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A Review of Social Audit Guidelines and Practices in Nepal

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LIST OF ACRONYMS

AAN	ActionAid Nepal
AHW	Auxiliary Health Worker
AIN	Association of INGOs in Nepal
ANC	Ante Natal Care
CSC	Community Score Card
DoE	Department of Education
DoHS	Department of Health Services
DDC	District Development Committee
DP/HO	District Public/Health Office/r
DHO	District Health Office/r
EDP	External Development Partners
EHCS	Essential Health Care Services
FCHV	Female Community Health Volunteer
FHD	Family Health Division
GESI	Gender Equality and Social Inclusion
GIZ	German Association for International Cooperation
HFMC	Health Facility Management Committee
HSSP/GIZ	Health Sector Support Programme/GIZ
INGOs	International Non-Governmental Organisations
IPPF	International Planned Parenthood Federation
LHGSP	Local Health Governance Strengthening Programme
MD	Management Division
MoE	Ministry of Education
MoHP	Ministry of Health and Population
MoLD	Ministry of Local Development
NHSP	Nepal Health Sector Programme
NGO	Non-Governmental Organisation
NHSSP	Nepal Health Sector Support Programme
PHC-RD	Primary Health Care – Revitalisation Division
PHCC	Primary Health Care Centre
PTA	Parent Teacher Association
RCDC	Rural Community Development Centre
SAC	Social Awareness Centre
SDC	Swiss Development Cooperation
SMC	School Management Committee
SWAp	Sector Wide Approach
VDC	Village Development Committee

EXECUTIVE SUMMARY

With the ushering in of a new, more democratic political era in Nepal, the environment and demand for greater citizen participation and better governance is growing. Government and civil society are pushing for more transparent and accountable government, and as a part of this, social accountability tools, such as social audits, are being introduced by government departments and civil society organisations.

Over the past two years, the Department of Health Services has developed, and is implementing, two different social audit approaches and guidelines. The first is linked to the Aama Programme (formerly the Safe Delivery Incentive Programme) and was developed by MoHP's Family Health Division; the second was developed by Management Division and takes a broader look at health service provision. In order to harmonise social auditing in the public health sector, the Primary Health Care Revitalisation Division is leading a review of the different approaches being used in the health and social sectors in Nepal, while drawing on experience from the South Asia region. Based on this evidence-based review of practice and consultations with key stakeholders, the Department of Health Services plans to develop a harmonised approach for subsequent piloting and scaling up.

This report contributes to the Government's review of social audit practices in Nepal. It critically assesses the strengths and weaknesses, implementation status, and key achievements and challenges of a number of social audit approaches implemented by the Department of Health Services, the Ministry of Education, the Ministry of Local Development and several Non-Governmental bodies. The methodology of this study involved a review of literature, in-depth discussions with social audit practitioners, policy planners and health workers, and discussions at health facilities, schools, and with community forestry users' committees that had recently conducted social auditing.

International good practice shows that social accountability tools such as social audits, community score cards, community monitoring and public hearings can impact on public services and increase efficiency and effectiveness. This can occur, for example, through exposing corruption and absenteeism, by increasing awareness of entitlements, by empowering citizens to demand accountability and rights, and by raising awareness of the responsibilities of providers. The social audit tools reviewed here share similar aims.

While this review does not attempt to measure the impact of the social audit tools, it has identified a number of good practices and challenges that can inform the development of a harmonised social audit approach in health.

Although each social auditing approach studied has its own particular strengths, this review identified several key lessons and areas of good practice worth highlighting:

- The active involvement of health workers and communities in jointly gathering, analysing and presenting information enhances mutuality. Mutual participation appears instrumental in promoting local ownership of the social auditing process, raising awareness of entitlements and responsibilities, and in empowering the community to demand accountability for health.
- By providing an opportunity for service providers to interface with users and local authorities, social auditing promotes community engagement on health, which is important in its own right, as well as in facilitating the social audit.

- Localised social audit processes need to be anchored into strong institutional arrangements to support ownership building and to hold service providers accountable to the larger community. Such local institutions can be existing community based organisations, or, as in the case of education, a new, permanent, inclusive and gender sensitive social audit committee linked to community based organisations. Provision for a permanent local institutional mechanism, with an inclusive structure and composition, to drive social auditing is vital to the design of new social audit models.
- Making social audits mandatory and linking their results with rewards and punishments increases the impact and importance given to the process by service providers and communities.
- Data collection from both service providers and communities is important for bridging gaps and engaging key actors in the process.
- Presentation of the social audit results to a wide group of community members and stakeholders in order to substantiate the information, and triangulate the results, is effective in achieving greater authenticity and legitimacy of findings.
- The recruitment of local external social auditors following clear selection criteria has several benefits. They understand the local context and are able to link this with the service delivery process; they are more likely to have local credibility; and to be more readily available for continuing involvement in the on-going social audit process.
- Social auditors are more effective when they have a clear understanding of, and have internalised, rights based approaches and participatory tools and techniques. They need to be able to encourage people to explore different values and positions, develop mutual trust and respect for conflicting opinions and facilitate positive changes.
- Setting a fixed duration of time for the social audit process helps ensure uniformity across sites. It also encourages more in-depth, quality data collection and analysis.
- Some programmes have linked the social audit with a financial audit and this appears to have helped in the timely completion of the social audit.

Several areas of currently weak social audit practice that need to be addressed in the design of future models were also identified. Key amongst these are:

- Priority attention needs to be given to reversing the negative attitudes that the majority of health workers currently have towards social auditing. This review found that most service providers have not been oriented or motivated to support social auditing. It is essential that orientation is provided to health workers on the purpose, methodology and importance of social auditing so as to develop their understanding of the process and nurture their commitment to it.
- Clear and logical steps for applying the tools recommended for the social audit process need to be included in a guidance manual. It was found, for example, that some actors were confused about using the citizen score cards suggested in the Aama social audit.
- Experienced facilitators need to be recruited to facilitate social auditing. They need to be appropriately trained in the specific social audit methodologies recommended and in more general process facilitation skills. Managing mass gatherings in particular is a skill that needs developing.
- Reporting systems, reporting formats and processes need to be clear, as well as practised and monitored in order to raise the importance and due diligence given to social auditing, and for effective knowledge management. Most of the social audit reports reviewed did not meet the basic reporting requirements stipulated in their

respective guidelines/manuals. This situation runs counter to institutionalising action, monitoring outcomes and knowledge management.

- Social auditing is not a one-off event and positive changes need to be seen if citizens are to be motivated to continue their involvement. A robust monitoring mechanism to track recommendations and consequent action needs to be developed and implemented to help sustain stakeholder interest and motivation. Publicity and dissemination of results are important.
- Levels of understanding of different social accountability tools in the health sector, how they operate, what they are trying to achieve, linkages, factors critical to their effectiveness, and limitations need to be raised. Consultations with a wide range of stakeholders during this review revealed a lack of common understanding on social auditing, even amongst those in the same organisation, and wide variation in the use of guidelines and manuals. Terms such as public audit, social audit and public hearing are often used loosely and interchangeably.
- The level of current social audit practice reflects the low priority it appears to be given by district administrators, health workers and citizens. More serious commitment to the process needs to start from the centre and senior management.

Despite implementation challenges, this review shows that where social audits have been implemented well they can foster community ownership, raise community awareness of entitlements and increase the commitment and sensitivity of service providers. Increased demand for health services has resulted in some of the study sites. Examples were also found of Village Development Committees allocating additional funds to improve services or explore cases of corruption, and of District Health Officers making a commitment to punish corrupt health workers. However, linkages above the district level are not apparent and the leveraging of state level actors to act on social audit results is missing.

In terms of gender and social inclusiveness of social auditing, the review found this depended largely on the design of the process. Some social audit guidelines stipulated the participation of women, Janjati, Dalit and other excluded groups in the social audit, but others did not. A few manuals have gone further to assess the level of gender and social inclusion of services, but this has not yet become standard practice. In addition to ensuring the participation of women and excluded groups in the social audit process, it is important that future models include the auditing of issues impacting on their access to the resources and benefits of the programme.

This review highlights a number of the implementation challenges faced when undertaking social audits in Nepal in a context of deep political change. With the Department of Health Services leading the harmonisation of the two existing approaches, there is an opportunity to address the implementation constraints faced in the past and also to set up institutional arrangements to allow social auditing to gain traction. The international literature shows that demand driven accountability tools need to trigger traditional accountability actions such as public sector investigations into corruption if they are to have impact. Forging stronger links between social audit and formal and institutional accountability systems will be essential if social auditing is to trigger accountability actions and sanctions that address more entrenched accountability failures.

1. INTRODUCTION AND BACKGROUND

The Government of Nepal is committed to improving the health status of Nepali citizens and has made impressive health gains despite conflict and other difficulties. The Nepal Health Sector Programme-1 (NHSP-1), the first health Sector-Wide Approach (SWAp), began in July 2004 and ended in mid-July 2010. NHSP-1 was a successful programme in achieving improvements in health outcomes. Building on its successes, the Ministry of Health and Population (MoHP) along with External Development Partners (EDPs) have designed the second phase of the Nepal Health Sector Programme, called NHSP-2, a 5-year programme implemented from mid-July 2010. The goal of NHSP-2 is to improve the health status of the people of Nepal, especially women, the poor and excluded. The purpose is to improve utilisation of essential health care and other services, especially by women, the poor and excluded.

Government Policy on Social Audit, Public Audit and Public Hearings

1. **Policy and Programmes of Nepal Government 2007/2008**
   - Participation and transparency will be ensured
   - Public audit will be made mandatory for public works
   - Citizen charter and public hearings will be made effective
2. **Three Year Interim Plan (2007/8-2009/10): Governance and Working Policies**
   - Citizen charter and public hearings will be extended to NGOs, private sector, consumers' groups
   - Monitoring of civil society and media will be gradually promoted
3. **Local Authority Financial Administration Regulation, 2007**
   - Social audit will be made mandatory for all programmes within four months of completion of fiscal year
   - Public audit by local authority for all types of programmes
4. **Rights to Information Act, 2007**
   - Protection of citizens' rights to information
   - Scope of transparency and accountability as foundation of good governance

Source: An account of citizens' campaign for RTI in Nepal, Advocacy Forum for Revitalizing Equitable Societies in Himalaya (AFRESH)

Nepalese society has a long standing history and culture of engaging people in the monitoring of public services. Hence, citizens in general are willing to participate actively in the monitoring and review of public programmes. Until very recently, neither government agencies nor development partners laid much emphasis on engaging citizens in monitoring public programmes. The modern approaches and principles of the social audit mechanism thus are relatively new for Nepal. Public audits have been done regularly in infrastructure development but are seldom done in the service sector. Social auditing in the health sector is believed to have been first introduced in Nepal in a community drug scheme implemented by the Swiss Development Cooperation (SDC) in the mid-nineties.

The political environment in Nepal is becoming more democratic, particularly after Jan Andolon ll. A Right to Information Act has been promulgated and several other enabling

interventions have been made both by Governmental and Non-Governmental Organisations (NGOs). Citizens are now gradually becoming more assertive and strong in claiming their rights. As a result, there is a growing demand for Government to be more accountable and socially responsive. Recognising the importance of people's voices and engagement in improving public service delivery, various Governmental and Non-Governmental Organisations have embraced social audit practices. Social auditing with meaningful participation of poor and excluded citizens is expected to ensure better utilisation of health care services. Gradually, various social audit manuals and guidelines are being developed to ensure scientific and logical implementation of social audits. The Ministry of Local Development (MoLD) has started mandatory public audits of the 'build our village' programme in every Village Development Committee (VDC). More recently, MoLD further consolidated the public audit for programmes being implemented by local bodies in 2007; the Department of Education (DoE) introduced social auditing for public schools in 2008; and the Department of Health Services (DoHS) started social auditing of the Aama Programme (formerly the Safe Delivery Incentive Programme) and free health care services by developing two separate social guidelines. A number of other multilateral and bilateral agencies as well as International Non-Governmental Organisations (I/NGOs) have also initiated social audit practices.

Social audits aim to promote accountability, transparency and responsiveness in health service delivery. Through the process of social auditing, communities are empowered to monitor services and claim accountability and thereby seek to improve the quality and accessibility of services. To harness the potential of social audits for public health services, the Nepal Health Sector Support Programme (NHSSP) is supporting the Primary Health Care Revitalisation Division (PHC-RD) to review social audit experiences in the health and social sectors, and develop a comprehensive set of Social Audit Guidelines for the health sector in Nepal. At present, there are two different social audit guidelines being promoted by the DoHS, one for the Aama Programme and one for free Essential Health Care Services (EHCS), each of which adopt different approaches.

Purpose:
The purpose of this report is to illustrate the strengths and weaknesses of the different social audit practices along with their implementation status, key achievements and the challenges of different social audit approaches. The report also aims to propose a conceptual framework for the proposed new social audit guidelines for discussion and approval by a technical committee formed by PHC-RD.

Review Methods:
As a first step of this process, the selected social audit approaches and guidelines being practised have been reviewed. The social audit guidelines developed by Family Health Division (FHD), Management Division (MD) and other relevant national and international bodies operational in Nepal were reviewed to capture best practices and learning. *(Refer to Annex 2 for a complete list of documents reviewed.)* The methodology followed included a review of key documents, in-depth discussions with key stakeholders including social audit practitioners, policy planners and NGOs involved in the social audit process, and consultations with health providers during three health facility visits, community meetings and meetings with District Development Committee (DDC) personnel, district education offices, schools, community forestry users' groups and District Public/Health Officers (DP/HOs) at the district level. In addition, a group of women who received cash incentives, a group of people who received health services, others who participated in a recent social

audit process, students, local social audit committees and social auditors who facilitated related processes were met in the district for discussion and to assess their perceptions on the social audit. *(See Annex 1 for a complete list of respondents and community groups met in the field.)*

Based on Nepalese and regional experience with social audits in the health and social sectors, a harmonised approach to social auditing in the health sector will be developed for testing and roll out by the DoHS. The proposed new approach will be tested in pilot areas with the support of the DoHS. Once evaluated and revised, so that it is fit for the purpose, the new approach will be scaled up through government mechanisms.

2. REVIEW OF SOCIAL AUDITING OF THE AAMA PROGRAMME

The Family Health Division (FHD) of the Department of Health Services (DoHS) developed a comprehensive manual to guide a social auditing process of the Aama Programme in 2009 (BS 2066). The manual was developed through a participatory process involving service providers, mothers, health workers and other stakeholders.

Key objectives of the social audit guidelines of the Aama Programme, emphasising the maternal incentive and free delivery care service, are to promote the free and open exchange of information among all stakeholders through mutual dialogue; ensure transparency in the cash distribution process and the proper utilisation of incentives to mothers and health facilities; foster responsibility, accountability, ownership and rights of people over the programme by promoting people's meaningful participation; promote accountability of health facilities and stakeholders towards people, and develop a culture among people of demanding information from health facilities and encouraging mutual discussions with health workers.

Approach:

The DoHS developed a social audit guidebook to assess the implementation performance of the Aama Programme. External NGOs, selected on a competitive basis, were assigned to facilitate social auditing at the health facility level in coordination with the District Public/ Health Office (DP/HO) at the district level. The guidebook recommended that facilitating NGOs choose two or three social audit tools from a range that included: observation of the citizen charter, citizen score cards, community surveys, Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, key informant interviews, feedback, focus group discussions and finally, mass meetings to disseminate the social audit results. The social audit process outlined in the guidebook covers the collection of data, analysis and the dissemination of preliminary findings to the wider population within a community in order to triangulate the results. The consolidated findings from all health facilities are then presented in a mass meeting at the district level. All major stakeholders, political leaders, civil society representatives, local body and media representatives, selected respondents who participated in the health facility level social auditing, other stakeholders and community members are invited to participate in the mass meeting. The guidebook also describes collecting data from health facilities and from pregnant/delivering women who received the cash incentive to verify whether intended beneficiaries received their entitlements.

Implementation Status:

On completion of the guidebook in 2009, two experienced NGOs were selected on a competitive basis to pilot social auditing in nine health facilities in Mahottari, Panchthar and Jumla districts. The NGOs were the Social Awareness Centre (SAC) based in Surkhet and the Rural Community Development Centre (RCDC) based in Panchthar. Subsequently, in 2010, the social audit process was implemented in 42 health facilities of 14 districts. The districts were Kaski, Dhankuta, Nawalparasi, Parbat, Dhanusha, Parsa, Saptari, Solokhumbu, Kavre, Dang, Jajarkot, Banke, Bajura and Bhajhang. On completion of the piloting, social auditing was planned to be scaled up in other districts in 2011 using NGOs as facilitators. However, despite a suitable budget allocation, the budget was released late leaving insufficient time to complete contracting and implementation processes before the end of the fiscal year.

Strengths:

- The NGO personnel who facilitated the social audit felt that the provision of data and information collection from both delivering mothers and service providers was the greatest strength of the approach. This approach was instrumental in enhancing mutuality between the demand and supply side. Community members interviewed found this process to be effective in promoting community ownership, raising awareness and subsequently, empowering the community.
- Social auditing provides a focused process to initiate mutual dialogue or interactions between service providers, health facility management committee members and service users. This contributes to improved understanding of the constraints affecting other parties and makes the service provider and management committee more responsive to consumers. This also contributes to the empowerment of local communities.
- The District Health Officers (DHO), NGO personnel and health workers interviewed reported that mass meetings for the dissemination of results were attended by a wide range of stakeholders, service providers and recipients. These events, termed 'grand events', are organised to validate the social audit results, solicit commitments from district level health administrators to improve services, and encourage political representatives to support programme implementation.

Weaknesses:

- NGO personnel and health workers felt that a clear and intensive orientation on the principles, processes and tools of social audit was lacking.
- The provision of many tools and the use of jargon added to the complexity of the guidebook. The NGO personnel who participated in the social audit facilitation found that the use of citizen score cards − one of the tools recommended in the manual − was confusing, and it was difficult to compile the information gathered. This needs to be revisited to identify how citizen score cards can be made effective. Simpler tools and processes would make implementation of the guidelines easier.
- Some social audit facilitators found it difficult to manage and effectively facilitate the mass meeting, including clarifying and responding to issues raised by the participants.
- Reporting and documentation was found to be weak, probably due to unclear processes and formats prescribed in the guidebook. The reports submitted by the NGOs that facilitated the social auditing were not compiled according to these formats. As a result, the institutional memory and knowledge management of the social auditing process was very poor in government health facilities. This also suggests that the reports were not

reviewed and feedback on them was not provided and that they were not used as a record of agreed changes and a baseline from which to document improvements.

- The recipients of the cash incentive who attended the social audit felt that many health workers were not positive towards the social audit process because it had increased their work burden. Another reason, according to the Primary Health Care Centre (PHCC) in-charge of Dandabazar, Dhankuta, was that the delayed release of funds sometimes demotivates health workers to undertake the social audit process. The facilitators also faced a situation where they found that some health workers were hesitant to post the list of the incentive recipients on the notice board of the health facility. However, during this review it was observed that a list of cash incentive recipients had been posted in the health facility in Dhankuta district. Although it cannot be assumed that this was the result of the social audit process, it is a positive sign that health workers can be encouraged to disclose such information.

Major Achievements:

- Health Officers in some districts found the social audit to be a process that enhances the credibility of the District Public/Health Office (DP/HO). Substantiating this, the DHO in Dhankuta said, "It was a matter of pride to me as a DHO to learn of the successful implementation of the Aama Programme from the public in a 'grand event' organised to disseminate the results of the social audit".
- The mothers who received the cash incentives who were interviewed reported that after participating in the social audit at the health facility they knew many new things about the health services, specifically the cash incentive, free delivery care, free medicine and the incentive for four Ante Natal Care (ANC) check-ups. The health workers interviewed also felt that the social auditing process raised the awareness of mothers and other family members on the provision of free delivery care and the cash incentive.
- Many actors, mainly from the supply side, made commitments to improve the service delivery process. However, due to a lack of a robust monitoring process, it was not possible to assess whether the commitments made were implemented. *(e.g. A health worker in a district hospital charged an additional fee to a woman who delivered a baby while the social audit was in progress. The issue was brought to the attention of health facility management during the mass meeting at the district level. The medical officer committed to punish the individual who had charged the fee. However, as of now, it is not clear if the action was taken.)*
- The district level health administrator, the beneficiaries of incentive programmes and the NGO facilitators interviewed found that health workers were now more sensitive towards distributing the cash incentive to the mothers on time and also were not charging any delivery care fee.
- Local bodies, mainly the VDCs, were more sensitive to safe motherhood issues and made commitments to allocate additional budgets to improve services. *(e.g. After the dissemination of social audit results, and realising a need for a birthing centre in the sub-health post to save women and babies, Dillichour VDC of Jumla district pledged to contribute Rs 50,000 annually to operate the birthing centre. The VDC fulfilled its commitment in the first year, but again, due to a lack of a proper monitoring mechanism, it is unclear if the VDC continued to fulfil its commitment in subsequent years.)*
- In many places, cases of corruption were explored during the social audit event and action plans developed to address key issues. (*The social auditor who facilitated the process in Saptari district said that a number of corruption cases were explored during*

the 'grand event' but due to a lack of proper monitoring and follow up the implementation status of the action plan was not available.)

3. REVIEW OF SOCIAL AUDITING OF HEALTH SERVICES

The Management Division (MD) of the Department of Health Services (DoHS) developed these guidelines in 2009 (BS 2066) with a focus on assessing the effectiveness of health services in general. The German Association for International Cooperation (GIZ) provided technical support. Major objectives of the social audit included: enhancing the sensitivity of health workers towards providing health services, transparency and accountability; supporting the delivery of quality health services; encouraging communities to assume ownership and responsibility over health programmes, and creating a congenial atmosphere to improve health services management through critical feedback from service recipients and other stakeholders.

Approach:
Highlighting the social audit as a continuous process, the guidelines recommend conducting a social audit at least twice a year and including a clear interface between rights holders and duty bearers. Two different events are recommended. The first involves disseminating information related to approved programmes and budgets via notice boards, pamphlets, websites, local media including newspapers and FM radio stations, and community based organisations. A social audit meeting is then organised to discuss these programmes and budgets, approximately one week after information dissemination. The second event is designed to be carried out at the end of the fiscal year in order to demonstrate progress made in the programmes. Here, the social auditors support Health Facility Management Committees (HFMCs) to prepare progress updates that include free health care, the free distribution of medicines and other services. These data are collected from health facilities and presented at a mass meeting attended by beneficiaries, political leaders and civil society representatives.

The guidelines contextualise and explain the benefits of social audits well. They recognise the relevance of social audits in the context of the gradual devolution of resources to local levels. The guidelines further emphasise the need for social audits to assess the effectiveness of various demand side financing programmes being implemented with taxpayers' money through critical interactions between service providers and recipients. However, the guidelines do not include any specific demand side financing schemes as indicators.

The scope and limitations of the social audit process are highlighted in the guidelines. Limitations include a lack of legal authority of social audit findings. It was envisaged that social audit data would not be admissible in a court of law, thereby protecting anybody participating and encouraging the unfettered participation of a wide group of people.

The guidelines recommend that independent individuals, selected by the DP/HO at the local level, facilitate the social audit process, during which annual progress is presented and discussed among stakeholders and community members. As an important component of the social audit, wider dissemination of the findings to the community and the formulation and implementation of a follow-up action plan are also highlighted in the guidelines.

Implementation Status:

In 2010, Management Division allocated a budget of only NRs 500 to each health facility for social auditing. Not surprisingly, most health facilities did not undertake the exercise on the grounds of insufficient budget. In 2011 however, Management Division planned to implement social auditing in the five Districts involved in the Local Health Governance Strengthening Programme (LHGSP) and allocated an adequate budget. Those districts are being supported by external development partners, mainly GIZ and SDC, who are also promoting use of the guidelines in their own project areas. In Doti, a GIZ supported district, social audits were planned for 20 health facilities and 18 have so far been completed in 2011.

Strengths and Weaknesses:

- The guidelines make provision for a local, competent and experienced facilitator to support social auditing. However, the guidelines do not specify criteria for selecting these facilitators. The District Technical Team of the LHGSP in Doti selected three local social audit practitioners (a journalist, a development worker and a media professional) on the basis of the following criteria: a graduate with educational qualifications; at least three years of experience in the development sector, and previous experience with social auditing. A lump sum of Rs 10,000 for one social audit event is allocated, including remuneration to the facilitator. The DHO focal person designated for social auditing feels that considering the level of facilitator required, and district conditions, the allocated budget is sufficient.
- The guidelines make provision for an open and flexible time period to complete the social auditing process. Unfortunately, this has adversely affected the uniformity of data collection and the quality of discussions held with stakeholders and communities. In one district, all the steps proposed in the guidelines such as orientation, data/information collection, mass meeting and reflection were completed in one day. In another, Doti, the district spent three/four days to complete the process. The duration not only determines the quality of the social audit and the results, but also the costs. Thus, it is considered inappropriate to pay the same amount to a district that completed the process in one day as to districts that spent three days. It is therefore recommended that, in the interests of uniformity, the guidelines should specify the time required to complete the entire process.
- The guidelines include instructions on how to orientate facilitators to carry out social auditing. Unfortunately, the content, process and methodology of the orientation programme are not clear. The duration of orientation sessions varies in different districts from a few hours to one full day. In Doti district, the HSSP staff provided training to the facilitators, but orientation to the facilitators in another district was not conducted.
- Orientation of the health facility in-charge and local health workers is vital for the successful completion of social audits. If the health facility in-charge is not oriented properly, the information sought will not be uniform and the quality will also be affected. Furthermore, the presentation in the mass meeting by the health facility in-charge will not be structured and uniform. However, the guidelines are silent about orientation of the heath facility in-charge and health workers. Orientation of health facility staff will also help in proper planning and preparation of the social audit. This will also increase levels of commitment among health facility staff in the overall process.
- The guidelines suggest compilation of available data in the health facility for public disclosure. The guidelines do not provide for involving service recipients and other

stakeholders in data/information collection. It will be difficult to capture people's interest if their views have not been collected prior to the 'community-facility review of progress' meeting.

- The guidelines have made a mandatory provision for addressing all pertinent issues raised by people and stakeholders during social audits. If the issues are not addressed properly, then people will not be motivated to attend the social audit event and raise any issues. In Doti district this is being planned, but it is too early to assess the effective implementation as the social audit was completed only recently.

Major Achievements:

It is too early to assess the impact of Management Division's social audit guidelines. However, after addressing all the factors explained above, the social audit process, when conducted properly and seriously as in Doti district, achieved the following:

- A large turn-out of communities was seen. According to the Auxiliary Health Worker (AHW) of Barpata Sub-Health Post, Doti, where a social audit was conducted recently, a large number of people were interested and motivated to attend the social audit event as it was new to many of them.
- People's expectations were raised of receiving quality services in time. According to the Female Community Health Volunteer (FCHV) in Barpata VDC, people now expect the sub-health post, with birthing centre facility, to be open 24 hours a day. Before the social audit they did not know that the sub-health post is supposed to be open 24 hours.
- The FCHVs and those who attended the social audit, including health workers, felt that the process had raised awareness of the local people on health service availability, the process of accessing services and people's right to information.
- The DHO focal person on social audits and the FCHVs indicated that health workers are now more alert to their responsibilities and are more accountable for delivering services. *(According to the FCHV in Barpata VDC ward no 4, "in Barpata sub-health post of Doti district, the health workers were not available 24 hours a day to provide delivery services. But following the social audit, they are now alert and, even if they are not available in the sub-health post, they will arrive within 15 minutes when called.")*
- On completion of the social auditing process, service demands from health facilities have increased as the people are more assertive. Hence the facilities need to be equipped accordingly so that the demand can be addressed. According to AHWs, the number of patients has increased substantially in Barpata sub-health post following the social audit.

4. REVIEW OF SOCIAL AUDITING IN THE MINISTRY OF EDUCATION AND THE MINISTRY OF LOCAL DEVELOPMENT

SOCIAL AUDIT GUIDELINE, THE MINISTRY OF EDUCATION:

A social audit guideline was prepared in 2007 in accordance with the provision made in the education policy in 2001 (BS 2059). The general objectives of the social audit process are to assess the quality of education, the appropriateness and availability of physical

infrastructure, teacher-student relationships, teacher-parent relationships and the performance of the School Management Committee (SMC) and teachers.

Approach:

It is mandatory for all schools to complete the annual social audit within 60 days of the new fiscal year and they should submit the report in a prescribed format within fifteen days of the completion of the social audit along with a clear plan of action to address the issues and recommendations of the social audit process. However, the guidelines do not make a provision to monitor the implementation of recommendations made during the social audit.

The guidelines envisage social auditing as an on-going process through the provision of a permanent, inclusive and gender sensitive social audit committee at the local level. District Education Offices are responsible for ensuring completion of the social audit process by all schools in the district. The guidelines suggest that each school management committee should form a social audit committee to lead the process in the school. The chairperson of the Parent Teacher Association (PTA) is designated as coordinator of the committee which includes two local intellectuals (including one woman nominated by the PTA), the local ward chairperson, two local influential local people (including one woman), a student representative and a school teacher nominated by the PTA to serve as member secretary.

Attempts are made to localise and institutionalise the social audit process through the meaningful involvement of the school management committee, PTA and students together with other community leaders. The social audit committee is responsible for assessing the different dimensions of quality education.

The guidelines suggest that the social audit committee should gather information on the quality of education, student-teacher relationships and the effectiveness of school management from the school supervisors and other sources. The consolidated findings are presented in a mass meeting of all stakeholders including parents, teachers, students and community based institutions.

Strengths and Weaknesses:

- The guidelines specify that a number of social issues should be assessed and that the audit should not be limited to the financial dimension only. Some schools are proactive in social auditing and have been able to address all dimensions successfully. However, according to the Acting District Education Officer in Doti, it is unfortunate that most schools are examining only financial aspects. "More specifically, the social audit has been viewed as an opportunity to ensure parents' and other stakeholders' approval on the income and expenditure statement", noted the Headmaster of Dilipeshwor Higher Secondary School, Dipayal, Doti. Furthermore, the Headmaster said that "the approach is not being promoted as an opportunity to assess the achievements of the school, the quality of education provided and the relationship with parents".
- The guidelines do not include orientation on social auditing objectives and processes, nor do they describe the importance of social auditing for the main actors, namely head teachers, school management committees and, more importantly, the social audit committee. In practice, the social auditing is done without any clear orientation on the guidelines. The District Education Office issues a circular and the resource persons instruct the actors on how to conduct the social audit during their school visits, says the District Resource Person in Doti.

- The guidelines do not include an effective mechanism to disclose the social audit results to wider stakeholders beyond parents alone. Some schools that are serious about the process invite stakeholders, parents, students and others to disclose the social audit findings, as was done in Dilipeshwor HS School in Doti, but others simply avoid this as it is not made mandatory in the guidelines. The school invites all parents, natural leaders from the community, students and teachers to interface with school management committee members when the social audit results are disseminated. The participants are encouraged to react to the issues that are considered by the SMC for improvements in the future.
- The guidelines do not provide for developing a practical action plan to implement the recommendations from the social audit, nor do they establish an effective monitoring system. When interviewed, the Section Officer at the DoE acknowledged that the social audit process could not be steered effectively mainly due to a lack of proper monitoring of the process and implementation of recommendations.
- Awareness of communities in general to demand good governance is crucial in social auditing. However, according to the Coordinator of the social audit committee of Dilipeshwor HS School, one weakness is the lack of an awareness raising component for parents and other people in the community so that they can assert themselves effectively. Assessing the quality of school education services through social auditing provides an excellent opportunity to call for improvements in these services.
- Strengthening the SMC and the PTA to institutionalise the social audit process is an important objective but it is not found in the guidelines.

Major Achievements:

- A Section Officer in the DoE noted "One of the challenges in implementing social audits is the seriousness of the school management, specifically the headmasters, and the resources available for the event. Many small schools cannot afford to spend funds on social auditing, since government allocates only Rs 1000 per year for this, which the school spends on financial audits". The schools that are serious in conducting social audits, like Dilipeshwor HS School in Doti, have promoted this activity as an opportunity to bring parents and the school management together, and have addressed every dimension of the social audit, not just financial aspects, taking this as an opportunity to improve the overall quality of education.
- "The process has provided an opportunity to parents and students to bring their issues and concerns to the attention of school management committee" reported a member of the social committee in Doti.
- According to one student in Doti, "The schools are now proactive in addressing issues raised by students to improve infrastructure and other facilities. The school made a provision of separate toilets for girls after they raised this issue in the social audit process".
- Other members of the social audit committee in Doti believe the social audit process helped in exploring financial irregularities in school management which were validated by the financial audit.
- “The social audit process has helped improve school management to make it more transparent and accountable to students and parents for delivering quality services”, reported the President of the PTA, who is also the coordinator of the social audit committee.

SOCIAL/PUBLIC AUDIT GUIDELINE, THE MINISTRY OF LOCAL DEVELOPMENT:

In 2007 (BS 2063 BS), the Ministry of Local Development (MoLD) prepared and operationalised a set of guidelines for the social and public auditing of programmes and projects being implemented by local bodies, in accordance with the local body regulation. Considering the experiences of social and public auditing practices by local bodies and the revised local body regulations, MoLD revised the guidelines in 2010 (BS 2067) and they are now being used by all local bodies across the country. Compared to social auditing, public audits emphasise the social dimension less and focus more on citizens' participation in decision-making processes.

Key objectives of the public auditing guidelines are to seek feedback and the reaction of users on income and expenditure of programmes and projects being implemented by local bodies; increase common interest in projects and ensure meaningful participation of all stakeholders; ensure democratic processes and transparent practices in decision making; control potential irregularities in projects and hold all users responsible to control irregularities, if any; and foster ownership of users towards projects.

The objective of social auditing is to assess the current status of local bodies in delivering social services such as health, education and sanitation. The key indicators for health include: the number of people with access to health facilities within one hour's walk; the percentage of children under five years of age; the number of households with access to immunisation services; the percentage of women attending four ANC checkups; the number of women delivering babies attended by trained birth attendants; the number of children dying from diarrhoea; and the number of people accessing health services from health facilities. The social audit process also aims to assess levels of awareness among community members and the access of local people to services being delivered by local bodies. Furthermore, social audits are expected to assess the institutional capacity of local bodies in terms of policy, human resources, physical infrastructure and coordination.

Approach:
The approach embedded in the public and social audit guidelines of MoLD includes the following:

- The public audit is being used specifically to assess projects and programmes implemented by local bodies such as VDCs and municipalities, whereas the social audit is being used mainly to assess social issues and the institutional capacity of local bodies. MoLD has prepared both public and social audit guidelines, each of which was updated in 2010.
- The guidelines recommend social auditing once a year to assess the outcome of the services delivered by local bodies. The focus of the public audit is mainly to ensure transparent and appropriate transactions of project funds, the relevance of project objectives and the appropriateness of project benefits to communities.
- Social auditing is aimed at assessing social dimensions and empowerment of the community. The public audit process envisages interfacing the community with contractors, users' committees and local body representatives. Two different approaches to public auditing have been determined, each related to project size as reflected in costs. Projects costing less than 1.5 million rupees are required to disclose less information than those costing more than this amount. An external and independent social audit facilitator is required for projects costing more than 1.5 million rupees.

Implementation Status:

All local bodies – DDCs and VDCs – are mandated to ensure public auditing of all projects and programmes being implemented by local bodies. As it is mandatory to submit the public audit report to receive the final payment for the project, all projects being implemented by local bodies undergo a public audit. In practice, this is generally a rather ritualised procedure, according to a Senior Programme Officer of the Sub-National Governance Programme/GIZ.

The MoLD VDC grant implementation guideline 2010 (BS 2067) mandated one social audit event per year to be organised with the participation of the Ward Citizen Forum and other relevant stakeholders.

Strengths and Weaknesses:

- A mandatory provision to orient local body representatives and contractors has been made.
- Service providers are answerable on issues and concerns raised by participants of public audit processes.
- The Under Secretary of MoLD stressed that the social audit guidelines are designed with an emphasis on participatory facilitation. He further noted that skilful facilitation ensures meaningful participation of both service providers and users. The service providers take the process as an opportunity to listen to public grievances. This is also likely to build trust and mutuality among service providers and users. Public auditing is mandatory before releasing full and final payment to the concerned authorities and payment is based on the public audit report. A copy of the process and recommendations of the public audit, duly certified by two designated representatives of the participants, needs to be submitted for final payment of services rendered, such as construction.
- Constructive analysis of the social and public audit results should be disseminated widely for effective implementation of recommendations and to highlight issues of public interest. The process, however, is mainly limited to disclosing income and expenditure data along with a summary of achievements made. People only have an opportunity to raise questions rather than to express their feelings since they are not engaged in gathering information and data.

Major Achievements:

- The VDC Secretary in Doti noted "the process of both social and public audits has raised people's awareness of local bodies' projects and programmes. People have an opportunity to question what has been presented".
- "Public auditing helps ensure transparency of activities, expenditures, strengths and weaknesses of programmes and projects being implemented in a particular area, whereas social auditing contributes to strengthening local accountability and ownership over these projects and programmes" claims the Social Development Officer of Doti DDC.

5. *REVIEW OF OTHER GOOD SOCIAL AUDITING PRACTICES IN NEPAL AND ELSEWHERE*

A SOCIAL AUDIT GUIDELINE FOR THE ASSOCIATION OF INGOS IN NEPAL (AIN)'S MEMBERS, 2009

Realizing the importance of good governance as the backbone of equitable development and the fulfilment of human rights, AIN has developed a comprehensive social audit manual aimed at promoting a common understanding of concepts and principles of social auditing among its members. This document advocates for a consistent and coherent process and method for conducting social audits among AIN members and their partners, and the promotion of social auditing among civil society organisations in general. The contents of the manual focus primarily on organisational social auditing rather than social audits of programmes. Thus, it is more a governance audit with the objective of disclosing the results to its stakeholders and the general public.

The manual recommends that organisations compile information related to programme planning and implementation, financial management and performance, relationship management and organisational governance. Attempts are made in the manual to simplify the information gathering process by identifying clear and measurable indicators for each component under the social audit.

The manual describes four logical stages to complete the social audit process. These are: 1) preparation for the social audit, 2) conducting the social audit, 3) preparation of the post-social audit action plan and 4) implementation of the post-social audit action plan. Detailed steps and activities for each stage are elaborated clearly. The levels of social auditing have also been envisaged and it is suggested that AIN members and partners conduct audits at national, regional and district levels.

In conclusion, these guidelines, designed with a focus on social auditing of organisations rather than programmes, are being used by AIN members and partners. Those using these guidelines found them effective in planning organisational growth and ensuring good governance within the organisation. In addition, some other elements − including the logical sequencing of the four different stages of the social audit − could be applied for social auditing of members' programmes.

SOCIAL AUDIT MANUAL – A GUIDE TO SUPPORT 'BENEFICIARIES' TO BECOME 'RIGHTS HOLDERS' *The International Planned Parenthood Federation (IPPF) South Asia Regional Office, New Delhi, India, October 2007*

The IPPF South Asia Regional Office expected this manual to fulfil the growing need for conceptual and theoretical literature and toolkits on social audits. The manual was developed through a gradual process starting with conceptual analysis, field application and reflecting on key learning to further improve the content and process.

Suggested key objectives of the manual are to assess the physical and financial gaps between needs and resources available for local development; create awareness among beneficiaries and providers of local social and productive services; increase efficiency and effectiveness of local development; scrutinise various policy decisions, keeping in view

stakeholders' interests and priorities, particularly those of the rural poor; and estimate the opportunity costs for stakeholders of not getting timely access to public services.

The manual has suggested a total of five days for completing a social audit at a particular community and health facility. The first two days are suggested for orientation followed by two days for field work and one day for report writing.

A provision to prepare and disseminate the audit report also appears in the manual. The audit report is to be prepared on the basis of information gathered at the facility and community levels and then presented formally.

A range of case studies from different South Asian countries are presented, including a case study of a social audit process undertaken in Kaski district of Nepal. The study found the following major achievements:

- Mutual dialogue between service providers and communities was encouraged,
- Local governments emphasised collaborative action to solve problems,
- Awareness of community people on different health issues was raised substantially,
- Increased client flow and demand for services from health facilities was experienced,
- Greater understanding of community needs was seen,
- Strong trust was built with health service providers, including government, through strong communication and coordination,
- Weaknesses of health facilities were identified including areas requiring improvement,
- Health facilities showed improvements in infrastructure quality.

This social audit manual, which has been extensively used in the health sector in Nepal and elsewhere, is a good reference resource book for developing a social audit manual.

SOCIAL AUDIT: A TOOLKIT – A GUIDE FOR PERFORMANCE IMPROVEMENT AND OUTCOME MEASUREMENT *Centre for Good Governance, Hyderabad, India, 2005*

This guide proposes a very simple design, with methods and a checklist for information collection for a social audit. The six key steps of social auditing elaborated in the guide will help the social auditors facilitate the process effectively and efficiently. The six key steps include: (a) preparatory activities; (b) defining audit boundaries and identifying stakeholders; (c) social accounting and book-keeping; (d) preparing and using social accounts; (e) undertaking the social audit and its dissemination; and (f) feedback and institutionalisation of the social audit. The guide further explains the method of linking core values with indicators, selecting good indicators, identifying stakeholders and the importance of involving stakeholders in the process.

SAMAJIK LEKHAJOKHA, ABADHARANA RA ABHYAS (Social Audit: A Concept and Practice) *ActionAid Nepal, BS 2064*

ActionAid Nepal promotes social audits among its partner organisations and has been conducting its own social audits since 2004. This positive initiative has been replicated by many other organisations in Nepal. The process of social auditing adopted contributes to organisational strengthening, ensuring good governance and nurturing organisational

accountability. ActionAid Nepal has developed a simple manual in local languages which is primarily based on its long experience in accountability and social auditing processes.

The manual suggests four main objectives for the social auditing process. These are: 1) developing a common platform of public organisations for public disclosure of their activities and institutionalising the practices of mutual debate, review, evaluation and soliciting feedback from all stakeholders; 2) developing an assertive culture among rights holders and common people to raise concerns, analyse the programmes implemented by public organisations and seek information; 3) promoting good governance within public organisations by ensuring transparency and accountability; and 4) promoting ownership and the role of stakeholders in the programmes and activities of various organisations.

The manual is based on the key approach of social accountability in ensuring participatory and democratic governance practices that are expected to contribute to the empowerment of vulnerable, socially excluded, differently abled people, the poor and actors of positive change. The manual is also based on the non-confrontational process of eliminating aggravated corruption due to anarchy, ambiguity and indifference.

The manual has elaborated globally accepted principles of social auditing with experience based examples. Differentiating between internal monitoring and the social audit process, the manual attempts to highlight the social audit as a process to endorse organisational accountability for public disclosure, third party evaluation of organisational activities and internal as well as external corruption control. The manual has also attempted to clarify the prevailing confusion on the three interchangeably used different concepts of social audit, public audit and public hearing. The manual has suggested logical but generic steps to undertake a social audit that does not have a provision of gathering information directly from the community and stakeholders.

WORLD BANK INITIATIVE

The World Bank undertook a scoping study on social auditing to track health services reform in 2003. The study proposed seven essential components of the social audit process: getting evidence; civil society participation; impartiality; partner buy-in; no finger pointing; repeat social audit and dissemination, and the use of results. It highlighted the significance of promoting the participation of women and vulnerable groups in local governance through social auditing processes. The study further illustrated the contribution of social auditing in improved management, planning and transparency of health services in Uganda, Bangladesh and Pakistan. Considering the focus on improving the quality of health services in national health policy and health sector strategy of Nepal, the study also recommended introducing social audits in Nepal with a note of caution that success will largely depend on the resolution of political transition and security problems. The study also suggested logical steps and methodologies for social auditing that include an institutional mechanism (social audit steering committee), local implementing partners, instruments, field work and data entry, analysis and mapping, feedback and the use of findings and timings. The study suggested an indicative cost of US$ 450,000 for one round of social auditing covering 20,000 households.

Parallel to the PHC-RD developing harmonised guidelines for social auditing in the health sector, the World Bank is also undertaking a project in collaboration with MoHP to pilot community score cards in four districts. The World Bank has hired ProPublic to implement

the programme in collaboration with a locally selected NGO to facilitate the process. ProPublic has recruited 32 participants for training to be conducted by two international trainers from Jaipur, India. After the training, the community score card will be piloted in these districts. The World Bank considers the method to be relatively simple, fast and cost effective compared to most monitoring and evaluation methods. Linkages between the community score card initiative and social auditing have not yet been developed.

Depending on results from the community score card pilot, attempts could be made to integrate the community score card approach within the social audit guidelines as this could produce effective synergies for optimising the impact of both social accountability tools.

6 REVIEW OF GENDER EQUALITY AND SOCIAL INCLUSION MAINSTREAMING IN SOCIAL AUDITING PRACTICES

Based on a critical review of various manuals and meeting with key stakeholders, a number of observations were made with specific regard to gender equality and social inclusion.

- Attention to gender and social inclusion appears variable across the social auditing processes led by the Government of Nepal. The guidelines developed by FHD for social auditing of the Aama Programme make provision for involving pregnant and recently delivered mothers in data/information gathering and analysis. A specific provision for inviting at least 50% of recently delivered mothers from the locality for the final social audit events also appears in the guidelines. The guidelines further recommend including all women respondents in the community survey and citizen score card process. For the process of carrying out the social auditing, at least 50% of the facilitators are specified to be women, but inclusion of excluded communities is not specifically mentioned. Furthermore, the guidelines do not include an assessment of whether Dalit and Janjati women are receiving cash incentives and other benefits of the Aama Programme.
- The MD guidelines require the participation of FCHVs, representatives of Janjati, Dalit and members of mothers' clubs in the social audit process.
- The social audit guidelines developed by MoE provide for an inclusive and gender sensitive social audit committee at the local level to steer the social auditing process.
- The guidelines developed by MoLD provide for at least 50% of users involved in the public auditing process to be comprised of women and excluded communities.
- In terms of international social audit manuals, the IPPF manual provides for conducting specific focus group discussions with women and adolescent girls.
- In addition to ensuring the participation of women and excluded groups in the social audit process, it is important that future models include the auditing of issues that impact on them in accessing the resources and benefits of the programme.

7. KEY LEARNING FROM SOCIAL AUDITING EXPERIENCES IN NEPAL (TO FACTOR INTO THE DESIGN OF A HARMONISED APPROACH FOR THE DoHS)

Social auditing aims to improve social accountability and promote democracy, justice and transparency. Hence, social auditing tends to be more effective where it is supported by an enabling environment of participatory democracy, an active and empowered civil society,

public rights to information and a conducive political and policy environment. While the conditions for social accountability are forming in Nepal, they are fragile and still “in the making”. The political transformation underway has opened up the space for tools such as social auditing but they are relatively raw. There still exists a lack of common understanding among key stakeholders on how these tools work and what they can achieve.

Beneath the overarching objective of governance and accountability, social auditing comes in various forms to achieve differing objectives. These range from strengthening democracy and transparency in decision making; ensuring people's participation in planning, implementation and evaluation; and estimating the opportunity cost for stakeholders of not getting timely access to public services. In Nepal and the region, social auditing by NGOs and INGOs often focuses on exploring corruption, while that by government departments often aims to control leakage in projects and programmes.

As noted earlier, experience in Nepal and elsewhere shows that where implemented well, social auditing can foster people's ownership of services, raise awareness among rights holders and increase the responsiveness of service providers. This review found examples of VDCs allocating additional funds to improve services or explore cases of corruption, and of DHOs making a commitment to punish corrupt health workers. Demand for services was also reported to have increased subsequent to social auditing in some places.

Against this backdrop, this review has identified a number of good social auditing implementation practices that can be built upon in the development of a new model for health, as well as challenges and weaknesses to be factored into design and programming.

Good Practices:

Although each social auditing approach studied has its own particular strengths, the review identified several key lessons and areas of good practice:

- The active involvement of health workers and communities in jointly gathering, analysing and presenting information enhances mutuality. Mutual participation appears instrumental in promoting local ownership of the process, raising awareness of entitlements and responsibilities and in empowering the community to demand accountability for health.
- By providing an opportunity for service providers to interface with users and local authorities, social auditing promotes community engagement in health, which is important in its own right, as well as in facilitating the social audit.
- Localised social audit processes need to be anchored into strong institutional arrangements to support ownership building and to hold service providers accountable to the larger community. Such local institutions can be existing community based organisations, or, as in the case of education, a new, permanent, inclusive and gender sensitive social audit committee linked to community based organisations. Provision for a permanent local institutional mechanism, with an inclusive structure and composition to drive social auditing, is vital to the design of new social audit models.
- Making social audits mandatory and linking their results with rewards and punishments increases the impact and importance given to the process by service providers and communities.
- Data collection from both service providers and communities is important for bridging gaps between, and engaging key actors in the process.

- Presentation of the social audit results to a wide group of community members and stakeholders in order to substantiate the information and triangulate results is effective in achieving greater authenticity and legitimacy of findings.
- The recruitment of local external social auditors following clear selection criteria has several benefits. They understand the local context and are able to link this with the service delivery process; they are more likely to have local credibility, and they are more readily available for continuing involvement in the on-going social audit process.
- Social auditors are more effective when they have a clear understanding of, and have internalised, rights based approaches and participatory tools and techniques. They need to be able to encourage people to explore different values and positions, develop mutual trust and respect for conflicting opinions and facilitate positive changes.
- Setting a fixed duration of time for the social audit process helps to ensure uniformity across sites. It also encourages more in-depth, quality data collection and analysis.
- Some programmes have linked the social audit with a financial audit and this appears to have helped in the timely completion of the social audit.

Challenges and Weaknesses:

The study identified a number of challenges and weaknesses in current practice that need to be addressed in the design of future models. These include:

- Priority attention needs to be given to reversing the negative attitudes that the majority of health workers currently have towards social auditing. The review found that most service providers have not been oriented or motivated to support social auditing. It is essential that orientation is provided to health workers on the purpose, methodology and importance of social auditing so as to develop their understanding of the process and nurture their commitment to it.
- Clear and logical steps for applying the tools recommended for the social audit process need to be included in a guidance manual. We found, for example, that some actors were confused about using the citizen score cards suggested in the Aama social audit.
- Experienced facilitators need to be recruited to facilitate social auditing and they need to be appropriately trained in the specific social audit methodologies recommended, as well as in more general facilitation skills. Managing mass gatherings in particular is a skill that needs developing.
- Reporting systems, reporting formats and processes need to be clear, practiced and monitored to raise the importance and due diligence given to social auditing and for effective knowledge management. Most of the social audit reports reviewed did not meet the basic reporting requirements stipulated in their respective guidelines/manuals. This situation runs counter to institutionalising action, monitoring outcomes and knowledge management.
- Social auditing is not a one-off event and positive changes need to be seen if citizens are to be motivated to provide continued involvement. A robust monitoring mechanism to track recommendations and consequent action needs to be developed and implemented to help sustain stakeholder interest and motivation. Publicity and dissemination of results is important.
- The level of understanding of different social accountability tools in the health sector, how they operate, what they try to achieve, linkages, factors critical to their effectiveness and limitations needs to be raised. Consultations with a wide range of stakeholders during this review found a lack of common understanding on social auditing, even

among those in the same organisation, and wide variation in the use of guidelines and manuals. Terms such as public audit, social audit and public hearing are often used loosely and interchangeably.

- The level of current social audit practice reflects the low priority it appears to be given by district administrators, health workers and citizens. More serious commitment to the process needs to start from the centre with senior management.
- It has not become standard practice to ensure the participation of both women and excluded groups in social auditing, nor to audit the issues that impact on their access to the resources and benefits of the programme.

Looking Forward, a Harmonised Social Audit Approach for Government Health Facilities:

This review highlights a number of the implementation challenges faced when undertaking social audits in Nepal in a context of deep political change. With the DoHS leading the harmonisation of the two existing approaches, there is an opportunity to address the implementation constraints faced in the past and also to set up institutional arrangements to allow social auditing to gain traction. Forging stronger links between social audits and formal and institutional accountability systems will be essential if social auditing is to trigger accountability actions and sanctions that address more entrenched accountability failures.

This review is intended to inform the technical committee overseeing the design of the new proposed harmonised guidelines for health. While the technical committee will decide on the shape and content of the new approach, it is proposed that the new manual will broadly cover the following fundamental dimensions of social auditing:

- Level of Operation: How many health facilities will be covered by the social audit?
- Participants: Who will participate in which steps of the social audit?
- Focus: Which specific areas will the social audit address?
- Institutional Arrangements: What institutional arrangements will be made to ensure effective implementation of social audits and system and service responses?
- Capacity Building: What will be the capacity building inputs for different actors involved in social auditing?
- Social Auditors: Who will facilitate the social audits? How will they be selected and by whom? What will the selection criteria be?
- Monitoring and Reporting System: What system will be practised for monitoring and reporting? Who will be responsible for this?

Following the design of the new harmonised manual, it is intended that it will be piloted in a select number of facilities and reviewed for quality, performance and scalability. Based on the pilot experience, a new manual and tools fit for the purpose will be developed and used for rolling out by PHC-RD in 2012.

Annex 1

List of Respondents and Facilities Visited

I. Government Officials in Kathmandu

1. Mr. Narayan Thapa, Under Secretary, MoLD
2. Mr. Laxman Basyal, Section Officer, DoE, Kathmandu
3. Mr. Chandra Bahadur BC, PHC-RD
4. Mr. Dor Nath Pokharel, PHC-RD
5. Dr. Raghu Nath Shrestha, Local Governance and Community Development Programme, MoLD

II. External Development Partners in Kathmandu

1. Mr. Richard Hallowey, Coordinator, Programme for Accountability in Nepal, World Bank, Kathmandu
2. Mr. Ramesh Shrestha, Senior Programme Officer, Sub National Governance Programme, GIZ, Kathmandu
3. Mr. Kabindra Pradhan, Programme Officer, Sub National Governance Programme, GIZ, Kathmandu
4. Mr. Tej Prasad Ojha, Health Sector Strengthening Programme/GIZ, Kathmandu
5. Mr. Sribhakta Subhasi, HSSP/GIZ, Doti
6. Mr. Shree Krishna Bhatta, HSSP/GIZ
7. Mr. Dambar Gurung, Rural Health Development Programme, SDC, Kathmandu

III. District Education Office

1. Mr. Keshav Gwyali, Act, District Education Officer, Doti
2. Mr. Bishnu Maghi, Resource Person, DEO, Doti

IV. Local Body Officials

1. Mr. Hikmat Bahadur Rokaya, Social Development Officer, DDC, Doti
2. Mr. Hari Sundar Shrestha, VDC Secretary, Doti

V. School Officials

1. Mr. Dirgha Bahadur Rokaya, Headmaster, Dilipeshwor Higher Secondary School, Dipayal, Doti
2. Mr. Ratan Maghi, Member, Social Audit Committee, Doti
3. Mr. Lal Bahadur Bhandari, Member, Social Audit Committee, Doti
4. Mr. Ram Ojha, Social Audit Facilitator, Doti
5. Mr. Tanka Bhujel, Headmaster, Gramin Higher Secondary School, Bhedatar, Dhankuta
6. Mr. Junga Bahadur Suchikar, Coordinator, Social Audit Committee, Doti

VI. Regional Health Directorate/District Public/Health Office

1. Mr. Ram Dhan Mahato, Regional Health Director, Regional Health Directorate, Eastern Region, Dhankuta
2. Mr. Jhalak Sharma Poudel, District Health Officer, DHO, Dhankuta

3. Mr. Puskar Bijukche, Focal Person, District Local Health Governance Committee, DHO, Doti
4. Mr. Toya Ghimere, Family Planning Focal Person, DHO, Dhankuta
5. Ms. Bal Kumari Tamang, Public Health Nurse, DHO, Dhankuta

VII. Health Workers at Facility Level

1. Mr. Dil Bahadur Rawal, Sr.AHW, Barpata Sub Health Post, Doti
2. Ms. Maina Bista, FCHV, Barpata VDC Ward No 4, Doti
3. Ms. Ujeli Biswakarma, Barpata VDC, Ward No 8, Doti
4. Mr. Phanik Lal Chaudhary, In-Charge, Dandabazar PHC, Dhankuta
5. Ms. Rekha Khadka, Sr. ANM, Dandabazar PHC, Dhankuta

VIII. NGOs

1. Mr. Kedar Khadka, Executive Director, ProPublic, Kathmandu
2. Mr. Prakash Subedi, Social Audit Facilitator, Surkhet
3. Ms. Neelu Sharma, Social Audit Facilitator, Kathmandu
4. Mr. Salaudhin Miya, Social Audit Facilitator, Kathmandu

IX. Community Forestry Users' Committee

1. Mr. Govinda Magar, Member, Ramite Community Forestry Users' Committee, Bhedatar, Dhankuta
2. A group of mothers who received the cash incentive and attended the social audit in Dandabazar PHCC, Dhankuta
3. Dandabazar PHCC, Dhankuta
4. Barpata Sub Health Post, Dhankuta
5. District Hospital, Dhankuta
6. Gramin HS School, Dhankuta
7. Dilipeshwor HS School, Dipayal, Doti

Annex 2

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3. *Social Audit Guideline, 2063,* Ministry of Education
4. *Social Audit Guideline, 2067,* Ministry of Local Development
5. *Public Audit Guideline, 2067,* Ministry of Local Development
6. *Sarbajanik Parikshyan Karyabidhi (A Guideline for Public Audit),* Ministry of Local Development, 2068
7. *Samajik Lekhajokha, Abadharana ra Abhyas (Social Audit: A Concept and Practice*), ActionAid Nepal, 2064
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9. *Sarbajanik Lekhaparikshyan: Nepal ko Sandarva ma Sidhanta ra Byabaharik Prayog (Public Audit: Principles and Practice in the Nepalese Context),* Manoj Khadka. Published by Community Programme, DfID, BS 2064
10. *Community Score Card – World Bank*
11. *Social Audit Cookbook*
12. *Social Audit Manual, CIVICUS*

Annex 3

Terms of Reference (TOR) for Consultant

To provide technical support to PHC-RD to review social audit experiences in the health and social sectors and develop a comprehensive Social Audit Guideline for the health sector in Nepal.

1. *Background:*

The Government of Nepal is committed to improving the health status of Nepali citizens and has made impressive health gains despite conflict and other difficulties. The Nepal Health Sector Programme-1 (NHSP-1), the first health Sector-Wide Approach (SWAp), began in July 2004, and ended in mid-July 2010. NHSP-1 was a highly successful programme in achieving improvements in health outcomes. Building on its successes, the MOHP along with External Development Partners (EDPs) have designed the second phase of the Nepal Health Sector Programme named as NHSP-2, a 5 year programme, implemented from mid-July 2010. The goal of NHSP-2 is to improve the health status of the people of Nepal, especially women, the poor and excluded. The purpose is to improve utilisation of essential health care and other services, especially by women, the poor and excluded.

Technical assistance to NHSP-2 is being provided on behalf of pooled EDPs (the Department of International Development (DFID), the World Bank, and Australian Aid (AusAID) through the Nepal Health Sector Support Programme – NHSSP. This is funded by DFID and will be provided by Options Consultancy Services Ltd (Options) and partners for 3 years with a possibility of a further two year extension. NHSSP will provide technical assistance and capacity building support to the Ministry of Health and Population in order to enable them to deliver against the NHSP-2 results framework within the given time frame. The following key areas of NHSSP support are:

- Health Policy and Planning;
- Human Resource for Health;
- Health Financing;
- Gender and Social Inclusion;
- Essential Health Care Services;
- Procurement and Infrastructure ;
- Monitoring and Evaluation;
- Aid Effectiveness.

One of the key technical support areas of the NHSSP Technical Assistance team is Gender and Social Inclusion (GESI) where there is a strong political commitment and opportunity for institutionalising and mainstreaming GESI into the health system and its structures.

Technical support for GESI under NHSSP will focus on several core pillars of work that build on the Ministry's GESI Strategy and priority GESI-related initiatives. The Social Audit is one of the key areas of GESI to support MoHP in promoting accountability, transparency and, more importantly, empowerment of the community as right holders.

Technical support to GESI will be provided at three strategic locations: a) Policy level – Ministry; b) Programming and Implementation level – Department; and c) Support and Monitoring level – Region. The social audit is related to social inclusion, governance and accountability and health financing including aid effectiveness.

2. Specific Background:

What is a social audit?: Social Audit is an independent monitoring and evaluation tool through which organisations (public, private or civil society organisations) can evaluate their overall achievement of the social goal they have committed to achieved. In the context of Government programmes and services, a social audit is a process through which citizens are empowered to audit those programmes and services. It implies the active involvement of the community in the monitoring and evaluation of Government programmes and services and their access to information and records to enable them to undertake such an exercise. Social audit involves the scrutiny of records and the verification of what is recorded by communities or third party agents through various forms of consultation with beneficiaries, this could be through group meetings, household visits, facility inspections, etc. In addition, social audit includes the public dissemination of the findings of the audit at a public meeting at which providers and officials have the opportunity to respond to the findings and discrepancies.

The main objective of social auditing is to monitor how resources are used and who is receiving them. Social audit aims to increase transparency and seeks to hold providers and officials to account. International evidence suggests that social auditing can expose misuse and improve programme performance, but to be effective it is important that access to information is provided, those undertaking the audit are trained, that the Government body is committed to the social audit process and acting on its findings, and local providers/officials understand their roles and responsibilities in the social audit process.

Social audit is a relatively newly emerged qualitative tool in development practice in Nepal but which is gaining acceptance by Government. The Right to Information Act 2056 (2008) incorporates social audits, and the Ministry of Local Development and the Ministry of Education include social audits of their VDC and school grants respectively. Many national and international civil society organisations have also applied this process as a means of undertaking on-going performance evaluations of their programmes in presence of local communities and right holders for many years.

Public audit in Nepal: Public audit refers to auditing of public funds. In Nepal, public audit has tended to be associated with infrastructure projects and has been practiced for longer of than social auditing. Public audits focus on transparency and accountability with less emphasis given to the social objectives of projects and programmes. The concept and tool of public audit was first introduced in Nepal in Gulmi and Arghakhanchi districts under the EU supported Gulmi Arghakhanchi Rural Development Project (GARDEP/MoLD) by Human Resource Development Centre (HURDEC, Pvt. Ltd.) in 1991. The tool was used as a process approach to confirm that the work had been implemented in the interest of the community, to ensure fairness, and best use of resources. The main objective this approach

was capacity building of the community, accountability towards the community, participation of citizen, transparency of the decisions and resources and ownership of the project (CAPTO). Subsequently public audits were applied in the Food for Work Programme to more than 600 infrastructure projects. MoLD replicated the GARDEP approach of public audit to all VDCs with cash grant in the 75 districts under the Build Your Own Village programme in 1993/94 The Local Bodies' Financial Administration Regulation 2008 of the GON has provisioned public audit and social audit of development programmes and projects. The MoLD developed the Public Audit and Social Audit Manual separately in 2007 and amended it in 2011, and made it mandatory in all local government development programmes.

Social audit in the health sector: Ministry of Health and Population has embraced social auditing as a methodology for monitoring programmes and increasing accountability. Social audits have been conducted successfully for the last three years for the Aama programme (Safe Delivery Incentive Programme) and Free Essential Health Care Services (EHCS) programme. Initially, provision of public audit was made in the operational manual of free health services but programme managers felt the need for a separate manual on social audit for greater clarity. The Department of Health Service (DoHS) therefore developed and implemented a social audit manual for free health services with the support of GTZ. The Family Health Division has developed a social audit manual for Aama programme to strengthen the accountability and transparency of fund management, but with less emphasis placed on community empowerment. At present there are two different social audit guidelines one for Aama programme and one for free EHCS which adopt different approaches.

3. *Rationale*

Basic health care is included as a fundamental right of the people in the Interim Constitution of Nepal. To ensure the right of the people, Government of Nepal (GoN) has implemented free EHCS and free delivery services across the country. The GoN has also introduced a number of demand and supply side incentive schemes and social security packages to increase the utilisation of health care services. However, effective monitoring has remained a challenge to the health system. Evidence of who benefits from public health services is a key concern of the major stakeholders especially given health system bottlenecks in delivering benefits effectively to poor and excluded communities.

The current Aama and Free EHCS programmes use different approaches to social audit. For EHCS, the respective government health institution has been made responsible for the social audit whereas under the Aama programme, civil society organisations are responsible for their conduct. Regarding the institutional arrangement, Primary Health Care Revitalising Division (PHC-RD) oversees implementation of the social audit of the free health care programme and Family Health Division (FHD) for Aama programme.

The fragmented approach increases the cost and it is felt reduces the effectiveness of the social audit process. The social audit of free health care focuses on transparency and accountability of the supply and distribution of essential drugs whereas the focus for the Aama programme is on transparency and accountability of incentives distribution at the local level. Both have strengths and weaknesses. While the guidelines have similar objectives there appears to be insufficient coordination and interaction between the two. Furthermore, while both have put focus on the transparency and accountability of public

spending and distribution of benefits neither give attention to (i) public spending more comprehensively at the facility level, (ii) address the potential for social audit to be an empowering process nor (iii) consider how the social audit will trigger supply side and system sanctions and responses to the findings of the social audit, and thereby translate the community driven social audit process into enforcement of accountability.

In the changed organisational arrangements of the DOHS, the Primary Health Care Revitalising Division - PHC-RD has been made responsible for conducting social audit across the sector. Given the current status of social auditing in the Department, and plans to scale this up, the division has requested technical support to review the two approaches to social audit, draw out their strengths and weaknesses, and develop a harmonised approach to be used by the Department including a new refined single manual for social audit with accompanying tools.

4. *Objective of consultancy*

The overall objective of social auditing is to promote accountability, transparency and responsiveness in health service delivery, and through the process of social auditing to empower communities to monitor services and claim accountability. The overall objective of this consultancy is to provide technical support to the PHC-RD of DoHS to review existing social audit approaches and guidelines (developed by Management and Family Health Division) of the Department. Based on Nepal and regional experience with social audits in health and the social sectors, the consultant will develop a harmonised approach to social auditing in the health sector for testing and roll out by the DoHS. The proposed new approach will be tested in pilot areas with the support of the DoHS, and once evaluated, revised and found to be fit for purpose, taken to be scaled up through the government mechanism.

5. *Tasks/ Methodology (Proposed scope of work*

Under the chairpersonship of PHCRD director a technical group (with represents from respective divisions and supporting partners) on social auditing and social accountability will be formed to provide technical guidance to the development and harmonization and piloting of DOHS's social audit approach. This technical group will steer the work of the consultant and DoHS's implementation and scale up of social auditing. Specific activities that the consultant will undertake include:

- Be briefed by the Director of PHC-RD, and NHSSP's Equity and Access and Demand-side Financing Advisers about scope of work, the purpose and expectations of social audit in the health sector, and desired outcome of the consultancy.
- Collect and carefully review existing social audit guidelines developed by the MoHP, and other line ministries, including MoLD, MoE, and INGO's including ActionAid Nepal. This will include field visits to review community and provider perceptions and experiences with MoHP's social audit processes, discussions with NGOs that have facilitated Aama social audits, and secondary analysis and expert views on the quality, achievements and challenges of other line ministry approaches, and that of focal INGOs and NGOs.

- Review relevant national and international literature (including reports of social audit exercises carried out by the FHD and Management Division).
- Conduct interviews with key government and non-government and civil society actors, including the Ministry of Information and Culture, the consumer protection forum, and other stakeholders to assess the political and institutional environment for social audit in Nepal; good practices and experiences with social audit in Nepal; barriers and facilitating factors; opportunities for strengthening the traction of social audits and necessary conditions for realising their potential as an accountability tool.
- Prepare a process report that captures the strengths and weaknesses of social audit practices in MoHP, MoLD and its LGCDP programme, and other good social audit practice in Nepal.
- Propose and agree the conceptual framework and new harmonised approach to social auditing with PHC-RD and technical group. This will involve facilitation of a workshop to present Nepal's social audit experiences in the health sector, learning from non-health sector approaches, and the proposed harmonised approach for the health sector. The workshop will review the conceptual framework of the proposed harmonised approach and support the development of draft tools.
- With the approval of the technical working group, the consultant will facilitate the process of preparing NGOs to pilot the new harmonised social audit approach, and related orientation and training. The consultant will provide a short training for selected NGOs in the application of the new social audit approach, and work with them on the planning for piloting. The NGOs will be selected by the technical committee formed under Director of PHCRD with support from the consultant and technical backup from NHSSP.
- The consultant will provide technical backstopping to the NGOs during implementation of the pilot, supportive monitoring will also be undertaken by NHSSP advisers.
- On the basis of the results from the pilot, the consultant will work closely with NHSSP's Equity and Access, Demand-side Financing, and GESI Advisers and Director of PHC-RD to revise the social audit guideline.
- Draft a guideline document (without compromising core components of existing guideline where relevant) and facilitate a joint consultative workshop/meeting of an expert group on social audits for its finalisation.
- Incorporate the suggestions, comments and feedback in the guidelines.
- Provide a brief process report of the guideline development and pilot testing.

6. *<u>Steps to complete the social audit guideline by the consultant.</u>*
   - Preparation
   - Stakeholder consultation
   - Guideline and documents review.
   - Prepare a process report that captures the strengths and weaknesses of social audit practices in MoHP, MoLD and its LGCDP programme, and other good social audit practice in Nepal

- Develop conceptual framework for new harmonised social audit approach, and draft tools
- Consultation Workshop to review the conceptual framework and finalise the draft tools
- Support PHC-RD in identifying NGOs to implement the pilot
- NGO training and technical support
- Assist NGOs documentation and reporting on activities and outputs
- Consultation and presentation of the findings of the pilot, and finalising the guideline document and tools
- Process reporting

7. *Deliverables*

- Review of the strengths and weaknesses of social audit practices in MoHP, MoLD and its LGCDP programme, and other good social audit practice in Nepal
- Revised comprehensive social audit guideline document and tools.
- Brief process report of the guideline development and pilot testing.

8. *Timeframe*

The consultancy contract will be for 45 days (on an as and when necessary basis) – starting from 10th August till end of December 2011. Breakdown of the days are as follows:

- Preparation and orientation	- 2 days
- Stakeholder consultation/meeting	- 2 days
- Guideline and documents review (including field visit)	- 12 days
- Preparation (way forward) and conducting consultation meeting and workshop	- 3 days
- Working on the guideline development	- 6 days
- Facilitate consultation WS & adapt the suggestions	- 2 days
- Support in NGO contracting for piloting	- 2 days
- Preparing/facilitation of NGO training for piloting	- 5 days
- Assist NGO for documentation and reporting	- 7 days
- Consultation and finalising the guideline document	- 3 days
- Guideline development Process reporting	- 1 days
Total:	45 days