

Guidelines for Social Audit



Association of International NGOs in Nepal (AIN)

AIN 2010 Guidelines for Social Audit

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Foreword

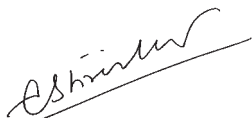
The Association of International NGOs (AIN) is network of INGOs which has been working in Nepal since September 1996. The network currently has more than 90 members from a wide range of sectors. The members of AIN have come together to promote mutual understanding, to exchange information and to share their experiences and learning of their social development in Nepal. AIN is committed to implement the principles outlined in partnership guideline such as transparency, participation. (AIN strategic plan 2008-2010)

The social audit experiences within /INGOs have shown it to be an empowering process. Some AIN members have found that social audit adds to their organisational strengths which include: inclusive participation, transparency and accountability with rights holders/beneficiaries and stakeholders and thereby improving institutional governance and organisational performance. AIN intends to make social audit an ongoing organisational process covering all aspects of an organisation rather limiting its scope within the one sector or in a specific project.

The guideline will help to promote a common understanding of the principles and practices of Social Audit amongst AIN members that can help them to build up their internal organisational capacity and that of partners in the social development sector within Nepal. AIN believes that this guideline will help to promote a consistent and coherent process and methodology in conducting Social Audit within AIN member organisations and to encourage and facilitate their partners to work in ways to encourages good governance. This will also help to promote with other sectors of civil society, government and private sector to encourage social audit practices.

We would like to thank Capacity Building Working Group (CBWG) members in initiating and developing the guidelines. Special thanks goes to Deepak Koirala of Save the Children & CBWG coordinator, Krishna Pathak of LWF, Madhu Pokharel of MS Nepal, Nick Barry of VSO and Soni Pradhan of CBWG in supporting the entire process and providing technical inputs. Similarly thanks goes to all the AIN members those who participated in the consultation process at national and regional level for their valuable inputs and suggestions in the guideline. We would also like to thank AIN Steering Committee members Chanda Rai, Dale Davis and Phanindra Adhikary for their intensive inputs on finalizing the guidelines. Our sincere thank goes to Sten Andreasen, Country Director of MS Nepal for his support to the Capacity Building Working Group for providing technical and financial support since last three years.

At the end the Social Audit guideline is an attempt to introduce social audit as a process/tool that will lead to improve the quality of services by ensuring the active participation of communities and by promoting transparency and that ultimately builds organisational capacity.



Chij Kumar Shrestha
Chairperson
Association of International NGOs in Nepal

Acknowledgement

AIN (Association of International NGOs in Nepal) is committed to improve the governance of AIN members and its partner organisations. Over the last three years AIN's CBWG (Capacity Building Working Group) has been producing several tools, guidelines and modules. This guidelines on "Social Audit for AIN Members" is one of the steps in the overall process of strengthening institutional governance of AIN members and their partner organisations. This guideline consists of meaning, objectives, importance, procedure and a set of questionnaire to facilitate the social audit process.

Social audit is a tool for measuring social and ethical performance of an organisation. The process of social audit is always inclusive and participatory in its nature therefore it ensures the accountability and transparency to the stakeholders. The social audit opens the dialogue among stakeholders, target groups, donors and organisation with the intention of improving organisational performance. At the same time it builds the trust among key stakeholders through active participation and inspires them to contribute in the process of improving transparency and accountability.

I thank Sten Anderson (Country Director and Madhu Pokharel (Program Officer) for their financial and technical support to produce the guideline in this form. Similarly I would like to thank Mr. Krishna Pathak from Lutheran World Federation, Nick Barry from VSO and Soni Pradhan from AIN CBWG for their time and technical inputs to finalize the guideline. My thank goes to members of CBWG, AIN members and AIN regional team who participated in orientation and provided their valuable suggestion to finalize the guideline.



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Chapter 1

1.1 Context

The government of Nepal recognizes that International NGOs (INGOs) working in Nepal have played a significant role in providing development assistance, facilitating improved governance systems and promoting human rights and democratic processes in Nepal. INGOs, along with civil society organisations have been practicing, advocating and supporting the promotion of good governance in community, state mechanisms, among political actors and in the corporate sector.

Good governance is the backbone of equitable development and the fulfillment of people's human rights and consequently, some INGOs have adopted Social Audit as a process for promoting good governance practices within their own organisations and their partners'. AIN is committed to implementing the principles outlined in the partnership guidelines, which include transparency and participation (AIN strategic plan 2008). The partnership guidelines aim to set a higher level of transparency and an increased level of democratic standards of governance and performance within all its members and partner organisations. The purpose of the Guidelines is to assist in bringing about improved governance and thereby enhancing the capacity of INGO's and NGOs to reduce poverty and increase equity and inclusion within Nepal.

The Government of Nepal passed the Right to Information Act (Rtl) in February 2007, and the Act has been implemented since February 2009. The key concept of the Rtl is to promote transparency within public organisations and to respect the rights of individuals to request key information. This Act is mandatory to the public Agency. Public Agency denotes the agency and institution according to the following list:

- A body under the constitution,
- A body established by the Act,
- A body formed by the Government of Nepal,
- Public service providing institution or foundation established by the law,
- Political Party or organisation registered under the prevalent law.
- Organized institution under the full or partial ownership or under control of the Government of Nepal or organized body receiving grants from the Government of Nepal.
- Organized institution formed by the Bodies established by the Government of Nepal or the law entering into an agreement,
- Non-Governmental organisation/Institutions operated by obtaining money directly or indirectly from the Government of Nepal or Foreign Government or International organisations/ Institutions,
- Other Bodies or Institution prescribed as Public Body by the Government of Nepal by publishing notice in the Gazette. (Source Right to Information Act, 2064)

Government authorities have come up with a policy that mandates social and public audit at both Government and non-government level. Though Rtl Act does not explicitly mention about INGO but AIN has felt that Act is relevant to INGOs. Being a social development organisation INGOs need to demonstrate best reflection of good governance practices in their organisations. Social Audit is one of the commonly used tools that compliment Rtl which eventually strengthens the good governance system.

The Social Audit experiences within INGOs have shown it to be an empowering process with people asking questions and receiving information that allows them to assess a public agency's performance and encourages public authorities to be transparent, responsive and accountable. Social Audit is a very important practice that can help INGOs to enhance their image and reputation at the stage where role of INGOs is under such public scrutiny. Social Audit has an enormous potential in contributing to the social change and the development

1.2 Why this Guideline?

The Social Audit guidelines aim is to promote:

- A common understanding of the principles and practices of Social Audit amongst AIN members that can help them to build up their internal organisational capacity.
- A consistent and coherent process and methodology in conducting Social Audit within AIN member organisations and to encourage and facilitate their partners to work in ways to encourages good governance.
- Other sectors of civil society, government and private sector to encourage social audit practices.

1.3 Process of Developing Social Audit Guidelines

AIN has entrusted responsibility for developing guidelines on Social Audit to the Capacity Building Working Group (CBWG). The CBWG constituted a sub-working group to work on the document. The sub-working group held formal and informal consultations with social audit practitioners and collected information, views and inputs. The sub-working group developed draft guidelines for Social Audit for AIN member organisations by compiling and consolidating all the inputs provided by practitioners A series of consultations at various levels within AIN at national and regional level were organized. And the suggestions and feedbacks were incorporated while finalizing the Guideline.

1.4 Understanding Social Audit, terminology and its scope

Social Audit is a process where the beneficiaries/right holders and stakeholders analyze, review and provide feedback on the effectiveness, efficiency and relevancy of programmes, activities and resources of an institution. It is a way of understanding, measuring, reporting and ultimately improving an organisation's social, ethical, environmental, financial and managerial performance through creating a conversation between an organisation and its clients, partners and stakeholders.

There are other terms being used in the field of organisational audit: i.e. public audit and public hearing. Each approach has its own definition and specific scope.

a) Social Audit

The scope of social audit includes:

- Programme planning and implementation
- Financial management and performance
- Relationship management
- Organisational Governance

b) Public Audit

The scope of public audit includes:

- The need for the public's expectations to be met by those who are responsible for handling public money and that they are held fully accountable for the use of that money.
- The need for the acceptance that public money is handled with absolute integrity and spent wisely and this responsibility primarily rests with Ministers, elected members, governing bodies, managers and officials.

Public audit is an important link in that chain of accountability. It holds elected or appointed officials accountable to the consumers, beneficiaries, taxpayers and the wider community at large to whom they provide resources, thereby strengthening upward accountability.

c) Public Hearings

The scope of a public hearing includes

- An opportunity to put queries and questions to a panel of specific Government or Non - government officials to enable a quick solution to expressed problems. Local people tell the panel their views about recent programme activities so that future action can be changed.

Chapter 2

2.1 Limitation of Social Audit

Limitations of Social Audit are:

- It does not look at individual aspects of an organisation such as finance, program, activities etc.
- It cannot replace for regular internal and external organisational monitoring evaluation and audit functions.
- It does not have legal basis but may support in legal provisions.

2.2 Objectives of Social Audit

Objectives of Social Audit are:

- To increase accountability, transparency, responsiveness, of the organisation to its beneficiaries/rights holders and stakeholders through its behaviors, policies, and practices.
- To enable an environment to learn and gain a critical insight into internal working methods through feedback and inputs from the people with whom we work and our stakeholders.
- To create a forum where stakeholders can share their experiences, provide information and get people's perspective for organisational improvement.

2.3 Principles of Social Audit

Set out below are the key principles that are considered when carrying out the social audit process:

Multi-perspective

Social Audit reflects the views of a wide range of participants and stakeholders in society. This provides a platform for sharing more broadly a particular organisation's performance, thereby providing a very good opportunity to learn.

Comprehensive

The social audit should aim ultimately to embrace all aspects of an organisations' social, environmental, cultural and community benefit performance.

Comparative

The Social Audit provides an opportunity for stakeholders to compare periodic performances. We believe that this empowers people to ask more practical questions and provide practical suggestions for the future.

Regular

Social Audit is a process that will be held on a regular basis often annually as part of an organisation's system.

Transparency

Promoting public transparency is one of the key principles of Social Audit. The Social Audit process demands the sharing of organisational information. This informs the wider society how the organisation is working in any particular area.

Accountability

Social Audit encourages social development organisations to be answerable to stakeholders.

Improve Performance

The Social Audit is a process of receiving feedback and input from stakeholders. This information provides a basis for any social development organisation for improving its organisational performance and meeting the needs and interests of stakeholders.

Independence and Confidentialities

Social Audit is conducted in an independent environment where all the participants are free to ask questions, raise concerns and provide feedback. The host organisation does not defend or impose any conditions. Likewise, the Social Audit respects the privacy and dignity of individuals while conducting Social Audit and sharing its outcomes.

Disclosure

The result of the social audit process should be made available widely.

Chapter 3

3.1 Scope of the Social Audit process

The following organisational information could be shared while conducting a Social Audit:

a) Organisational Governance

This includes information on organisational objectives, policies, strategies and mandate and how it is managed, specifically about

- Vision/mission, core value and strategic objectives of the organisation
- Funding source
- Decision making process, systems and mechanism
- Organ gram, and staff structure with disaggregated data on the staff
- Policies and system documents: staff policy, gender policy, policies on inclusion, etc
(Please see Annex 2 for the template)

b) Programme Planning and Implementation

- Major programs, activities and budget
- Results area and measuring Indicators
- Status - target Vs achievements, lessons, success and challenges
- Quality standards and ensuring mechanisms
- Display of IEC (Information Education and Communication) materials
- Programme areas and geographical coverage and its demographic profile
- Annual reports of the past two years, including budget realization progress reports (quarterly and annual), budget of each program, assessment reports.
- Information Education and Communication (IEC) materials e.g Manuals, books, audio/video production,

(Please see Annex 3 as a sample template)

c) Financial Management and Performance

- Total budget and expenditure,
- Financial policy and systems (procurement, inventory, auditing and accounting system, financial reporting system, planning budgeting system,
- Program Vs overhead cost,
- Budget projection for next year

(Please see Annex 3 as a sample template)

d) Relationship Management

- List of donors and partners
- Community participation and contribution
- List of stakeholders
- Membership of networks, associations, federations and other organisations

This information should be compiled for the organisation as normal practice rather than just for carrying out the social audit process.

Chapter 4

4.1 Participants in the Social Audit Event

It is necessary to consider fully who will participate in the social audit process. The lists below indicate who should be involved and the participants may differ as per the location.

The organisation

- The advisory committee, key members of the organisation
- Staffs of the organisation
- Management team.

The beneficiaries/Rights Holders

Different groups the organisation is working with/community based organisations that are promoted by the organisation (CBOs and NGO partners)

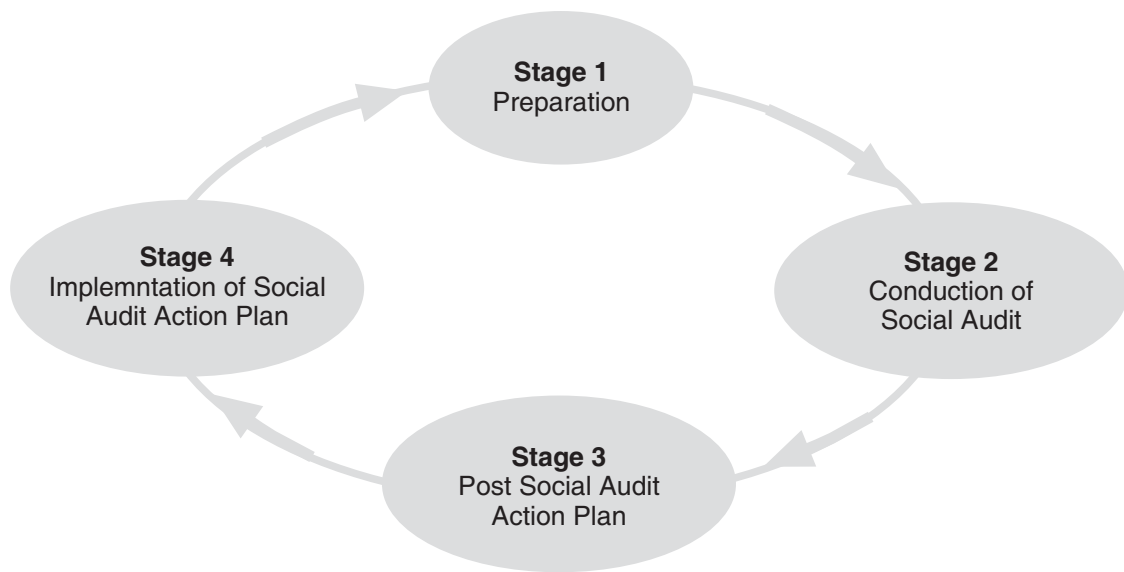
The stakeholders

- Government agencies working in the area/ on the issues
- NGOs working in the area/ on the issues
- Local leaders
- Political leaders/parties
- Media
- Networks
- Donors, INGOs
- Local institutions (schools religious institutions, cultural and indigenous college etc)

4.2 Stages of the Social Audit process

There are three stages to the social audit process

- Stage 1-Preparation
- Stage 2-Conduction of Social Audit
- Stage 3- Post Social Audit Action Plan
- Stage 4-Implementation of Social Audit Action Plan



Stage One – Preparation

- Identify and select stakeholders and focus on their specific roles and duties. Selection of the most effective contributors will be dependant upon the relationship that your organisation has with stakeholders and the willingness to open up to challenge.
- Select an experienced and independent facilitator to conduct the event.
- Fix a date and venue, make list of the participants and send invitations including brief information about the Social Audit with main agenda for the event.
- Select beneficiaries/rights holders to be involved during the process. It is particularly important that marginalized social groups, which are normally excluded, have a say on development issues and activities and have their views on the actual performance of organisation heard.
- Make the necessary budget and logistical arrangements for holding the interactive event. This will include the appointment of an independent facilitator.
- Communicate with stakeholders, donors and beneficiaries/right holders about the date and the process. Make sure that you follow-up to ensure the participation of beneficiaries and stakeholders.
- Prepare presentation and display materials as per point 3.1 above and display them.
- Communicate to all board members and staff with defined roles and responsibilities. Make sure that those involved are fully prepared to handle the interaction with the stakeholders.
- Communicate to general public about the time and venue of the social audit.

Stage Two – Conduction of Social Audit

- Arrange the seating plan of the participants either circular or semi circular to enable face to face communication. Think about the different groups who will be present when seating people as they need to be encouraged to participate.
- Record attendance of the participants
- Welcome the participants by the chief of the institution and state the objectives of the event
- Introduce the facilitator and hand over the floor to him/her.
- Identify reporter and assign responsibility to document process and outcome of the audit

The rest of the steps should be handled by the facilitator

- Introduction of participants
- Make clear the mandate and the scope of the Social Audit Guideline.
- Share and agree Code of Conduct that guides the Social Audit event on the right tracks.
- Record attendance of participants and share feedback, institutional commitments and actions taken from the previous Social Audit event.
- Introduce the presenter who will make a presentation on the main aspects of the institutions as per point mention in the scope of Social Audit.
- Facilitate for ensuring that the discussion is focused on the subject matter.
- Try to stay non defensive and non judgmental during the process and facilitate host organisation to be non defensive.
- Provide time to the host organisation to clarify issues, acknowledge feedback and make commitments as mandate of the organisation.
- Summarize the discussion and wrap up the event.

Stage Three – Post Social Audit Action Plan

- Prepare social audit report including action plans
- Disseminate social audit report widely (media, relevant government and non government agencies, partner etc)
- Organize meeting to share the major findings and action plans with beneficiaries/right holders and partners

See Annex 4 for an example of the documentation social audit process and outcomes.

Stage –Four Implementation of Social Audit Action Plan

- Implement the action plans
- Review progress on social audit action plan.
- Incorporate social audit actions plan into organisation regular work plan and budget

Chapter 5

5.1 Levels of Social Audit

There are three levels of social audit and organisation can choose at which level they carry them out. The three levels are

I) National Level

Given the nature of INGOs they usually conduct Social Audit at a national level but they also ensure key local delivery partners will be represented in this process. AIN member organisations are encouraged to conduct Social Audit once a year at a national level. National level does not necessarily mean that the Social Audit should be held in Kathmandu but to make sure that there are participants from policy level, decision making level, implementation level, and a wide range of stakeholders and civil society actors are part of it.

II) Regional Level

INGOs have regional offices. They need to do social audit at regional level. This will then involve regional stakeholders to look at the wider aspects of the delivery of social development across region concerned.

III) District Level

Partner organisations are supported to conduct Social Audit at district level and VDC level. INGO can be included in the process and share organisational information if they wish to do so. The participants in this event would be local government representatives, and other local stakeholders. This also reinforces the requirements stipulated in the Local Self Governance Act. This can be done according to the partner's plan and would ideally be conducted annually.

Partners are encouraged to complete Social Audit through a cost sharing approach with their respective INGOs or funding agencies.

5.2 Tips for the facilitator to conduct Social Audit event

- Treat all participants equally and maintain neutrality throughout the event.
- Set the environment that encourages all to participate actively
- Follow a simple interactive process and use simple language and make the event as interactive as possible.
- Do not only focus on weakness and gaps, try to unearth positive and appreciative aspects of the institution including efforts made so far during the event.
- Try to stay non defensive and non-judgmental during the process
- Manage time to ensure timely completion of the event
- Encourage participants to provide practical feedback during discussions
- Respect points and comments raised by the participants.

5.3 Possible content for code of conduct

- Do not focus on personal issues or concerns of a single individual matters of any individual
- Do not raise or provoke issues and views that lay blame on others
- Listen carefully and respect other people's views and ideas
- Questions should be based on fact and evidence rather than emotion and supposition
- Do not be defensive, aggressive, offensive and judgmental towards others opinions.
- Do not use discriminatory language or behavior
- Do not harass others on the basis of gender, race, ethnicity, culture, age and such other basis

5.4 Issues and Challenges

AIN members have found that Social Audit requires a specific set of skills and perspectives in translating its values and principles into action. Since Social Audit is an emerging discipline in Nepal, it is important to enhance institutional knowledge and capacity in understanding and applying the Social Audit process.

Some challenges which might occur whilst conducting the Social Audit process may be:

- Lack of clarification of roles amongst all those involved
- Sufficient funds and time available to carry out a meaningful audit
- Following up and implementing the actions suggested during the feedback process
- Having the most effective representatives from the beneficiaries/rights holders and stakeholders.
- Finding a neutral and trained facilitator
- Ensuring effective and inclusive participation
- Institutionalizing social audit as a process rather than an one off event

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Supporting Guideline to Social Audit, Plan Nepal 2062 B.S
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Draft Social Audit Guideline, World Education, 2008

Chapter 6

Annex 1 Guiding Checklists for the Facilitator

Questions for the facilitator to ask themselves before the social audit events take place:

1) Organisational Governance

- What do you know about this organisation including the leaderships? Whose organisation is this? What does this organisation do? Why do they do & what they do?
- Do mission, goals and objectives of this organisation meet the needs of the participants?
- Are the organisation's activities consistent with its policies, strategies and plans?

2) Programme Planning and Implementation

- How does the organisation ensure stakeholders' participation in the planning process?
- Who sets the programme priorities in the work at national and local level? What is their stake in this process?
- What is the mechanism of sharing organisational information and getting public feedback?
- How often do the organisations staff and board members meet with stakeholders to review the progress of the project?
- Are programmes delivered on time and to budget
- Are the stakeholders satisfied with the delivery of programmes? If not why are they dissatisfied?
- Are lessons learnt from projects recorded and shared with stakeholders used to improve other projects?

3) Financial Management and performance

- What is the information sharing mechanism that the organisation practices? How does organisational financial information flow to the stakeholders and how frequently?
- How does the organisation review the project budget with stakeholders?
- To what extent are stakeholders aware of the organisation's financial turnover and source of funding?
- How do stakeholders see 'value for money' of the organisation's expenditures?
- Are the organisation's financial management systems seen as transparent and the leadership open to discuss financial issues with stakeholders?
- Is the organisation trusted because it has good financial management?
- Are the organisation's accounts audited annually by independent professionally qualified auditors?

4) Relationship Management

- How does the organisation work – in partnership or direct work?
- How does the organisation share its work and learning with Government, donors, beneficiaries and other organisations horizontally?
- Does the organisation participate in alliances and networks and attempt to create synergies and to avoid duplications?
- Is the organisation known and recognized at a District, Regional and National level?

Annex 2 organisation Information to be provided during a Social Audit

This is an example template that could be used in preparation for the social audit.

Content	Elements	organisational response
Strategy Plan	Mission/vision and strategic objective	
Principle	Organisation guiding principles, norms and core values	
Code of Conduct	Do's and Don'ts of the organisation, Code of Conduct followed by the organisation's staff	
Institutional Governance	Decision making process, management structure, national and international linkages and compliance with government policy, organisation's policies and systems	
Funding	Sources of Funding donors Fund raising mechanism	

Annex 3 Program planning and Implementation and financial performance

S.N.	Themes/activities	Organisational Plan and Performance			Resource Mobilization	
		Unit	Plan	Actual	Budget	Expenditure
A	Programme					
1						
	Total, Programme					
B	Management					
1	Salaries and benefits					
2	Travel and transportation					
3	Rent					
4	Consumables and utilities					
5	Communications and IT					
6	Office equipments					
7	Amount Disbursed to partners both GO and NGO.....					
	Total, Management					
C	Grand Total (A+B)					

The host organisation will also present the following information in addition to above-mentioned matter

- What were the key achievements, outcomes and impact noticed during this period?
- What were the key challenges and failures during the period?
- What were the key learning from both successes and failures?
- What is the institutional plan and strategy to institutionalize learning in future?
- Follow up of the previous Social Audit findings;
 - i) what were the key issues, findings and feedback;
 - ii) what was the organisational commitment; and
 - iii) what is the status of implementation of the feedback and commitments
- Any other important facts
- Results area and measuring Indicators

In addition to the above information following information will also be shared

- Status - target Vs achievements, lessons, success and Challenges
- Quality standards and ensuring mechanisms
- Display of IEC (Information Education and Communication) materials and progress reports

Annex 4 Documentation of Social Audit Process and Outcomes

General Information		
Date		
Venue		
Period covered by the Social Audit		
Social Audit Process		
Describe the process followed from preparation to the completion of the Social Audit		
Information Shared		
Mention key topics covered and information shared during Social Audit		
Conclusion of Social Audit		
Key issues raised	Feedback received from the participants	Response and commitments
Attendance of participants		
Details of those who have attended the social audit event		
Dissemination		
Describe the process followed for the disseminate the social audit report to participants and others as appropriate		

Source: *Social Audit: Concept and Practices*, Krishna Pathak, published by Action Aid Nepal 2008

Annex 5

Policy of Nepal Government on Public Audit and Social Audit

a. Policy and Program of Nepal Government 2008/2007

Participation and transparency will be assured from public policy formulation to implementation level. Public auditing will be made mandatory for public work carried out by communities. Public hearings and citizen charters will be made more effective and well managed.

b. Three years Interim Plan (2007/08-2009/10): Governance and Working Policies

The system of citizen's charter and public hearing will be extended to other NGOs, the private sector and consumers groups involved in public services. The monitoring role of civil society and communication systems will gradually be promoted within the public service.

c. Local Authority Financial Administration Regulation, 2007

Within four months of completion of the Fiscal year, local authorities must conduct a social audit of their programs conducted the previous year.

Public audits should be carried out by Local authorities for all types of programs after completion of the program and before final clearance is sought.

d. Right to Information Act 2007

The Right to Information (RTI) Act is designed to protect the right to information of citizen, provide the scope of transparency and accountability and as the foundation of good governance. The key concept of RTI is transparency and accountability in the working of every Public Body (PB) and it is the right of every citizen to request access to information and the corresponding duty of the PB to meet the request 'exempted information'. The duties of Public Bodies are to pro-actively make available key information. Information means any written document, material, or information related to the functions, proceedings or decisions of public importance made by the Public Bodies.

Source: An account of citizen's campaign for right to information act in Nepal (Advocacy Forum for Revitalizing Equitable Societies in the Himalayas (AFRESH))

Annex 6

Learning from Social Audit Experiences

Set out below are three case studies of member organisations who have already proceeded with Social Audit within their sectors.

Case Study I **Community Self Reliance Centre (CSRC)**

Why social audit?

CSRC is an NGO that believes that the goal of conducting a Social Audit is to reflect on the overall financial and programmatic status through the eyes of different stakeholders. The organisation believes that it is important to share its learning, achievements, difficulties, failures and challenges with collaborating partners, supporting organisations, stakeholders, the board and general members, government officials, representatives of Social Welfare Council (SWC) and other interested people.

Organising a Social Audit provides the organisation with a genuine platform for improving the facilitation of their programme activities. The basic idea is strengthening the ownership of initiatives by targeted communities; in the case of CSRC, land rights campaigning and the land reform process in Nepal.

Social Audit a process

CSRC start the social audit from a planning process. When CSRC facilitates the planning, it shares information on the programmes being implemented and its activities, the amount and source of the resources it has received the purpose of that funding as well as the period it covers. After a programme has been completed CSRC's local partners share what they have done and the resources expended by the project at a District level.

Each collaborating community organisation organizes a social audit at their respective project sites. And finally at central level, CSRC consolidates and links all the community and district level initiatives in the social audit. The preparation time at a central level ranges from 15-30 days, depending on external factors such as bandhs, strikes and political instability.

CSRC identifies its participants by making separate lists of participants for every category e.g. stake holders, rights holders, land deprived people, board members, general members, supporting organisations, collaborating partners, government officials and media. Communication and information is shared by official invitations, phone, email, fax etc. The preparation depends on the modality of the programme and the number of people involved.

Managing Social Audit

Preparation of the Social audit starts by meeting the team to set up the management process and this is followed by a board meeting for the consensus of the organisation's members and staffs. Work responsibilities are divided amongst all the members of the organisation as the

organisation strongly believes in team work and working as a team ensures every staff member's active participation and makes the work easier.

CSRC encourages local settings for the event depending on the capacity need. The seating arrangement would be based around a roundtable format where no chair for a guest speaker is placed at the front. The chairperson of the organisation welcomes all participants and begins by sharing the views of the organisation and rights holders from different parts of the country. There were some assumptions made by the stakeholders that CSRC have collected a great deal of money, which they used for the land rights movement, so the financial status and the outcomes of the interventions are presented in the presence of all supporting organisations. This approach has helped to clarify what the level of real income has been and what exactly the programme results have been. It was an opportunity to provide a message that even with a small amount of resources social campaigns can be organized successfully.

Clarity regarding the organisation's work and procedures and financial updates were also provided. Some key remarks were made based on observations during the Social Audit procedure and CSRC was asked to focus on these in the coming days to help future programming. The management team were appreciated for the quality of the procedure and it was noted that others could learn from this process.

Documentation and Communication

The Social Audit process was documented and published and is stored in the organisation's library i.e. the National Land Rights Resource Centre and any personnel interested in reading the report has access to it. A team meeting is organized after the completion of the programme to discuss the issues raised, evaluate the overall programme and incorporate the feedback into future actions and planning.

Learning and Suggestions

The organisation learned that a Social Audit is imperative for them to evaluate the organisation's overall development. It helps the organisation to share information about the progress and difficulties experienced and keep relationships with stakeholders, collaborating partners, and general members amongst others intact. An important suggestion for other organisations preparation for a Social Audit is to make sure invitations to participants are given out on time and that proper follow-ups are carried out.

Case Study II Student Youth Forum (BIJAM)

Why Social Audit

Student Youth Forum (BIJAM) is a NGO that has been working with Youth, Drugs and HIV & AIDS since 1995 and during that time they have worked with many funding agencies. While working in the community, BIJAM faced many challenges from the community regarding the organisation's accountability and transparency.

Therefore they felt the need to conduct a social audit. They decided to involve targeted people in the programme planning and the partner agencies were also consulted. VSO Nepal helped in capacity building of the organisation so that they were better able to conduct a successful social audit.

Process of Social Audit

Prior to the event BIJAM communicated with the stakeholders, key individuals, journalists, social activists, political and community leaders and concerned agencies. The means of communication used for the event were letter and telephone as they were able to call most of its target group. Two different types of information were prepared for presentation

- Details of the organisation's profile &
- Details of the programme which had been implemented.

The organisation's history, vision, mission, goal, organisational structure, strategy, human resource, list of funding agencies were collected, compiled and shared in the event. The programme presentation included details of the objectives, the strategy, the amount and type of human resources used, the geographical area covered, the type of target group, the activities carried out, targets, achievements, financial transactions, and the threats and/or challenges and how the organisation had overcome them. As the audit was for a specific project, the preparation was completed within two days.

Management of the Social Audit event

Initially the plan was to conduct the social audit at a public place but due to limited time the organisation decided to conduct it in Birgunj in the hall of Chamber of Commerce. The Chairperson presented the organisation's profile and the Program Director presented the programme details. This was followed by a discussion facilitated by an independent facilitator who guided the process and summarized the event very efficiently.

Outcome of the Social Audit

The specific outcomes of social audit were

- Participants were well informed about the organisation's activities, achievements and financial transactions.
- Participants were well informed about the organisation's gender equality and inclusiveness.

Documentation and Dissemination

A summary on the social audit and its outcomes were compiled and disseminated amongst the partners. The management, finance and recruitment committees of BIJAM made decisions based on those outcomes – particularly in the areas of gender equality, inclusiveness, transparency & accountability.

The organisation has documented and disseminated their commitments and has also included these commitments in its policies and they have developed an annual joint action plan which was presented at the social audit programme.

Others who did not participate in the meeting were informed through print and electronic media of the outcomes. After the event several agencies were interested to learn how the organisation had managed to conduct the event and expressed their wish to facilitate a social audit programme as well.

Organisational Learning

- There should be sufficient preparation time to design a successful and meaningful interactive event.
- There is a need to disseminate the organisational activities, budgets and achievements in hard copies to participants, prior to event if possible.

Case Study III Action Aid Nepal

Why Social Audit

Action Aid Nepal is an INGO and it is guided by the ALPS system (Accountability, Learning and Planning System) in all its organisational processes. To uphold the values of accountability and transparency to its rights holders and multitude of stakeholders, Action Aid Nepal (AAN) has adopted social audit as a tool and mechanism to ensure accountability and transparency. It is an internally generated democratic process whereby the organisation itself shapes the process according to the stated objectives.

AAN believe that this process also helps ensure good governance. The National Social Audit is conducted with the intention of receiving critical comments and feedback from key national-level stakeholders on the work carried out by AAN, so as to make future programmes even more effective. Their objectives are as follow

- To ensure accountability to the stakeholders (accounting for their social performance)
- To provide relevant information and ensure it is more transparent and accessible to the stakeholders
- To receive feedback from the stakeholders
- To advocate for the right to information

Social Audit Process

The identified participants were key stakeholders of AAN, partner NGOs, alliances, networks, rights holders and media with whom AAN has been engaged during the course of its work. All

the participants invited received AAN's Annual Reflection and Learning Document (Annual Report) and financial report one week prior to the programme. Follow-up actions were taken to confirm their participation in the event.

AAN also provided space for representatives from stakeholder groups to share their views and remarks formally during the course of the programme. For specific remarks AAN requested that speakers requested time ahead of the programme so that time could be allocated for interaction during the course of the programme. This made sure that all participants were given ample time to give their critical feedback and comments. The preparatory phase took between 2 to 3 weeks to complete.

The Social Audit programme began with a gallery walk. The gallery is a display of information on AAN's thematic programmes, its human resources and financial performance (of specified year), and a variety of publications. The publications included booklets, brochures, posters and banners from AAN and from AAN's projects.

On the main day of the programme, the invitees were provided with an information pack containing AAN's audited financial performance report (of certain specified year), AAN's human resources information, and information on AAN's long-term partners and a brief introduction about the social audit process. The rest of the programme consists of formal presentations and interaction.

Managing Social Audit

The Social Audit is managed internally by the Impact Assessment Team in coordination with various other departments. The seating arrangements at the event itself are designed to enable interaction usually in smaller tables or a U-shaped format.

Outcome of the Social Audit

The participants shared that AAN's process of making their program, human resources and financial information transparent is an exemplary forum to ensure program quality, efficiency and effectiveness. The step towards being transparent and accountable was commended. AAN's long-term partners have also been carrying out this process at the district level since 2002, and they say the process has helped them improve their programs.

Overall, Social Audit has helped the organisation and its partner organisation to strengthen their governance. This has created a moral pressure on Government line agencies, schools and other bodies to ensure transparency and accountability in their programme and governance areas and AAN is appreciated for its innovative work.

Learning of the organisation

Social Audit have been a bold step for AAN to enhance its transparency and become more accountable. The process has also been empowering for both the organisation as well as the rights holders who also take account of AAN's work during this process. Social Audit has helped AAN to improve their performance and become much more alert with regards to improving year on year.

A critical issue in the social audit process is the time available to have detailed discussions which at times cannot be accommodated. AAN is also very aware about encouraging critical discussions to enhance the effectiveness of social audit. Independent and fair facilitation during the social audit is crucial for effective discussions to take place.