

Aakash Ganga – Social Enterprise

(A Domestic Rainwater Harvesting System)

Social Audit Requirements

INDEX

1.0	INTRODUCTION	3
2.0	AUDIT REQUIREMENTS	4
3.0	REQUIREMENTS FOR CAPTURING AND COMPILATION OF INFORMATION	4
4.0	REQUIREMENTS FOR ORGANIZING THE INFORMATION	5
5.0	ACCOUNTING SYSTEM REQUIREMENTS.....	6
6.0	PRIVACY REQUIREMENTS	6
7.0	ADMINISTRATIVE REQUIREMENTS.....	Error! Bookmark not defined.

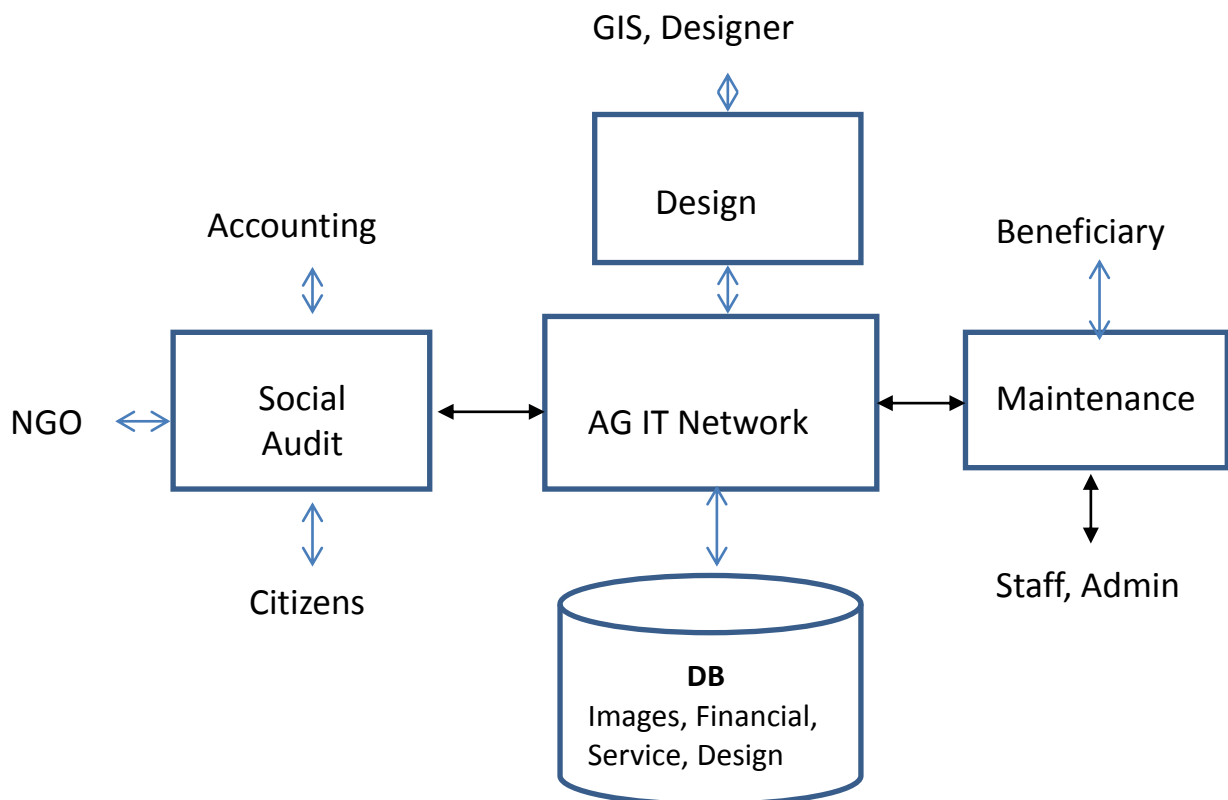
1.0 INTRODUCTION

It is proposed to demonstrate holistic sustainability of Aakash Ganga, a social enterprise for harvesting domestic rainwater. One aspect of holistic sustainability is restoring citizen's trust in community-based systems through transparency and accountability.

"*Social audit*" is a vehicle to assure transparency and accountability. Social Audit envisions beneficiaries to be independent auditors of community-based systems, a Gandhian approach to win people. As auditors the beneficiaries will be privileged to access information essential for conducting thorough audit and for awarding certificate akin to that of a growing concern.

The requirements of Social Audit of Aakash Ganga will be basis for capturing information from various sources, organizing the information and providing online access to the information. The Social Audit should protect the privacy of donors, vendors, and third parties when requested by them implicitly or explicitly.

The Social Audit module will be part of the AG IT network as shown below.



Note: Generally, social audit is understood as a verification process carried out at the completion of a milestone and through survey of the beneficiaries. Whereas this *Social Audit* ensures transparency and accountability and empowers citizens to conduct audit of programs and institutions.

What follows are sample requirements. They may be revised based on industry best practices.

The Social Audit has three distinct stakeholders: Beneficiaries, NGOs, and Administration

2.0 Beneficiary Requirements

Social Audit affords beneficiaries or citizens privileges and access similar to what corporations are obligated to provide their independent auditors.

- a. The beneficiaries should have access to the expenditure and revenue data organized in such a fashion as to allow quick drill down. They should be able to see, for example, what materials were purchased, when were purchased, from whom were purchased, and at what price were purchased.
- b. The Social Audit should have a graphically-rich interface to permit intuitive navigation through millions of records.
- c. Beneficiaries should have access to following Griha tanka information:
 - ✓ Name of *Griha tanka* owner
 - ✓ Roof area
 - ✓ Capacity of the *tanka*
 - ✓ Capital cost of construction
 - ✓ Home owners contribution
 - ✓ Time taken to build the *tanka*
 - ✓ Year of construction
- d. Beneficiaries should have access to following village level information:
 - ✓ Number of “*Griha tanka*” constructed
 - ✓ Number of “*Gram tanka*” constructed
 - ✓ Capacity of “*Griha tanka*”
 - ✓ Capacity of “*gram tanka*”
 - ✓ Capital cost of constructing “*Griha tanka*” (consolidated figure)
 - ✓ Year of construction
 - ✓ Name of material vendor
 - ✓ Quantity & unit cost of-
 - Cement
 - Bricks
 - Labour
 - Iron/metal
 - *Tanka* lid
 - Sand
 - ✓ Cost of purchased pump/solar pump
 - ✓ Vendor of pump
 - ✓ NGO’s service fee
 - ✓ NGO’s contract duration

The Social Audit should adhere to simplicity. It should provide information in such a manner as to be understood by a high-school graduate. The auditor should be able to get aggregate information. He/she should be able to navigate the information to get whatever detail he/she is looking for.

3.0 NGO REQUIREMENTS

- a. It is expected that a large volume of information will come from implementation partners. The NGOs should be able to supply information electronically, for example,

Excel spreadsheets and scanned images of bills. NGOs should adhere to templates for reporting expenses, submitting invoices, material procurement etc. (Comment: Use Microsoft Office templates to begin with.)

- b. Each NGO should be assigned a unique number to identify the NGO, village, material code etc. This number will be used to track the invoices, payments, and performance against agreed terms.
- c. A numeric series will be developed to be assigned to the scanned bills, villages, material vendors, NGOs, districts (area of operation) etc.
- d. The codes for the names of the villages should be such that anybody is able to identify the name of the village along with its location in the respective district of Rajasthan. Codes will be generated for the following:
 1. Village location
 2. NGO name, NGO personnel involved, villages assigned under NGO
 3. Bills of purchased material
 4. Material vendors

These codes should aid in capturing the information in a compact manner at the same time helping in displaying the data in a summarised manner on a single page on the web, for beneficiary's consideration.

- e. NGO should let Aakash Ganga what accounting software it is using. It should save records for at least x years. Aakash Ganga should have right to audit the NGO books during the three years.

3.0 Administration requirements

- a. The information of the AG project should be organized and maintained at the project administrator level. This should be achieved by putting up a common server which would receive data from the implementing agencies (NGOs), PI & BITS accounting system and SI.
- b. All the data collected & sent by the implementation agencies should be in soft copy in a standard format of excel sheets. The information related to villages. *Tanka* construction, vendors, material purchased, human resource utilized, bills raised etc. should be sent to the project administrator on a quarterly basis in excel sheets. Apart from this the NGOs should scan the hard copy of the material bills and give each set of the village bills a code (for better identification and retrieval later on) and then submitted to the PI for payments.

Standardize all processes and issue guidelines for maintaining financial accounts to facilitate social audit.

1. All the bills should be submitted to the accountant in soft-copy containing a unique bill code
2. The selected quotations of the material vendor should be in soft-copy
3. List of the villages (project site) with their respective implementation agency's details should be a click of a button away
4. Excel spread sheets should be maintained for the material purchases and agricultural sales happening in the project
5. All the details of the project expenses should be recorded in soft-copy as per each of households per village
6. The formats given to the implementation agencies should be designed as such that they capture details at the micro level i.e. household level
7. Before the implementation of the Audit process, a meeting should be conducted with all the stakeholders of the project, for bringing mutual understanding among all participants.

8. At any given point in time the project administrator should be in a position to narrate/display the cash inflows and cash outflows happening in the project to its social auditors.

4.0 ACCOUNTING SYSTEM REQUIREMENTS

The role of the accounts department of BITS Pilani is to ensure the expense entry of the project in the books of accounts, also keeping the expenditure under the limit of the budget.

1. The accounts department should provide the audited Balance sheet of the project at the end of the financial year to PI
2. Consolidated expenses details of the Aakash Ganga project should be provided every quarter to the PI under the following heads:
 - ✓Capital Cost
 - ✓Manpower/HR cost
 - ✓Consumables
 - ✓Travel
 - ✓Miscellaneous costs
3. All the data should be submitted in soft copy
4. Consolidated financial details should be shared every quarter with the PI

5.0 PRIVACY REQUIREMENTS

In case some of the vendors/donors/angel investors etc wish that their identity should not be revealed on the project website, then this should be given prior consideration to. The project administrator should take care of the privacy of the individual. **The amount could be revealed along with the purpose** but the identity should be kept anonymous.

Comments to be streamlined

Purpose of social audit: “Sharing **holistic awareness** on the project through regular **proactive dialogues** (with all stakeholders), and **transparency** to achieve **continuous improvement** in delivery/service to community and **increasing sustainability**”

Making citizens and other stakeholders aware of the project (its objective, policies, socio-economic aspects, its measure of success; its projected impact on stakeholders); sharing the project related information proactively, transparently; having a regular, open dialogue with stakeholders for continuous improvement (in project delivery); to further the cause of AG (or we could use “inclusive, sustainable development”)

Project information to be shared with the public (to be updated every quarter/six monthly) through the project web site, and through periodic public meetings, along with **appropriate benchmarking**

Key data points on Project to be shared with public:

- **Funding** – its source and its utilization in detail
- **Outcome/deliverables** - Metrics from AG (measure of success, to be fine tuned) such as
 - Creation of community assets (storage capacity created) and its utilization

- Metrics on supply of drinking water
 - Cost
 - Quality (and incidences of illness prevented)
 - Reliability
 - Per person availability
- Metrics on social entrepreneurship
 - Impact on employment
 - Impact on Gross Domestic Product (including consideration of savings of effort in fetching drinking water by womenfolk)
- Impact on community
 - Deployment of socio-cultural capital
- Impact on other stakeholders

Operations:

- a. Capture who accessed, what information was accessed, how long it took, user satisfaction
- b. Performance metrics
- c. Maintain user statistics
- d. Graphical rich to navigate

Survey and Feedback

- a. Survey visitors for satisfaction
- b. Obtain feedback

Information Organization: organize information in layers enabling user to drill down

Information for beneficiaries

Information for social investors and donors

Sources

- a. Accountants and auditors
- b. Social activists
- c. Global Reporting Initiative (www.globalreporting.org)
- d. Government officials
- e. Software developers
- f. Community feedback or NGOs