

Handout

Module 4: Social Accountability Tool

Social Audit



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Lesson 4.3: Social Audit

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Social Audit

A Social Audit (sometimes also referred to as Social Accounting) is a process that collects information on the resources of an organization. The information is analyzed and shared publicly in a participatory fashion. Although the term “Audit” is used, Social Auditing does not merely consist in examining finance. The central concern of a social audit is how resources are used for social objectives.

1. Definition

A Social Audit is a process conducted by the people in coordination with local administrations to enable the people to have the details on resources (finance and none finance) are being used by public agencies for developmental initiatives. Social audit is usually done in the form of a public platform (forum).

2. Purpose

The scope of social audits may differ. They may be used for investigating the work of all government departments, over a number of years, in several districts. They may also be used to manage a particular project, in one village at a given time. Most social audits will usually consist of the following activities and outcomes:

- produce information that is perceived to be evidence-based, accurate and impartial,
- create awareness among beneficiaries and providers of local services,
- improve citizens’ access to information concerning government documents,
- be a valuable tool for exposing corruption and mismanagement,
- permit stakeholders to influence the behavior of the government, and
- monitor progress and help to prevent fraud by deterrence.

3. How is it implemented?

Social Audits methodologies vary considerably and are influenced by the following: the country context; the availability of information and the legal and political framework.

In general, a Social Audit would include the following steps:

A. Definition of Objectives

The objectives of the Social Audit exercise should be clearly delineated. As a first step, one should identify the relevant agencies/projects that will be subjected to an audit, the time frame for the audit, and the factors/indicators that will be audited.

B. Identifying Stakeholders

The stakeholders should be identified and included in the whole process. The stakeholders should be a mix of government actors from varying levels, service providers and/or contractors, representatives of civil society organizations, beneficiaries and workers of the service providers or contractors. Special consideration should be given to marginalized social groups.

C. Data collection

Social Audits use a combination of different methods for obtaining the relevant data, these include interviews, surveys, quality tests, compilation of statistics, case studies, participant observation, evaluation panels, gathering relevant official records and extracting relevant information from existing data of various sources. This is a crucial stage in the process but is often difficult since the agencies under investigation may not have kept records properly or may be unwilling to provide such records. It is important to include the officials from the agencies that are being evaluated, since officials will be more willing to provide information if they are included and can gain an understanding of the potential benefits of the process.

Quality tests may be expensive to conduct and not feasible given budget constraints. In cases where quality tests were conducted (e.g., testing the quality of the cement used in a construction or the bitumen premix for a road), they often produced hard evidence of resource misuse.

The process of collecting data is extensive and takes up a lot of time. Audit Committees in each community can be made responsible for interviewing representatives, such as the Municipal Mayor, the head of Procurement and Contracts Unit and for collecting information on the project outputs.

D. Data analysis/collation

Deciphering official records can be challenging and complex. The information gathered through different methods and from different sources should be summarized in one comprehensive document that is easy to understand for everyone who is involved in the process. For the data to be user-friendly, it will have to be converted.

E. 5. Distributing and getting feedback on the information

The findings from the audit are provided to the stakeholders for feedback. Citizens who worked on project sites play an important role in this step since they can verify the figures that relate to material and non-material resources, which are stated in the project documents. This information exchange provides an opportunity for building civic momentum and publicizing the public hearing. Some social audit initiatives have used creative media such as songs, street plays and banners to explain the process and advertise for the public hearing.

F. The Public Hearing

If the area under consideration is large, several public hearings should be held since it is important that the location is convenient and accessible for all constituents. At the beginning of the hearing, the rules of conduct are explained to the participants to avoid conflict. After workers or residents have described social audit findings, which can include evidence of corruption, inefficiencies in utilization of funds or poor planning, public officials are given an adequate opportunity to justify their performance in the projects. Marginalized groups should be actively encouraged to contribute their points of view. Public hearings as a stand alone activity are discussed under the “Other Tools” section, found at the end of this chapter.

G. Follow-up

Following the public hearing, the final social audit report will be written. This will include recommendations for the government regarding to address specific instances of corruption and mismanagement. Copies of the report should be widely disseminated to government officials, the media, participants involved in the process and other organizations deemed relevant to the issues. Key findings and recommended actions should be disseminated in written and oral formats.

4. Who implements the Social Audit?

The steps described above may differ depending on the agency and the available resources. In some countries, the governments periodically carry out social audits for self evaluation. In many developing countries however, civil society organizations have initiated the social audit process to hold government accountable. Depending on the scope of the audit, different CSOs, research institutes or government agencies may work together under the direction of one lead institution. The choice of the implementing agency is crucial to the success of the auditing process. The organization should be perceived as being impartial and above party politics by all groups involved in the process.

5. Where have Social Audits been used?

Social audits have been applied in many countries. While social audits have sometimes been used to investigate the quality of services such as the police, customs or schools, the majority of social audits have focused on public works. The timeframe of an investigation typically ranges from two to five years. Social audits can be employed after a project is finished and during the planning/implementation phase. Auditing during the planning or implementation phase is often not feasible since it requires close cooperation with the government agency that will be audited. However, when it is possible, auditing during the planning phase is valuable because it has the advantage of *preventing* inappropriate acts by monitoring decision-making, bidding, contracting and execution. Social audits that are conducted after the project is finished can be carried out independently of the willingness of the agency that is under scrutiny, although a minimum level of cooperation is often required for obtaining the necessary documents, especially if there is no access to information legislation.

Social audits of public works have often produced the following findings:

- works that are paid but have not taken place, i.e. roads or wells exist only on paper,
- work is done only in part (only a fraction of the amount stated in the records is delivered or only a part of the tasks agreed on are completed)
- work is done in a quality that is worse than specified in the contract
- work that is done is billed twice and payments are made twice
- muster rolls include “ghost workers” (people who are dead, have long left the village, have never worked on the project etc. appear on pay rolls)
- the wages actually paid are considerably below what is stated in the records

6. Strengths and Challenges

Strengths:	Challenges
- improve transparency of public works/services	- preventing elite capture
- expose and reduce corruption and mismanagement	- there is no legal obligation for the government to act on the findings
- improve the quality of public works/services	- the process requires time, costs and significant organizational efforts
- strengthen the capacities of communities in participatory local planning	- possibility of manipulating stakeholder views

Another important Challenge: Assuring credibility of the data and using the data wisely:

The quality of the data gathered and the perception of impartiality of the implementing organization is absolutely crucial for the success of the process. This will depend on several factors:

- Data should be gathered systematically and consistently from households, communities and the service/project sight under consideration.
- To ensure consistency, conduct training for data collectors so that they apply a consistent data gathering methodology.
- Special training will usually be necessary to enhance the data collectors’ understanding of technical issues, like procurement and contract laws or project budgets.
- Make sure to cover an adequate number of varying groups.
- Include records of official data where relevant and feasible.
- The rural poor have to be given due protection so that they do not fear reprisal if they voice their concerns.
- Provide internal checks on consistency and validity of the data before findings go public
- Avoid finger-pointing in the reports -- a social audit is intended to focus on system flaws and program content rather than on individuals or organizations
- Choose respected people from the community that are above party politics as facilitators for the public hearing
- Be alert about associates who are bribed by officials in order to spread disinformation or intimidate residents who provide relevant information.

7. Key Learning Elements:

Social Audits can be both monitoring and evaluation tools:

- **As a monitoring tool:** A social audit is a critical monitoring tool and can be taken during the implementation and also after the implementation, to assess the end results.
- **As an evaluation tool:** A social audit carried out jointly with external facilitators and by local communities could be termed as participatory evaluation.
- **Social Audits** bring integrity to stakeholders.