



*Enhancing AUDIT effectiveness using
Statistical sampling*

*By
Sunil Dadhe*

Challenging task in a people centric performance audit

- In mid-2006, the government (of Maharashtra) organised what was the biggest door-to-door survey of farm households ever done. It covered over 17 lakh households, that is, all farming households in the six “crisis districts” of Washim, Akola, Yavatmal, Buldhana, Wardha and Amravati. Over a fourth of those families — that is, more than two million people — were found to be in “maximum distress.” And more than three quarters of the rest were in what the report called medium distress.
- *In other words, close to seven million people were in distress in just six districts. That was the finding of the most massive study, powered by over 10,000 field workers. And a report of the State government itself, at that.*

A performance audit of consequently announced “Farmers packages” followed....

- This audit used extensive statistical sampling
- Included a commissioned survey
- *Empirical Research Agency (ERA) Private Limited, Gomukh Trust, Pune was engaged for conducting survey of the land holders (October-November 2007) in eleven selected talukas of the six suicide prone districts of Vidarbha Region. For this survey, the land holders were selected after stratifying them into following three strata (i) land holding less than two hectares, (ii) land holding between two to six hectares and (iii) land holding more than six hectares. A questionnaire about awareness of the package and benefits of the package was designed. Results of the survey were analysed and validated using scientific statistical tools.*
- **Number of package beneficiaries surveyed was 41,663 (out of around 1.7 mn)**

The result was certain categorical audit observations accepted and acted upon by Government of Maharashtra. A few illustrations...

- *Base line data obtained by door to door survey conducted by the Revenue Department to ascertain level of distress amongst the farmers was not shared with other departments/ implementing agencies for identification of beneficiaries under various components.*
- *No expenditure was incurred on 'Ban on illegal money lending'. ERA survey showed that 75 per cent respondents (farmers) were unaware of the relief extended under the component. Farmers did not get this benefit consequent on Hon'ble High Court decision and restraining authorities concerned from passing any orders.*
- *Continued.....*

Illustrations continued....

- *No evaluation of the implementation of the packages, in terms of reduction in agrarian distress, was made.*
- The survey indicated that ***less than 1 per cent*** farmers, received assistance in the form of livestock. ***95 per cent farmers could not get benefit form vaccination service*** provided by government. Moreover, ***99 per cent farmers did not get the milk cans*** provided by the government.

....crisp summary of reactions

- “The Hindu” May 19, 2008 by P. Sainath –
 - *The CAG report captures at the top end, the state of things on the ground.* Being a performance audit, it confines itself to that task. It is not a field report. However, *the portrait it presents of the government’s performance is a sharply accurate one.* A picture that sits perfectly with the chaos at the receiving end below.
 - *In the end, this is more than just a report. It is a snapshot, or a series of snapshots, of how governments, particularly the one in Maharashtra, are responding to agrarian distress.* The complete apathy, the corruption, the cover-ups, even the contempt for the farmer, that come across.
- Government of Maharashtra acted quickly, PAC jumped the sequence of pending reports, Government of India took notice.... and The packages were thoroughly revamped.



THANK YOU.

