

# SOCIAL AUDITS<sup>1</sup>

## Summary

Just as a financial audit verifies how money is being spent, a social audit verifies how programs and services are being carried out, with the goal of making them better and more reflective of social, environmental, and community objectives. A social audit involves a systematic evaluation of public records and user feedback. It is intended to help users understand and assess the strengths and weaknesses, successes and failures of a programme or service, with an aim to make improvements. Social auditing is a way of increasing community participation, strengthening links with government and/or service providers, promoting transparency and public accountability, and instilling a sense of responsibility among all those involved.

## What is it?

The social audit is a process through which all stakeholders, both service providers and users, systematically examine the impact of the project or service, comparing in particular the real benefits that have been achieved with the planned benefits, while also looking at unexpected impacts, both beneficial and non-beneficial. The findings of the social audit are shared with all stakeholders, and where problems are identified, the process for implementing changes is initiated.

Social audits can take different forms and cover a range of actors and practices. They can be undertaken individually or jointly by government, civil society and/or community-level actors. They often start as civil society initiatives and sometimes evolve into collaborative efforts as the government sees the benefits of the approach. In the context of state institutions, social audits supplement conventional financial audits to help government departments and public agencies compare their overall performance, as perceived by the public, with their stated core values and objectives.

Depending upon available resources, social audits can be of varying size and scope, ranging from comprehensive national audits to localised community audits. Social audits are sometimes undertaken as a one-off event but are usually more effective when planned as an ongoing process, undertaken at regular intervals. Social audits use participatory techniques to involve all relevant stakeholders (especially traditionally marginalized or underserved groups) in collecting and analysing evidence, providing feedback, and recommending changes where necessary.

When a community undertakes a social audit, especially for the first time, it frequently benefits from the assistance, of an intermediary organisation such as an NGO, which can provide training on the social audit process; help access the information required to conduct the social audit; assist in collating and disseminating information to the community; document the social audit findings, and; follow up with public officials regarding proposed changes or remedial actions.

Increasingly, companies and international NGOs are recognizing that transparency and demonstrations of good faith contribute significantly to the success of a project. As a result, they too are using social audits as a means to assess and improve their programme activities and overall performance.

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Ideally, the social audit process is: inclusive, participatory, thorough, verifiable, transparent, and dedicated to making the project or service better.

### **How is it done?**

Social audit practices are shaped by the program or service under review and so can use various techniques and methodologies. The following is a simplified summary outline of key steps.

#### 1. Preparatory groundwork

- Define the scope of the audit , (e.g. the specific service, organisation, programme, project, component or activity is will examine).
- Form a committee or working group to implement and oversee the social audit.
- Identify key stakeholders (intended users/beneficiaries, community members, local CSOs, service providers, responsible government officials, employees, contractors, volunteers, donors, etc.).
- Develop a clear understanding of relevant administrative structures and pinpoint key responsible agencies/actors.
- Develop a clear understanding of the vision and objectives of the service/project in question;
- Develop performance indicators (through stakeholder consultation).
- Organise a public awareness campaign about the aims and benefits of the social audit, using media, public forums, door-to-door visits, etc.

#### 2. Information gathering and analysis

- Access relevant public documents (such as accounting records, cash books, wage rolls, bills and technical project reports and managerial records). Aim to obtain original documents rather than second-hand reports which may not be accurate.
- Gather data from relevant stakeholders about their perceptions and experiences of the service/project in question (e.g. using surveys, focus group discussions, community meetings, etc.).
- Importantly, the process of information-gathering can also serve to inform key stakeholders and community members about the issues at hand and to mobilise public pressure and action for change.
- Analyse collected data (this may require some specialised assistance).

#### 3. Public disclosure and evidence-based dialogue

- Develop a communication strategy to disseminate findings and outcomes (using, for example, the media, public meetings and postings).
- Convene meetings with community members to discuss findings and formulate proposed changes/solutions.
- Convene public dialogue meeting(s) to allow community members to discuss the evidence with authorities/service providers, and to plan and implement changes.

#### 4. Follow-up

- Where necessary, use findings to undertake advocacy to address specific instances of mismanagement and corruption, as well as broader policy considerations.
- Train and support community members and service-providers to undertake future social audits.
- Aim to ultimately have social audits institutionalised within governance processes or repeated regularly.

### **Benefits:**

- Raises public awareness and knowledge.
- Promotes citizen empowerment and strengthens community voice by allowing community members to provide feedback, gather evidence, interpret findings and develop solutions.
- Promotes local democracy and collective decision-making.
- Enhances policy-makers' understanding of stakeholder concerns and encourages them to take steps to address these.
- Can result in improved design and delivery of programs and services.
- When institutionalised, social audits allow for regular monitoring of public institutions; enhance the legitimacy of state actors, and foster greater trust between civil society groups and government.
- Social auditing can also contribute to enhanced transparency by creating demand for information and helping to establish the right to information in service delivery planning and implementation.

### **Challenges and lessons:**

- Particularly when initiated by community or civil society actors, the implementation of a social audit can require substantial technical support, especially in obtaining and analysing data. External funding may also be required.
- Access to public records is crucial for a social auditing process. Obtaining records may often depend on the intervention of sympathetic officials. In the longer term, overcoming this obstacle may involve lobbying the government to introduce legislation granting citizen access to public records.
- In some cases, the non-existence of accurate public records is a problem. In such cases, social audits, can focus on user feedback and advocate for improved record-keeping over time.
- Service providers and policy makers may feel threatened by the social audit process. If possible, it is useful to engage them constructively from the outset and to attempt to direct criticism at institutions rather than individuals.
- Social audits, if not handled sensitively, can inflame emotions and can potentially lead to conflict or retribution from those who are "exposed". It is prudent to foresee the potential need for conflict management and to remind all participants that the primary goal is not to assign blame but to bring about improvements.

### **CASE STUDIES**

#### Mazdoor Kisan Shakti Sangathan (MKSS) India (<http://www.mkssindia.org/>)

CSO-led social audit: MKSS, a peasant and workers' union in the Indian state of Rajasthan, is a pioneer of social audits. It conducts public hearings where official reports and financial statements are presented to community members and local government officials. During these social audits, community members verify accounting records and other records on public works programs and identify instances of fraud. The MKSS has been successful in lobbying the government to institutionalise the process.

- The Right to Know Movement in India (<http://www.justassociates.org/MKSS%20Case%20Study%20Section%20II.pdf>)
- Social Audits – Tracking Expenditure with Communities: The Mazdoor Kisan Shakti Sangathan (MKSS) in India (<http://unpan1.un.org/intradoc/groups/public/documents/cgg/unpan023752.pdf>)

#### Social Audits and Devolution in Pakistan

In 2001, the government of Pakistan introduced regular and ongoing social audits as a means of fine-tuning devolution reforms and monitoring their effects.

<http://www.ciet.org/en/documents/projects/200621012547.asp>

#### Participatory Social Auditing in Zimbabwe

This brief write-up by Di Auret explains how Participatory Social Auditing in Zimbabwe proved essential to evaluating a company's social performance.

Code compliance? Participatory social auditing in Zimbabwe

(<http://www.id21.org/insights/insights36/insights-iss36-art04.html>)

#### Challenging corruption through social audit in Andhra Pradesh, India

In Andhra Pradesh, social audit has proved an effective tool for evaluating and fighting corruption in the implementation of the government's employment guarantee scheme.

Challenging Corruption through Social Audits

(<http://www.epw.org.in/epw/uploads/articles/10222.pdf>)

A number of examples of social audits conducted or supported by CIET International can be accessed here:

<http://192.168.1.240:8105/en/documents/projects/200628142314.asp>

### **RESOURCES**

- The Social Audit Toolkit by Centre for Good Governance (<http://unpan1.un.org/intradoc/groups/public/documents/cgg/unpan023752.pdf>),
- Food and Agricultural Organisation (FAO) Training Module on Social Audit (<http://www.fao.org/docrep/006/ad346e/ad346e09.htm>)
- A brief paper on Social Audits (<http://www.sasanet.org/documents/Tools/Social%20Audit.pdf>) by Kurian Thomas of the Centre for Good Governance
- The Social Audit: Fostering Accountability to Local Constituencies (<http://www.ciet.org/en/documents/methods/200781612262.asp>) by CIET International. See pages 2-4.
- Social Audits for Strengthening Accountability: Building Blocks for Human Rights Based Programming, Practice Note (<http://unesdoc.unesco.org/images/0015/001570/157021e.pdf>) UNESCO Bangkok, 2007.
- Social Auditing: Feedback Control for Organisations (<http://www.caledonia.org.uk/social2.htm>). This short paper by George Clark documents key social audit initiatives in the UK and emergent training possibilities.