

## Mahatma Gandhi National Rural Employment Guarantee Scheme



### Social Audit Unit Kerala

# ANNUAL REPORT 2022-2023

#### **MGNREGA SOCIAL AUDIT SOCIETY KERALA**

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## MESSAGE

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The concept of Social Audit holds immense potential in evaluating the effectiveness, efficiency and impact of various programmes worldwide. Mandated by Section 17 of Mahatma Gandhi National Rural Employment Guarantee Act 2005, Social Audit plays a pivotal role in promoting transparency and accountability in MGNREGS activities.

Kerala has made significant progress in adhering to the stipulated conditions for Social Audit within the framework of MGNREGA. The establishment of the Kerala Social Audit Unit (SAU) in 2018 marked a crucial step in meeting these mandates.

During the year 2022-2023, Kerala achieved remarkable progress in ensuring comprehensive coverage of Social Audit within the MGNREGS framework. Notably, the successful pooling of competent Resource Persons at both Block and Village levels stands out as a noteworthy accomplishment. This strategic allocation of Human Resources has reinforced our capacity to conduct effective Social Audits across the State.

The active involvement of Governing Body members in concurrent monitoring activities has provided valuable insights and feedback on the progress and challenges encountered during the implementation of Social Audit. The continuous support and ownership demonstrated by the Local Self Government have been instrumental in creating an enabling environment for the successful implementation of Social Audits in Kerala. By leveraging their institutional capacity and networks, the Panchayati Raj Institutions have helped facilitate the participation of diverse stakeholders, including beneficiaries, government officials, and civil society organizations in the audit process. Moreover, the efficient organization of Grama Subhas has served as a cornerstone for community mobilizations, ensuring that the voices and perspectives of grassroots communities are heard and integrated into the audit process.

Building upon this phase, we are now all set to broaden the scope of Social Audit to all the other Developmental Programmes. By harnessing Kerala's Social Capital and Democratic Governance Mechanisms, we can create a more accountable, transparent and inclusive governance system that truly reflects the aspirations and needs of the people.

**Pranabjyoti Nath IAS**

Chairman  
Social Audit Society, Kerala  
Secretary, Sports &  
Youth Affairs, Animal Husbandary, Diary, Museum (Zoo) Govt. of Kerala.







## DIRECTOR'S DESK

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### *Unprecedented Quality and Coverage .....*

Over the last two years Social Audit Unit (SAU) Kerala has been taken several initiatives for strengthening Social Audit of MGNREGS in Kerala. The year 2022-23 is one of the most successful year in the history of SAU Kerala, since its inception in 2018. We have taken sincere efforts to achieve cent percent coverage of MGNREGS Social Audit and Kerala became one of the few states in the country that regularly conducts Social Audit of the entire projects implemented by the Grama Panchayats under the MGNREGS in every six months. By conducting Social Audit twice every year, Kerala has become the trend setting state in the country and became a model for other states. The Government of Kerala and the Social Audit Society is committed to ensure that the benefits of the MGNREGS should reach to the genuine beneficiaries. The Government of Kerala has extended full support to the SAU to function as an independent entity and to conduct social audit without any interference from the implementing department. The SAU has also provided continuous support to the Social Audit resource persons at various levels to do their mandated responsibilities with high degree of objectivity, impartiality and integrity. Good number of opportunities have been given to the resource persons to develop their professional and technical skills to do quality Social Audit.

The SAU Kerala was able to mobilize fairly good amount of financial resources from the MoRD, Government of India as Social Audit fund and made use of these resources effectively for ensuring maximum coverage and extent. During the year 2022-23 the MoRD, Govt. of India sanctioned 14 crore rupees as Social Audit fund and utilized 90 percent of these funds and achieved commendable physical progress. Along with pursuing an agenda of extending coverage, the SAU has adhered the principles of quality stipulated in the Social Audit Standards 2016 issued by the MORD. The SAU has pursued the democratic potential and social capital of the Panchayats at the grassroots level for conducting Social Audit by the Grama Sabhas and ensuring community participation in the Social Audit Process.

The SAU Kerala is very much indebted to Sri. M.B. Rajesh, Hon'ble Minister for LSGD and Excise, Govt. of Kerala for his inspiring support and valuable policy direction to strengthen Social Audit in the state. We are also grateful to Smt. Sarada Muraleedharan IAS, Additional Chief Secretary, LSGD and Dr. Sharmila Mary Joseph IAS, Principal Secretary LSGD for providing dynamic leadership to make the local Govt. system more accountable and transparent. I am very much pleased to express my sincere thanks to Shri. Pranabjoyti Nath IAS, Chairman of the Social Audit Society and Secretary to Government of Kerala for extending inspiring support and cooperation for the effective governance of the Society. This source of support greatly helped the SAU Kerala for delivering high quality results in Social Audit. I am also thankful to the members of the General Body, Governing Body and Executive Committee for their significant contributions in extending policy support for improving the functioning of the organization. The success of Social Audit Unit and its functioning to make a difference and innovations is particularly due to the efforts of my colleagues in the SAU and the Resource Persons at various levels for fostering a culture of openness in their work. Finally, I would like to appreciate the contributions and support of Sri. C. Gouridasan Nair, the former resident editor of The Hindu and Smt. Nilasha S., the District Resource Person, Thiruvananthapuram in the preparation and editorial work of this report. Let us work together and remain committed to strengthen democratic accountability and greater transparency in local governance and development.

Thank you all for your valuable contributions to the successful functioning of the SAU Kerala and producing deliverable results.

With regards,



**Dr. N. Ramakantan**

Director and Convenor  
Kerala Social Audit Unit.

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# Mahatma Gandhi National Rural Employment Guarantee Scheme

## Social Audit Unit, Kerala

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### Annual Report 2022-23

#### 1. Introduction

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) stands out as a pivotal social development flagship programme undertaken in post-independence India. Social Audit is an integral part of MGNREGS, which strongly advocates for people's participation, transparency and accountability throughout the implementation of MGNREGS.

Implementing Social Audit with active participation from the community has been demonstrated as the most effective approach to guarantee that the implementation of the MGNREGS is both efficient and effective and ensuring impacts are directed towards the intended stakeholders. Framers of the Mahatma Gandhi National Rural Employment Guarantee Act 2005, known by its acronym MG-NREGA, made history by bestowing the responsibility of conducting the Social Audit on the Grama Sabhas, which are the fundamental and primary representative body of the democratic decentralized system at the grassroots level.

Section 17 of the Act, which mandates Social Audit, represents a ground-breaking innovation

in legislative intervention aimed at promoting transparent governance in the developmental history of the country.

#### 2. Social Audit Rules (2011)

In 2011, the Comptroller and Auditor General of India established Rules for Conducting Social Audits, initially tailored to critically evaluate the activities within the scope of the MGNREGS Social Audit. These guidelines have since been extended to apply to the Social Audit of all Centrally - Sponsored Schemes. The effectiveness of the MGNREGS Audit of Scheme Rules 2011 has also been recognised in the context of the Social Audit of State-sponsored schemes as well.

The Audit of Scheme Rules 2011 meticulously outlines the mechanism to facilitate the Social Audit process, the protocol to be followed in the Social Audit, Code of Conduct for resource persons who facilitate the Social Audit process, the core values that they are expected to uphold. Additionally, it specifies the support that those in charge of the implementation of various schemes must extend to the Social Audit team and the duties and responsibilities of the Social Audit team. This comprehensive delineation ensures a structured and effective approach to conducting Social Audits.

### 3. Social Audit Units (SAUs)

According to the 2011 Rules, State Governments are tasked with providing comprehensive support and assistance for Social Audit activities with a key aspect being the *Establishment of a 'Social Audit Unit (SAUs)' and appointment of personnel* with dedication and commitment to work.

The State Government bears the responsibility of ensuring that all activities carried out under MGNREGS by the Grama Panchayats undergo a Social Audit every six months, as stipulated by the Social Audit Rules. This critical responsibility is to be carried out by the SAUs on behalf of the State Governments. These units are tasked with conducting the Social Audit independently, impartially and judiciously. Additionally, they are expected to facilitate the Grama Sabha meetings, leveraging the expertise of Resource Persons at the District, Block and Village levels to ensure thorough and effective people's participation.

The responsibility of the SAU is to carry out Social Audit activities with the process being facilitated by Resource Persons appointed at the Village, Block and District levels. This ensures that diverse sections of the community are involved in the audit process, thus enhancing its inclusiveness and effectiveness. It falls upon these Resource persons to guarantee that, documents and files related to the appropriation and utilisation of funds, procurements of materials, and payments of wages to wage seekers are thoroughly audited. Furthermore, they must ensure these documents are accessible for people's evaluation and verification.

The Resource Persons are also required to visit the work sites to verify the accuracy of the measurements taken, engage with the wage seekers to collect their inputs and gather information to evaluate the socio-economic impacts of the projects implemented under the scheme. Following this field investigation, a draft report including the observations and findings is prepared and then presented before the Grama Sabha and subjected to detailed discussion.

The discussions must lead to the identification of any shortcomings or failures in the implementation of the projects. These findings make the personnel from the implementing agency undertake corrective actions to rectify identified issues. The corrective action taken must be reported back to the subsequent Grama Sabha

Meetings. In essence, it is the responsibility of the Grama Sabha to rigorously evaluate implementation of the projects, and ensure that all works have been conducted with the highest standards of transparency and accountability. This process not only fosters a sense of ownership among community people but also enhances the effectiveness and integrity of the project implementation.

It is also the responsibility of the Social Audit team to ensure that the wage seekers receive all the entitlements under the MGNREG Act and the funds are utilised efficiently. The responsibility of both State Government and the SAU is to empower the Grama Sabhas, enabling them to conduct Social Audit diligently, efficiently and effectively.

### 4. Formation of Social Audit Unit (SAU) in Kerala

The Government of Kerala issued an order in 2015 (G.O. (Rt)No. 3906/2015/LSGD dated 30.12. 2015) for formation of a Social Audit Society in Kerala to guide the State SAU and ensure that it receives the State Government's support and assistance in its activities. The order provided for registration of the Social Audit Society under the Travancore-Cochin Literary, Scientific and Charitable Societies Act 1955. It also contained the guidelines for the functioning of the Social Audit Society and the SAU.

Based on this order, the bye law of the Social Audit Society was prepared and submitted to the Government for approval. On receipt of approval, the MGNREGS Social Audit Society of Kerala was registered under the Travancore-Cochin Literary, Scientific and Charitable Societies Act 1955 with number TVM/TC/123/20/7 on January 31, 2017.

On 08.09.2016, the Government constituted the Governing Body of the Social Audit Society vide G.O. (Rt.) No. 2648/2016/LSGD, leading to the formation of the MGNREGS Social Audit Society. However, appointment of Resource Persons at the District-Block-Village levels could not be carried out in time. As a result, Social Audit activities could commence in the State only in 2019-20 financial year. Although Social Audit Grama Sabhas were conducted in 2,831 wards of 405 Grama Panchayats during the year, the Covid-19 pandemic put paid to efforts to undertake Social Audit activities during 2020-21 and 2021-22.





## 5. Reconstitution of Social Audit Society Governing Body in 2022

The revised bye law of the Social Audit Society of Kerala, as approved by the Governing Body, was registered at the office of the Registrar of Societies, Thiruvananthapuram, on 21.03.2022. Under the revised bye law, a 26-member General Body, an 11-member Governing Body and a 7-member Executive Committee came into being. (Copy attached as Annexure - A).

The Government issued G.O. (Rt.) No. 696/2022/LSGD on 21.03.2022 reconstituting the General Body, Governing Body and the Executive Committee of the Social Audit Society. Under this order, a 26-member General Body, a 10-member Governing Body and a 6-member Executive Committee were formed. The Government amended the G.O. issued on 21.03.2022 through G.O. (Rt.) No. 1000/2022/LSGD issued on 21.04.2022 appointing Sri. Pranab Jyotinath IAS, Secretary, Water Resources, as the Chairman and Sri. S. Rajendran, Pournami, Krishna Nagar, Ulloor, Pattom P.O., Thiruvananthapuram, as the fourth ex-officio member of the Governing Body, revising the postal address of General Body member Sri. S. Dinakaran and withdrawing the nominations of two ex-officio members who had been included in the Executive Committee earlier. (Copies of the Government orders attached as Annexure- B.)

## 6. Governance Structure of the Social Audit Society

The governance structure of the Social Audit Society is as follows:

1. General Body
2. Governing Body
3. Executive Committee

### 6.1. General Body

The General Body gives guidance to the Social Audit Society on policy and administrative matters. In addition, the General Body also has the following duties and responsibilities:

- i. Approve the annual statement of accounts and balance sheet of the Society.
- ii. Prepare the annual Administration Report regarding the activities of the Society.

- iii. Make appropriate changes in the Society bye laws and implement them with the approval of the Government.
- iv. Approve the recommendations and directions of the Governing Body with appropriate changes, where necessary.
- v. Provide the Governing Body and the Executive Committee with suggestions and recommendations for the effective functioning of the Society.
- vi. Approve the annual budget and audited statement of accounts of the Society.
- vii. Carry out other duties and functions as laid down in the Society's byelaw or as instructed by the Government.



General Body Meeting Chaired by Sri. Pranabjyoti Nath IAS



## 6.2. Governing Body

The Governing Body is responsible for taking all policy and administrative decisions of the Society. It also has the following important responsibilities:

- i. Give necessary directions to the Executive Committee for the efficient functioning of the Society and for achieving its objectives.
- ii. Prepare the road-map of the activities of the Social Audit Society as provided under the Audit of Scheme Rules 2011 and the MGNREGS guidelines.
- iii. Evaluate and approve the annual plan, budget, audited statement of accounts and the Annual Administration Report of the Society.
- iv. Undertake activities aimed at achieving the objectives of the Society.
- v. Submit recommendations for amending the bye laws and rules of the Society to the General Body.
- vi. Prepare the bye laws for appointment of staff to the Society and make the appointments after securing the approval of the Government and concurrence of two-thirds of the members of the Governing Body.
- vii. Approve guidelines for the functions and duties of the Block Resource Persons (BRPs) and the Village Resource Persons (VRPs).
- viii. Where necessary, allocate responsibilities vested with the Governing Body appropriately, subject to stipulations by the Executive Committee.
- ix. Take up Social Audit of other schemes as and when required by the Central and State governments.

### 6.2.1. Governing Body Meetings

Under the Society bye law, the Governing Body must meet once in three months. During financial year 2022-23, the Governing Body held four meetings with the Society Chairman Sri. Pranabjyoti Nath IAS in the chair. Details regarding the meetings are given below:





Serial No.	No. of Governing Body Meetings	Date
1	13	07.05.2022
2	14	28.12.2022
3	15	14.03.2023
4	16	30.03.2023

### 6.2.2. Major decisions of the Governing Body

- i. Approved the date, agenda and annual report of the Society General Body.
- ii. Approved the Social Audit Calendar for 2023-24.
- iii. Approved the annual budget for 2023-24.
- iv. Approved the audited statement of accounts and balance sheet of the Society for 2021-22.
- v. Granted permission to take up Social Audit of the Family Health Centres under the National Health Mission, Social Audit of Pime Minister's Awas Yojana -Grameen and the activities taken up under the Ayyankali Urban Employment Guarantee Scheme.
- vi. Approved guidelines laying out the duties and responsibilities of District, Block and Village Resource Persons.
- vii. Approved the qualifications for and procedure of appointment of personnel to the vacant posts of Social Development Specialist, State Resource Persons, District Resource Persons, BRPs and VRPs.
- viii. Framed the qualifications for appointment to the post of Accounts Officer in the SAU and approved the appointment.
- ix. Approved the framework for the training of the newly appointed Block and Village Resource Persons.
- x. Evaluated the achievement of physical targets of Social Audit of schemes under the MGNREGS and took decisions to complete the Social Audit in a time-bound manner.
- xi. Resolved to direct the MGNREGS Mission Director to take appropriate follow-up action on the findings of the SAU.
- xii. Discussed and approved the report on the financial transactions of the Social Audit Society.
- xiii. Resolved to submit an application to the Union Ministry of Rural Development for timely release of Social Audit funds and to take appropriate steps to secure the funds.
- xiv. Approved the guidelines for calculation of payment of wages to Village Resource Persons in each Social Audit Grama Sabha. Under the guidelines, the minimum hours of work in a day would be six. The number of working days that each Social Audit Grama Sabha can sanction would be based on the number of employment guarantee projects taken up in each ward, the amount spent on the works, the number of active workers and the geographical peculiarities of the ward.
- xv. Two ex-officio members were selected as representatives of the Governing Body in the Executive Committee.
- xvi. Approved the action plan for raising the quality of Social Audit and resolved to conduct Test Audits.



*Governing Body Meetings Chaired by Sri. Pranabjyoti Nath IAS*

### 6.3. Executive Committee

All the major administrative responsibilities of the Social Audit Society are vested with the Executive Committee. The Chairman of the Executive Committee is Sri. Pranabjyoti Nath IAS. The other members of the Executive Committee are:

1. Social Audit Society Director
2. Director, State Department of Audit
3. Secretary, Finance, or his/her representative
4. Two ex-officio members elected from among the members of the Governing Body.

The duties and responsibilities of the Executive Committee are as follows:

- i. To provide policy support and assistance for the functioning of the Society.
- ii. To formulate the annual budget and plan of action of the Society.
- iii. To appoint employees and officers of the Society and obtain approval for such appointments from the Governing Body.
- iv. To take follow-up action on findings of Social Audit.
- v. To discharge other functions and responsibilities as delegated by the Governing Body.
- vi. To enter into contracts and agreements on behalf of the Society.
- vii. To take up activities in furtherance of the aims and objectives of the Society.
- viii. To receive endowments, grants and donations that are in tune with the objectives of the Society.
- ix. To delegate to any official any power vested with the Society.
- x. To take appropriate decisions to purchase or receive as donations movable and immovable properties necessary for the Society's functioning or construct or make such properties and ensure their safe possession.
- xi. To prepare byelaws and propose amendments to the existing byelaws and submit them to the Governing Body for approval.
- xii. To recruit qualified persons as State-District Resource Persons.

### Executive Committee Meetings

The Executive Committee met only once during 2022-23. The meeting held on 03-08-2022 was chaired by Society Chairman Sri. Pranabjyoti Nath IAS.



## 7. Social Audit Unit: Staff Pattern

The following are the personnel working in the Social Audit Unit:

1. Dr. Ramakantan N.	- Director
2. Sri. Shaji P.	- Social Development Specialist
3. Dr. Shaji T.	- State Resource Person
4. Smt. Nyna Mariya Varghese	- MIS Expert
5. Smt. Shahina A. S.	- Accounts Officer
6. Smt. Manju S.	- Data Entry Operator
7. Smt. Kala L.	- Office Assistant
8. Sri. Vishnu V. S.	- Accounts Assistant
9. Sri. Sreekumar K. G.	- Office Assistant

## 8. Resource Persons

### 8.1. District Resource Persons (DRPs)

During this period, only four out of the 14 districts in the State have permanent DRPs. To address this gap, the remaining 8 vacant positions of DRPs are being temporarily filled by assigning this responsibility to BRPs. Steps are underway to recruit personnel to fill the 8 vacant positions of DRPs, ensuring that each district has a dedicated and permanent DRP to oversee Social Audit Activities effectively.

### 8.2. Block Resource Persons (BRPs)

There are 152 approved posts of BRPs in the State. In 2019, postings to only 48 BRPs were made. Six of them have taken up other jobs. A rank list was prepared in 2022-23 to fill the 110 vacancies of BRPs. The list was approved by the Governing Body and the selected 110 persons were inducted after a 30-day intensive training programme.

### 8.3. Village Resource Persons (VRPs)

At the Grama Panchayat level, the most significant role in Social Audit work is performed by the VRPs. The Governing Body has sanctioned two posts of VRPs in each Grama Panchayat. Experience of the last two years show that if the services of 1400-1450 VRPs can be ensured, it would be possible to carry out Social Audit activities twice every year in all Grama Panchayats. As of now, there are 932 Village Resource Persons. During 2022-23, 464 VRPs were recruited in various districts through a transparent selection process and inducted into the job with the approval of the Governing Body, after giving them five days training. At present, there are 1142 VRPs under the SAU. The number of posts of Resource Persons and their present strength are as follows:

No.	Post	Sanctioned Number	Existing vacancies	New appointments	Remarks
1	District Resource Person (DRP)	14	9		Steps for fresh recruitment on
2	Block Resource Person (BRP)	152	110	110	No existing vacancies
3	Village Resource Persons (VRP)	1412	948	464	270 vacancies in existence



## 9. Training and Capacity Building

### 9.1. Social Audit Policy Formulation Workshop

A significant workshop was held at the Social Service Society Hall, Animation Centre, Vellayambalam, Thiruvananthapuram, Kerala on April 12 and 13, 2022, to strengthen the Social Audit of the MGNREGS. Hon'ble Local Self Government Minister Sri. M.V. Govindan Master inaugurated the workshop. Governing Body member Sri. S. Rajendran presided and Smt. Sarada Muralidharan IAS, Additional Chief Secretary, Local Self Government, made the keynote presentation. Dr. Sharmila Mary Joseph IAS, Principal Secretary, Local Self Government, addressed the workshop.

The workshop sought to address the following questions: What are the major challenges confronting Social Audit in Kerala? How can Social Audit be conducted in an effective, orderly and comprehensive manner? How can the Social Audit mechanism and the local self-government institutions be strengthened? Approximately 60 persons (Accurate number of participants can be added, as it is a scheduled workshop..?), including Social Audit Resource Persons, Grama Panchayat Presidents, elected representatives, representatives of Grama Panchayat Association, Panchayat Secretaries, NREGS Mission officers and staff of the engineering wing, attended the workshop.

The workshop went a long way in ensuring effective conduct of the Social Audit of MGNREGS in Kerala. It facilitated in securing support and cooperation for Social Audit from the Grama Panchayats. Additionally, the SAU successfully compiled essential guidelines for improving the conduct of Social Audit, drawing from the valuable opinions and suggestions shared by the participants in the workshop.



*Two days policy  
formulation  
workshop  
inaugurated by  
Sri. M.V. Govindan  
Master*



## 9.2. Training for Trainers (ToT) of Village Resource Persons (VRPs)

The SAU has identified approximately 150 potential trainers who possess expertise in domains such as social audit, MGNREGS, social mobilization and public works management. These trainers have been tasked with providing training to the 464 individuals selected for deployment as Village Resource Persons. A Detailed VRP Training Module was developed by the SAU so that efficient and effective training could be given to the select persons simultaneously in different training centres and to complete the training in a time-bound manner. The training module includes detailed discussion on subjects to be covered up in each session, schedules for conducting the sessions and the necessary learning tools to facilitate effective learning among trainers.

Based on the module, a two-day trainers' training programme was held at KILA, Mulangunnaththukavu, Thrissur, on August 19 and 20, 2022. The trainers, in turn, trained the VRPs in classroom sessions held in various training institutions in different regions of the State. The classroom sessions were followed by field visits. In their post-training evaluations, the VRPs have assessed the effectiveness of the training and given feedback about the capabilities of the trainers.



*ToT for Village Resource Persons (VRPs)*

## 9.3. Training for Village Resource Persons (VRPs)

VRPs were selected across different Blocks of various districts. They were divided into 9 batches and given residential training lasting four days each at various designated centres. Details regarding the training centres and dates of training are given below:



No.	Training Centre	Date	Districts of VRPs
1	KILA, Thrissur and CHRD Kottarakkara, Kollam	13 to 16 September 2022	Thiruvananthapuram, Kollam, Pathanamthitta
2	OISCA Eco Restoration Centre, Meenangadi, Wayanad	20 to 23 September 2022	Wayanad, Kozhikode
3	Kerala Forest Research Institute, Nilambur, Malappuram	20 to 23 September 2022	Malappuram
4	KILA, Thrissur	22 to 25 September 2022	Malappuram, Thrissur
5	Renewal Centre, Kaloor, Ernakulam	22 to 25 September 2022	Idukki, Ernakulam
6	Changanassery Social Service Society, Changanassery	24 to 27 September 2022	Kottayam, Alappuzha
7	IRTC, Mundoor, Palakkad	26 to 29 September 2022	Palakkad, Malappuram
8	Kadaleevanam, Kodakkad, Kasaragod	26 to 29 September 2022	Kasaragod, Kannur
9	Renewal Centre, Ernakulam	27 to 30 September 2022	Ernakulam

As a continuation of the four-day training programme, one day field level hands-on training was organised with a focus on enhancing technical expertise and skills for planning, execution and evaluation, which were crucial for enabling the VRPs to effectively carry out the Social Audit work. Block-level engineers, overseers and BRPs actively participated in these sessions, contributing to the capacity building of the VRPs. The one-day field visit and training played a significant role in enhancing the VRPs capacities and preparedness for their roles in the Social Audit process.

### **The following were the topics on which training was given:**

Session 1 : Social Accountability and Social Audit

Session 2 : Social Audit for what? Why?

Session 3 : MGNREG Act: Key Legal Provisions

Session 4 : MGNREGS: Planning and Implementation

Session 5 : Permissible and Non-Permissible Works under MGNREGS

Session 6 : Registers and Documents Relating to MGNREGS that need to be prepared and kept ready by the Panchayats

Session 7 : Practical Training in File Verification and Vetting of Documents (Group Exercise)

Session 8 : MGNREGS: Duties and Responsibilities of Grama Panchayats.

Session 9 : MGNREGS and Social Audit: the Legal Mandate.

Session 10 : Audit of Scheme Rules 2011 and Social Audit Standards.

Session 11 : Audit of Scheme Rules 2011: Guided Reading with the assistance of the training faculty.

Session 12 : The Social Audit Process and Protocols

Session 13 : Checklists for Verification of Documents and Registers.

Session 14 : Field Verification and Recording of Measurements.



- Session 15: Field Visits and Eliciting of Information from Beneficiaries, Wage Seekers and other Stakeholders about Project Implementation.
- Session 16: Familiarisation of Social Audit formats.
- Session 17: Familiarisation of Social Audit Process -Gaining practical Experience (Group Exercise)
- Session 18: Preparation of Social Audit Reports.
- Session 19: Organisation of Social Audit Grama Sabhas and Conduct of Grama Sabha Meetings.
- Session 20: Organisation of Social Audit Public Hearings and Conduct of Public Hearings.
- Session 21: Duties and Responsibilities of Social Audit Resource Persons.
- Session 22: Panel Discussion : Clarification of Doubts.

Following the training programme, the Resource Persons were taken on field visits within their respective Blocks and familiarised with various engineering-related processes such as estimate preparation, measurements and bill preparation. They were also guided to MGNREGS project sites to gain practical knowledge about projects and understand how to take accurate measurements.



Training of Village Resource Persons (VRPs)

#### 9.4. Re- Training for Existing Village Resource Persons (VRPs)

In 2019, a total of 3,000 VRPs were selected for conducting Social Audit. As per the stipulation by the Ministry of Rural development, newly appointed VRPs are required to undergo a four-day induction training as part of their certification process. However, The SAU faced challenges in providing proper and adequate training to such a large number of new recruits. Consequently, the induction training programme was conducted at the respective Blocks, and unfortunately, not all newly appointed VRPs received the mandatory four-day induction training.

The absence of necessary training of VRPs posed a significant challenge for the Social Audit Process. Ultimately impacting the quality of audits conducted. Without prior training, VRPs lacked clarity on various aspects such as MGNREG Act, and its related guidelines, the significance, scope and objectives of Social Audit, the procedures to be followed in

Social Audit and the Functioning of Panchayat Raj Institutions. To address these gaps and improve the Social Audit Skill of VRPs, in-service training sessions were organised in their respective districts. The one-day re-orientation training programme for the VRPs were focused on the following subjects:

1. Importance of Social Audit; Audit of Schemes Rules 2011
2. Revised procedures for Planning and Execution of MGNREG Schemes
3. Management of Technical Projects and Evaluation of Development Works undertaken as part of MGNREGS
4. Improving the Ownership and Support of the Panchayats in the Social Audit Process
5. Clarification of Doubts.

Level of participation in the re-orientation training programme for VRPs was as follows:

No.	District (1)	Training Centre (2)	Dates of Training (3)	Participation (4)
1	Thiruvananthapuram	Mithranikethan City Centre	28.10.2022	127
2	Kollam	Christu Jayanti Animation Centre, Kottiyam	09.11.2022	77
3	Pathanamthitta	Block Panchayat Conference Hall, Parakkode	04.11.2022	70
4	Alappuzha	Block Panchayat Hall, Ambalapuzha	05.11.2022	109
5	Kottayam	CHASS, Assumption Road, Changanassery	12.11.2022	93
6	Idukki	District Panchayat Hall, Painavu	25.11.2022	58
7	Ernakulam	District Panchayat Hall, Kakkanad	28.11.2022	117
8	Thrissur	Costford, Ayyanthol	13.12.2022	124
9	Palakkad	Block Panchayat Hall, Malampuzha	24.12.2022	110
10	Malappuram	District Panchayat Hall, Malappuram	07.01.2023	96
11	Kozhikode	Block Panchayat Hall, Balussery	21.11.2022	107
12	Wayanad	Shreyas, Sulthan Bathery	12.10.2022	30
13	Kannur	Science Park, Kannur	08.02.2023	86
14	Kasaragod	District Panchayat Library Hall	27.01.2023	45
<b>TOTAL</b>				<b>1249</b>





#### *Re- Training for Village Resource Persons (VRPs)*

#### **9.5. Training for newly recruited Block Resource Persons**

A 30-days training programme was organised for the newly recruited BRPs based on the training manual prepared at the national level by the National Institute of Rural Development

and Panchayati Raj (NIRDPR). As many as 110 BRPs were given training under the leadership of the Kerala Institute of Local Administration (KILA), Thrissur, and the SAU, Kerala with the support of the NIRDPR. The following are the details of the training programme:



No.	Training Centre	Dates of Training	No. of Participants
1	KILA - CHRD Campus, Kottarakkara	14.02.2023 to 16.03.2023	39
2	KILA- CHRD Campus, Kottarakkara	16.02.2023 to 19.03.2023	31
3	KILACampus , Mulangunnathukavu, Thrissur	06.03.2023 to 06.04.2023	40
<b>TOTAL</b>			<b>110</b>

During the 30-days training programme, a significant portion of 10 days was exclusively dedicated for developing practical skills in Social Audit. To achieve this objective, extensive field visits were organised. The

training programme helped in augmenting the Block Resource Persons' understanding of theoretical and practical aspects of Social Audit and deployed professionally skilled BRPs in all blocks.



*Thirty days NIRDPR Certificate Course on Social Accountability & Social Audit of Block Resource Persons Organised by KILA in association with SAU Kerala.*



## 10. Publication of Handbooks, Guideline and Standard Operating Procedures

The SAU prepared and distributed the following resource materials during 2022-23.

1. Training Manual for Village Resource Persons
2. Guidelines for Social Audit Process and Procedures
3. Duties and Responsibilities of Social Audit Resource Persons
4. Standard Operating Procedures for Conducting Social Audit Grama Sabhas
5. Standard Operating Procedures for Conducting Social Audit Public Hearings.

## 11. Social Audit during the Previous Years

Although the initiation of Social Audit in the State years back to 2018-19, Social Audit became a consistent and systematic process started only in 2021-22. In the initial phase, efforts were primarily focused on the selection of Resource Persons. Subsequently, during 2019-20, Social Audit could only be undertaken in 2831 wards across 405 Grama Panchayats. Social Audit Grama Sabhas were conducted in the entire wards of only 33 Grama Panchayats, significantly falling short of the mandatory requirement to conduct Social Audit in all the 15,962 Grama Panchayat wards twice every year. This shortfall in conducting Social Audit led to Kerala's poor performance being particularly noted at the National level.

The Covid-19 pandemic also posed significant challenges for Social Audit activities. With social distancing measures in place, the Union Government instructed all States to refrain from Social Audit Grama Sabhas and transition from Regular Social Audit to Concurrent Social Audit. In line with this guidance, The Ministry of Rural Development issued the necessary guidelines. Unfortunately, due to Kerala's previous shortcomings in conducting Social Audit, the State did not receive its share of the Social Audit fund. Consequently, Social Audit activities were suspended. During 2020-21, the State was only able to conduct Concurrent Social Audit of 47,622 works in 872 Grama Panchayats, representing a limited scope of activity compared to previous year.

During the period from April to September, 2021, Social Audit was completely suspended. Regular Social Audit for the 2021-22 financial year resumed only by December 2021. Concurrent Social Audit was resumed during October-November, 2021 when 15,165 works were covered. In December, 2021, Kerala moved to regular Social Audit. The State utilised the services of all available VRPs to organise Social Audit Grama Sabhas in every ward of every panchayat, prepare panchayat-level Social Audit reports and hold Social Audit Public Hearings.

Between December 2021 and March 2022, decisive steps were taken in Social Audit activities in Kerala. Social Audit Grama Sabhas were successfully conducted in all the wards of 296 Grama Sabhas and Grama Panchayat -level Social Audit Public Hearings were also organised in these panchayats. Notably, for the first time in the State's Social Audit history, panchayat-level Social Audit reports were prepared and submitted to the Union Ministry of Rural Development via the Social Audit Management Information System (MIS) web portal by the end of financial year 2021-22. This marks a significant milestone in the implementation of Social Audit in the State.

## 12. Social Audit Activities During 2022-23

Kerala marked significant strides in the history of Social Audit during the 2022-2023 period.

- ▶ **Comprehensive Coverage:** All the works under the MGNREGS underwent Social Audit, which meant cent per cent discharge of the duties and responsibilities bestowed on the SAU.
- ▶ **People's Participation:** Social Audit Grama Sabha were successfully conducted in all the 15,962 wards where Social Audit was done, ensuring community participation and feedback.
- ▶ **Consolidated Reports:** Grama Panchayat-level Social Audit Reports were prepared by compiling data from all the Social Audit Grama Sabha reports, providing a comprehensive overview of audit outcomes at the Grassroot level.
- ▶ **Public Hearing:** Social Audit Public Hearings could be held in all Grama Panchayats.





- » **Support and Ownership:** Grama Panchayats demonstrated support and sense of ownership of Social Audit activities, ensuring their effective implementation. The Grama Panchayat-level Social Audit Reports could be uploaded on the web portal of the Union Ministry of Rural Development.
- » **Documentation/Reporting Mechanism:** Grama Panchayat level Social Audit Reports were uploaded on the web portal via MIS, enhancing accessibility and transparency.
- » **Setting up the Team:** Vacancies of DRPs, BRPs and VRPs were filled.
- » **Capacity Building:** Necessary trainings were imparted to the Resource Persons.
- » **Accountability measures:** Findings of Social Audits were reported to MGNREGS Mission.
- » **Follow up actions:** Corrective Actions were taken on instances of irregularities and financial misappropriation identified during the Social Audit.
- » **Transparency and Evaluation:** Reports on the action taken by the Grama Panchayats on Social Audit findings were presented before Grama Sabhas, strengthening community evaluation and oversight.
- » **Outreach and Stakeholder Engagement:** Established regular communication channels with the Panchayat Association to discuss the Scope, importance, and the mandatory nature of Social Audit.
  - Maintained regular communication with the MGNREGS Mission Director and other relevant State-level officials to ensure their continuous support and assistance for Social Audit initiatives.
  - Apprise the MGNREGS Mission about the findings of Social Audit from time to time and take corrective action.
  - Ensure the support and ownership of the Panchayat Association, the democratic institutional organ of the Panchayats for the Social Audit activities.

» **Grievance Redressal Mechanism:** Corrective Actions were taken on grievances and complaints related to Social Audit Activities and the conduct of Resource Persons.

» **Time-Bound Completion:** Social Audit was completed in a time-bound manner through nurturing ownership and confidence among Grama Panchayats in the goal of Social Audits.

### 13. Kerala attains the goal of Total Social Audit

*For the SAU, 2022-23 has proved to be a watershed year as we could attain the goal of Total Social Audit during the year.* Honourable Chief Minister Sri. Pinarayi Vijayan made the formal declaration that Kerala had attained the goal of Total Social Audit at a function held at the Rajiv Gandhi Indoor Stadium, Kochi, on April 10, 2023. At the event chaired by Honourable Minister for Local Self Government and Excise Sri. M.B. Rajesh, Additional Chief Secretary in charge of Local Self-Government Department, Smt. Sarada Muralidharan presented the report.

In the second half of 2022-23, the SAU could conduct Social Audit Grama Sabhas in all the 15,962 wards in the State and hold Social Audit Public Hearings in all the 941 Grama Panchayats. With this, **Kerala has become the only State in the country which could conduct Social Audit in all the Grama Panchayats in every six months.**

During the first quarter of 2022-23 projects implemented in 651 Grama Panchayats from 01.10.2021 to 31.03.2022 were subjected to Social Audit. As many as 11,381 Social Audit Grama Sabhas were held during the period. This was on account of the shortage of Resource Persons in various districts during this period. However, once the necessary number of Resource Persons could be appointed and posted after appropriate training, their services could be used to subject projects implemented between 01.04.2022 and 30.09.2022 during the second quarter of 2022-23 itself. The period also saw Social Audit being conducted in all the 15,962 wards in the 941 Grama Panchayats in the State and these being followed up with Social Audit Public Hearings. This helped the SAU to raise Kerala to the status of Total Social Audit State. Details of the Social Audit conducted during the first and second quarter of 2022-23 are given below:



## MIS Entry Status (FY 2022-23)

Sl. No.	Name of District	Total No. of GPs	No. of GPs entered in MIS		Total MIS Entries
			Cycle 1 (01/10/2021-31/03/2022)		
1	Thiruvananthapuram	73	72		145
2	Kollam	68	65		133
3	Pathanamthitta	53	36		89
4	Alappuzha	72	64		136
5	Idukki	52	20		72
6	Kottayam	71	46		117
7	Ernakulam	82	44		126
8	Thrissur	86	66		152
9	Palakkad	88	64		152
10	Malappuram	94	22		116
11	Kozhikode	70	63		133
12	Wayanad	23	09		32
13	Kannur	71	54	71	125
14	Kasaragod	38	18	38	56
<b>Total</b>		<b>941</b>	<b>643</b>	<b>941</b>	<b>1584</b>



Total Social Audit Coverage Declaration by Hon'ble Chief Minister Sri. Pinarayi Vijayan

## 14. Social Audit Reports on the national web portal

The uploading of all Social Audit Reports from the State onto the MIS web portal of the Union Ministry of Rural Development represents a significant achievement for Kerala in 2022-23. While other States had been undertaking this practice since 2013, Kerala

had not made progress on this front till 2022-23. This breakthrough was achieved by the State SAU through the appointment of 'MIS Expert' and the activation of the MIS portal.

Details regarding the Social Audit Reports uploaded on the MIS website (R 9.2.3) are given below:

**R 9.2.3 Social Audit Issue Reported (Category Wise)**  
**Financial Year : 2022-2023, Issue Type : all, State : KERALA**

SR	District Name	Total Number of GPs	Total Number of GPs audited atleast once	Financial Misappropriation		Financial Deviation		Process Violation		Grievances		Total Number of Issues Reported	Total Amount
				Number of Issues Reported	Amount	Number of Issues Reported	Amount	Number of Issues Reported	Amount	Number of Issues Reported	Amount		
1	ALAPPUZHA	72	72	25	1960872	135	1132233	340	78890	9	0	509	3171995
2	ERNAKULAM	82	82	35	235622	15	160915	274	0	206	0	530	396537
3	IDUKKI	52	47	50	2886567	159	4920598	140	46604	48	34195	397	7887964
4	KANNUR	71	71	99	324559	35	87898	103	31844	45	317220	282	761521
5	KASARGOD	38	38	4	4987	3	0	208	0	54	0	269	4987
6	KOLLAM	68	68	27	179133	138	1018315	95	0	45	0	305	1197448
7	KOTTAYAM	71	71	52	458908	105	86640170	496	1547452	100	0	753	88646530
8	KOZHIKODE	70	70	3	2309	0	0	292	0	6	0	301	2309
9	MALAPPURAM	94	94	108	237342	24	8066	1063	35300	0	0	1195	280708
10	PALAKKAD	88	88	82	2099051	47	8947844	549	101099	156	80548	834	11228542
11	PATHANAMTHITTA	53	53	15	378760	17	663783	49	20215	40	0	121	1062758
12	THIRUVANANTHAPURAM	73	73	112	2191126	121	526350	514	212769	89	0	836	2930245
13	THRISSUR	86	86	96	1356219	23	79331	309	560979	75	18481	503	2015010
14	WAYANAD	23	23	1	60	2	5336	45	0	7	0	55	5396
	Total	941	936	709	12315515	824	104190839	4477	2635152	880	450444	6890	119591950





## 15. Greater People's Participation ensured by strengthening Grama Sabhas

During 2022-23, several steps were taken with the support of Panchayats to increase people's participation in Social Audit Grama Sabhas in Kerala. To achieve this goal, enhancing people's participation was made a key responsibility of VRPS. They focused on the Neighbourhood Groups, Residents' Associations, Kudumbashree Self-Help Groups, Farmers' Groups

and members of the Village Monitoring Committees.

Apart from the MGNREGS wage seekers, people from various sections must participate in the planning, implementation and evaluation of the projects under the scheme. In the two quarters of 2022-23, significant progress was made in increasing people's participation in Social Audit Grama Sabhas and Public Hearings.

Details regarding this are given below.

Year	Periods of Social Audit	Participation in Grama Sabhas	Participation in Public Hearings
2022-23 First Quarter	01-10-2021 to 31-03-2022	621785	69695
2022-23 Second Quarter	01-04-2022 to 30-09-2022	783074	93822
<b>TOTAL</b>		<b>14,04,859</b>	<b>1,63,517</b>

Persistent efforts are necessary to strengthen the Social Audit Grama Sabhas. As of now, the participation is limited more or less to the employment guaranteed workers. Beneficiaries of the MGNREGS and various other sections of people must participate in the Social Audit Grama Sabhas to ensure proper participatory evaluation of all the projects and implementation of their suggestions. Panchayats must arrange appropriate venues to hold the Social Audit Grama Sabhas and take greater care to publicise the date, time and venue of the Social Audit Grama Sabhas. Moreover, the elected representatives and officials concerned must also apprise the next Social Audit Grama Sabha what action had been taken on the points raised and shortcomings pointed out by the participants in the previous Social Audit Grama Sabha. This alone would help enhance the credibility of the Grama Sabhas and strengthen community participation.

## 16. Social Audit findings and follow-up measures

Out of the 941 Grama Panchayats where Social Audit was completed during 2022-23, Social Audit Reports

of 931 Grama Panchayats were successfully uploaded on the MIS web portal. The MIS reports indicate that 709 cases of financial irregularities were found in the 14 districts in the State. These irregularities involved misuse of Rs. 1,23,15,515.00. Similarly, Social Audit Reports from 936 Grama Panchayats showed that there were 824 cases of financial deviations involving wasteful expenditure of Rs. 10,41,90,839.00. The Social Audit Reports also spoke of implementation of 4,477 projects in a non-transparent manner. The reports also spoke of 6,890 instances of denial of workers' rights and failure to provide them the necessary facilities at the workplaces.

Measures including recovery of misappropriated funds could be carried out only in respect of 709 out of the 6,890 cases listed in the Social Audit reports. Steps have been taken to resolve 633 of the reported issues. In MGNREGS Mission's assessment, money has yet to be recovered in only 253 cases. Steps have been initiated to recover Rs. 15,33,775 involved in these irregularities and the relevant issues have been resolved. Details regarding the financial misappropriation detected in Social Audit and the amount of money recovered are given below.



**R 9.2.6 Financial Misappropriation Recovery Report**  
**Financial Year : 2022-2023, State : KERALA**

Financial Misappropriation Recovery Report For Financial Year : 2022-2023									
SR	District Name	Total number of Cases Reported by SAU	Corresponding Financial Misappropriation Amount (Rs.)	Total number of decided Cases (ATR Uploaded)	Corresponding Financial Misappropriation Amount of decided cases, as reported by SAU	No. of decided Cases for which appropriation amount needs to be recovered	Final Recoverable Amount to be recovered (Rs.)	No. of decided Cases for which Recovery is done	Total amount recovered, so for (Rs.)
1	2	3	4	5	6	7	8	9	10
1	<a href="#">AL APPUZHA</a>	25	₹ 19,60,872	24	₹ 19,60,872	9	₹ 70,920	9	₹ 70,920
2	<a href="#">ERNAKULAM</a>	35	₹ 2,35,622	35	₹ 2,35,622	18	₹ 45,773	18	₹ 45,773
3	<a href="#">IDUKKI</a>	50	₹ 28,86,566	50	₹ 28,86,566	9	₹ 1,66,690	9	₹ 1,66,690
4	<a href="#">KANNUR</a>	99	₹ 3,24,559	99	₹ 3,24,559	5	₹ 34,680	5	₹ 34,680
5	<a href="#">KASARGOD</a>	4	₹ 4,987	4	₹ 4,987	2	₹ 2,915	2	₹ 2,915
6	<a href="#">KOLLAM</a>	27	₹ 1,79,133	27	₹ 1,79,133	27	₹ 1,52,943	27	₹ 1,52,943
7	<a href="#">KOTTAYAM</a>	52	₹ 4,58,908	52	₹ 4,58,908	34	₹ 1,38,877	34	₹ 1,38,877
8	<a href="#">KOZHIKODE</a>	3	₹ 2,309	3	₹ 2,309	3	₹ 2,309	3	₹ 2,309
9	<a href="#">MALAPPURAM</a>	108	₹ 2,37,342	107	₹ 2,37,342	50	₹ 1,30,004	50	₹ 1,30,004
10	<a href="#">PALAKKAD</a>	82	₹ 20,99,050	81	₹ 20,76,036	36	₹ 3,06,558	36	₹ 3,06,558
11	<a href="#">PATHANAMTHITTA</a>	15	₹ 3,78,760	15	₹ 3,78,760	11	₹ 98,355	11	₹ 98,355
12	<a href="#">THIRUVANANTHAPURAM</a>	112	₹ 21,91,126	109	₹ 21,91,126	53	₹ 12,00,750	53	₹ 12,00,750
13	<a href="#">THRISSUR</a>	96	₹ 13,56,218	90	₹ 13,56,218	41	₹ 1,04,508	41	₹ 1,04,508
14	<a href="#">WAYANAD</a>	1	₹ 60	1	₹ 60	1	₹ 60	1	₹ 60





Disciplinary actions have been taken against 4 employees and 59 employees have been served with warnings in connection with serious failures on their part in project implementation. However, nobody has been dismissed from service on account of this.

## 17. Utilisation of funds by the SAU

The SAU functions entirely with the social audit fund sanctioned by the Union Government. For the financial year 2022-23, the Social Audit Society Governing Body sanctioned a budget with an outlay of Rs. 22.70 crore for the SAU. The detailed allocations were as follows:

1	Salary of office staff	49,32,000.00
2	Wages of Resource Persons, Honorarium, Travel Allowance	19,08,44,000.00
3	Recruitment of BRPs and VRPs	4,00,000.00
4	Resource Persons' Training and Capacity Building	1,54,16,000.00
5	Travel Allowance	3,50,000.00
6	Other Allowances	46,52,000.00
7	Mobile Phone and Internet Allowance	5,79,000.00
8	Travel Expenses/Taxi Charges	8,40,000.00
9	Computer Consumables	6,08,000.00
10	Office Rent and Other Expenses	5,28,000.00
11	Expenses for conduct of meetings, including holding of Grama Sabha meetings	
<b>Total Anticipated Expenses</b>		<b>22,70,30,000.00</b>

The Social Audit Society received only Rs. 14,00,20,000 in three installments from the Union Ministry of Rural Development during the financial year 2022-23. Details regarding the amount received is given below:

1	03-03-2022	Order No. J-120120/02/2022/RE-VIII (380239) Sl No. 03	Rs. 4,01,40,000.00
2	19-10-2022	Order No. J-12020/-2/2022/RE-VIII (380239) Sl. No. 13	Rs. 4,01,40,000.00
3	17-02-2023	Order No. J-12020/02/2022/RE-VIII (380239) Sl. No. 28	Rs. 5,97,40,000.00
<b>Total</b>			<b>Rs. 14,00,20,000.00</b>

Details regarding utilisation of funds by the Social Audit Society during financial year 2022-23 are given below:

1	Administrative Expenses (including Salaries and Other Allowances)	28,31,201.00
2	Office Management Expenses	20,03,493.00
3	Honorarium for Resource Persons and Salaries	11,68,36,477.00
4	Other Expenses (including Capital Expenditure)	1,73,791.00
<b>Total</b>		<b>12,18,44,962.00</b>

Audit report showing the audited accounts for the year 2022-23 is given as Annexure C of this report.



### 17.1. Details regarding utilisation of funds for other Social Audits

The SAU received Rs. 2,35,410 for conducting a pilot Social Audit of the implementation of the Pradhanmantri Awas Yojana (Gramin) in Vamanapuram Block in Thiruvananthapuram district. The SAU spent Rs. 2,24,115 for the purpose. The SAU received Rs. 3,46,500 during 2022-23 for conducting a pilot Social Audit of

6 Family Health Centres functioning as part of the National Health Mission. However, since the amount was received towards the fag end of the financial year, Social Audit could not be conducted and the amount remained unspent. The Social Audit of these Family Health Centres is progressing this year (2023-24).

Details regarding utilisation of funds for other Social Audits are given below:

Sl.No.	Name of Scheme	Amount Received (Rs.)	Amount Spent (Rs.)	Balance Amount (Rs.)
1	PMAY (Gramin)	2,35,410.00	2,24,115.50	11,294.50
2	NHM	3,46,500.00	-	3,46,500.00
3	Interest earned	2,138.00	-	2,138.00
<b>Total</b>		<b>5,84,048.00</b>	<b>2,24,115.00</b>	<b>3,59,932.00</b>

## 18. Major Social Audit findings relating to project implementation

### 18.1. Major financial misappropriations found in Social Audit

- ▶ In several cases, individual works (digging of irrigation wells, soak pits, compost pits, etc.) have not been carried out despite the issuance of muster and the beneficiaries receiving wages. Additionally, there's a concerning trend of showing the achievement of targets at the Block level by issuing the first set of muster rolls to beneficiaries, creating a false appearance that the work has commenced.
- ▶ Work is allotted solely to inflate the count of working days, with completed works either being purposefully destroyed or left to deteriorate, resulting in a wastage of resources and energy.
- ▶ Projects are executed using materials that either differed from those specified in the estimates and bills or are poor quality, compromising the integrity and effectiveness of the work.
- ▶ In the case of planting tree saplings, there are instances where the saplings are not planted as intended. Additionally, saplings may go missing due to activities such as pipe laying, road construction or vandalism, leading to a failure in the intended reforestation efforts.
- ▶ Attendance and wages are provided through the National Muster Management System (NMMS) to wage seekers who are marked as absent in the muster rolls. Even if this occurs due to technical issues, no attempts are made to rectify the error or address the discrepancy.
- ▶ Work is done in private land deviating from the estimates and criteria fixed for beneficiary selection.
- ▶ Work is carried out on land owned by individuals whose names are not listed in the estimates or files.
- ▶ Individuals listed in the Para 5 category did not receive priority they're entitled to.
- ▶ The quantity of work completed is below the levels specified in the estimates or M.Books.
- ▶ There is a prevalent failure to conduct site inspection at regular intervals as mandated by law, document the findings in the M.Books, and enforce payments only after conducting check measurements.
- ▶ Rain pits are dug without a prior assessment of the terrain and geographical condition. There is inconsistency between the estimated number of rain pits and the actual count.
- ▶ Wages for skilled workers are given at a higher rate.
- ▶ Wages are paid against job cards of deceased persons.



- » Ineligible persons such as government employees and influential persons are shown as having been given employment and paid wages.
- » Work is allotted to one person, but wages are paid to another.
- » Some are given more than the number of working days they are eligible for and paid wages.
- » A single person is recorded for attendance twice on the same day, resulting in duplicate payments for wages.
- » Work that are beyond the scope of MGNREGS are undertaken.

### 18.2. Major financial deviations found in Social Audit

- » In many social development projects, payments have been made based on valuation certificates without recording the relevant measurements in the M.Book.
- » Documents such as M. Book, FTO, photographs taken during the three stages of the work are not being included in the work files.
- » GST bills pertaining to material purchases are not available in the files.
- » Priority list of beneficiaries approved by the Grama Sabhas are not made available for audit.
- » Government or quasi-government employees are receiving individual benefits, contrary to regulations.
- » Asset registers are not being prepared, maintained or updated as required.
- » There is frequently a notable variance between the quantity of materials for works recorded in the M. Books and the actual quantity utilised for the works.
- » There are works which are implemented without obtaining Administrative Sanction (AS).

### 18.3. Major grievances found in social audit

- » Workers' rights guaranteed under the Mahatma Gandhi National Rural Employment Guarantee Act are not being protected sufficiently.
- » Certain works necessitate the use of gloves and boots, yet these essential safety gears are not provided during the execution of the work.
- » First aid box with adequate materials for emergency treatment is not made available at the work sites.
- » Applications for job cards are not being promptly processed, and job cards are not issued in a timely manner.
- » Workers are not being sensitised about 'Right to work and are not being encouraged to seek employment opportunities.
- » There is a failure to explore employment opportunities suitable for various weather conditions and different individuals, and to include these in the list of projects to be undertaken.
- » Workers are not provided with details regarding each work, such as the expected duration in working days and the various aspects of the task at hand in language that they can comprehend.
- » Workers who suffer mishaps at the worksites are not receiving the treatment mandated by law.
- » Adequate attention is not being given to train unskilled workers to become semi-skilled or skilled, thus enabling them to qualify for higher wages. Consequently, contractors exert significant influence over project implementation.
- » Majority of the workers lack adequate knowledge about their rights under MGNREGS.
- » Workers lack the capability and confidence to lodge complaints against the denial of their

rights, and there are significant deficiencies in the functioning of grievance redressal mechanism.

#### 18.4. Major transparency and accountability issues found in Social Audit

- ▶▶ The absence of Citizen Information Boards at work sites or their failure to be displayed before the commencement of work is a critical issue that undermines the transparency and accountability of the implementation of the scheme.
- ▶▶ The failure to adhere to the mandatory procedures outlined in the revised circular for the selection, appointment, training and distribution of wages for mates under the scheme represents a significant issue.
- ▶▶ Failure to maintain essential documents - registers, M.Book, copies of mandatory documents, and other essential records in office or make them available for verification represents a serious lapse.
- ▶▶ Failure to receive application for demanding employment at the front office of Panchayat and issue receipt against received application is a significant issue identified.
- ▶▶ Completion reports are not being prepared and maintained at the end of each work.
- ▶▶ Details of projects including name of work, number of days spent and wages paid are not being recorded and retained.
- ▶▶ The presence of repeated corrections in the muster rolls indicates potential inaccuracies in the record-keeping process.
- ▶▶ The non-functionality of Village Monitoring Committee and the absence of Concurrent Social Audit represent significant gaps
- ▶▶ Failure to record measurements in the presence of wage seekers.
- ▶▶ The failure to prepare estimates in people's language or regional language represents a significant barrier to effective communication and participation.
- ▶▶ The absence of an efficient mechanism for receiving and addressing complaints represents a significant gap.

- ▶▶ The irregular observance of Rozgar Day represents a missed opportunity to sensitisation and awareness about the scheme.
- ▶▶ The lack of organised Grama Sabhas with all sections of people in the community is a significant obstacle to foster inclusiveness in the implementation of the Scheme.
- ▶▶ The failure to provide wage slips to wage seekers undermine transparency and accountability in the payment process.

### 19. Suggestions and recommendations to resolve the Issues identified in the Social Audit process

#### 1. Issue

Elected representatives and staff of the Panchayats do not have sufficient knowledge and understanding about the importance and mandatory provisions of Social Audit and its usefulness to promote grassroots democracy.

#### *Proposals for resolution*

- a. Include 'Social Audit' as a component in the training module being followed at the Kerala Institute of Local Administration (KILA) for training of elected representatives and officials of the Panchayats.
- b. Include 'Social Audit' as a component in the training programmes organised by the MGNREGS Mission for the implementing team.
- c. Prepare a comprehensive training programme and impart training in a time-bound manner to all elected representatives and officials of the Panchayats, using the MGNREGS Mission's administrative fund.

#### 2. Issue

Beneficiaries are not being selected before preparing the estimates and the estimates for land development works are not being prepared based on their real needs and useful for sustainable agriculture development or mitigating problems of climate change.

#### *Proposals for resolution*

- a. Select the beneficiaries of projects based on priority criteria mandated in the MGNREGS.



- b. Prepare estimates for land development work, enhancement of soil productivity work and for sustainable land development after assessing the real needs of the beneficiaries. Once this is done, incorporate the name and other details of the beneficiaries in the estimate of land development works.
- c. Prepare projects giving priority to soil and water conservation and creation of irrigation facilities, which are essential for agricultural development.
- d. In cases where the beneficiaries seek individual assets, ensure that the beneficiaries would maintain such assets and make use of these assets for improving their livelihood in a sustainable manner.
- e. In the case of assets that are distributed among beneficiaries, ensure that they are helpful in achieving the socio-economic objectives of the Mahatma Gandhi National Rural Employment Guarantee Act.

### 3. Issue

Planning of projects under the MGNREGS does not take place with a clear sense of purpose.

#### *Proposals for resolution*

- a. This is mainly on account of the failure to ensure the participation or elicit the opinions and suggestions of different sections of people, particularly farmers, during the planning process.
- b. Preparation of action plans relating to selected projects is left entirely to the Kudumbashree workers and wage seekers of the MGNREGS.
- c. Action plans are being prepared without considering the order of priority of works listed in the Watershed Plans prepared for sustainable development of the region.
- d. Action plans are prepared with the limited objective of generating employment opportunities to the wage seekers and without sufficient concern

for sustained agricultural development of the State, particularly achieving food security and strengthening the local production system.

### 4. Issue

Officers and staff of various Line Departments with diverse technical skills in the productive sectors have been redeployed to the Grama Panchayats. However, their services are not making use for planning and implementation of the MGNREGS.

#### *Proposals for resolution*

- a. Ensure that panchayat-level officials of various development departments such as Agriculture, Animal Husbandry, Dairy Development, Fisheries, Irrigation, Scheduled Caste Development, Scheduled Tribe Development, Social Welfare, play an active role in the planning and implementation of works under the MGNREGS.
- b. Constitute a Special Integrated Working Group focused exclusively for planning and implementation of works under the Mahatma Gandhi National Employment Guarantee Scheme. The necessary stipulations should be made part of the planning guidelines. The Panchayat President should function as the Chairman and Panchayat Secretary as the Convenor of that Special Working Group at the Grama Panchayat level.

### 5. Issue

Integrated and coordinated activities are not being taken up as part of the MGNREGS.

#### *Proposals for resolution*

- a. The Union Ministry of Rural Development has issued proper guidelines to ensure integrated and coordinated activities under the MGNREGS. Coordinated activities should be undertaken with reference to this guidelines for convergence.
- b. Integrated and coordinated projects should be formulated and implemented with the help of officials of other Line



Departments of Agriculture, Animal Husbandry, Dairy Development, Irrigation, Social Forestry and Fisheries Development.

- c. Steps must be taken to integrate the funds received from the local development plan funds of the Panchayats, Finance Commission Award, MGNREGS funds and other Centrally and State-sponsored schemes funds to plan and execute integrated projects.

## 6. Issue

Elected representatives and officials have a negative attitude towards the findings of Social Audit. They behave in a hostile manner towards the Resource Persons and sometimes even threaten them.

### *Proposals for resolution*

- a. Impart training to the elected representatives and officials of the panchayat to create greater awareness among them about the mandatory provisions of Social Audit in the MGNREGA.
- b. Panchayat committees should ensure that corrective actions are taken on the findings of Social Audit and initiate disciplinary action against erring officials.
- c. Panchayats must create a climate conducive for the Resource Persons to function in a free and fair manner.
- d. Block and District level officials should ensure that timely corrective action is taken on the Social Audit findings.

## 7. Issue

Social Audit Resource Persons do not have requisite audit skills and suffer from serious functional competencies.

### *Proposals for resolution*

- a. Social Audit Resource Persons must be given training to enhance their understanding about the larger goals of the Social Audit process and the various protocols of Social Audit.
- b. Resource Persons must be trained to sensitise effectively with the elected representatives and officials of the Panchayats. They must

also be trained in optimal management of human resources available with them.

- c. At each stage of Social Audit, the Resource Persons must keep the Panchayat Presidents and Secretaries in confidence and keep them updated so that all decisions can be taken collectively.

## 8. Issue

Majority of Social Audit Resource Persons consider theirs as nothing but a job and have no idea about the larger democratic values on which the Social Audit process is founded.

### *Proposals for resolution*

- a. Develop clear understanding among the Resource Persons about their responsibilities and the value system underpinning the Social Audit process.
- b. Create a mechanism whereby there would be an effective and fruitful hierarchical monitoring of all the Resource Persons. Thus, the functioning of Social Audit Resource Persons at the village level should be monitored by the Resource Persons at the Block level, that of Block level Resource Persons by the District level Resource Persons and the work of the District-level Resource Persons by the SAU.
- c. Initiate stern action against Resource Persons who fail to carry out their Social Audit responsibilities efficiently and fail to translate the values of integrity and independence in the Social Audit process.

## 9. Issue

There are deliberate attempts on the part of the implementing officials to prevent convening of Grama Sabhas once the social audit resource persons report defects and shortcomings in the planning and implementation of MGNREGS works through audit notes.

### *Proposals for resolution*

- a. The Government must issue a detailed guideline stipulating that once an audit note is submitted to the panchayat after field verification and verification of the relevant files, the panchayat concerned should



respond within one week to the Social Audit team with objective replies to each of the findings.

- b. The State Employment Guarantee Council, chaired by the Honourable Minister for Local Self-Governments, should take appropriate decisions on the steps to be taken against Panchayats that deliberately obstruct conduct of timely Social Audit.

## 10. Issue

The rights of the MGNREGS wage seekers are not being sufficiently protected.

### *Proposals for resolution*

- a. Panchayats must look at the MGNREGS from the perspective of a right-based employment guarantee initiative and ensure that the rights of the workers are protected in both letter and spirit.
- b. Panchayats must do everything to protect the beneficiaries' right to work and build the capacity of the workers to demand and get wage employment in time.
- c. Panchayats must make available all the necessary facilities in the work site, particularly safety equipment and first-aid kits, at workplaces.
- d. Panchayats must take steps to ensure that the workers get accident insurance assistance and medical treatment assistance in time.

## 11. Issue

There is no mechanism to which the Panchayat can point out their dissent and complaints about Social Audit findings and conclusions.

### *Proposal for resolution*

A Grievance redressal mechanism should be created at the State level to address this problem.

## 12. Issue

There are rare instances, Social Audit Resource Persons have been found to behave in an overbearing manner towards the panchayat functionaries and officials

### *Proposal for resolution*

Detailed Code of Conduct that would govern the

behaviour, attitude and actions of resource persons at various levels should be formulated and issued by the SAU.

## 13. Issue

There is no mechanism at the State level to offer clarifications on issues relating to Social Audit

### *Proposal for Resolution*

A mechanism should be created at the State level to clarify doubts and give such clarifications in writing. Such clarifications can be compiled and brought out in the form of an FAQ for the use of resource persons and implementing officials.

## 14. Issue

Social Audit calendar is getting disrupted because of the high drop-out rate among VRPs and some of them going on long leave.

### *Proposal for resolution*

A Human Resource Policy comprising the service conditions of the Resource Persons should be prepared and approved by the Governing Body of the Social Audit Society.

## 15. Issue

Although the extent and coverage of Social Audit in the state is comprehensive and completed in time during 2022-23, the quality of Social Audit is not at the expected level.

### *Proposals for resolution*

- a. The internal evaluation and the external evaluation system of Social Audit in the state will have to be strengthened. Block-District Resource Persons must conduct periodic evaluation of the social audit work and to ensure that Social Audit is taking place fully in compliance with the Audit of Scheme Rules 2011 and observing the Social Audit Protocol. They must also ensure that the Social Audit findings are correct and with utmost objectivity.
- b. The review meetings at the Block-District levels should pay particular attention to this and ensure that file verification and field-level verification are taking place with high degree of sincerity and ensure cent percentage coverage.



## 20. Conclusion

Kerala has achieved significant milestones in the orderly and timely completion of the Social Audit of the MGNREGS over the past two years. The State successfully audited all the projects implemented by Panchayat under the scheme twice during the 2022-23 period. Notably, Social Audit Grama Sabhas and Public Hearings were conducted in all 15,962 wards across 941 Grama Panchayats in the State. Kerala's accomplishment in adhering to the Audit of Scheme Rules 2011, framed by the Comptroller and Auditor General of India for Social Audit of MGNREGS works, is commendable. The State's ability to meet all physical targets set for the scheme and secure the top position nationwide in conducting Social Audit successfully is a matter of great pride.

SAU Kerala is now prioritizing efforts to enhance 'Quality Social Audit' in the upcoming years. Drawing from the lessons learned from the MGNREGS Social Audit and Audit of all the Centrally and State - Sponsored schemes mandated by the Central and State Governments over the past two years, the SAU is actively engaged in strengthening the audit mechanism.

SAU Kerala expresses its profound gratitude to Department of Local Self- Government, Government of Kerala and all the Panchayati Raj Institutions for the unstinted support in facilitating the conduct of Social Audit Activities and ensuring community participation in various public forums related to Social Audit activities.



# GALLERY



*National level workshops & Trainings at NIRDPR, Hyderabad.*





*File Verification*



*Field Verification*





Grama Sabhas





*Public Hearings*

# ANNEXURES





## Annexure - A

G.O.(Rt)No.696/2022/LSGD



### GOVERNMENT OF KERALA

#### Abstract

Local Self Government Department – Mahatma Gandhi NREGA Social Audit Society Kerala - General Body, Governing Body and Executive Committee - Reconstituted - Orders issued.

#### LOCAL SELF GOVERNMENT(DD)DEPARTMENT

G.O.(Rt)No.696/2022/LSGD Dated,Thiruvananthapuram, 21-03-2022

Read 1 G.O (Rt) No.3906/2015/LSGD dated 30.12.2015.

2 Resolution No.5 of the 11<sup>th</sup> General Body Meeting of the MGNSASK held on 06.7.2021.

3 Letter No.36/MGNSASK/20 dated 23.07.2021 of Director, MGNREGA Social Audit Society, Kerala.

#### ORDER

As per the Government order read as 1<sup>st</sup> paper above, the Mahatma Gandhi NREGA Social Audit Society was set up in the State as an independent organisation for the conduct of Social Audit of Mahatma Gandhi NREGS. As per the resolution read as 2<sup>nd</sup> paper above, the amendments in the Memorandum of Association (MoA) of the Society was adopted by the Governing Body of the Society which envisages that the Society shall consist of a General Body, a Governing Body and an Executive Committee. The Director, Social Audit Society as per the letter read as 3<sup>rd</sup> paper above requested that the General Body, Governing Body and Executive Committee of the Society may suitably be reconstituted in line with amendments in the MoA.

2. Government have examined the matter in detail and are pleased to reconstitute the General Body, Governing Body and Executive Committee of the MGNREGA Social Audit Society as detailed below:

#### I. General Body

1	Secretary to Government, LSG Department	Member	Ex-officio
2	Secretary to Government Planning & EA Department	Member	Ex-officio



G.O.(Rt) No.696/2022/LSGD

3	Secretary to Government Finance Department	Member	Ex-officio
4	Secretary to Government, Agriculture Department	Member	Ex-officio
5	Secretary to Government, SC/ST Dev. Department.	Member	Ex-officio
6	Commissioner for Rural Development	Member	Ex-officio
7	Director of Panchayat	Member	Ex-officio
8	Secretary to Government, Labour Department	Member	Ex-officio
9	Executive Director, Kudumbashree	Member	Ex-officio
10	State Performance Audit Officer	Member	Ex-officio
11	Director, State Audit Department	Member	Ex-officio
12	Member, Decentralised Planning	Member	Ex-officio
13	Smt.K.G.Rajeswari	Member	President, District Panchayat, Alappuzha
14	Sri.B.P.Murali	Member	President, Kilimanoor Block Panchayat
15	Smt.K.M.Usha	Member	President, Vandipperiya



G.O.(Rt) No.696/2022/LSGD

			Grama Panchayat
16	Smt.Girija Surendran, Gireendram, Kunnathoormedu P.O., Palakkad	Member	Representative of Voluntary/Social organization
17	Sri.K.Chandran, Thej Nivas, Chattukuppara P.O., Koodali, Kannur	Member	Representative of Voluntary/Social organization
18	Sri.A.S.Dinakaran, Araykkal, Puthenpeedika P.O., Kulasekharam, Kollam	Member	Representative of Voluntary/Social organization
19	Smt.C.Radhamani, Kaleekkal, Adinadu North P.O., Kulasekharam, Kollam	Member	Representative of Voluntary/Social organization
20	Sri.A.N.Prabhakaran, Anchanattu, Kottarakkunn P.O., Vellamunda, Wayanad	Member	Extension Faculty Member, Kerala Institute of Local Administration(KILA), Thrissur & Member, District Planning Committee, Wayanad
21	Sri.K.Animon, Kodivila Veedu, Archal, Nediya P.O., Anchal, Kollam	Member	Representative of Voluntary/Social organization
22	Sri. S.Rajendran, Pournami, B-12, Krishna Nagar, Ulloor, Pattom P.O., Tvm	Member	Representative of Voluntary/Social organization
23	Accountant General	Member	Ex-officio

G.O.(Rt)No.696/2022/LSGD

24	Director KILA	Member	Ex-officio
25	Representative MoRD, GoI	Member	
26	Director, Social Audit Society	Non-Member Convener	

## II. Governing Body

1	Sri.S.Rajendran, Pournami, B-12, Krishna Nagar, Ulloor, Pattom P.O., Tvm	Chairman	
2	Principal Accountant General	Member	Ex-officio
3	Secretary to Government, LSGD	Member	Ex-officio
4	Director, Social Audit	Member Convenor	Ex-officio
5	Executive Director. Kudumasree	Member	Ex-officio
6	Director, KILA	Member	Ex-officio
7	Director, Women and Child Development Department	Member	Ex-officio
8	Smt.Girija Surendran, Gireendram, Kunnathoormetu P.O., Palakkad	Member	Representative of Voluntary/Social organization
9	Sri.A.N.Prabhakaran, Anchanattu, Kottarakkundu P.O., Vellamunda, Wayanad	Member	Extension Faculty Member, Kerala Institute of Local Administration(KILA), Thrissur and Member, District Planning Committee, Wayanad
10	Sri.K.Animon, Kodivila Veedu, Archal,Nediyara P.O., Anchal, Kollam	Member	Representative of Voluntary/Social organization



G.O.(Rt) No.696/2022/L.SGD

### III. Executive Committee

1	Sri.S.Rajendran, Pournami, B-12, Krishna Nagar, Ulloor, Pattom P.O., Tvm	Chairman	
2	Director, Social Audit Society	Member (Convener)	Ex-officio
3	Director, Kerala State Audit Department	Member	Ex-officio
4	Secretary, to Government Finance Department or his representative	Member	Ex-officio
5	Smt.Girija Surendran, Gireendram, Kunnathoormetu P.O., Palakkad	Member	Representative of Voluntary/Social organization
6	Sri.A.N.Prabhakaran, Anchanattu, Kottarakkundu P.O., Vellamunda, Wayanad	Member	Extension Faculty Member, Kerala Institute of Local Administration(KILA) and Member, District Planning Committee, Wayanad

(By order of the Governor)  
DR SHARMILA MARY JOSEPH  
PRINCIPAL SECRETARY

To: All members of the General Body/Governing Body/Executive  
Committee  
Secretary, Ministry of Rural Development, GoI (with C/L)  
Director, MGNREGA Social Audit Society, LMS Compound, TVM  
Mission Director(MGNREGS), Thiruvananthapuram  
The Principal Accountant General (Audit), Kerala  
Web & New Media, I& PRD  
The Director, Information Kerala Mission, Thiruvananthapuram.  
Stock File





G.O.(Rt) No.696/2022/LSGD

Forwarded /By order

Signed by Nisam N

Date: 22-03-2022 10:29:42

Section Officer

- Copy to: 1. Private Secretary to the Hon'ble Chief Minister  
2. Private Secretary to the Hon'ble Minister (LSG,RD&E)  
3. PA to Addl. Chief Secretary, LSGD  
4. PA to Principal Secretary, LSGD



## Annexure - B

G.O.(Rt)No.1000/2022/LSGD



### GOVERNMENT OF KERALA

#### Abstract

Local Self Government Department – Mahatma Gandhi NREGA Social Audit Society Kerala - Reconstitution of General Body, Governing Body and Executive Committee - G.O. (Rt)No.696/2022/LSGD - Modified - Orders issued.

#### **LOCAL SELF GOVERNMENT (DD) DEPARTMENT**

G.O.(Rt)No.1000/2022/LSGD Dated,Thiruvananthapuram, 21-04-2022

Read 1 Resolution No.5 of the 11th General Body Meeting of the MGNSASK held on 06.7.2021

2 G.O.(Rt)No.696/2022/LSGD Dated 21-03-2022

3 Letter No.12/MGNSASK/GB/18 dated 23.03.2022 of Director, MGNREGA Social Audit Society, Kerala.

#### ORDER

As per the Government order read as 2<sup>nd</sup> paper above, Government had reconstituted the General Body, Governing Body and Executive Committee of the MGNREGA Social Audit Society.

2. Government are pleased to modify the aforesaid Government order as detailed below:

(a) Sri.Pranabjyoti Nath IAS, Secretary, Department of Water Resources is appointed as the Chairman of the Governing Body and Executive Committee of MGNREGA Social Audit Society.

(b) Sri. S. Rajendran, Pournami, B-12, Krishna Nagar, Ulloor, Pattom P.O., Thiruvananthapuram is included in the Governing body as the 4<sup>th</sup> non-official member of the Governing body.

(c) The address of the non-official member in the General Body, Sri.A.S.Dinakaran is modified as Sri.A.S.Dinakaran, Araykkal, Puthenpeedika P.O.,Thrissur.

G.O.(Rt)No.1000/2022/LSGD

(d) The nomination of two non-official members to the Executive Committee stands withdrawn.

3. The Government order read above stands modified to the above extent.

(By order of the Governor)  
DR SHARMILA MARY JOSEPH  
PRINCIPAL SECRETARY

To: Sri.Pranabjyoti Nath IAS, Secretary, Department of Water Resources

All members of the General Body/Governing Body/Executive Committee

Secretary, Ministry of Rural Development, GoI (with C/L)

Director, MGNREGA Social Audit Society, LMS Compound, TVM

Mission Director(MGNREGS), Thiruvananthapuram

The Principal Accountant General (Audit), Kerala

Web & New Media, I& PRD

The Director, Information Kerala Mission, Thiruvananthapuram.

Stock File

Forwarded /By order

Signed by Nisam N

Date: 22-04-2022 10:49:39

Section Officer

Copy to: 1. Private Secretary to the Hon'ble Chief Minister

2. Private Secretary to the Hon'ble Minister (LSG,RD&E)

3. PA to Addl. Chief Secretary, LSGD

4. PA to Principal Secretary, LSGD



## Annexure - C



### R. VENKITACHALAM & ASSOCIATES

#### Chartered Accountants

TC 25/85, 'Ramraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001

Phone: 2330078, 2331022 E-mail: rvenkit\_54@yahoo.co.in

Date: 27.10.2023

### INDEPENDENT AUDITOR'S REPORT

To,  
The Director  
Mahatma Gandhi National Rural Employment Guarantee Act Social Audit Society  
Kerala

#### 1. Report on the Financial Statements

We have audited the attached Balance Sheet of Mahatma Gandhi National Rural Employment Guarantee Act Social Audit Society Kerala as at March 31 2023, the Income and Expenditure Account, the Receipts and Payments Account and Balance sheet for the year ended on that date annexed thereto, and other explanatory information.

#### 2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the agency. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of materials misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor





considers internal control relevant to the preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Further to the above, we report that

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of accounts as required by law have been kept by the agency so far as appears from our examination of those books.
- c. The Balance sheet, Income & Expenditure Account and Receipts & Payments Account dealt with this Report are in agreement with the books of account.

5. Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements give the information required for the Scheme in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

1. In the case of the Balance Sheet, of the state of affairs as at March 31, 2023
  2. In the case of the Income & Expenditure Account, of the Excess of Income over expenditure for the year ended on that date, and
  3. In the case of the Receipts & Payments Account, as to the Receipts and Payments for the year ended on that date.
6. Expenditure reported in the income and expenditure account is properly reflected in the Utilization Certificate for the same period.

Date: 27.10.2023

Place: Thiruvananthapuram

UDIN: 23023478 BQSM5W2540

For  
R. VENKITACHALAM & ASSOCIATES  
Chartered Accountants

R. VENKITACHALAM  
Partner (M No. 023478)  
Firm Reg. No. 004664S  
Place :  
Date : 27/10/23





## GFR12-A

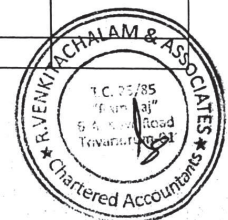
## FORM OF UTILIZATION CERTIFICATE

UTILIZATION CERTIFICATE FOR THE YEAR.....2022-2023.....in respect of recurring/nonrecurring

## GRANTS-IN-AID/SALARIES/CREATION OF CAPITAL ASSETS

1. Name of the Scheme - MGNREGA SOCIAL AUDIT
2. Whether recurring or non-recurring grants - BOTH
3. Grants position of the beginning of the financial year
  - i) Cash in Hand/Bank - 93,74,744.35
  - ii) Unadjusted advances - 80,095
  - iii) Total - 94,54,839.35
4. Details of grants received, expenditure incurred and closing balances: (Actuals)

Unspent Balances of Grants received year s {figure as at sl.No. 3(iii)}	Interest Earned thereon	Interest deposited back to the Government	Grant received during the year			Total available funds (1+2-3+4)	Expenditure incurred	Closing Balances (5-6)
1	2	3	4			5	6	7
			Sanction no. (i)	Date (ii)	Amount (iii)			
94,54,839.35	2,78,353	1,74,769	F.No,M-11015/04/2021 RE-VIII (375899) Sl.no.20	26-05-22	1,46,11,000	16,41,89,423.35	12,18,44,962.36	4,23,44,460.99
			F.No,J12020/02/2022/ RE-VIII (380239) Sl.no.03	05-09-22	4,01,40,000			
			F.No,J12020/02/2022/ RE-VIII (380239) Sl.no.13	29-11-22	4,01,40,000			
			F.No,J12020/02/2022/ RE-VIII (380239) Sl.no.28	24-03-23	5,97,40,000			
					154631000			



GFR12-A


Componentwise utilization of grants:

Grant-in-aid-General	Grant-in-aid-salary	Grant-in-aid-creation of capital assets	Total
11,88,39,970.36	28,31,201	1,73,791	12,18,44,962.36

Details of grants position at the end of the year


(i)	Cash in Hand/Bank	-	4,23,44,460.99
(ii)	MDMS Scheme balance	-	9,000.00
(iii)	Total	-	4,23,53,460.99

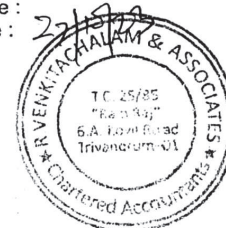
  
**SHAHINA A.S**  
Accounts Officer  
MGNSASK  
(Social Audit Unit Kerala)

  
**Dr. N. RAMAKANTAN**  
DIRECTOR  
Mahatma Gandhi NREGA  
Social Audit Unit Kerala



For  
R. VENKITACHALAM & ASSOCIATES  
Chartered Accountants

  
**R. VENKITACHALAM**  
Partner (M. No. 02347B)  
Firm Reg. No. 004664S  
Place :  
Date : 22/11/23



UDIN: 23023478 B6SM5W2540





GFR12-A

Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled / are being fulfilled and that I have exercised following checks to see that the money has been actually utilized for the purpose which it was sanctioned:

- i. The main accounts and other subsidiary accounts and registers (including assets registers) are maintained as prescribed in the relevant Act/Rules/Standing instructions (mention the act/Rules) and have been duly audited by designated auditors. The figures depicted above tally with the audited figures mentioned in financial statements/accounts.
- ii. There exist internal controls for safeguarding public funds/assets, watching outcomes and achievements of physical targets against the financial inputs, ensuring quality in asset creation etc. & the periodic evaluation of internal controls is exercised to ensure their effectiveness.
- iii. To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act/Rules/standing instructions and scheme guidelines.
- iv. The responsibilities among the key functionaries for execution of the scheme have been assigned in clear terms and are not general in nature.
- v. The benefits were extended to the intended beneficiaries and only such areas/districts were covered where the scheme was intended to operate.
- vi. The expenditure on various components of the scheme was in the proportions authorized as per the scheme guidelines and terms and conditions of the grants-in-aid.
- vii. It has been ensured that the physical and financial performance under..... (name of the scheme) has been according to the requirements, as prescribed in the guidelines issued by Govt. of India and the performance/targets achieved statement for the year to which the utilization of the fund resulted in outcomes given at Annexure-I duly enclosed.
- viii. The utilization of the fund resulted in outcomes given at Annexure-II duly enclosed (to be formulated by the Ministry/Department concerned as per their requirements/specifications)
- ix. Details of various schemes executed by the agency through grants-in-aid received from the same Ministry or from other Ministries is enclosed at Annexure-II (to be formulated by the Ministry/Department concerned as per their requirements/specifications)

Date: 22/10/2023

Place: Thiruvananthapuram

Signature:   
Name: SHAHINA A.S.

Chief Finance Officer  
(Head of the Finance)

**SHAHINA A.S.**  
Accounts Officer  
**MGNSASK**  
(Social Audit Unit Kerala)

Signature

Name: Dr. N. Ramakantan

Head of the Organization

**Dr. N. RAMAKANTAN**  
DIRECTOR  
Mahatma Gandhi NREGA  
Social Audit Unit Kerala

Signature

Name: .....

Principal Investigator

(Strikeout inapplicable terms)

For:  
R. VENKITACHALAM & ASSOCIATES  
Chartered Accountants

**R. VENKITACHALAM**  
Partner Reg No. 023478  
Firm Reg No. 004664S  
Place :  
Date :




VDIN: 23023478B65M5W2540



**GFR12-A**  
**Expenditure Statement 2022-23**


SI No	Items	Amount (Rs in Lakhs)
1	Administrative expenditure (Salary and Allowances)	28,31,201.00
2	Office Management Cost (Monthly charges /stationaries /internet /telephone/ Electricity/IT System/Record Maintenance/Postage etc.)	20,03,493.00
3	DRP's, BRP's, VRP's Salary/Honorarium	11,68,36,477.36
4	Others if any Furniture Laptop Tally Software Desktop	85,091.00 58,500.00 20,000.00 10,200.00
	<b>TOTAL</b>	<b>12,18,44,962.36</b>

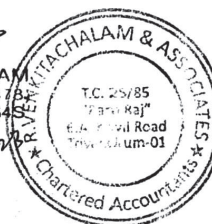
  
**SHAHINA A.S**  
Accounts Officer  
MGNSASK  
(Social Audit Unit Kerala)

  
**Dr. N. RAMAKANTAN**  
DIRECTOR  
Mahatma Gandhi NREGA  
Social Audit Unit Kerala



For  
R. VENKITACHALAM & ASSOCIATES  
Chartered Accountants

  
**R. VENKITACHALAM**  
Partner (C) No. 0234785  
Firm Reg.No. 00466485  
Place :  
Date : 27/10/23





**MGNREGA SOCIAL AUDIT SOCIETY KERALA (MGNSASK), THIRUVANANTHAPURAM  
RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-3-2023**

Pervious Year 2021-22	RECEIPTS	Sch	Amount	Current Year 2022- 23	Pervious Year 2021-22	PAYMENTS	Sch	Amount	Current Year 2022- 23
10,60,671.85	To Opening balance Bank balance			93,74,744.35	17,85,455.00	By Social Audit Expenses	1	28,31,201.00	
1,46,10,000.00	To Social Audit Fund from MoRD			15,46,31,000.00	6,15,542.00	Administrative Expenses	2	20,03,493.00	
5,84,100.00	To Noon meal day scheme fund			22,000.00	3,44,01,237.35	Office Cost	3	11,68,36,477.36	12,16,71,171.36
3,00,00,000.00	To Amount received from MGNREG mission			-	77,791.00	Training, Monitoring, Conduct of Audit	4		1,73,791.00
-	To Bank Interest			2,78,353.00	2.15	By Fixed assets			
	To TDS refund			80,095.00	-	By Bank Charges			1,74,769.00
						By Bank interest			13,000.00
					93,74,744.35	By Noon Meal expenses			4,23,53,460.99
						By Bank balance			
<b>4,62,54,771.85</b>				<b>16,43,86,192.35</b>	<b>4,62,54,771.85</b>				<b>16,43,86,192.35</b>

**SHAHINA A.S**  
Accounts Officer  
MGNSASK  
(Social Audit Unit Kerala)

**Dr. N. RAMAKANTAM**  
DIRECTOR  
Mahatma Gandhi NREGA  
Social Audit Unit Kerala

For  
R. VENKITACHALAM & ASSOCIATES  
Chartered Accountants



**R. VENKITACHALAM**  
Partner (A) No. 023478)  
Firm Reg No. 004664S  
Place: 27/1/23  
Date: 27/1/23

UDIN: 23023478805M902540



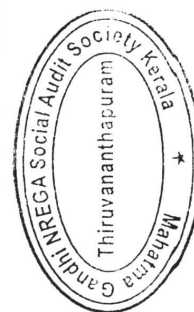


MGNREGA SOCIAL AUDIT SOCIETY KERALA (MGNSASK), THIRUVANANTHAPURAM  
INCOME AND EXPENDITURE INCURRED FOR THE YEAR ENDED 31-03-2023


Pervious Year 2021-22	EXPENDITURE	Sch	Amount	Current Year 2022- 23	Pervious Year 2021-22	INCOME	Sch	Amount	Current Year 2022-23
17,85,455.00	To Social audit expenses	1	28,31,201.00		3,62,83,675.50	By Utilized during the year		15,46,31,000.00	
6,15,542.00	Administrative expenses	2	20,03,493.00			Central Govt Project Fund		3,29,59,828.64	12,16,71,171.36
3,44,01,237.35	Office Cost	3	11,68,36,477.36	12,16,71,171.36		Less: Unutilized			
	Training, Monitoring, Conduct of Audit				5,18,561.00	By Amount received for MDMS Scheme		22,000.00	13,000.00
2.15	To Bank Charges			-		Less: Unutilized		9,000.00	
	To MDMS expenses			13,000.00					
3,68,02,236.50				12,16,84,171.36	3,68,02,236.50				12,16,84,171.36

  
**SHAHINA A.S**  
Accounts Officer  
MGNSASK  
(Social Audit Unit Kerala)

  
**Dr. N. RAMAKANTAN**  
DIRECTOR  
Mahatma Gandhi NREGA  
Social Audit Unit Kerala



For  
R. VENKITACHALAM & ASSOCIATES  
Chartered Accountants

  
**R VENKITACHALAM**  
Partner (No. 023478)  
Firm Reg No. 004664S  
Place :  
Date : 27/10/23

UDIN : 23023478B6999054540





MGNREGA SOCIAL AUDIT SOCIETY KERALA (MGNASK), THIRUVANANTHAPURAM  
BALANCE SHEET AS ON 31-3-2023

Pervious Year 2021-22	LIABILITIES	Sch	Amount	Current Year 2022-23	Pervious Year 2021-22	ASSETS	Sch	Amount	Current Year 2022-23
(2,12,67,771.65)	Central Govt Project Fund		(2,12,67,771.65)		16,49,556.00	Fixed Assets	4	16,49,556.00	
	Balance as per last balance Sheet		15,46,31,000.00			Gross Amount		1,73,791.00	18,23,347.00
	Add: Grant received during the year		13,33,63,228.35			Add: Additions during the year			
	Less: Utilized during the year		12,16,71,171.36			Tax deducted at Source			
	Less: Cost of fixed assets		1,73,791.00	1,15,18,265.99	80,095.00	Excess Income tax paid (FY 2019-20)			
	Interest Payable to MORD					Cash and Bank Balances		4,23,44,460.99	4,23,53,460.99
	Bank interest received during the year		2,78,353.00		93,74,744.35	Cash at bank		9,000.00	
	Less: Bank interest repaid to MORD		1,74,769.00	1,03,584.00		MDMS Scheme			
	Capital Reserve								
16,49,556.00	Fixed Assets			18,23,347.00					
	Fund received from MGNREGS mission as advance			3,00,00,000.00					
3,00,00,000.00	Kudumbasree Fund			6,57,072.00					
6,57,072.00	Noon meal day scheme fund			6,57,072.00					
65,539.00	Opening Balance		65,539.00						
	Receipts during the year		22,000.00						
	Less: Expenses during the year		13,000.00	74,539.00					
1,11,04,395.35				4,41,76,807.99	1,11,04,395.35				4,41,76,807.99



For  
R. VENKATACHALAM & ASSOCIATES  
Chartered Accountants

R. VENKATACHALAM,  
Partner (M No. 02/20178)  
Firm Reg. No. 0041/64S

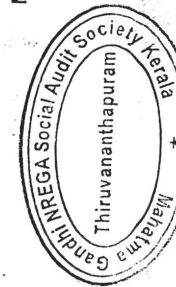
Date : 27/10/23

UDIN: 23023478869802540

27/10/23

Dr. N. SAMAKANTAN  
DIRECTOR

Mahatma Gandhi NREGA  
Social Audit Unit Kerala



SHAHINA A.S  
Accounts Officer  
MGNASK  
(Social Audit Unit Kerala)

27/10/23



# SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

## SCHEDULE 1

Administrative Expenses	Amount
Officers Salary	14,20,718.00
Director TDS	82,000.00
MS TDS	16,000.00
MS	23,391.00
Staff Salary	12,65,502.00
Festival Advance	7,590.00
Mobile Allowance	16,000.00
<b>TOTAL</b>	<b>28,31,201.00</b>

## SCHEDULE 2

Office Cost	Amount
Vehicle Hire Charges	3,93,188.00
Vehicle Hire charges TDS	1,312.00
Telephone And Electricity	1,04,036.00
Printing Expenses	3,31,029.00
Lab Maintenance	9,000.00
Lab Hosting charges	18,000.00
Office Expenses	7,080.00
Lab Exp	768.00
Office Building TDS	35,407.00
Office Building Rent	11,03,673.00
<b>TOTAL</b>	<b>20,03,493.00</b>

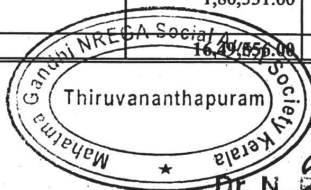
## SCHEDULE 3

Training, Monitoring, Conduct of Audit	Amount
P/BRP/VRP	11,47,01,853.36
	3,79,344.00
Training and Monitoring	15,07,341.00
Lab	1,79,339.00
MS Scheme audit Expenses	45,000.00
Lab fees	23,600.00
<b>TOTAL</b>	<b>11,68,36,477.36</b>

## SCHEDULE 4

Fixed Assets	Amount	Additions during the Year	Total
Motor	1,24,180.00		1,24,180.00
Electric Fan	12,272.00		12,272.00
Mobile Phone	2,450.00		2,450.00
Hard disk	19,300.00		19,300.00
Computer	11,02,171.00	85,091.00	11,87,262.00
	1,13,034.00		1,13,034.00
Motor	68,369.00	58,500.00	1,26,869.00
Motor Vessels	10,000.00		10,000.00
Lab	1,080.00		1,080.00
Lab	6,369.00		6,369.00
Software	-	20,000.00	20,000.00
Office Board	10,000.00		10,000.00
Motor	1,80,331.00	10,200.00	1,90,531.00
<b>TOTAL</b>	<b>16,49,559.00</b>	<b>1,73,791.00</b>	<b>18,23,347.00</b>

**SHAHINA A.S**  
Accounts Officer  
MGNSASK  
(Social Audit Unit Kerala)



**Dr. N. RAMAKANTAN**  
DIRECTOR  
Mahatma Gandhi NREGA  
Social Audit Unit Kerala

For  
R. VENKITACHALAM & ASSOCIATES  
Chartered Accountants

R. VENKITACHALAM  
Partner (No. 102, 107, 8)  
Firm Reg. No. 10046648  
Place :  
Date :

