



## Social Audit Advisory Body

**For Prelims:** Social Audit Advisory Body, Framework Associated with Social Audit in India, [Mahatma Gandhi National Rural Employment Guarantee Act](#) , [Gram sabha](#), [Right to Information Act, 2005](#), National Resource Cell for Social Audit.

**For Mains:** Key Features of Social Audit, Challenges Related to Social Audit In India.

[Source: IE](#)

### Why in News?

Recently, the inaugural meeting of the [Social Audit Advisory Body \(SAAB\)](#) took place at the **Dr. Ambedkar International Centre in New Delhi**.

- This pioneering advisory body aims to guide the **Ministry of Social Justice & Empowerment** in the institutionalisation of social audits across its diverse schemes.

### What is a Social Audit?

- **About:**
  - A social audit is a **systematic, independent assessment of an organization's or program's social impact** and ethical performance.
  - It evaluates how well their actions and policies **align with their stated values and goals**, particularly regarding their impact on communities, employees, and the environment.
    - **Howard Bowen** proposed the term “social audit” in his 1953 book **Social Responsibilities of the Businessman**.
- **Key Features of Social Audit:**
  - **Fact finding not fault finding.**
  - Creating the space and platform for dialogue among various levels of stakeholders.
  - Timely grievance redressal.
  - Strengthening the democratic process and institutions.
  - Building people's pressure for better implementation of programmes.
- **Types of Social Audits:**
  - **Organisational:** Assessing a company's overall social responsibility efforts.
  - **Program-Specific:** Focusing on a particular program's impact and effectiveness.
  - **Financial:** Reviewing the social and environmental implications of financial decisions.
  - **Stakeholder-Driven:** Involving various stakeholders in the auditing process.

### Note

In India, [Tata Iron and Steel Company Limited \(TISCO\)](#), Jamshedpur, was the **first company to perform social audits in 1979** for measuring its social performance. [Mazdoor Kisan Shakti Sangathan \(MKSS\)](#) started the concept of social audit while fighting corruption in the public works in the

early 1990s.

- **Framework Associated with Social Audit in India:**
  - [Mahatma Gandhi National Rural Employment Guarantee Act \(MGNREGA\) 2005: Section 17 of the Act](#) stipulates that the [gram sabha](#) is responsible for monitoring work execution.
    - **Independent social audit units in each state** are mandated to operate independently from implementing authorities, emphasising community-driven verification of program implementation.
  - **The Meghalaya Community Participation and Public Services Social Audit Act, 2017:** This state-level legislation stands as the first of its kind in India, **making social audits a mandatory practice.**
  - **Framework for Social Audit on Implementation of BOCW Act:** The **Ministry of Labour & Employment** has issued a framework for conducting social audits under the [Building and Other Construction Workers \(Regulation of Employment and Conditions of Service\) Act, 2013.](#)
  - [Right to Information Act, 2005:](#) It has played a significant role in supporting the **Social Audit system in India.** It enhances **transparency and access to information**, which underpins the effectiveness of social audits by providing access to relevant documents and data.
  - **National Resource Cell for Social Audit (NRCSA):** The Department of Social Justice and Empowerment has established the **NRCSA.** This entity ensures **social audits through dedicated Social Audit Units at the state level.**
- **Challenges Related to Social Audit In India:**
  - **Lack of Standardization:** The absence of standardised procedures for social audits lead to **variations in methodologies and reporting.** A lack of uniformity makes it difficult to compare results across different projects and regions.
  - **Lack of Awareness and Capacity:** Limited awareness and understanding of social audit processes among stakeholders, including local communities, can **hinder effective implementation.**
    - Limited participation from **marginalized or vulnerable groups in the social audit process** lead to incomplete or biased assessments.
  - **Political Interference:** Social audits face **political interference, influencing the independence and objectivity of the audit process.** Pressure from local authorities or political figures can compromise the integrity of the findings.
  - **Resource Constraints:** Social audits require resources, both financial and human. Many local bodies **lack the necessary funds and expertise to conduct comprehensive social audits,** limiting their effectiveness.
  - **Limited Capacity and Training:** The social audit units, which are meant to detect any cases of malpractice, are suffering because of lack of funds and trained professionals.

## Way Forward

- **Blockchain for Transparency:** Explore the **use of [blockchain technology](#) to enhance transparency and integrity in social audits.** Blockchain can provide a secure and tamper-proof platform for storing audit information, ensuring the authenticity of data.
- **Accessibility and Representation:** Simplify audit processes and make information readily available in local languages and formats.
  - Ensure diverse participation from **marginalised groups, women, and youth** through targeted incentives.
- **Standardisation and Whistleblower Protection:** Develop **clear and uniform guidelines for conducting social audits** across different programs and states.
  - Enact strong legal safeguards to protect individuals who report irregularities.

## UPSC Civil Services Examination, Previous Year Question:

**Q.** An independent and empowered social audit mechanism is an absolute must in every sphere of public service, including judiciary, to ensure performance, accountability and ethical conduct. Elaborate. **(2021)**

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