awareness and identified fraud. Besides the TCS offering a comprehensive ICT solution to NREGS in AP, the dynamic partnership between State and civil society which is a new dimension makes Andhra experience unique. The innovations made by Andhra Pradesh Government in the implementation of NREGS has certainly facilitated transparency and enhanced the accountability and credibility of government in the eyes of the beneficiaries of the scheme. The NREGS – AP by streamlining service delivery systems through innovative mechanisms has ensured that transparency and accountability are intrinsic part of governance.

References

1. Centre for Budget and Governance Accountability (2006), 'Report on Implementation of NREGA in Andhra Pradesh, Chhattisgarh, Jharkhand and Madhya Pradesh In May and June 2006', 15 September 2006, New Delhi.

2. Mihir Shah & Pramathesh Ambasta, 'NREGA: Andhra Pradesh Shows the Way', *The Hindu,* September 8, 2008.

3. Sowmya Sivakumar, ' No Guarantees Anymore', *The Hindu,* October 2, 2010.

4. 'NREGA May Include Skill Development', *The Hindu,* June 28, 2011, [Special Correspondent].

5. CH. Ravi Kumar, D. Rakesh Kumar and S. Seethalakshmi, National Rural Employment Guarantee Act in Andhra Pradesh, Claims and Questions in Operationalisation (2007-08), NREGS_AP_WASSAN.doc.

6. Jean Drèze, 'NREGA: Dismantling the Contractor Raj', *The Hindu,* November 20, 2007.

7. Andhra Pradesh Shows the Way for NREGA Social Audit State Institutes Independent and Autonomous Body for Facilitating Conduct of Social Audit by the Rural Poor, Brajesh Kumar, New Delhi, September 30,2010[http://governancenow.com/news/regular-story/andhra-pradesh-shows-way-nrega-social- audit]

8. Vidya Subrahmaniam,'Social and Political Dividends from NREGA', *The Hindu,* October 18, 2009.

9. NREGA in Andhra Pradesh - Field Diary Tuesday 7 July 2009.
    [http://www.indiadevelopmentblog.com/2009/07/nrega-in-andhra-pradesh-field-diary.html]

10. Social Audit NREGA [http://www.nrega.ind.in/social-audit-nrega.htm]

11. Civil Society Groups to do NREGA Audit Again , Devesh Kumar, ET Bureau Feb 1, 2011, 03.20am IST[http://articles.economictimes.indiatimes.com/2011-02-01/news/28425251_1_social-audit-civil-society-sarpanches]

12. Gujarat,Tamil Nadu Making Progress in NREGA Audit : Govt Published : Tuesday, Nov 8, 2011, 20:46 IST | Updated : Tuesday, Nov 8, 2011, 20:56 IST Place: New Delhi | Agency: PTI [http://www.dnaindia.com/india/report_gujarattamil-nadu-making-progress-in-nrega-audit-govt_1609608

13. Karuna Vakati Aakella, Sowmya Kidambi, 'Social Audits in Andhra Pradesh : A Process in Evolution', *Economic & Political Weekly,* November 24, 2007.

14. Neera Burra, Transparency and Accountability in Employment Programmes : The Case of NREGA in Andhra Pradesh, knowledge.nrega.net/235/2/Transparency_accountability.pdf

15. Yamini Aiyar, Salimah Samji, 'Transparency and Accountability in NREGA, A Case Study of Andhra Pradesh', Accountability Initiative Working Paper, No. 1, February 2009.

16. Central Employment Guarantee Council, Ministry of Rural Development (2010), Report of the Working Group on Transparency and Accountability, New Delhi.

17. Centre for Good Governance (2009), 'Best Practice Notes on Social Accountability Initiatives in South Asia Social Audit of NREGS (AP) in Andhra Pradesh', Hyderabad.

18. Aruna Roy and Nikhil Dey, Much More than a Survival Scheme, The Hindu, August 31,2012.