# Public Participation in Budgeting – Social Accountability Mechanisms to promote transparency & accountability in budgets and expenditure

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**The Challenge-**

The Finance Ministry of Governments across the globe have the herculean task of ensuring that annual fiscal budgets are prepared and executed efficiently bearing in mind the availability of funds and no sector is ignored. The Ministry has to propose economic and financial policy as well as coordinate and supervise these actions as empowered by law. The primary task of a budget is to estimate the resources that is needed to support programmes/schemes and activities of various departments. The budgeting exercise also concentrates on alternate ways in which the resources being allocated could be used more judiciously and effectively to accomplish policy goals.

A budget cycle consists of 4 stages — **preparation**, **approval**, **execution** and **evaluation**.

It is observed though, that traditional budgeting practices do not adequately link financial investments to results or outcomes, limiting the ability for in-depth analysis and understanding of the real requirements. The Finance Ministry is also wholly dependent on the line ministries for feedback and data with no independent mechanism to know the real status of implementation. It is therefore, important that Finance Ministries adopt a performance based framework that is used to allocate resources for programmes and schemes based on appropriate independent feedback systems and not just appropriate metrics.

# The Proposed Solution-

One such approach is to engage with citizens and the public to promote participation in budgeting while focusing on previous utilization of funds and establishing increased visibility into how programmes were implemented and what were the results/outcomes. Such a practice could actually hinge on a social accountability process, for example, social audits.

# What is Social Audit?

Social audit is a process by which an attempt is made to find out whether the

benefits of the project/activities reach the people for whom it is meant. It is a democratic process in which all stakeholders involved in a particular project take part. Social audit is not only an audit of expenses or decisions but also covers the issues of equity and quality in programme implementation. It is a verification of Government records with people and the works/projects executed at the field level in great detail.

In a Social Audit, the people and the government jointly monitor the project. It

brings on board the perceptions and knowledge of the people, involves people in the task of verification and also brings about much greater acceptability of the government.

# Objective of a Social Audit-

While successive Government till date have spent billions through their budgets on various programmes/schemes, yet, the fact is that intended benefits of the programs do not reach the

targeted clientele as desired. There is dilution and deviation in the implementation of the programs. More often than not the targeted clientele are not aware of either the objectives or elements of the program.

While streamlining of service delivery systems and ensuring that transparency

and accountability are made an intrinsic part of governance, it is equally important that the citizens for whom the programs are implemented are made aware of their rights and entitlements and participate in the budget, program design, decision making processes and monitoring and evaluation of the program. It is in this context that the concept of Social Audit and other social accountability mechanisms have become important, where in the citizens/community audits the program and its implementation.

# Steps in a social audit –

1. Accessing Records
2. Identifying the stakeholders and forming a team
3. Cross – verification of the records with the beneficiary/work
4. Preparing the report
5. Presenting and discussing the findings with the community in an open forum
6. Sharing the feedback/findings with the Finance Ministry, Line Ministry, CSOs and the PMU
7. Issuing policy guidelines to improve implementation of the scheme/programme

# The proposed model/approach-

The Finance Ministry identifies a particular sector/programme/scheme of national relevance or importance on which it would like independent feedback on a pilot basis and enlists the help of CSOs/NGOs, involved in the sector/programme/scheme to undertake a social accountability exercise and the feedback/report received would be used to issue policy guidelines that further strengthens the implementation framework and provides the finance ministry authentic, evidence based, independent feedback.

The Finance Ministry for this purpose would –

1. Establish a Programme Management Unit (PMU) which would consist of programme/sector experts and Government functionaries;
2. Engage CSOs to conduct social accountability exercises – beneficiary verification, programme/project verification, works verification etc;
3. Ensure that information related to the sector/programme is made available to the CSOs to carry out an such an exercise;
4. PMU functionaries would attend the “hearings” that would be organised by the CSOs at the end of the social accountability exercise;
5. Reports based on the social accountability exercise will be submitted to the Finance Ministry for issuing policy guidelines to the line ministries;
6. Joint consultations with the line Ministries, the PMU, CSOs and Finance Ministry will be held to discuss the findings and issues identified through the social accountability exercise
7. The findings will help feed into the budgeting process for the following year

# Minimum Principles to be followed-

1.

**Access to Information –** Information regarding the Scheme/Programme should be

made available for the exercise

# 2.

**Involvement and Participation of citizens in the process –** The citizens for whom a

programme/scheme has been designed should necessarily be given an opportunity to be part of the exercise

# 3.

**Protection of citizens –** An open and secure forum for free and fair discussion should

be provided to citizens to engage in the social accountability exercise

# 4.

**Citizen’s right to be heard –** The social audit exercise should provide citizens with a

mechanism to get their grievances heard and addressed

# 5.

**Collective Platform-** A collective platform strengthens and substantiates the citizens

voice and will be a safe and secure forum for free and fair discussion.

# 6.

**Report Dissemination –** The findings of the social accountability exercise should be

made as public as possible to get wider feedback from citizens.

# Why this exercise?

Good public participation practices can help governments be more accountable and responsive to their communities, and can also improve the public’s perception of governmental performance and the value the public receives from their government. Transparency is a core value of governmental budgeting. Developing a transparent budget process will improve the government’s credibility and trust within the community.