



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India for the period ended March 2024

Government of Union Territory of Jammu and Kashmir
Report No. 4 of 2026
(Composite Audit Report-Civil)

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PREFACE

This Report of Comptroller and Auditor General of India for the period ended March 2024 has been prepared for submission to Lieutenant Governor of Jammu and Kashmir under Section 72 of the Jammu and Kashmir Reorganisation Act, 2019 for laying in the Legislative Assembly.

This Report contains two Chapters: Chapter-I of the Report presents significant audit findings noticed during Performance Audit on ‘Jal Jeevan Mission’ and Chapter-II presents significant audit findings noticed during Subject Specific Compliance Audit on ‘Mahatma Gandhi National Rural Employment Guarantee Scheme’.

The instances mentioned in this Report are those which came to the notice in the course of test audit of the period 2023-24 as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2023-24 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

About the Report

This Report covers matters arising out of the Performance Audit on ‘Jal Jeevan Mission’ and Subject Specific Compliance Audit on ‘Mahatma Gandhi National Rural Employment Guarantee Scheme’. The primary purpose of this Report is to bring the important results of audit to the notice of the Legislature. The Report has been organised in two chapters as under:

Chapter-I: Performance Audit on Jal Jeevan Mission

Jal Jeevan Mission (JJM) is the flagship Scheme launched on 15 August 2019 with an aim to provide Functional Household Tap Connection (FHTC) to every rural household by December 2024 (extended to 2028). Performance Audit of Jal Jeevan Mission (JJM) covering the period from 2019-20 to 2023-24 revealed that the institutional mechanism for successful implementation of programme was not fully operational and effective. There were shortfalls in holding prescribed number of meetings of District Water Sanitation Mission, lack of bottom-up approach in preparation of Action Plans and non-preparation of District Annual Action Plans.

There was shortfall ranging from 06 *per cent* to 93 *per cent* in achievement of targets for providing the FHTCs fixed under State Action Plans. As of 31 March 2024, 14,43,515 (77.15 *per cent*) households were reported to have been provided with FHTCs. Despite sizeable allocations of funds, persistent underutilisation of funds during the initial years was observed. Accumulation of idle balances, delayed execution of Schemes and delayed access of potable water to rural households were also seen. Due to delay in utilisation of funds and inability to meet release conditions, the Government of Jammu & Kashmir could not receive the full allocation of Central Assistance. Only 44 *per cent* Schemes (1,440 out of 3,253 total schemes) taken up during 2019-20 to 2023-24 under the programme were completed as of December 2024.

The release of funds for Support Activities ranged from 0.17 *per cent* to 3.30 *per cent*, falling short of the prescribed ceiling of five *per cent*. While under WQM&S activities, it ranged from 0.08 *per cent* to 1.07 *per cent*, against the provision of two *per cent*. Non-adherence to prescribed funding allocations and poor utilization under Support and WQM&S components indicated inadequate emphasis after 2021-22 on critical activities like water quality surveillance, community awareness, and institutional capacity building.

Out of 853 Schemes taken up under JJM in the sampled four districts (Kulgam, Anantnag, Kishtwar and Doda), only 429 Schemes had been physically completed as of November 2024. However, no O&M plan was prepared by the department for the upkeep of assets created under these Schemes, nor was any mechanism instituted to

ensure availability of trained manpower at the village level, as required under the guidelines.

In the absence of a planned framework for maintenance and local capacity building, the sustainability of the completed Schemes remains at risk. The Department had also not initiated any action to assess the district-wise requirement of skilled manpower, nor had it engaged with Pradhan Mantri Kaushal Vikas Yojana (PMKVY) for training, certification, and deployment of local youth for O&M activities.

There was absence of a planned framework for maintenance, local capacity building and sustainability of the completed Schemes. Execution of Schemes/ works suffered due to deficiencies in floating of tenders, delays in signing the agreements with the contractors and delays in start of works by the contractors. Social Audit of the Programme was not conducted, and water quality tests declared failed in the Block/ District level testing laboratories were not referred to higher testing laboratories for further investigation.

There was no significant decrease in the waterborne diseases except in Doda District where only 48 *per cent* JJM Schemes had been completed. In Kishtwar and Kulgam Districts where only 29 *per cent* and 36 *per cent* JJM Schemes were completed respectively, the prevalence of waterborne diseases was high with increasing trend over last five years. Although 63 *per cent* JJM Schemes had been completed in Anantnag District, there is no significant decrease in the waterborne disease over the last five years.

Recommendations

The Government may:

- ***Ensure bottom-up approach in preparation of various plans as per provisions of JJM operational guidelines.***
- ***Prioritise the completion of all the incomplete Schemes in a time-bound manner and devise a framework for allotment of works and procurement of material in a time-bound manner, and***
- ***Strengthen the water quality monitoring system and social audit mechanism.***

Chapter-II: Subject Specific Compliance Audit on Mahatma Gandhi National Rural Employment Guarantee Scheme

The Rural Development Department of Jammu and Kashmir Government did not assess the quantum and timing of labour demand as no door-to-door survey was conducted, despite this being mandated in the Operational Guidelines. Absence of District Perspective Plans indicates that planning was largely input-driven rather than demand-driven. Non-constitution of District Level Technical Committees, absence of Information, Education and Communication (IEC) Plans and non-establishment of the

Human Resource Development and Capacity Building Division weakened technical scrutiny, awareness generation, and capacity building under the Scheme.

Vacancies of Programme Officers, Accounts Assistants, Technical Assistants and Gram Rozgar Sahayaks, coupled with uneven distribution across districts, constrained effective supervision, record maintenance, and timely service delivery.

Non-maintenance of essential records, inordinate delays in payments to suppliers, and release of wages to workers without using Aadhaar Based Payment (ABP) methods reflected systemic weaknesses.

There were also instances of delayed release of funds by the UT Government to the implementing Department, non-payment of unemployment allowances, delayed payment of wages, and expenditure on inadmissible items. An amount of ₹704.39 crore was outstanding in respect of unskilled wages (₹ 49.19 crore), semi-skilled/ skilled wages & material (₹ 646.92 crore) and administrative expenses (₹ 8.28 crore) as of March 2024. Against the total expenditure of ₹ 1,333.25 crore on material (including skilled/ semi-skilled wages) during the period 2019-2024, the Department had not cleared dues of ₹ 646.92 crore (49 *per cent*). The payment of dues was pending over periods ranging from one to five years. This reflected weaknesses in financial management, particularly in timely settlement of material procurement liabilities and wages to poor workers. Besides, there was absence of proper recording of events as per the guidelines.

Out of a total 37,82,594 job card households (HHs) who demanded job during 2019-20 to 2023-24, a significant number i.e. 34,99,449 (93 *per cent*) HHs were provided employment, indicating satisfactory performance of the Department in providing guaranteed employment. However, only 77,512 (two *per cent*) households were provided the minimum of 100 days of employment during 2019-24.

The Scheme implementation suffered from lacunae in maintenance of basic records such as measurement books and muster rolls, thereby undermining transparency.

Out of 27.14 lakh planned works to be taken up for execution during 2019-20 to 2023-24 in J&K, only 20.16 lakh works (74 *per cent*) were taken up for execution. However, only 5.34 lakh (26 *per cent*) of the works taken up for execution were completed during 2019-20 to 2023-24. A significant number of 14.82 lakh works remained incomplete constituting about 74 *per cent* of the works taken up for execution. The Department incurred an expenditure of ₹ 1,897.10 crore as of March 2024 on these incomplete works. Reasons for not completing 74 *per cent* of works were not forthcoming from records.

The institutional arrangements/mechanism for planning and managing the convergence works with other programmes were not in place either at the District level or at the Block level in sampled districts.

Audit observed that 144 Anganwadi Centres were taken up for execution in four sampled Districts at a sanctioned cost of ₹ 932.54 lakh during the period 2017-24. Of these, 104 (72 *per cent*) AWCs remained incomplete after incurring an expenditure of ₹ 242.29 lakh as of March 2024. The shortfall in completion of AWCs in the four sampled districts ranged from 54 to 100 *per cent*.

The failure of the district authorities to inspect and monitor the progress of construction of AWCs under MGNREGS resulted in unfruitful expenditure of ₹ 242.29 lakh. Consequently, the intended objectives of the convergence programme, ensuring functional AWC buildings, were not achieved.

Monitoring and grievance redressal mechanisms were inadequate. The State Employment Guarantee Council (SEGC), envisaged as the apex steering and monitoring body, failed to discharge its role effectively, as its meetings were not held regularly and the decisions taken were not fully implemented. Further, there were shortcomings in conduct of social audits and settlement of objections raised in social audit reports.

Recommendations

The Government may consider:

- ***Conducting door-to-door surveys, updating job cards, preparing development/perspective plans, stepping up IEC activities, and organising Rozgar Diwas on a regular basis so that a realistic assessment of local needs of employment be made.***
- ***Ensuring timely release of funds by the UT Government, prompt payment of wages to workers, payment of unemployment allowances to eligible beneficiaries, and clearance of pending compensation for delayed wage payments.***
- ***Strict monitoring of prescribed activities including the concurrent social audit by constituting institutions of State/District Quality Monitors, Ombudsman and preparation of Citizen's Charter.***

CHAPTER-I
PERFORMANCE AUDIT
ON
JAL JEEVAN MISSION

CHAPTER-I

PERFORMANCE AUDIT ON JAL JEEVAN MISSION

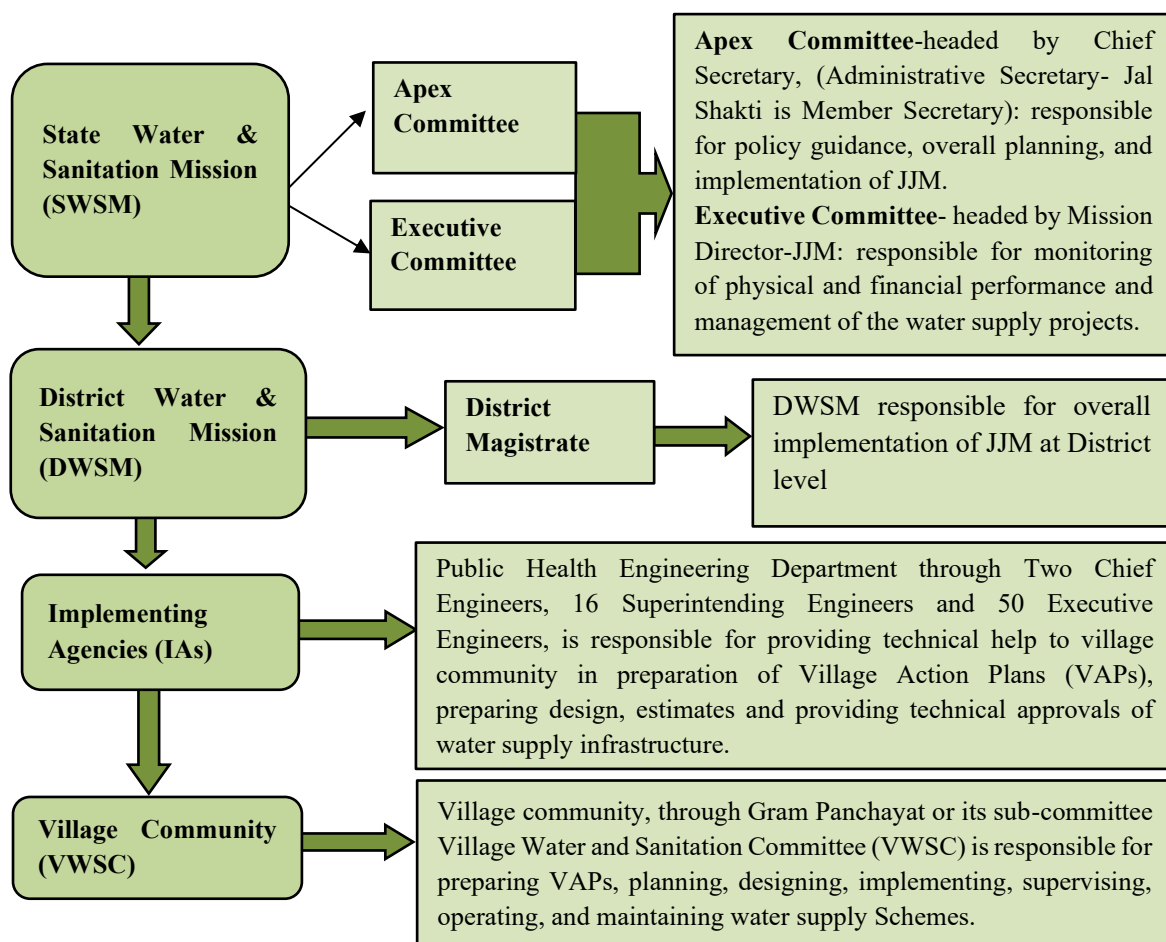
Jal Shakti Public Health Engineering (PHE) Department

1.1 Introduction

Jal Jeevan Mission (JJM) is the flagship Scheme launched on 15 August 2019. The Mission aims at providing Functional Household Tap Connection (FHTC) to every rural household by December 2024 (extended to 2028) so as to provide drinking water supply in adequate quantity¹ of prescribed quality² on regular and long-term basis. The JJM is based on a community approach to water and includes extensive Information, Education and Communication as a key component of the mission.

1.2 Organisational Structure

The organisational structure for implementation of JJM in Jammu and Kashmir is as under:



¹ At least 55 Litres Per Capita Per Day (lpcd)

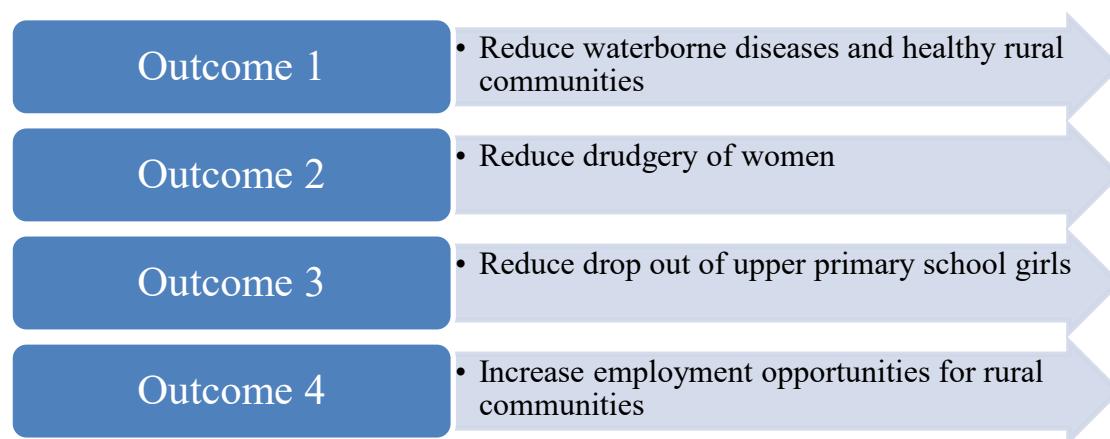
² Bureau of Indian Standards (BIS) 10500 standard

1.3 Audit Objectives

The objectives of the Performance Audit (PA) were to assess whether:

- Suitable institutional framework was put in place for planning, implementation, and post operational management of the Schemes;
- Programme objectives (output and outcomes) had been achieved successfully; and
- There was an economic and efficient utilisation of financial resources as well as assets created through the programme are sustainable for the next two to three decades and do not compromise water security for future generations.

Audit also assessed the achievement of all four targeted outcomes of the Jal Jeevan Mission as below:



1.4 Audit Criteria

The PA was benchmarked against criteria derived from the following sources:

- Operational Guidelines for Implementation of JJM;
- *Margdarshika* for Gram Panchayat and VWSC;
- Water Quality Monitoring and Surveillance framework;
- General Financial Rules, 2017;
- Manual for Procurement of Goods, 2017;
- Manual for Procurement of Works, 2019;
- Sustainable Development Goals-06;
- Orders issued by GoI/ Government of Jammu and Kashmir from time to time; and
- Orders issued by Government of Jammu and Kashmir pertaining to devolution of powers as envisaged in 73rd Amendment Act of Constitution of India.

1.5 Audit Scope and Methodology

The Performance Audit covering the period from 2019-20 to 2023-24 was conducted during September 2024 to January 2025. The audit methodology entailed the examination of records and other documentary evidence in State Water and Sanitation Mission (SWSM), four out of 20 District Water and Sanitation Missions (DWSMs) and 11 out of 57 blocks in sampled districts. Audit covered 44 JJM Schemes (*Appendix-1.1*) in 22 sampled villages (VWSC) out of 179 villages of 11 sampled blocks. Audit methodology also included interaction with beneficiaries, focused group discussions³ in village and survey of Households.

Further, records of two⁴ Chief Engineers, two⁵ Superintending Engineers and six⁶ Executive Engineers (EEs) of the Implementing Agencies in four sampled districts had been checked in audit.

Progress towards achieving Goal-6 of the Sustainable Development Goals (Ensure Availability and Sustainable Management of Water and Sanitation for All) was also assessed simultaneously.

An Entry Conference was held on 2nd December 2024 with Mission Director (MD), JJM, Jal Shakti (PHE) Department, GoJ&K, wherein the scope, objectives, criteria and methodology of audit including selection of samples for examination of records were discussed. The draft report was issued to Government in July 2025 and the reply of the department was received in August 2025 and subsequently in October 2025. An Exit Conference to discuss the audit findings of the report was held with the administrative secretary of Jal Shakti Department on 14th October 2025. The replies have been suitably incorporated in the report. Brief details of challenges, achievements and success stories as provided (October 2025) by the Department are indicated in *Appendix-1.2 and Appendix-1.3*.

1.6 Acknowledgement

Audit acknowledges the cooperation of the Government of Jammu and Kashmir (GoJ&K). Audit also appreciates the assistance provided by the field functionaries of the Jal Shakti Department during conduct of Audit.

1.7 Institutional Mechanism

JJM Operational Guidelines provide for the establishment of a three-tier institutional mechanism to be set up at State, District and Village level for successful implementation of the programme.

³ Audit team discussed the objectives of JJM and role of audit with members of rural communities of sampled villages

⁴ Jal Shakti Department Kashmir and Jammu

⁵ Anantnag, Doda

⁶ Executive Engineer (EE) Kulgam, EE Qazigund, EE Bijbehara, EE Kishtwar, EE Doda and EE Special Sub-Division (SSD) Gandoh

1.7.1 State Water and Sanitation Mission at State Level

Para 5.2 of the Operational Guidelines provided that SWSM headed by Chief Secretary should co-ordinate, converge and provide policy guidance at State level as a registered society. The SWSM would have two committees (i) Apex Committee and (ii) Executive Committee which were envisaged to have periodic meetings so as to ensure approval of State Action Plans, management of water quality and service standards, provide policy guidance, ensure financial discipline etc. There is also a State Level Scheme Sanctioning Committee (SLSSC) for approval of Schemes. The functions, composition, number of meetings required and conducted by Apex and Executive committees and SLSSC during 2020-24 are given in *Appendix-1.4*.

Audit observed that during the period 2020-24, though eight Apex Committee meetings were conducted as per guidelines, however, the Executive Committee which was entrusted with functions like review of physical and financial progress, monitoring of implementation, coordination with district-level agencies etc. held only one meeting against the required 48 meetings (as mentioned in the order for constitution) during the same period rendering the oversight process questionable.

In reply, Department stated (August 2025) that 17 review meetings were also conducted under the chairmanship of Chief Secretary to review physical and financial progress. Further, minimum number of meetings to be conducted by the Executive Committee were not mentioned in Scheme Guidelines. However, apart from one meeting of Executive Committee mentioned in Draft Report, 32 and 76 meetings have been held under the chairmanship of Administrative Secretary and Mission Director respectively with the technical experts. It was added (October 2025) that 108 meetings were held with Chief Engineers and technical experts under chairmanship of Mission Directorate.

The reply could be seen in the light of the fact that the composition of Executive Committee comprised of stakeholders from various departments, while the meetings mentioned in the reply indicated discussions with specific personnel/experts only. In absence of all the stakeholders in a common forum deficiency in informed decision making cannot be ruled out.

1.7.2 District Water and Sanitation Mission at District level

Para 5.3 of the JJM guidelines envisages that at the district level, DWSM headed by the Deputy Commissioner is responsible for overall implementation of JJM. The functions, composition, and number of meetings required and conducted by DWSM during 2020-24 in respect of four sampled districts are given in *Appendix 1.5*.

Audit found that against the requisite 48 meetings of DWSM in each of four Districts, there was a shortfall of 41 (85 *per cent*) and 47 (98 *per cent*) meetings in Doda and Kishtwar Districts respectively. Further, no meeting was held in Anantnag and Kulgam Districts. The failure to conduct regular DWSM meetings undermined the institutional mechanism envisaged under JJM for effective planning, monitoring, and coordination at the district level.

In reply, the Department stated (August 2025, October 2025) that 07, 17, 06 and 06 meetings of DWSM were held in Doda, Kishtwar, Anantnag and Kulgam respectively. Besides, 23 and 35 review meetings were held in Anantnag and Kulgam Districts respectively.

However, the reply of the Department was not substantiated by any related documents such as minutes of meetings.

1.8 Planning

Para 3.5 xxiii of JJM Guidelines envisages preparation of Action Plans which stated that Village Action Plan (VAP) is to be prepared based on type of the Scheme to be taken up in the village to provide FHTC to every rural household.

The VAPs of all villages in the district will be amalgamated to form part of the DAP and DAPs of all districts in State/UT will be aggregated along with regional water supply Schemes/ bulk water transfer and treatment plants based on the need to formulate SAP.

1.8.1 Action Plan at Village, District and State Level

1.8.1.1 Village Action Plan (VAP)

Para 3.6 of JJM guidelines prescribes that a Village Action Plan (VAP) was to be prepared by Gram Panchayat or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. with support from Implementing Support Agencies (ISAs), PHE/ Rural Water Supply (RWS) Department, DWSM based on baseline survey, resource mapping and felt needs of the village community. Preparation of VAP includes components like History of water supply/ availability in the village, Existing status of village water supply including source etc. Further, as per Annexure X-A of the JJM guidelines, the VAP was to be approved in the *Gram Sabha* before submitting to DWSM implicitly necessitating documentation of dates for each phase which explicitly provides fields for "Date of preparation", "Date of approval in Gram Sabha", and "Date of submission" to the DWSM. VAP was then to be submitted to DWSM for further action.

Audit noted that in respect of VAPs of 44 JJM Schemes of 22 sampled village, VAPs were available for 42⁷ Schemes. Out of these, preparation date was not recorded in 11 VAPs, approval date was not recorded in 14 VAPs and submission date was not recorded in 27 VAPs. Essential details⁸ as per Scheme guidelines and proposals by village community as per requirement were not found recorded in all available VAPs. Further, DPRs of all 44 sampled Schemes were without the date of preparation and

⁷ VAPs of two sampled Schemes i.e. WSS Manzgam Sheikhpora and WSS Lisser Kokernag were not furnished till date (December 2025)

⁸ History of water supply/ availability in the village, details of any drought/ scarcity/ cyclone/ flood or any other natural calamity pattern; history of any emergency arrangements like water supply through tankers, etc.; history of part works related to water supply, source strengthening, general trend of water availability, major water-borne diseases; existing status of village water supply including source, water quality issues, if any, and Operational and Maintenance (O&M) arrangement; current availability of water in water source (yield measured) and its long-term sustainability, etc.

submission. These indicate that the critical mandatory components were lacking, thereby reducing the participatory approach mandated under JJM.

In reply, the Department stated (August/ October 2025) that VAPs have been prepared in all the villages/ schemes, in strict adherence to the JJM guidelines.

Reply was silent about the specific deficiencies in VAPs pointed out by the audit.

1.8.1.2 District Action Plan

As per Annexure X-B of JJM guidelines, DWSM is responsible for preparation and finalization of District Action Plan (DAP). The plan would be based on the aggregation of all Village Action Plans prepared in the district. The plan, apart from giving the road map to achieve the Functional Household Tap Connections by 2024, would also include the long-term drinking water security of the district. The DAP comprising of District water security, human resources required, requirement of Implementation Support Agencies (ISAs), Information, Education and Communication (IEC) activities, retrofitting piped water supply Schemes, new Schemes, O&M at district level etc.

Audit observed that the DAPs were not prepared in the prescribed format in any of the sampled districts. In four⁹ sampled Districts, instead of a comprehensive planning document, only components related to retrofitting of piped water supply Schemes and new Schemes were considered in the form of Detailed Project Reports (DPRs). Critical elements such as district water security planning, assessment of human resources, engagement of ISAs, and IEC activities as mandated in the prescribed DAP format were not incorporated.

On being pointed out, the Department stated (August 2025) that DAPs were strategically designed to ensure sustainable and comprehensive water access across all Districts and these DAPs were based on VAPs prepared and endorsed by VWSCs/ Pani Samitis. It was further added that each DAP includes 5 *per cent* community mobilisation and 2 *per cent* water quality funds. However, supporting documents to substantiate the Departmental response were not shared with audit.

1.8.1.3 State Action Plan

Para 7.5 of the JJM guidelines envisages that every State has to prepare a five-year State Action Plan wherein annual targets of FHTCs and corresponding financial requirements will be projected.

Further, Para 3.6.1 of operational guidelines envisaged that State Action Plan (SAP) needs to be prepared with an objective of achieving overall State drinking water security in such a way so as to avoid arranging water supply through tankers/ trains, hand pump installation etc. in any village. The SAP will be prepared and finalized by SWSM with the help of PHE department based on DAPs of all districts.

⁹ Doda, Kishtwar, Kulgam and Anantnag

Audit observed that the SAP, which was required to be prepared at the State level by aggregating inputs from DAPs, was formulated without incorporating data from the DAPs for the period 2021-22 to 2023-24. Further, the critical elements such as District water security planning¹⁰, assessment of human resources, engagement of Implementation Support Agencies (ISAs), and Information, Education and Communication (IEC) activities as mandated in the prescribed DAP format were incorporated in the SAP without being prepared at DAP level. This was in contravention of the JJM Operational Guidelines, which mandate a bottom-up planning approach to ensure that local needs and priorities are reflected at the State level.

Despite the critical role of DAPs in capturing grassroots requirements through VAPs, the SAP was prepared independently, undermining the participatory and decentralised planning process envisaged under the Mission.

The Mission Director/ Department stated (February 2025/August 2025) that SAP was prepared by aggregation of District Action Plans. The SAP was subsequently uploaded on the JJM-IMIS as per format provided on the portal. Now, the Ministry of Jal Shakti (MoJS) advised all States/ UTs to review/revisit the SAPs with focus on Source Sustainability and Operation & Maintenance of water supply Schemes by 31 March 2025. J&K UT is also in process of reviewing/revisiting the SAP.

The reply of the Department is not acceptable as the SAPs for 2021-22 to 2023-24 were prepared without aggregating the DAPs which is evident from the fact that the components which were not present in the DAPs e.g. engagement of ISAs and IEC activities etc. were mentioned in the SAPs.

1.8.2 Preparation of Annual Action Plan

1.8.2.1 District Annual Action Plan

Para 5.3 of JJM guidelines envisages that every year for preparation District Annual Action Plan (DAAP), views of public representatives such as Member of Parliament (MP)/Member of Legislative Assembly (MLA)/ Chairperson of District Panchayats may be solicited.

Audit observed that DAAPs for the period 2019-20 to 2023-24 were not prepared in any of the sampled districts. Non-preparation of DAAPs resulted in inadequate planning and exclusion of certain villages and habitations from the scope of the JJM. This led to inequitable distribution of resources and denial of access to safe and adequate drinking water to the left-out households.

¹⁰ A plan with District annual water budget based on the quantum of surface and groundwater available, water available from long distance water transfer and assess the uses by domestic, agriculture, industrial, etc. It would also contain details of water conservation activities to be taken to ensure drinking water security by augmenting surface sources by rejuvenation and restoration of water bodies and recharging the groundwater aquifers

In reply, the Department stated (August 2025) that Annual Action Plans were prepared at UT level in consultation with Chief Engineers of both the provinces on the basis of SAP/ DAPs and resources were distributed as per requirements of Districts. However, no supporting document to substantiate the Departmental response was shared.

1.8.2.2 State Annual Action Plan

Para 7.5.3 of JJM guidelines envisages that every year, State/UT will prepare an Annual Action Plan (AAP) in the month of February, in consonance with SAP and submit the same online in the formats developed by the Department/National Mission. The State Annual Action Plans were prepared, however, the coverage of target could not be achieved as discussed in **Paragraph 1.8.3**.

In reply, the Department stated (August 2025) that the execution and completion of JJM Schemes picked up from 2022 after resolving various issues like tendering modalities COVID 19 etc. As of June 2025, 46 *per cent* of Schemes were completed and target of 81 *per cent* FHTC was achieved.

1.8.3 Households Coverage

As per Para 3.2 of the Operational Guidelines for implementation of the scheme, the Mission has to assist, empower and facilitate the State/ UT Governments for creation of water supply infrastructure so that every rural household has functional tap connections (FHTC) by 2024 and water in adequate quantity of prescribed quality is made available on regular basis. Guidelines also envisage to provide functional tap connection to Schools, Anganwadi Centres, GP Buildings, Health Centers, Wellness centers and Community Buildings.

The study of State Annual Action Plan (SAAP) revealed that targets fixed under Functional Household Tap Connections (FHTC) in the SAAP were not achieved¹¹. The year-wise achievement against targets ranged between six and 45 *per cent* during the period 2021-24 as shown in **Table 1.1**:

Table 1.1: Year-wise details of FHTC targets and achievements

Year	FHTC Target	FHTC Achievement	Percentage
2019-20	2,48,382	2,07,301	83
2020-21	2,32,731	2,15,578	93
2021-22	4,90,583	63,212	13
2022-23	7,73,639	42,555	6
2023-24	7,68,789	3,47,425	45

(Source: information furnished by Mission Directorate)

As of 15 August 2019, there were 18,71,136 households in Union Territory (UT) of Jammu and Kashmir (J&K), which included 5,75,466 (30.75 *per cent*) households having tap water connections. During 2019-20 to 2023-24, 8,76,071 additional FHTCs

¹¹ As on 15 August 2019: Total HHs: 18,71,136; Connections provided: 5,75,466; Connections to be provided: 12,95,670 FHTCs

were stated to be achieved. As on 31 March 2024, 14,43,515 (77.15 per cent) households were reported to have been provided with FHTCs. There was a difference of 8,022 connections between the yearwise achievements and achievement reported as of 31 March 2024, the reasons for which were not present on records.

Further, the data regarding quantity of water supplied was not maintained at the divisional level/ DWSM. Out of 44¹² Sampled Schemes, only five Schemes¹³ were completed. However, no water meters/ sensor-based mechanism was available to measure the quantity of supplied water.

Audit conducted beneficiary survey of 330 beneficiaries which disclosed the following:

For five selected completed schemes (60 beneficiaries):

All the 60 beneficiaries were provided with FHTCs. However, for 24 households, FHTCs were provided outside the house.

For 39 selected incomplete schemes (270 beneficiaries):

Out of the total 270, 54 beneficiaries fetched water from local spring, *nallah* etc., after covering a distance of half kilometre to two kilometres. The remaining 216 beneficiaries fetched water from nearby public stand post and stated that water was not being supplied to them on regular basis.

Good Practice
Seven Schools covered under the completed schemes under Doda District were receiving 24X7 water supply

Further, only 16 per cent (53) beneficiaries out of 330 beneficiaries stated that VWSC members made them aware about community contribution. However, no beneficiary made the contribution.

While accepting the audit observation, the Department stated (August 2025/ October 2025) that survey was conducted during last quarter of 2024, when most of the Schemes were ongoing. The community has been actively involved in non-monitory forms like involvement in planning, assistance in site identification/ selection and offering community land for infrastructure etc. and efforts have been intensified through awareness campaigns to secure the required community contribution under the extended phase of JJM.

1.8.4 Community Contribution

Para 6.1.2 of Operational Guidelines for the Implementation of Jal Jeevan Mission prescribes that for in-village piped water supply infrastructure and related source development to be implemented by Gram Panchayat and/ or its sub-committee, i.e.

¹² Out of 44 sampled Schemes, 12 Schemes were taken under retrofitting to use the old usable infrastructure to keep the Schemes economical

¹³ WSS Jodhpur, WSS Chunna Seri, WSS Sanwara, WSS Lanyal Bagh and WSS Nagni Katar Samena

VWSC/ Paani Samiti/ User Group, etc., communities will contribute five *per cent* of the capital cost in cash and/ or kind and/ or labour in hilly and forested areas.

Further, while retrofitting to make them JJM compliant, the community is to contribute five *per cent* or 10 *per cent* of the capital cost, as the case may be, in terms of cash and/ or kind and/ or labour towards the cost of retrofitting/ augmentation etc. Further, community contribution of five *per cent* had also been recorded in VAP attached in the DPRs.

Audit observed that in sampled 44 Schemes taken up under JJM were costing ₹ 144.82 crore. As per the scheme guidelines, contribution of community at the rate of five *per cent* of project cost i.e. ₹ 7.24 crores were to be obtained from the local community. However, the Department worked out the community contribution to be ₹ 1.18 crore.

On being pointed out, the Department stated that contribution had been verified by the Chief Engineers on the basis of 5 *per cent* of in-village infrastructure. The basic calculations/ methodology for arriving the community contribution of ₹ 1.18 crore were not shared with audit.

1.8.4.1 Operation and Maintenance Cost

Para 6.1.4 of JJM guidelines envisaged that Operation and Maintenance (O&M) is important for ensuring functionality of Household Tap Connections. O&M will involve recurring costs like electricity charges, chemical costs, expenditure on preventive and breakdown maintenance, remuneration of pump operator, etc. Accordingly, the GP and/or its sub-committee, i.e. VWSC/ Paani Samiti/ User group, etc. were to open an account to receive funds for O&M from different sources such as incentive funds from JJM, Finance Commission grants and community contribution to meet the recurring charges.

Audit observed that out of 44 sampled Schemes¹⁴, no Scheme was transferred to VWSC/ Gram Panchayat nor any O&M cost was received either from the JJM, Finance Commission grants or Community contributions. This undermines the principles of community ownership and sustainability envisioned under the JJM.

While accepting the audit observation, the Department stated (August 2025) that a comprehensive O&M policy was under finalisation. It was added (October 2025) that water supply Schemes were being operated and maintained by PHE Department through its existing manpower till the finalisation of O&M policy.

1.8.5 Preparation of Detailed Project Report (DPR)

As per Annexure 9 of Operation Guidelines of JJM, the generic structure¹⁵ of DPR shall include various sections i.e., context/ background, problems to be addressed, project

¹⁴ Doda: 08; Gandoh: 04; Kishtwar: 12; Kulgam: 03; Qazigund: 07 and Bijbehara: 10

¹⁵ In terms of OM No 1(2) dt 07-05-2003 of Department of Expenditure

objectives, project strategy, environmental impact assessment, on-going initiatives, technology issues, management arrangements, means of finance and project budget, time frame, risk analysis, evaluation, success criteria, sustainability, grey water management, water meter/ sensors.

Audit scrutiny of records of selected Divisions revealed that none of the DPRs prepared for 44 water supply Schemes across 22 sample villages in four sample districts adhered to the mandatory structural components prescribed in the JJM guidelines. Thereby, the essential components such as project objectives, environmental impact assessment, sustainability plan, grey water management, or technological strategy were not incorporated in the DPR.

In reply, the Department stated (August 2025) that DPRs have been formulated while considering all the essential components mandated under the Jal Jeevan Mission and complying with the mission guidelines.

The reply is not based on facts, as no supporting document was furnished to corroborate Department's reply.

1.9 Financial Management

1.9.1 Budget Management

Chapter 7 of the Operational Guidelines envisaged that JJM is a time-bound Mission mode programme and for its successful implementation, robust financial planning, timely funding, mobilization of adequate resources and prudent utilisation of funds are prerequisites. Further, Paragraph 7.4 provides for fund sharing components of erstwhile NRDWP subsumed under JJM.

Audit of the accounts of SWSM was conducted by Chartered Accountant (CA) and the Utilisation Certificates were submitted by the Mission Directorate annually.

Audit observed significant under-utilisation of funds during the initial years of implementation, despite significant allocations under the Centrally Sponsored Scheme. From 2019-20 to 2022-23, fund utilization ranged between 15 *per cent* and 59 *per cent* only, which increased to 84 *per cent* during 2023-24. The unspent funds, which stood at ₹ 150.36 crore in March 2020, increased to ₹ 901.92 crore by March 2023, indicating inadequate absorptive capacity of the UT. The position of funds released and expenditure incurred under JJM in the UT of J&K during the period 2019-24 is shown in **Table 1.2**.

Good Practice
The accounts of JJM Scheme were prepared timely and were certified by CA.

Table 1.2: Position of funds released and expenditure incurred

(₹ in crore)

Year	OB ¹⁶	Receipt			Total funds available	Expenditure			Refund ¹⁷		CB ¹⁸
		Central	State	Misc ¹⁹		Central	State	Total (Per cent)	GoI	UT	
2019-20	26.17	322.03	19.87	0	368.07	197.85	19.87	217.72 (59)	0	0	150.35
2020-21	150.35	53.73	4.99	2.07	211.14	96.60	4.99	101.59 (48)	2.07	0	107.48
2021-22	107.48	604.18	83.98	7.82	803.46	112.79	8.34	121.13 (15)	7.04	0.78	674.51
2022-23	674.51	1,439.50	84.42	15.27	2,213.70	1,142.82	153.69	1,296.51 (59)	13.74	1.53	901.92
2023-24	901.92	3,267.12	394.08	28.32	4,591.44	3,506.65	368.82	3,875.47 (84)	25.49	2.83	687.65

(Source: information furnished by Mission Directorate)

In the four sample districts, the year-wise expenditure against funds allocated ranged from nil to 100 per cent during the period of 2019-20 to 2023-24. The year-wise allocation and expenditure in sampled Districts is given in Table 1.3.

Table 1.3: Position of funds allocated and expenditure incurred during 2019-20 to 2023-24

S. No.	District	Division	Year	Allocation (in lakh)	Expenditure	Percentage of funds utilised
1	Kugam	Kulgam	2019-20	0	0	0
			2020-21	0	0	0
			2021-22	87.14	51.46	59
			2022-23	1414.82	680.07	48
			2023-24	5081.2	4906.5	97
2	Anantnag	Qazigund	2019-20	0	0	0
			2020-21	0	0	0
			2021-22	0	0	0
			2022-23	989.05	426.17	43
			2023-24	3091.51	3037.59	98
3	Anantnag	Bijbehara	2019-20	0	0	0
			2020-21	7.43	0	0
			2021-22	41.14	0.50	1
			2022-23	49.8	41.13	83
			2023-24	240.63	223.73	93
4	Kishtwar	Kishtwar	2019-20	165.32	94.34	57
			2020-21	939.68	21.35	2
			2021-22	1099.35	53.07	5
			2022-23	1719.01	283.93	17
			2023-24	7740.69	4636.62	60
5	Doda	Doda	2019-20	424.70	131.91	31
			2020-21	284.29	66.89	24
			2021-22	343.22	89.38	26
			2022-23	7388.25	6701.06	91
			2023-24	19066.74	15898.23	83
6	Doda	Gandoh	2019-20	34.96	34.96	100
			2020-21	44.01	43.02	98
			2021-22	109.74	53.06	48
			2022-23	1010.35	619.55	61
			2023-24	2409.18	1913.40	79

(Source: Divisional records)

¹⁶ Opening Balance

¹⁷ OM 1(18)/PFMS/FCD/2021 dated 09.03.2022 provides that interest earned from the funds released for CSSs is mandatorily remitted to Consolidated Fund of India

¹⁸ Closing Balance

¹⁹ Bank interest and other receipts (penalty to contractors)

Thus, persistent and significant under-utilization of funds during the initial years led to accumulation of idle balances exceeding ₹ 900 crore as of March 2023.

Department accepted (August 2025/ October 2025) that UT faced issues in the initial two years of the implementation of the Mission which were resolved subsequently and the actual execution/ completion of works picked up from 2022-23 onwards and hence the utilisation of funds also picked up. It was also stated that GoI has announced the extension of Mission up to December 2028 at national level.

1.9.2 Central Assistance (CA)

Para 7.8 of JJM Operational Guidelines prescribes the procedure for release of funds by GoI to States/ UTs. The amount towards the first installment will be 50 *per cent* of the total allocation admissible to the State/UT in the financial year. The release of the first installment will be phased and released in two tranches. The first tranche will be equal to 50 *per cent* of the first installment after subsuming excess OB and will be released in the month of April. The release of second tranche of first installment depends on its utilisation. As soon as the utilisation of available funds exceeds 80 *per cent*, the second tranche of the first installment will be released automatically.

Similarly, the second installment will be 50 *per cent* of the total allocation admissible to the State/UT in the financial year and released in two tranches. The last date of receiving any release proposal including that of second proposal from UT is 15th February.

Audit scrutiny of records maintained by the Mission Directorate, Jal Jeevan Mission (JJM), Jammu & Kashmir revealed, against the total Central allocation of ₹ 9,657.20 crore during 2019–20 to 2023–24, the Jammu and Kashmir Government received only ₹ 5,754.42 crore which included ₹ 67.86 crore transferred to UT of Ladakh. After deducting the amount transferred to UT of Ladakh, the net amount received by J&K Government was ₹ 5,686.55 crore, which fell short of the total allocation by ₹3,970.64 crore. The year-wise details of allocation by GOI and Central assistance received are given in **Table 1.4**.

Table 1.4: Central Assistance received against allocation by the GoI

(₹ in crore)

Year	Allocation by GoI	CA Received	Difference between allocation and CA received	Installment/ Tranche/ Remarks
2019-20	322.03	188.67	-67.86	1 st installment dated 02.09.2019
		10.31		1 st Installment balance dated 30.12.2019
		190.91		2 nd Installment dated 19.02.2020
	Total	389.89²⁰		Amount transferred to UT of Ladakh
2020-21	681.77	53.72	628.05	1 st tranche of 1 st installment dated 01.06.2020

²⁰ Includes ₹ 67.86 crore transferred to Ladakh

Year	Allocation by GoI	CA Received	Difference between allocation and CA received	Installment/ Tranche/ Remarks
2021-22	2,747.17	604.18	2,142.99	1 st tranche of 1 st installment dated 13.12.2021
2022-23	3,039.11	679.73	1,599.60	1 st tranche of 1 st installment dated 13.02.2023
		759.78		2 nd tranche of 1 st installment dated 28.03.2023
	Total	1439.51		
2023-24	2,867.12	716.78		1 st tranche of 1 st installment dated 12.07.2023
		716.78		2 nd tranche of 1 st installment dated 06.09.2023
		716.78		1 st tranche of 2 nd installment dated 09.11.2023
		716.78		2 nd tranche of 2 nd installment dated 06.02.2024
		400.00		Additional FHTC
	Total	3267.12	-400	
Total	9,657.20	5,754.42	3,970.64²¹	

(Source: information furnished by Mission Directorate)

It may be seen from the **Table 1.4** that during 2020-21 and 2021-22, only the first tranche of the first installment was released due to slow fund utilisation, preventing the automatic release of subsequent tranches. In 2022-23, though both tranches of the first installment were released, the second installment was not availed due to continued low utilisation.

Thus, due to delay in utilisation of funds and inability to meet release conditions, the Government of Jammu & Kashmir could not receive the full allocation of Central Assistance.

In reply, the Department stated (August 2025) that in the initial two years of the implementation of the mission, UT faced issues like low response to tenders, August 2019 constitutional changes disruption, COVID-19 restrictions, low supply of pipes etc. which were resolved subsequently and pace of exaction picked up. During 2023-24, the UT got additional installment of ₹ 400 crores, over and above the earmarked ₹ 2,867.12 crores.

1.9.3 Release of Matching State/ UT Share

Chapter 7 of JJM Operational Guidelines regarding fund sharing pattern provides that the Himalayan and North Eastern States will get 90 *per cent* Central share and 10 *per cent* State/ UT share. Paragraph 7.9 of the JJM Operational Guidelines provides that the SWSM will open single nodal account (SNA) in any scheduled commercial bank or can use existing SNA of erstwhile NRDWP. The releases by the Government of India to the State Government will be made to their treasuries from where State will

²¹ Does not include the amount of ₹ 67.86 transferred to UT of Ladakh

be transferring funds to single nodal account of SWSM within 15 days along with matching State share.

A) Audit scrutiny of records in the office of the Mission Directorate, JJM, Jammu & Kashmir revealed that during the period 2019-20 to 2023-24, the Government of India released ₹ 5,686.55 crore as Central share, against which the GoJ&K was required to release a matching share of ₹ 631.83 crore. However, GoJ&K did not release the full matching share required under the funding pattern of the Mission. The year-wise release of Centre share and UT share in JJM is given in **Table 1.5**.

Table 1.5: Short release of matching state share

Year	CS Released	UT share due	UT Released	Less UT (₹ in crore)	Cumulative Shortfall (₹ in crore)
2019-20	322.03 ²²	35.78	19.87	15.91	15.91
2020-21	53.72	5.97	4.99	0.98	16.89
2021-22	604.18	67.13	83.98	-16.85	0.04
2022-23	1,439.50	159.94	84.42	75.52	75.56
2023-24	3,267.12	363.01	394.08	-31.07	44.49
Total	5,686.55	631.83	587.34	44.49	

(Source: information furnished by Mission Directorate)

Department stated (August/October 2025) that during the year 2023-24, there was a cumulative shortfall of ₹ 44.49 crore under matching UT share due to release of additional Central share of ₹ 400.00 crore by GoI at the fag end of the financial year. The same has been released by the Finance Department (FD) in May 2025.

1.9.4 Release of Funds under Support Activity and WQM&S

Para 7.3 of Operational Guidelines for the Implementation of JJM prescribes that the weightage of allocation of funds for Support Activities and Water Quality Monitoring and Surveillance (WQM&S) activities under JJM both for budgetary and extra budgetary resources was up to five *per cent* and up to two *per cent* of such allocated fund to a State/UT will be utilised for support activities²³ and WQM&S activities²⁴, respectively. The balance will be utilized to provide FHTCs to rural households.

Audit scrutiny of records in five selected divisions²⁵ revealed that these allocations were not made in accordance with prescribed norms during the period 2022-23 to 2023-24. The release of funds for Support Activities ranged from 0.17 *per cent* to 3.30 *per cent*, falling short of the prescribed ceiling of five *per cent*. While under WQM&S activities, it ranged from 0.08 *per cent* to 1.07 *per cent*, against the provision of two *per cent*.

²² Does not include ₹ 67.86 crore transferred to UT of Ladakh

²³ Information Education and Communication, Human Resource Development and Training, development of utilities, water quality laboratories, water quality testing and surveillance, third party inspection, capacity building of communities etc.

²⁴ Testing of water quality, awareness and allied activities

²⁵ Doda, Gandoh, Kishtwar, Kulgam and Bijbehara

Audit also noted that during 2019-20 to 2021-22, in five out of six sampled divisions, funds were released more than prescribed limits, indicating lack of uniformity and financial oversight. Further, it was also noted that funds released for these components remained unutilised or partially utilised, except for Gandoh Division, where full utilisation was recorded as detailed in *Appendix-1.6*.

Non-adherence to prescribed funding allocations and poor utilization under Support and WQM&S components indicated inadequate emphasis after 2021-22 on critical activities like water quality surveillance, community awareness, and institutional capacity building.

Department stated (August 2025) that during 2019-20 to 2021-22, the allocations were being made to the Divisions as per the demand/ actual work done. However, such release/ utilisation is kept within the prescribed limit at the UT level.

Reply may be seen in light of the fact that prescribed limits were not adhered to in selected divisions since 2022-23.

1.9.5 Mandatory Deductions under Different Rules

As per Chief Executive Officer/ Secretary J&K Building and other Construction Workers Welfare Board directions (February 2015)²⁶, every employer shall deduct labour cess at the rate of one *per cent* of the total cost of the building or other construction work from the bills paid to the contractors or executing agencies.

Further, as per Section 194(C) of the Income Tax Act 1961, Income Tax at the rate of one *per cent* was required to be recovered from contractor's payments when the payment was made or credited to an individual or a Hindu undivided family and two *per cent*, when the payment was made or credited to a person other than an individual or a Hindu undivided family.

Furthermore, Section 51 of Good and Service Tax (GST) Act prescribes that it is mandatory for the Drawing and Disbursing Officers (DDOs) to deduct the GST at the rate of two *per cent*²⁷ at source from the payments made or credited to the Labour Mates/ Contractions/ *amani* mates of taxable services, when the total value of such supply/ service under such contract exceeds ₹ 2.50 lakh.

Audit observed that out of 44 sampled Schemes, statutory deductions were not made in 16 Schemes as per mandate and statutory deductions amounting to ₹5.77 lakh were not deducted. Thus, practice of less deduction of labour cess, Income tax and GST is indicative of poor internal control and monitoring. Department in its initial reply stated (August 2025) that all statutory deductions were made in accordance with the extant instructions, however, in its subsequent reply (October 2025) enquired about the names

²⁶ Vide Circular No. CEO/J&K/BCB/015/4035-40 dated 12.02.2015

²⁷ One *per cent* CGST and One *per cent* SGST

of Schemes, where irregularity in statutory deduction was noted. The requisite details were shared with the Department in November 2025.

1.10 Programme Implementation

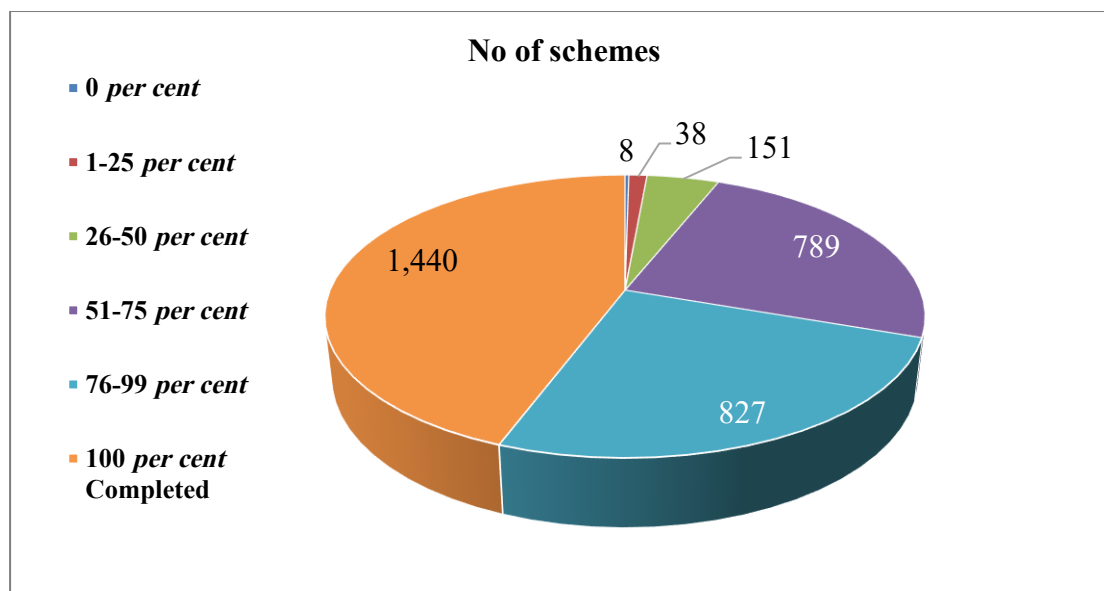
1.10.1 Status of Water Supply Schemes under Jal Jeevan Mission

Para 7.5.2 of JJM Operational Guidelines provides that while planning new Schemes under JJM, the following timeline for completion of Schemes may be adopted:

- Maximum time allowed for completion of Single Village Scheme (SVS) and Multi Village Scheme (MVS) is 18 and 36 months respectively.
- For Schemes requiring up to three years to complete, the contract must be awarded for implementation before March 2021.
- For Schemes requiring up to two years (770 days) to complete, contract must be awarded for implementation before March 2022.

In UT of J&K, there were 3,253 Schemes taken up under JJM during 2019-20 to 2023-24²⁸. Out of 3,253 Schemes, 1,440 Schemes (44 *per cent*) were physically completed. The physical status of the Schemes ending January 2025 is illustrated in Chart 1.1.

Chart 1.1: Status of water supply Schemes under JJM in UT of J&K



(Source: information furnished by Mission Directorate)

²⁸

Data as per IMIS dated 10.01.2025

In four sampled Districts, 853 Schemes²⁹ were approved by DWSM (DJJM) under JJM during 2019-20 to 2023-24³⁰. Of this, 429³¹ (50 *per cent*) Schemes were physically completed. Out of 429, Audit observed the following in 44 sampled Schemes:

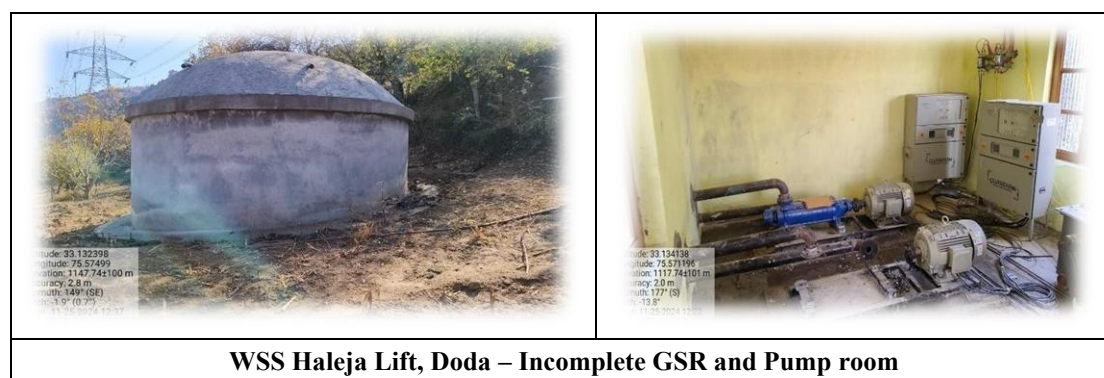
Table 1.6: Status of sampled works

Year	Awarded	Completed	Incomplete		Reasons for not completion of schemes
			Beyond stipulated date of completion over	Stipulated date of completion not over as of 31.03.2024	
2020-21	28	4	23	1	Land dispute, delay in award, delay in commencement etc.
2021-22	2	0	2	0	
2022-23	13	2	9	2	

The delays were mainly due to land dispute, delay in award of contract and delay in commencement of work by the contractor as discussed in **Paragraphs 1.11.2 and 1.11.4.**

Further, during an onsite inspection of one physically completed Scheme-WSS Haleja Lift Doda, Audit found incomplete Ground Service Reservoir (GSR) and pump room despite the Scheme was shown as physically completed. Five physically completed Schemes³² were providing water to the population without construction of filtration plant.

Department stated (August 2025) that the implementation of the mission initially faced the issues like low response to tender, slow supply of GI Pipes, poor ground water aquifer resulting in dry bore-wells in Rajouri, Poonch, Kathua, Samba, Jammu, Anantnag etc., incidence of ammoniacal nitrate in 19 bore-wells in Kashmir, topographical challenges and forest clearance issues etc. It was also stated that 1,484 (46 *per cent*) Schemes were completed as of May 2025. Besides, the WSS Haleja was completed and providing water supply to 222 households.



WSS Haleja Lift, Doda – Incomplete GSR and Pump room

²⁹ Kulgam: 116; Anantnag: 396; Kishtwar: 138 and Doda: 203

³⁰ 2019-20: 5; 2020-21: 635; 2021-22: 22; 2022-23: 155; 2023-24: 36

³¹ Kulgam: 42 (36 *per cent*); Anantnag: 249 (63 *per cent*); Kishtwar: 40 (29 *per cent*) and Doda: 98 (48 *per cent*)

³² WSS Sanwara, WSS Chunna Seri, WSS Jodhpur, WSS Lanyal Bagh and WSS Nagni Kater Semena

The fact remained that the approved and allotted Schemes remained incomplete even after a lapse of considerable period thereby limiting the availability of potable and safe drinking water to the rural households. Further, incomplete Ground Service Reservoir (GSR) and pump room in respect of WSS Haleja was noted by audit during physical verification.

1.10.2 Planning for Operation and Maintenance and Skilled Human Resources in the Created Assets

As per Chapter 9 of the Operational Guidelines for implementation of the Jal Jeevan Mission (JJM), besides development of water supply infrastructure, there is a critical need to raise awareness about judicious use of water, and to build capacities of Gram Panchayats (GPs) and their sub-committees Village Water & Sanitation Committees (VWSCs), Pani Samitis, and user groups for effective planning, implementation, operation, and maintenance (O&M) of in-village infrastructure.

Further, Para 9.4 of the guidelines stipulates that to ensure long-term sustainability of Functional Household Tap Connections (FHTCs) to every rural household, skilled manpower such as masons, plumbers, fitters, and electricians will be required. It also mandates convergence with Pradhan Mantri Kaushal Vikas Yojana (PMKVY) for identifying district-wise requirements and training such human resources through certified training programmes in vernacular languages.

Audit scrutiny revealed that out of 853 Schemes taken up under JJM in the sampled four districts, only 429³³ Schemes had been physically completed as of November 2024. However, no O&M plan was prepared by the department for the upkeep of assets created under these Schemes, nor was any mechanism instituted to ensure availability of trained manpower at the village level, as required under the guidelines.

In the absence of a planned framework for maintenance and local capacity building, the sustainability of the completed Schemes remains at risk. The Department had also not initiated any action to assess the district-wise requirement of skilled manpower, nor had it engaged with PMKVY for training, certification, and deployment of local youth for O&M activities.

While accepting the audit contention, the Department stated (August 2025) that a comprehensive O&M policy was under finalisation. It was also stated that the Department was taking all feasible steps to ensure long term sustainability of the created assets.

1.11 Contract Management

1.11.1 E-tendering

Para 1.10 (xi) and 1.11 of Manual of Procurement of works, 2019 provide for basic principles of undertaking works and processing of public works. The stages for

³³ Kulgam: 42; Anantnag: 249; Kishtwar: 40 and Doda: 98

execution of works are DPR preparation, Administrative Approval, Technical Sanction, tendering, award of work, execution of agreement and issuance of work order.

Test check of records of sampled Schemes revealed that in eight schemes, e-Notice inviting Tenders (e-NITs) of these Schemes were invited prior to AA and TS. In four cases³⁴, e-NIT was invited even prior to approval by DJJM as detailed in *Appendix 1.7*. Technical Sanction (TS) gives reasonable assurance that the estimated costs were drawn on the basis of proper site surveys, technical feasibility and adequate data.

Thus, floating of tenders before obtaining AA and TS contravenes the financial rules and established procedures. This may lead to risk of irregular expenditure, possibility of legal/contractual disputes and accountability issues.

Department accepted and stated (August 2025) that in a very few instances, tenders (e-NITs) were issued in anticipation of formal Administrative Approvals and Technical Sanctions (TS), the same was necessitated by practical field-level constraints. However, the allotment orders were issued only after grant of AA and TS by the competent authority.

1.11.2 Award of Contracts

As per Para 5.6.1 of Manual for Procurement of Works 2022, delays in finalising procurement deprive the public of the intended benefits and results in loss of revenues and cost over-run. To further shorten the period for award of contract, the Ministries/ Departments should try to shorten the procurement decision period to 60 days from the date of floating of tenders in most cases. Only in exceptional cases, like two packets/ two-stage bidding the period may be extended. However, in no case this time period should exceed 75 days.

Audit observed delays in award of contracts ranging from two days to 653 days³⁵ in 33 Scheme/works out of 44 sampled Scheme/works during September 2022 to July 2024.

The inordinate delays in awarding tenders had cascading effect and ultimately led to delay in project implementation, with risk of cost escalation and affecting the overall financial planning and efficiency of the JJM.

In reply, Department accepted and stated (August 2025) that some delays occurred in the award of tenders ranging from a few days up to several months during the initial stages of implementation. This was due to COVID-19 restrictions, multiple schemes had to be prepared, processed, and tendered simultaneously, poor response to tendering process and manpower constraints.

³⁴ WSS Huller Hunjalla, WSS Pochhal B1, WSS Pochhal B2 and WSS Lachkhazana
³⁵ After excluding minimum 75 days

1.11.3 Agreement with Contractors

As per terms and conditions of Standard Bidding Document (S.No.37), the executing agency was required to execute agreement with the division within seven days.

Review of the agreements and other connected records, however, revealed that the agreements were not executed within the stipulated period. Out of 44 sampled Schemes, the divisions allotted 42 Sample Schemes/ works during September 2022 to August 2024 and agreements were executed by the executing agency with delays ranging from four to 638 days after excluding permissible seven days. The reasons for inordinate delays in execution of agreement were not in records.

The Divisions/ District-wise details of the delay in execution of agreements with contractors are shown in **Table 1.7**.

Table 1.7: Details showing delay in the execution of agreements with contractors

S. No.	District	Division	No of Schemes	Delay range (days)	No. of Schemes with delay of		
					Up to 30 days	31 to 100 days	Above 100 days
1	Doda	Doda	8	72-638	00	02	06
2	Doda	Gandoh	4	4-407	02	00	02
3	Kishtwar	Kishtwar	12	52-217	00	05	07
4	Kulgam	Kulgam	3	84-246	00	01	02
5	Anantnag	Qazigund	5	34-435	00	00	05
6	Anantnag	Bijbehara	10	7-497	01	02	07
Total			42	4-638	03	10	29

(Source: Divisional records)

The significant delay in the execution of agreements resulted in delayed commencement of work, cost escalation risk and weak contract management system.

In reply, the Department stated (August 2025) that the observation is acknowledged in principle, and it is assured that steps have been taken to strengthen post-award compliance by way of internal monitoring, prompt material planning, and proactive coordination with stakeholders.

1.11.4 Delay in Commencement of Works by the Contractors

As per terms and conditions of allotment order (S.No.4), the contractor shall start the work within seven days from the date of issuance of allotment order.

Review of the records, however, revealed that in respect of 36 out of 44 sampled Schemes/ works, works were commenced by the contractors with delays ranging from two to 387 days (after excluding seven permissible days).

The Divisions/ District-wise details showing the delay in starting the works by the contractors are given in **Table 1.8**.

Table 1.8: Delay in start of work by the contractors

S. No.	District	Division	No of Schemes	Delay	No. of Schemes with delay of		
					Up to 30 days	31 to 100 days	Above 100 days
1	Doda	Doda	07	2-15	07	00	00
2	Doda	Gandoh	03	27-64	01	02	00
3	Kishtwar	Kishtwar	10	12-203	05	02	03
4	Kulgam	Kulgam	02	85-111	00	01	01
5	Anantnag	Qazigund	04	56-318	00	01	03
6	Anantnag	Bijbehara	10	23-387	02	02	06
Total			36	2-387	15	08	13

(Source: Divisional records)

In reply, Department accepted (August 2025) the facts and stated that in some schemes, delay primarily arose from factors beyond the control of the Department or the executing contractors such as slow supply of pipe materials, hampered site mobilization, prior permissions from R&B/ PMGSY Divisions.

1.11.5 Performance Security

Rule 171 of General Financial Rules envisaged that to ensure due performance of the contract, Performance Security (PS) is to be obtained from the successful bidder awarded the contract. Performance security should be for an amount of five to ten *per cent* of the value of contract. Performance security may be furnished in the form of Account Payee Demand Draft, Bank Guarantee/ Fixed Deposit Receipt from commercial bank. Performance security should remain valid for a period of sixty days beyond the date of completion of contractual obligations.

(I) Review of the records revealed that Performance Security of ₹ 42.42 lakh obtained in the form of Bank Guarantee from the executing agencies on account of seven works had expired while the works were under progress. The Performance Security were not renewed as of November/ December 2024. The details showing non-renewal of performance security are given in **Table 1.9**.

Table 1.9: Non-renewal of Performance security

(₹ in lakh)

S. No.	Name of Circle/ Division	No of works	Amount	Date of expiry	Status of work
1	Anantnag	2	11.18	29.11.2023 to 21.12.2023	Work in progress as on December 2024
2	Doda	5	31.24	26.03.2023 to 16.05.2024	Work in progress as on November 2024
Total		7	42.42		

(Source: Circle/ Divisional records)

The failure to renew the expired performance securities exposed the department to financial risk and weakened its safeguard mechanism against non-performance or contractual default by the executing agencies.

In reply, Department stated (August 2025) that audit observation has been duly noted, and necessary corrective systems have been strengthened. It was also stated in isolated cases, if any issue arises due to inadvertent oversight, immediate corrective action is initiated without delay and no financial loss, administrative deficiency, or delay in execution has occurred because of any such instance.

(II) Keeping in view the exceptional circumstances created due to pandemic and financial crunch faced by the contractors, the J&K Government allowed³⁶ (February 2022) recovery of Performance Security at reduced rate of three *per cent* in respect of all tenders/ contracts issued/ concluded till 31 March 2023.

Audit observed that instead of recovering the performance security at the prescribed rate of five to ten *per cent*, the Sampled Divisions continued to recover the performance security at reduced rates in respect of 23 Schemes whose tenders/ contracts were issued/concluded after 31 March 2023.

Against performance security of ₹ 127.56 lakh due at the rate of minimum five *per cent*, an amount of ₹ 75.58 lakh was only recovered, thereby resulting in short realisation of ₹ 51.98 lakh. The District/ Division-wise details showing short realisation of performance security are given in **Table 1.10**.

Table 1.10: Short realization of Performance Security

(₹ in lakh)

S. No.	District	Division	No. of Schemes	Total value of the contract	Performance security		
					Due at the rate of minimum 5 <i>per cent</i>	Recovered	Short recovered
1	Kishtwar	Kishtwar	11	1,655.82	82.79	48.27	34.52
2	Kulgam	Kulgam	1	11.69	0.58	0.35	0.23
3	Anantnag	Qazigund	3	513.49	25.67	15.40	10.27
4	Anantnag	Bijbehara	8	370.41	18.52	11.56	6.96
Total			23	2,551.41	127.56	75.58	51.98

(Source: Divisional records)

The short realisation of performance security amounting to ₹ 51.98 lakh undermines the contractual safeguard mechanism meant to ensure proper execution and completion of works.

Department stated (August 2025) that Standard Bid Documents were formulated/ approved for JJM work during the COVID 19 period when the Government had instructed for obtaining of Performance Security at the rate of three *per cent* of the contract value. Accordingly, Performance Security has been uniformly realised from all successful bidders.

³⁶ Vide no. FD-Codes/233/2021-02-27 dated 10.02.2022 in pursuance to GoI, MoF, Department of Expenditure order no. F.9/4/2020-PPD dated 30.12.2021

Fact, however, remained that Performance Security at reduced rate of three *per cent* was applicable to all tenders/ contracts issued/ concluded till 31 March 2023 only.

1.12 Monitoring

1.12.1 Social Audit of the Programme

Para 5.4 (xviii) of Operational Guidelines for the Implementation of Jal Jeevan Mission prescribes that the Village Water and Sanitation Mission (VWSM) will conduct Social Audit of the programme.

Audit scrutiny of records in four sampled districts revealed that no social audit has been conducted and hence the coverage, quality, sustainability, impact, O&M and satisfaction report could not be verified.

Department accepted (August 2025) that no Social Audit has been conducted, formally by the Village water & sanitation Committee/ Pani Samitis so far. However, these institutions have been regularly monitoring the implementation of the mission at the village level. It was also stated that audit observation has been noted to ensure periodic review and monitoring of the social audit process in coordination with the concerned BDOs and VWSCs.

1.12.2 Water Quality Monitoring and Surveillance

Chapter 10 of Operational Guidelines envisaged that water testing is important for monitoring the quality of water supply, to ensure it is safe for drinking water, investigation of disease outbreaks, validation process and preventive measures. Monitoring water quality involves laboratory and field testing of water samples collected from water sources and FHTCs. Facility of laboratories for Water quality monitoring of rural areas already set up at State/ District/ Sub-division/ Block level will be used. Also, mobile water quality testing laboratories will be put into operation to the extent possible.

The broad guidelines for undertaking testing of sources/ samples at different levels are:

(i) **Sub-division/ block laboratory:** Sub-divisional/ block laboratory had to test 100 *per cent* water sources under its jurisdiction; once for chemical parameters and twice for bacteriological parameters (pre and post monsoon) in a year, covering all sources of a block at least for 13 basic water quality parameters. The positively tested samples will be referred to the district laboratory immediately. The other parameters may be tested as per local contamination. The details of tests conducted in sub-divisional laboratories of sampled Districts are given in **Table 1.11**.

Table 1.11: Water tests conducted by Sub Divisional Laboratory of sampled Districts

Year	Target [#]	Kashmir			Jammu			Total		
		Tests conducted	Passed	Failed	Tests conducted	Passed	Failed	Tests conducted	Passed	Failed
2019-20	42,000	15,671	15,277	394	21,715	21,715	0	37,386	36,992	394
2020-21	42,000	16,195	16,086	109	17,622	17,622	0	33,817	33,708	109
2021-22	42,000	16,886	16,762	124	21,022	21,022	0	37,908	37,784	124
2022-23	42,000	18,437	18,316	121	24,565	24,557	8	43,002	42,873	129
2023-24	42,000	18,330	18,245	85	21,168	21,112	56	39,498	39,357	141
Total	2,10,000	85,519	84,686	833	1,06,092	1,06,028	64	1,91,611 (91 per cent)	1,90,714 (99.53 per cent)	897 (0.47 per cent)

(Source: Divisional records) # Though separate targets for chemical and bacteriological tests were prescribed, but separate records were not kept in all the labs

It may be seen from the above **Table 1.11** that during 2019-20 to 2023-24, against the target of 2,10,000 tests, 1,91,611 (91 per cent), tests were conducted in the sub-divisional laboratories of sampled districts. Out of 1,91,611 tests conducted, 1,90,714 tests (99.53 per cent) were passed, and 897 tests (0.47 per cent) were declared as failed. However, these tests were not referred to the District Laboratory or State Laboratory for further analysis.

(ii) District laboratory: District laboratory had to test 250 water sources/ samples per month (i.e. 3,000 in a year as per the target of roster available on Department/ National Mission IMIS) covering all sources randomly spread geographically including the positively tested samples referred by the subdivision/ block laboratory/ mobile laboratory on at least for 13 basic water quality parameters. The district laboratory will also refer the positively tested samples to the State laboratory immediately. The other parameters may be tested as per local contamination at district level. The details of tests conducted in the District laboratory of sampled Districts are given in **Table 1.12**.

Table 1.12: Water tests conducted by District Laboratories of sampled Districts

Year	Target each District	Anantnag		Kulgam		Doda		Kishtwar		Total		
		Tests conducted	Passed	Tests conducted	Passed	Tests conducted	Passed	Tests conducted	Passed	Tests conducted	Passed	Failed
2019-20	3,000	2,820	2,790	2,395	2,321	2,936	2,936	2,462	2,462	10,613	10,509	104
2020-21	3,000	2,690	2,595	2,441	2,382	2,710	2,710	1,460	1,460	9,301	9,147	154
2021-22	3,000	2,847	2,820	2,588	2,543	2,250	2,250	3,218	3,218	10,903	10,831	72
2022-23	3,000	4,416	4,402	2,817	2,736	3,289	3,289	1,888	1,888	12,410	12,315	95
2023-24	3,000	4,232	4,215	2,919	2,851	4,248	4,248	1,320	1,320	12,719	12,634	85
Total	15,000	17,005	16,822	13,160	12,833	15,433	15,433	10,348	10,348	55,946	55,436	510

(Source: Divisional records)

During the period from 2019-20 to 2023-24, against the target of 60,000 tests³⁷, only 55,946 (93 per cent), tests were conducted in the sampled districts. Out of 55,946 tests conducted, 55,436 tests (99 per cent) passed, and 510 tests (0.92 per cent) were declared

³⁷

Worked out at the rate of 3000 test per district per year for 5 years in respect of 4 sampled districts.

as failed, but these tests were not referred to the State Laboratory for further high-quality investigation. During the years 2022-23 and 2023-24, against the targets of 24,000 water tests 25,129 tests were conducted. Further, adequate number of tests were conducted in Anantnag and Doda, while there was shortfall in Kulgam and Kishtwar District.

(iii) State laboratory: The State laboratory will test at least five *per cent* of the total drinking water samples across all district level laboratory with random and uniform geographical spread including positively tested samples referred by district/ sub-division/ block/ mobile laboratory.

Audit observed that 4,441 tests were conducted and passed in State Water Testing Laboratory during the period 2021-22 to 2023-24³⁸, no water tests were stated to be conducted at State Level Laboratory from sample districts. With the result failed water tests were not investigated in detail. The details of tests conducted in UT level laboratories are given in **Table 1.13**.

Table 1.13: Water tests conducted by State laboratories

Year	Sample tested	Sample passed	Sample failed
2021-22	13	13	0
2022-23	3,043	3,043	0
2023-24	1,385	1,385	0
Total	4,441	4,441	0

(Source: information furnished by State laboratories)

(iv) Testing of water quality using Field Test Kit (FTK) at Gram Panchayat level: Gram Panchayat and/ or its sub-committee, i.e. VWSC/ Paani Samiti/ User Group, etc. has to ensure testing of 100 *per cent* drinking water sources including private sources and conduct sanitary inspection under its jurisdiction using FTK.

Further, Chapter 10 (vi) provided that Gram Panchayats and/ or its sub-committee i.e VWSC/ Pani Samiti / User Group etc to identify, trained and appoint five women from local community to conduct water quality tests using FTKs and report the results. The test results and sanitary inspection report were to be submitted to the concerned Jal Shakti (Public Health Engineering) Department. As per 10.5(ii) of JJM OG, water quality surveillance shall be undertaken by community through FTKs in all villages. The details of testing of water quality using FTKs are given in **Table 1.14**.

Table 1.14: Testing of water quality using Field Test Kit

Name of District	Total Revenue villages	Tests conducted in Revenue Villages	No. of FTK available	No of trained women
Anantnag	412	268	95	1,485
Kulgam	279	206	20	1,030
Doda	402	297	594	1,485
Kishtwar	156	150	150	750
Total	1,249	921	859	4,750

(Source: Divisional records)

³⁸

Tests in State Laboratory started from 12.03.2022 in Kashmir and from 12.09.2022 in Jammu

It may be seen from the above table that out of total 1,249 villages of the sampled Districts, water testing using FTKs was conducted in 921 (74 *per cent*) villages during the period from 2019-20 to 2023-24, as a result, 328 villages at village level were not covered for monitoring of water quality.

In Anantnag and Doda it was seen that tests using FTK were undertaken from 2022-23 onwards, while in Kulgam and Kishtwar districts FTKs were not distributed as per requirement. As a result, testing of the quality water supplied to the households largely could not be achieved, though there was rise in waterborne diseases in these Districts since inception of the scheme as discussed in **Paragraph 1.13 (Outcome 1)**.

Department stated (August 2025) that the number of failed samples being very low and the contamination being treatable, the remedial action was taken. Further, the samples passed the criteria when retested, as such samples were not referred to the District/ State laboratories. It was also stated that adequate numbers of field-testing kits are being procured to ensure that these kits are available in each village of the UT for an effective and robust surveillance of the water quality by the community itself.

1.13 Outcome of JJM Programme

Chapter 12 of JJM OG envisaged that JJM's primary output is providing all the rural households with FHTCs by 2024. In parallel, the Mission also strives to achieve the following four key measurable outcomes:

- Reduced Waterborne Diseases and Healthy Rural Communities;
- Reduced Drudgery of Women;
- Reduced School Dropout Rates of Upper Primary Level Girls; and
- Increase in Employment Opportunities for Rural Communities.

Outcome -1 Reduced Waterborne Diseases and Healthy Rural Communities

Outcome indicator: Percentage reduction of number of Acute Diarrheal Disease reported.

The completion of the JJM Schemes in four sample districts ranged from 29 *per cent* to 63 *per cent*³⁹. To assess the outcome indicator Reduction in Waterborne Diseases, sufficient and accurate data regarding occurrence of diseases in various habitations covered under JJM Scheme in each district is essential. However, no such data was being maintained by the PHE Department. Further, the complete data regarding waterborne diseases was also not available with the Health Department in the sampled districts. However, based on information made available by the officers of Health Department in the sampled districts, the year-wise position of waterborne diseases in four sampled districts has been indicated in **Table 1.15**.

³⁹ Kulgam: 42 Schemes (36 *per cent*); Anantnag: 249 Schemes (63 *per cent*); Kishtwar: 40 Schemes (29 *per cent*) and Doda: 98 Schemes (48 *per cent*)

Table 1.15: Statistics of Waterborne diseases in sampled four Districts.

Year	Waterborne diseases in Kishtwar District ⁴⁰	Waterborne diseases in Doda ⁴¹ District	Waterborne Diseases in Anantnag ⁴² District	Waterborne Diseases in Kulgam District ⁴³
2019-20	11,119	Not available	6243	Not available
2020-21	9,340	Not available	5424	Not available
2021-22	10,076	134	8341	2,295
2022-23	11,368	514	7317	6,257
2023-24	11,640	392	7841	9,024

(Source: Health Department Records)

As can be seen from above data there is no significant decrease in the waterborne diseases except in Doda District where only 48 *per cent* JJM Schemes had been completed. In Kishtwar and Kulgam Districts where only 29 *per cent* and 36 *per cent* JJM Schemes were completed respectively, the prevalence of waterborne diseases is high with increasing trend over last five years. Although 63 *per cent* JJM Schemes had been completed in Anantnag District, there is no significant decrease in the waterborne disease over the last five years.

Thus outcome-1, reduced waterborne diseases and healthy rural communities could not be measured/ achieved fully.

Outcome – 2 Reduced Drudgery⁴⁴ of Women

Outcome indicator: Number of women who are relieved of drudgery of carrying water from distance sources.

During beneficiary survey in respect of 60 beneficiaries for five physically completed Schemes, it came to notice that the women and other members of the family were relieved of drudgery of carrying water from distance sources. In villages having incomplete Schemes, the women and other members of family had to carry water from distance sources as shown in pictures below. Hence, outcome was partially measured/ achieved.

⁴⁰ Based on information provided by District Hospital Kishtwar, Block Medical Officer Dachan and Block Medical Officer Kishtwar

⁴¹ Data as available and provided by BMO Ghat, BMO Bhaderwah and BMO Gandoh as per calendar year taken as financial year

⁴² Block-wise Information provided by BMOs Achabal, Bijbehara, Mattan, Larnoo, Sallar, Shangus and Verinag

⁴³ Block-wise Information provided by BMOs DH Pora, Kulgam, Qaimoh, Qazigund and Yaripora

⁴⁴ Hard monotonous work



Outcome – 3 Reduced Dropout of Upper Primary School Girls

Outcome indicator: Upper primary school girl's dropout decreased

In two sample Districts (Kishtwar and Doda) of Jammu province, no survey was conducted during 2019-2021. Talaash survey conducted in these two districts during the year 2022, revealed 716 dropout girl students⁴⁵ in Upper Primary Schools, out of which 139 girl students⁴⁶ were re-enrolled during 2023. As such, decrease in upper primary school girl dropouts could not be measured in two sample districts.

In Anantnag District, although 63 *per cent* of Schemes were completed, the dropout cases of girls of Upper Primary classes had increased from 1,267 (2019-20) to 1,530 (2023-24).

In Kulgam District there was significant decrease in the number of drop out cases of Upper Primary girls from 581 (2019-20) to 157 (2023-24). However, only 36 *per cent* of Schemes were completed in the District, as such a decrease in number of dropouts could not be directly linked to achievement of Outcome-3.

Outcome – 4 Increased Employment Opportunities for Rural Communities

Outcome indicator: Wellbeing of the rural households improved with percentage increase in the household incomes.

To assess the outcome indicator 4 regarding increased Employment opportunities for Rural Communities, the employment data of households (HHs) maintained by Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), in respect of 22 sampled villages of four sampled districts was analysed in audit. District-wise employment data of 22 sampled villages is indicated in **Table 1.16**.

⁴⁵ Kishtwar: 364; Doda: 352

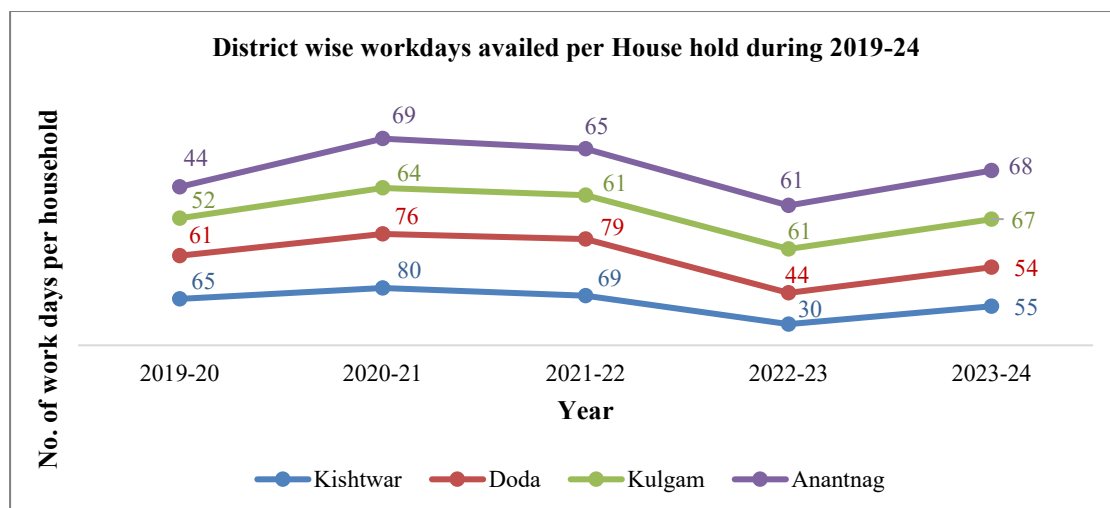
⁴⁶ Kishtwar: 71; Doda: 68

Table 1.16: Employment data of sampled 22 villages of four sampled Districts

Year	Kishtwar District ⁴⁷ (04 sampled villages)		Doda District ⁴⁸ (06 sampled villages)		Kulgam District ⁴⁹ (04 sampled villages)		Anantnag District ⁵⁰ (08 sampled villages)		Total 22 sampled villages in four districts		
	HH	Mandays	HH	Mandays	HH	Mandays	HH	Mandays	HH	Mandays	Mandays per HH
2019-20	3,256	2,10,786	1,824	1,10,532	457	23,945	1,172	51,535	6,709	3,96,798	59
2020-21	3,480	2,78,969	2,296	1,73,499	589	37,877	1,388	95,717	7,753	5,86,062	76
2021-22	3,159	2,18,970	2,342	1,85,286	679	41,648	1,408	91,454	7,588	5,37,358	71
2022-23	2,343	69,388	2,014	87,954	526	32,304	1,407	85,625	6,290	2,75,271	44
2023-24	2,185	1,19,402	2,444	1,33,045	773	52,127	1,373	93,201	6,775	3,97,775	59

As can be seen from the above data, the number of employment days availed per household during the period 2019-20 to 2023-24 in 22 villages of four sampled districts fluctuated between 44 days per household and 76 days per household. The district wise employment days availed per household during the period 2019-20 to 2023-24 in 22 villages of four sampled districts are shown in **Chart 1.2**.

Chart 1.2: District-wise employment days per household in 22 sampled villages



(Source: MGNREGA Portal)

As per employment data of households maintained by Mahatama Gandhi National Rural Employment Guarantee Act (MGNREGA), employment opportunities of the rural community per household in sample sampled villages of four sampled Districts which had sharply decreased during 2022-23 have shown some improvement during 2023-24. However, from this data it could not be conclusively derived that the

⁴⁷ Block Kishtwar (Villages: Hidyah and Pochhal), Dachhan (Villages: Janakpur and Sounder)

⁴⁸ Blocks Ghat Doda (villages: Jodhpur and Suhanda/ Shiva), Bhaderwah (villages: Dranga/ Dradu and Sungli), Chilli Pingal (villages: Chilli Bhalla and Sanwara)

⁴⁹ Blocks D K Marg (Villages: Chimmer and Ringth), Devsar (villages: Churat and Zangalporas)

⁵⁰ Blocks Anantnag (villages: Khiraman/Donipawa and Utrasoo Najigund, Dachnipora (villages: Darigund/ Hatigam and Wullarhama, Pahalgam villages: Serchan/Ganeshpora and Yened B , Shahabad (Villages: Hahura A and Zaldooria)

implementation of JJM Schemes had improved the wellbeing of rural households. As such outcome-4 is not achieved.

In reply, Department stated (October 2025) that outcome regarding water borne diseases was measured from data of Health Department and same cannot be linked with contaminated tap water. There may be reasons related to sanitation that resulted in water borne diseases. Department accepted the audit opinion regarding outcome “Reduced drudgery of women” in five sampled completed Schemes and stated on completion of remaining scheme the same would be achieved. In respect of outcome “Reduced school dropout rates of upper primary school girls” it was stated that increase in dropout rates cannot be linked with JJM.

1.14 Conclusion

Institutional mechanism for successful implementation of programme was not fully operational and effective. Targets fixed under State Action Plans for providing the FHTCs were not achieved fully. Despite sizeable allocations of funds, persistent underutilisation of funds during the initial years was observed. Accumulation of idle balances, delayed execution of Schemes and delayed the access of potable water to rural households were also seen. Only 44 *per cent* Schemes taken up under the programme were completed within December 2024. There was absence of a planned framework for maintenance, local capacity building and sustainability of the completed Schemes. Execution of Schemes/ works suffered due to deficiencies in floating of tenders, delays in signing the agreements with the contractors and delays in start of works by the contractors. Social Audit of the Programme was not conducted, and water quality tests declared failed in the Block/ District level testing laboratories, were not referred to higher testing laboratories for further investigation.

1.15 Recommendations

The Government may:

- *Strengthen the Institutional mechanism and hold regular meetings of various committees at State/ District/ Village levels for inclusive monitoring.*
- *Ensure bottom up approach in preparation of various plans as per provisions of JJM operational guidelines.*
- *Prioritise the completion of all the incomplete Schemes in a time-bound manner and devise a framework for allotment of works and procurement of material in a time-bound manner, and*
- *Strengthen the water quality monitoring system and social audit mechanism.*

CHAPTER-II

SUBJECT SPECIFIC COMPLIANCE

AUDIT

ON

MAHATMA GANDHI NATIONAL

RURAL EMPLOYMENT GUARANTEE

SCHEME

CHAPTER-II

SUBJECT SPECIFIC COMPLIANCE AUDIT ON MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME

Rural Development Department

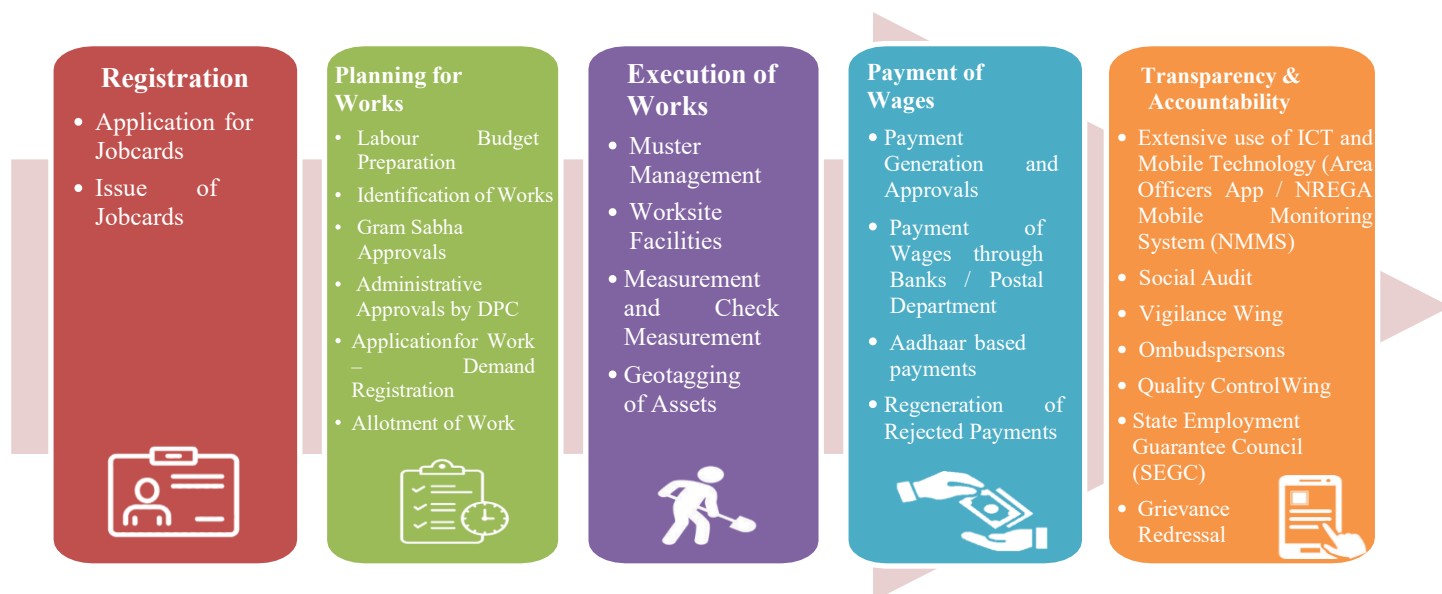
2.1 Introduction

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a Centrally Sponsored Scheme implemented on a cost sharing basis¹ between GoI (90 *per cent*) and the State/ Union Territory (UT) Government (10 *per cent*) wherein at least 100 days of guaranteed wage employment, in a financial year, to every household whose adult members volunteer to do unskilled manual work is provided. The scheme aims to create durable assets to ensure a source of livelihood for the rural population and to strengthen Panchayati Raj establishments across India.

The UT Government also bears the total expenditure of delayed payment of the wages to the workers, unemployment allowance and administrative expenses of the State Employment Guarantee Council (SEGC). The Scheme was implemented in all the 20 districts of Union Territory of Jammu and Kashmir (J&K) during 2019-20 to 2023-24.

India, as a member of United Nations, committed (September 2015) to the Sustainable Development Goals (SDG)-1 and 2 which seeks to end poverty in all its forms everywhere (Goal 1) and to end hunger, achieve food security and improved nutrition and promote sustainable agriculture (Goal 2). An overview of MGNREGS process is given in **Chart 2.1**.

Chart 2.1: Overview of MGNREGS process



¹ The GoI bears the entire cost of wages for unskilled manual workers, 75 *per cent* of the cost of material and wages for skilled and semi-skilled workers whereas, the State Government bears the 25 *per cent* of the cost of material and wages for skilled and semi-skilled workers.

2.1.1 Organisational Setup

The UT of Jammu and Kashmir has a State Employment Guarantee Council (SEGC)² that aids and advises the Government in implementation of the MGNREGS. The activities of the scheme at the UT level are carried out by the SEGC functioning under the overall control of the Secretary to Government, Rural Development Department who functions as the UT Programme Coordinator at the UT-level. The Directors, Rural Development Kashmir and Jammu are the Nodal Officers at the regional level. The UT Government designated Deputy Commissioners as the District Programme Coordinators (DPC), Assistant Commissioner Development (ACD) as the Additional District Programme Coordinator (ADPC), and Block Development Officers (BDO) as Programme Officers under the Scheme.

2.1.2 Roles and Responsibilities

The responsibilities of the designated officers at Union Territory, Districts, Blocks and Gram Panchayat (GP) levels to implement the MGNREGS in Jammu and Kashmir (J&K) are given in **Table 2.1**.

Table 2.1: Responsibilities of designated officers to implement the Scheme in J&K

Level	Designated Officers	Roles and Responsibilities
UT level	Secretary to Government, Rural Development and Panchayati Raj Department/ State Programme Coordinator (SPC)	Make rules, plans and implement the MGNREGS in the UT; develop and notify the Rural Employment Guarantee Scheme for the State; set up the State Employment Guarantee Council (SEGC) and establish a State Employment Guarantee Fund (SEGF); ensure compliance with all processes, rules and guidelines laid down in MGNREGA; ensure accountability and transparency in the Scheme at all levels;
	Member Secretary, State Employment Guarantee Council (SEGC)	Advises UT Government, reviews and monitors the implementation of the Scheme and prepares annual reports to lay before UT Legislature.
District level	Deputy Commissioner designated as District Programme Coordinator (DPC)	Responsible for overall coordination and implementation of the Scheme in the district.
	Assistant Commissioner Development (ACD) designated as Additional DPCs	Assists the DPC in implementation of the Scheme in the district.
	Executive Engineer, Rural Engineering Wing	Responsible for accord of Technical Sanction and monitoring of quality of works.
Block level	Block Development Programme Officer designated as Programme Officer (PO)	Responsible for matching demand with work and ensures effective implementation of the Scheme at Block level; co-ordinates with the ACD and consolidates Labour Budget data.

² A body established under MGNREGA to monitor and review the implementation of the Act in Jammu and Kashmir

Level	Designated Officers	Roles and Responsibilities
	Additional Programme Officer (APO)	Assists the Programme Officer, in-charge of Management Information System (MIS) at Block level; uploads the work orders, pay orders, muster rolls, etc. on MIS.
Gram Panchayat level	Technical Assistant (TA) - for a group of GPs	Assists the Gram Panchayats in preparation of estimates and detailed designs and conducts measurement of works.
	Gram Rozgar Sahayak (GRS)	Assists the Panchayat Secretary; supervises the works; maintains the muster rolls; gives mark outs at work sites; maintains the register of material procured; maintains the village information boards.

(Source: information provided by Rural Development Department)

2.1.3 Audit Framework

2.1.3.1 Audit Objectives

The Objectives of the Audit were to assess whether:

- the planning process for implementation of the Scheme was efficient and effective;
- the allocation, release and utilisation of funds earmarked for the Scheme were judicious, adequate and effective to achieve the goals of the Scheme; and
- the monitoring, internal control and grievance redressal mechanism was adequate and effective.

2.1.3.2 Audit Criteria

The audit was benchmarked against the criteria derived from the following sources:

- Mahatma Gandhi National Rural Employment Guarantee Act, 2005 and Rules issued under the Act;
- MGNREGA Operational Guidelines-2013;
- Annual Master Circulars issued by the Ministry of Rural Development (MoRD), GoI;
- Jammu and Kashmir State Rural Employment Guarantee Scheme (as notified by J&K Government in March 2007).

2.1.3.3 Audit Scope, Audit Methodology and Sampling

The audit covered the period from 2019-20 to 2023-24. However, records prior to 2019-20 were also reviewed, wherever required. Field audit was conducted during July to December 2024. Test-check of records of the Secretary, Rural Development Department and Panchayati Raj at UT level, two Directors³ at the Division level, five⁴ Assistant

³ Kashmir and Jammu

⁴ Kashmir Division: Anantnag and Kupwara; Jammu Division: Jammu, Poonch and Rajouri

Commissioners Development at District Level (out of 20 districts in J&K) and 10 Block Development Officers⁵ (out of 285 Blocks) at Block level (two block each in the selected districts) were conducted. The districts and blocks were sampled by adopting Stratified Random Sampling Method on expenditure basis. Further, 40 Gram Panchayats (GPs)⁶ out of 1,582 GPs were selected (*Appendix 2.1*) by using Probability Proportional to Size without Replacement method, taking expenditure as criteria.

Joint Physical Verification of 400 Works (10 works from each sampled Gram Panchayat) and survey of 400 beneficiaries⁷ were also carried out. The results of beneficiary survey have been included under relevant findings. The pictorial evidence of sampled works was also gathered and used in audit to substantiate the audit observations, wherever necessary.

An Entry Conference was held on 4 July 2024 with the Secretary, Rural Development Department and Panchayati Raj wherein audit objectives, criteria, scope and methodology were discussed. An exit conference was held on 10 September 2025 with the Secretary, Rural Development Department and Panchayati Raj in which audit findings contained in the draft report were discussed. Replies received from the Department on the draft audit report have suitably been included in the report.

2.2 Registration Process

2.2.1 Registration of households and issue of job cards

Chapter-3 of MGNREGA Operational Guidelines 2013 provides that the implementation of MGNREGS starts with the process of registration of households and issue of job cards. Thereafter, a job card holder can submit an oral/written application demanding work.

It was noticed in the sampled 10 blocks and 40 GPs that receipt of applications, their verification and processes of issuance of job cards were not carried out as prescribed in the guidelines. The findings are discussed in the succeeding paragraphs.

2.2.1.1 Door-to-Door Survey

Paragraph 3.1.1 (ii) of Operational Guidelines, 2013 provides that a door-to-door survey should be undertaken by each Gram Panchayat every year to identify eligible households who have been missed out and wish to be registered under the Act. It needs to be ensured that this survey is held at that time of the year when people have not migrated to other areas in search of employment or for other reasons.

Audit observed that door-to-door survey was not conducted in 40 sampled GPs of 10 sampled Blocks during 2019-2024. Although no reasons were recorded for not

⁵ District Anantnag: Anantnag & Qazigund; District Kupwara: Magam & Kralpora; District Jammu: Mandal Phallian & Paragwal; District Poonch: Surankote and Loran; District Rajouri: Moughla and Thanamandi Mandal.

⁶ Four Gram Panchayats from each selected block

⁷ Ten beneficiaries from each sampled Gram Panchayat.

conducting the survey, this could be attributed to shortage of staff. In the absence of these surveys, the prescribed mechanism for periodic identification and verification of eligible households was not adhered to.

In reply, the Department stated (August 2025) that the door-to-door survey was conducted extensively in the beginning years of Scheme (2006 and 2008) which is reflected in the number of Job Cards issued in subsequent years.

The reply is not justified since it does not address the audit observation, as the Operational Guidelines, 2013 mandate conduct of door-to-door surveys by each Gram Panchayat every year. Further, records of 40 sampled GPs across 10 sampled blocks showed that no such surveys were conducted during 2019-24 for verification and updation of job cards.

2.2.1.2 Verification and Updating of Job Cards

Paragraph 3.1.5 of MGNREGA Operational Guidelines, 2013 stipulates that the Job Cards (JC) shall be valid for a period of five years and will have provision for the addition/deletion of members eligible to work. Deletions in any household on account of demise, or permanent change of residence of a member, are to be reported immediately by the household concerned. Additions desired may be applied for by the household. The GP will also undertake an annual updating exercise in the same manner as registration, the time for which should be fixed keeping in mind the work and migration season of the local workforce. A household having adult members desirous of seeking unskilled employment in MGNREGS may apply for registration. Further, Paragraph 10.3.5 of Operational Guidelines, 2013 stipulates that a job card application register is to be maintained at Gram Panchayat Level by Panchayat Secretary and at Block Level by Programme Officer containing *inter-alia* the detailed record of the job card application.

Audit observed that out of 13,73,322 households who applied for job cards, a significant number of 13,36,699 households (97 *per cent*) were registered and issued job cards as of March 2024, indicating good performance of the Department in registration of job cards.

Audit also observed that though as per Department's order (June 2020)⁸, the verification of the job cards was to be taken in a mission mode in Jammu and Kashmir, as per the data available on NREGAssoft, out of 13.37 lakh job card holders only 10.68 lakh (80 *per cent*) job cards were shown verified in J&K as of March 2024. In the five sampled districts, out of 5.08 lakh JCs, only 3.93 lakh (77 *per cent*) job cards were verified as of March 2024. The shortfall in verification of job cards ranged from 15 to 27 *per cent*, as detailed in **Table 2.2**.

⁸

As per Government Order No. 130-RD&PR of 2020 dated 03 June 2020

Table 2.2: Status of verification of Job Cards in sampled Districts

Name of the Sampled District	Number of JCs Issued	Number of JCs verified	Shortfall in verification of JCs	Shortfall (per cent)
Anantnag	1,06,824	90,349	16,475	15
Kupwara	1,01,287	78,946	22,341	22
Poonch	85,534	66,543	18,991	22
Rajouri	1,30,392	94,783	35,609	27
Jammu	84,593	63,739	20,854	25
Total	5,08,630	3,94,360	1,14,270	22

(Source: data available on NREGAsoft)

The shortfall in verification of job cards both at the UT level (20 *per cent*) and in sampled districts (22 *per cent*) raises concerns about the integrity of the beneficiary database under MGNREGS. Audit further noticed in 40 sampled GPs that the job card application register for registration of households was not maintained during 2019-24. Consequently, Audit could not ascertain whether the households, applying for registration were registered or whether job cards were issued within the stipulated period of 15 days.

In reply, the Department stated (August 2025) that the UT of J&K had undertaken the verification and updating of job cards through intensive campaigns during the last three years, as a result, 1.42 lakh job cards have been deleted due to multiple legitimate reasons such as migration of households, delimitation of GPs/ Villages, death of job card holders. The Department further attributed the shortfall in job card verification to the migration of the families outside the panchayats, death of the job card holders and to the physical absence of the job card holder.

However, at the UT level 2.69 (20%) lakh job cards⁹ still remained unverified as of March 2024.

Survey of 400 beneficiaries conducted in 40 sampled GPs to assess the maintenance of requisite records revealed that 125 (31 *per cent*) beneficiaries were without physical job cards and 275 beneficiaries were in possession of job cards. Out of 275 beneficiaries in possession of job cards, six (two *per cent*) job cards were without photographs. 158 (40 *per cent*) beneficiaries got their job cards after prescribed limit of 15 days. However, as the crucial records were not maintained, reasons for delay could not be ascertained by Audit. Further, no work entry was found recorded in 109 (40 *per cent*) out of 275 job cards physically surveyed by audit and no entry of payment was made to the beneficiaries in 108 (39 *per cent*) out of 275 job cards.

2.2.2 Planning

Participatory¹⁰ planning is crucial for ensuring that MGNREGS meets its goals effectively. The Scheme is designed to provide demand-driven employment and the

⁹ The difference between 13.37 lakh job card holder and 10.68 lakhs verified

¹⁰ As per Para 18 (6) of Operational Guidelines, 2013, the State (UT) should work out a formal partnership between the Village Panchayats and the network of SHGs emerging as part of NRLM

success of its implementation hinges on accurate forecasting of both the quantum and timing of demand for work. This involves predicting the number of individuals who will seek employment and the type of work that will be needed in a particular period. Accurate data and a system to record this demand are essential to avoid delays and inefficiencies. Concomitantly, a shelf of projects¹¹ is to be prepared and prioritised to meet this demand. This matching of demand and supply of work is the process of planning under MGNREGA, and this is to be achieved through the preparation of a Labour Budget (LB).

2.2.2.1 Preparation of Labour Budget

As per sub-section-6 of Section-14 of the MGNREGA Act 2005, the District Programme Coordinator (DPC) is required to prepare the Labour Budget (LB) every year by December for the upcoming financial year. This LB is crucial because it forecasts the demand for work, allocates resources and plans the engagement of workers for various projects in the district. The LB thus helps to assess both the quantum (amount) and timing of work demanded and preparation of a shelf of projects to meet demand for works within the time prescribed in the Act.

Audit observed the following deficiencies in preparation of Labour Budget:

(I) Baseline survey/reassessment of baseline survey

Paragraph 6.2 of Operational Guidelines, 2013 provides that a survey of job card holders is to be mandatorily conducted in every GP in order to prepare a base line to assess the quantum and timing of demand for employment in the GP. Expert institutions may be empanelled separately in each State/ UT to finalise the framework and methodology for the pilots of the baseline survey and once the methodology is finalised, these institutions will train teams from each District to conduct the surveys. Leading Civil Society Organizations (CSOs) could also assist in this process. The State Rural Development Secretary and the DPCs will ensure that the pilots for baseline survey are done in Financial Year 2012-13 so that the baseline surveys for all GPs are completed in Financial Year 2013-14.

Further, reassessment of the base year LB/ demand for work, on the basis of household survey should be done once every five years to account for changes in the local pattern of livelihoods and opportunities for work in production activities. The baseline assessment will be a mandatory component of the development plan¹² of the GP and the District.

Audit observed that neither baseline survey was conducted nor expert institutions were empanelled separately for finalisation of the framework and methodology for pilots for baseline survey in five sampled Districts. Since the baseline survey was not carried out,

¹¹ "Project" means any work taken up under a Scheme for the purpose of providing employment to the applicants. (Para 6 of MGNREGA Operational Guidelines, 2013)

¹² Development Plan is an Annual Plan for MGNREGA which is prepared by every GP after considering the recommendations of Gram Sabha and Ward Sabhas (MGNREGA Operational Guidelines, 2013)

the reassessment of demand for work was also not conducted for the period between 2019-20 and 2023-24. This indicated a significant lapse in the planning and implementation process at GP level. In the absence of the prescribed baseline survey, the requirement of assessing the quantum and timing of demand for employment, as envisaged in the Operational Guidelines, 2013, was not complied with at the GP level.

In reply, ACD Kupwara stated (September 2024) that the lapse can be attributed to shortage of staff and that henceforth all the guidelines and valuable instructions will be followed in letter and spirit as mandated under the Scheme and instructions will be issued to all the panchayats to follow the guidelines and prepare the action plan as per the guidelines of the Scheme. ACD Rajouri and ACD Poonch stated (November and December 2024) that there were no such directions from the higher authorities. The ACD Anantnag and ACD Jammu attributed (February 2025) lack of logistical support and resources at GP level for the irregularity.

In reply, the Department stated (August 2025) that a baseline survey of job cards to assess the demand is conducted periodically, particularly at the beginning of each financial year.

The reply is not based on facts as audit examination of records and replies of the district implementing authorities clearly indicate that baseline surveys in the sampled districts during 2019-24 were not conducted.

(II) Timelines in preparation of Labour Budget

Paragraph 6.10 of MGNREGA Operational Guidelines, 2013 stipulates that the Management Information System (MIS) entry made in regard to the Labour Budget (LB) at Gram Panchayat (GP) level will get aggregated at different levels. The aggregated LB at District level is required by the Ministry of Rural Development, GoI by 31st December each year. The LB entered in the MIS will be analysed by the Ministry and put up to the Empowered Committee chaired by the Secretary of the Rural Development and final LB for the State/UT as a whole will be agreed to. Timelines for various steps involved in preparation and finalisation of LB are given in **Table 2.3**.

Table 2.3: Timeline prescribed for preparation and finalisation of labour budget

Sl. No.	Action to be taken	Timeline
1	Gram Sabha to approve GP Annual Plan and Submit to PO	15 th August
2	PO submits consolidated GP Plans to Block Panchayat	15 th September
3	Block Panchayat to approve the Block Annual Plan and submit to DPC	2 nd October
4	DPC to present District Annual Plan and LB to District Panchayat	15 th November
5	District Panchayat to approve District Annual Plan	1 st December
6	DPC to ensure that shelf of projects for each GP is ready	15 th December
7	LB is submitted to Central Government	31 st December
8	Meetings of Empowered Committee are held and LB finalised	February

(Source: MGNREGA Operational Guidelines)

Audit examination disclosed the following discrepancies:

- The Sampled 10 Blocks did not follow the prescribed practice of preparing and submitting Gram Panchayat-wise Labour Budget proposals during 2019-20 to 2023-24. Instead, Panchayat Secretaries merely enlisted works and forwarded the lists to the Block MIS for inclusion in the shelf of projects, without assessing or indicating the anticipated demand, quantum and timing for unskilled manual work. Consequently, audit could not verify whether the proposals of Gram Panchayats were duly included in the Labour Budgets of the Blocks.
- Out of the 10 sampled blocks, five¹³ blocks did not provide Block Annual Action Plans from 2019-20 to 2023-24 to audit. Consequently, audit could not ascertain whether all proposed Block-level works were included in the District Annual Action Plans, verify additions or deletions of works therein, or determine whether proposals were submitted within the stipulated schedule.
- The Block Annual Action Plan was required to be submitted to the District Authorities by 2nd October every year. However, in two¹⁴ out of 10 sampled blocks, the submission of Block Annual Action Plans was delayed from 207 to 281 days during 2019-24. Additionally, three¹⁵ sampled blocks had not maintained the records of submission of their proposals to the District authorities during 2019-24. As a result, the submissions of their proposals as per the stipulated timeline could not be ascertained.
- The DPC has to ensure that shelf of projects for each GP is ready by 15th of December every year. However, it was noted that in all five sampled districts, the submission of District Annual Action Plans were delayed and submitted belatedly to the higher authorities with delays ranging between 51 and 230 days during the period from 2019-20 to 2023-24.
- During 2019-20 to 2020-21, all the five-sampled districts submitted their Labour Budgets after finalisation of Labour Budget by GoI. During 2021-22, districts viz. Anantnag, Poonch and Rajouri submitted their Labour Budget after finalisation of Labour Budget by GoI. Even during 2022-23 and 2023-24, authorities of Poonch district submitted their LBs after finalisation by GoI. Similarly, in 2023-24, District Anantnag also submitted their LB after finalisation of LB by GoI. The details are provided in **Table 2.4**. Thus, the submission of LBs after their finalisation/presentation to the GoI defeated the purpose of preparation of LB.

¹³ Anantnag, Kralpora, Magam, Qazigund and Thanamandi

¹⁴ Poonch district: Block Surankote and Block Loran

¹⁵ Mandal Phallian, Paragwal and Moughla

Table 2.4: Dates of submission of LBs in sampled Districts during 2019-24

Name of the Sampled Districts	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	Date of Finalization of LB by the GoI in Empowered Committee (EC)	28.02.2019	13.02.2020	22.02.2021	29.03.2022	16.02.2023
Anantnag	Date of submission of LBs	19.06.2019	21.04.2020	05.05.2021	05.02.2022	15.05.2023
Jammu	Date of submission of LBs	02.08.2019	16.03.2020	15.02.2021	07.02.2022	07.02.2023
Kupwara	Date of submission of LBs	26.07.2019	21.04.2020	Not Applicable	04.02.2022	08.02.2023
Poonch	Date of submission of LBs	07.06.2019	24.03.2020	22.06.2021	06.06.2022	25.05.2023
Rajouri	Date of submission of LBs	28.05.2019	22.04.2020	06.05.2021	07.02.2022	10.02.2023

(Source: records of Rural Development Department)

During Exit Conference, it was stated (September 2025) that the audit observations concerning delays and discrepancies do not fully reflect the actual procedural practice and annual action plan was prepared and submitted by the districts after following the due process and timelines and were formulated right from the Gram Sabha up to the level of approval of LB by the MoRD.

The reply is factually incorrect as the dates of submission of LBs as taken from departmental records are shown in the **Table 2.4** above.

(III) Generation of Person Days *vis-à-vis* proposed/ approved Person Days

Audit observed that:

- No record related to compilation of LB proposals received from Districts was found maintained by the Department. Variation in projected and approved figures of person days (PDs) was noticed during 2019-20 to 2023-24, as given in **Table 2.5**.

Table 2.5: Person days projected, approved and generated in J&K during 2019-24

(number in lakh)

Year	PDs projected in LB	PDs approved by GoI	PDs generated	PDs generated in excess of PDs approved by GoI
2019-20	360.00	360.00	313.41	NA
2020-21	407.01	350.00	407.01	57.01
2021-22	406.18	350.00	406.18	56.18
2022-23	308.89	275.00	308.89	33.89
2023-24	375.00	375.00	374.85	NA
Total	1,857.08	1,710.00	1,810.34	147.08

(Source: records of Rural Development Department)

- As seen from **Table 2.5**, the PDs generated during 2020-21 to 2022-23 exceeded the PDs approved by the GoI. Despite having a provision for revising the LBs, the approval for excess 147.08 lakh PDs generated during 2020-23, was not obtained.

- Similarly, in five sampled districts, 69.18 lakh PDs were generated beyond the approval of GoI during 2019-20 to 2023-24. As a result, payments amounting to ₹ 148.51 crore were made, without the approval of GoI, during 2019-24.

Absence of door-to-door or baseline surveys to derive Person-day projections indicated that the projections for labour were not based on actual data. Since projections were not based on actual data, no assurance can be derived on the correctness of the demand shown.

In reply, the Department stated (August 2025) that the variations between projected and approved PDs during 2020-23 arose due to small/minor variations in the employment pattern which is intrinsic element of the Scheme. They added that the projections were prepared at the field level based on available data, past trends etc. They also stated that during 2023-24, the LB was revised twice by the GoI on the request of the UT Administration.

The reply has to be viewed with the fact that the variations in the LB during 2020-23 were not approved in accordance with the actual PDs generated.

2.2.2.2 District Perspective Plan

Paragraph 15.3.1.1 of Operational Guidelines 2013 stipulates that guidelines on decentralised planning envisage preparation of a District Perspective Plan (DPP), which identifies the need and gap in the district in all the sectors. The District Perspective Plan is a multi-year plan for different departmental projects whose aim was to identify the types of MGNREGS works that should be encouraged in the district, and the potential linkages between these works and long-term employment generation.

Audit observed that the DPPs were not prepared in all five sampled districts during the period 2019-24. As a result, although convergence works were included in the shelf of projects, the specific sectoral needs and existing gaps at the District level could not be identified. This also indicated that the project planning was incomplete and lacked a comprehensive, integrated approach.

In reply, the ACDs Poonch and Rajouri while acknowledging the audit observation stated (November and December 2024) that due to the topography of the Districts and meagre local needs and funding pattern of the Scheme, the DPP was not prepared. The ACD Anantnag and Jammu attributed (February 2025) delays to data collection and integration with sectoral planning. No reply was furnished by the ACD Kupwara.

In reply, the Department stated (August 2025) that the DPPs are prepared in the shape of shelf of works and attributed the non-preparation of DPPs in some districts to challenges such as delays in receipt of sectoral data and shifting priorities amidst unforeseen circumstances such as Covid 19 pandemic. It was added that district-level planning continued through alternate mechanisms, including periodic reviews and consultations with sectoral departments.

The fact, however, remained that the multi-year planning in the shape of District Perspective Plans was not ensured at the district level.

2.2.3 District Level Technical Committee

Paragraph 4.4.3 of the MGNREGA Operational Guidelines, 2013 provides that a District-level Technical Committee may be formed at district level to guide the implementation of the Act. The District Level Technical Committee must comprise district officers, from the relevant technical departments, representatives of NGOs and the academic community. The Committee will examine shelf of projects, preparation of district specific schedule of rates for common tasks under MGNREGS, determine the rates, quality parameters and list of suppliers for the district for the material, and will lay down norms to ensure quality of assets being created under MGNREGS.

Audit observed that in all the five sampled Districts, no District Level Technical Committees (DLTC) were constituted to provide guidance for implementation of MGNREGS during 2019-24. In absence of DLTC, Gram Panchayat and Block Development Plans could not be examined based on technical considerations and the District level development priorities. Therefore, possibility of over/under-estimation of cost of work and time overrun could not be ruled out. Further, technical soundness of the works especially in terms of quality of assets created could not be monitored properly.

In reply, the Department stated (August 2025) that the UT has a well-structured Rural Engineering Wing (REW)/Technical Cell operating at both the divisional levels under the supervision of Superintending Engineers. It was added that this technical framework ensures adherence to the MGNREGS guidelines in planning, implementation and monitoring.

Constitution of DLTCs is a mandatory requirement under the MGNREGA guidelines and reliance on the existing REW/Technical Cells does not substitute the institutional role envisaged for DLTCs.

2.2.4 Information, Education and Communication Plan

Paragraph 5.4.2 of the MGNREGA Operational Guidelines, 2013 provides that all States/ UTs should develop an Information, Education and Communication (IEC) plan for the Scheme with focus on reaching out to the registered workers as well as other groups which could benefit from the Scheme. The IEC plan should clearly indicate District, Block and Local level activities.

Although the Government of J&K constituted (March 2018) the IEC/Media Cell for coordination with the local media/HODs for wide publicity of all the developmental Schemes, no IEC plan was prepared in all the five sampled districts during 2019-2024. Not preparing of IEC plan weakened beneficiary awareness and outreach thereby adversely affecting informed participation under MGNREGA.

In reply, the ACDs¹⁶ while acknowledging (September 2024 to February 2025) the audit observation stated that in future, needful will be done as per the guidelines for better outreach and awareness.

In reply, the Department stated (August 2025) that the IEC activities are planned and implemented by the Department supported by a dedicated IEC Cell.

The reply should be seen in view of the fact that the copies of IEC plans indicating the District, Block and Village level activities were neither found on record nor made available to audit.

Beneficiary Survey:

The absence of a proper IEC plan in the implementation of MGNREGS lead to several issues in terms of beneficiary awareness, participation and overall effectiveness of the Scheme as was observed during survey of 400 beneficiaries:

- 84 (21 *per cent*) beneficiaries were not aware of number of days of work, a household is entitled to, in a year.
- 60 (15 *per cent*) beneficiaries were not aware of entitlement to earn the minimum wage under MGNREGA.
- 130 (33 *per cent*) beneficiaries were not aware that the wages are to be paid within 15 days of completion of work.
- 309 (77 *per cent*) beneficiaries were not aware of payment of unemployment allowance, if a work was not provided within 15 days of application for work.
- 89 (22 *per cent*) beneficiaries were not aware to make request/demand for employment to the concerned authority after getting job card.
- 305 (76 *per cent*) beneficiaries were not aware of certain types of machines permissible for use in MGNREGA works.
- 197 (49 *per cent*) beneficiaries were not aware of social audit in the village.
- 257 (64 *per cent*) beneficiaries were not aware of the authority to whom their grievances are to be addressed to.
- 357 (89 *per cent*) beneficiaries were not aware of the availability of the Ombudsperson at the District level for redressal of their grievances.

The observations noticed in beneficiary survey indicates a critical deficiency in awareness generation and capacity-building measures, which hampers effective implementation and limits beneficiaries' ability to claim their rightful entitlements under the Scheme.

¹⁶ Anantnag, Jammu, Kupwara, Poonch and Rajouri

2.2.5 Employment Guarantee Day (*Rozgar Diwas*)

Paragraph 3.3 (i) of the MGNREGA Operational Guidelines, 2013 provides that every Gram Panchayat should organise a *Rozgar Diwas* at least once every month. At this event, the GP should pro-actively invite applications for work from potential workers for the current, as well as, subsequent quarters. The 'Employment Guarantee Day' should be earmarked for processing work applications and related activities such as disclosure of information, allocation of work, payment of wages and payment of unemployment allowances.

Audit observed that out of 40 sampled GPs, *Rozgar Diwas* was organised only in eight GPs¹⁷ of Poonch District during 2019-20 to 2023-24.

Not conducting *Rozgar Diwas* in 32 Gram Panchayats deprived the job seekers/beneficiaries of an important platform to access and disclose the details of works/projects (sanctioned amount, labour and material component etc.) taken up/ to be taken up in these GPs in that particular month. This also deprived the potential workers from the opportunity to register their demands and raise grievances relating to registration, job demand, works execution etc.

In reply, the ACDs Kupwara, Anantnag, Poonch and Jammu stated (September 2024, October 2024 and February 2025) that subordinate offices would be instructed to do the needful as per the guidelines of the Scheme. ACD Rajouri attributed (November 2024) shortfall in conducting *Rozgar Diwas* to limited budgetary ceiling.

In reply, the Department stated (August 2025) that *Rozgar Diwas* was regularly conducted across the UT of J&K primarily in the first week of every month. It was further stated that audit may not have found complete documentation in some GPs and field functionaries have been instructed to ensure better record keeping and reporting.

The reply should be viewed in light of the fact that records of 32 GPs did not indicate organisation of *Rozgar Diwas* during 2019-20 to 2023-24, nor were any such records made available to audit.

2.2.6 Human Resource Management

(I) Shortage of manpower in J&K

Section 18 of the MGNREGA Act provides that State/ UT Government is mandated to make available to the District Programme Coordinator (DPC) and Programme Officers (PO) necessary staff and technical support as may be necessary for effective implementation of the Scheme. The Department of Rural Development and Panchayati Raj conveyed (August 2018) approval of State Employment Guarantee Council (SEGC) for engagement of Programme Officer (PO), Management Information System (MIS) Operator and Accounts Assistant cum Administrative Assistant for each Block,

¹⁷ (i) Hari Lower, (ii) Marhote Middle, (iii) Kallar Kattal Upper, (iv) Lotha Lower, (v) Loran Lower-B, (vi) Dana Kharappa Loran, (vii) Brachhar and (viii) Tantray Gam Loran

one Technical Assistant (TA) for five GPs and one Gram Rozgar Sahayak (GRS) for each GP purely on contractual basis. The position of availability of staff for implementation of MGNREGS in the UT of J&K as of March 2024, is given in **Table 2.6**.

Table 2.6: Position of Availability of MGNREGS Staff at Block level in UT of J&K as of March 2024

Name of post	Total No. of Blocks	Sanctioned post	Person in position	Vacancy	Vacancy (per cent)
Programme Officer	285	285	94	191	67
MIS Operator		285	217	68	24
Accounts Assistant cum Administrative Assistant MGNREGA		285	16	269	94
Total	285	855	327	528	62

(Source: records of Rural Development Department)

It may be seen from **Table 2.6** that there were overall vacancies of 62 *per cent* in respect of manpower under MGNREGS as of March 2024. The vacancies were maximum in case of Accounts Assistant cum Administrative Assistant (94 *per cent*) followed by Programme Officer (67 *per cent*) and MIS Operator (24 *per cent*).

Further, 3,415 personnel (Technical Assistants: 597 and Gram Rozgar Sahayaks: 2,818) were in-position as of March 2024 on contractual basis against the requirement of 5,149 personnel (Technical Assistants: 858 and Gram Rozgar Sahayaks: 4,291). This resulted in 30 *per cent* and 34 *per cent* shortage of Technical Assistants and Gram Rozgar Sahayaks respectively in 4,291 Gram Panchayats of J&K as of March 2024.

As these key functionaries are responsible for record maintenance, project execution, and provision of technical and administrative support at the grassroots level, vacancies in these positions adversely affected implementation of the Scheme to that extent.

(II) Human Resources in sampled Districts

The position of sanctioned and in-position staff as of March 2024 in the five sampled districts is given in **Table 2.7**.

Table 2.7: Position of Availability of Staff in sampled districts as of March 2024

Name of the sampled Districts	Total number of Blocks in the District	Programme Officer (PO)			MIS Operator			Accounts Assistant cum Administrative Assistant		
		Sanctioned	In-Position	Vacancy (per cent)	Sanctioned	In-Position	Vacancy (per cent)	Sanctioned	In-Position	Vacancy (per cent)
Anantnag	16	16	11	5 (31)	16	11	5 (31)	16	0	16 (100)
Kupwara	24	24	1	23 (96)	24	20	4 (17)	24	0	24 (100)
Poonch	11	11	0	11 (100)	11	15	-	11	0	11 (100)
Rajouri	19	19	6	13 (68)	19	10	9 (47)	19	0	19 (100)
Jammu	20	20	9	11 (55)	20	21	-	20	0	20 (100)
Total	90	90	27	63 (70)	90	77	13 (14)	90	0	90 (100)

(Source: records of District Rural Development Department)

It can be seen from **Table 2.7** against the sanctioned 90 posts of POs and MIS Operators each, only 27 POs and 77 MIS Operators respectively were in position as of March 2024, resulting in vacancy of 70 *per cent* POs and 14 *per cent* MIS Operators. All the 90 sanctioned posts of Accounts Assistant and Administrative Assistant were vacant in five sample districts.

The distribution of available manpower in the sampled five districts was skewed. The vacancy of POs was lowest (31 *per cent*) in Anantnag district and highest (100 *per cent*) in Poonch district. The vacancy of MIS Operators was lowest (17 *per cent*) in Kupwara district and highest (47 *per cent*) in Rajouri district. There were five excess MIS Operators in Poonch (four) and Jammu (one) Districts.

Further, in sampled Districts there was shortage of TAs and GRSs as of March 2024, as given in **Table 2.8**.

Table 2.8: Availability of TAs and GRSs in sampled Districts as of March 2024

Name of the sampled Districts	No. of GPs	Availability of Tas			Availability of GRSs		
		Sanctioned	In-Position	Vacancy (<i>per cent</i>)	Sanctioned	In-Position	Vacancy (<i>per cent</i>)
Anantnag	335	67	43	24 (36)	335	248	87 (26)
Kupwara	385	77	53	24 (31)	385	257	128 (33)
Poonch	229	46	35	11 (24)	229	173	56 (24)
Rajouri	312	62	48	14 (23)	312	201	111 (36)
Jammu	321	64	41	23 (36)	321	59	262 (82)
Total	1582	316	220	96 (30)	1582	938	644 (41)

(Source: records of District Rural Development Department)

It can be seen from **Table 2.8** that against the requirement of 316 TAs, 220 TAs were in position in five sampled districts as of March 2024. Vacancy of TAs was lowest (23 *per cent*) in Rajouri district and highest (36 *per cent*) in Anantnag and Jammu Districts.

In respect of GRS, the lowest (24 *per cent*) vacancy was in Poonch district whereas the highest (82 *per cent*) vacancy was in Jammu District.

The shortage in the availability of staff against the sanctioned posts as well as skewed distribution of staff resulted in various shortcomings in performance in implementation of MGNREGS in sampled Districts.

In reply, the Department stated (August 2025) that the BDOs have been designated as POs from 08 November 2018 under MGNREGS¹⁸, as such, there is no dearth of POs in UT of J&K. It was added that the department had recruited 1,800 Panchayat Accounts Assistant in the panchayats, as such, as on date every two panchayats has one panchayat account assistant. It was further stated that the process of engagement of MIS operator, TA and GRS is under active consideration of the Department and the shortfall in the manpower shall be covered as soon as State Employment Guarantee Council is re-constituted.

¹⁸ Vide Government Order No. 279-RD&PR of 2018

(III) Capacity Building

Paragraphs 5.2.1 and 5.2.2 of Operational Guidelines, 2013 provide that each State/ UT will set up a MGNREGA Human Resource Development and Capacity Building Division (HRDCBD) to identify and mobilise institutions which play the role of training institutions of MGNREGA, draw up a State/ UT level training plan as per courses defined in Paragraph 5.3 of Operation Guidelines, 2013 for every stakeholder.

It was observed that no HRDCBD was established in the UT of J&K as of March 2024 which led to the absence of a comprehensive training plan. Despite this gap, the Institute of Management and Public Administration and Rural Developments (IMPARD) one each in Srinagar and Jammu had organised 31 departmental training programmes across various activities in which 599 trainees¹⁹ participated during 2019-24.

Audit further noticed the following during the period 2019-20 to 2023-24:

- Paragraph 5.1 of MGNREGA Operational Guidelines envisages that State/ UT Level Manuals should be prepared to enable Gram Panchayats to take appropriate measures especially those related to Integrated Watershed Management. However, no training Manuals were prepared at the UT level.
- Paragraph 5.1 of MGNREGA Operational Guidelines, 2013 provide that funds for capacity building shall be assessed and earmarked from the administrative expense head and adequate training arrangements made. It was noticed that funds for capacity building were neither assessed nor earmarked from administrative expenses head.
- Due to not formulating HRDCBD, the district level MGNREGA teams and support teams were not master trained in cascading (train-the-trainer) model as envisaged in Paragraph 5.2.3 of MGNREGA Operational Guidelines, 2013 and did not provide regular support services to the MGNREGA district teams.

In reply, the Department stated (August 2025) that the training modules were not explicitly prepared by RDD&PR but significant efforts have been made in collaboration with IMPARD and other training centres to ensure that capacity building for MGNREGA staff is comprehensive, timely and responsive to emerging needs.

The fact remained that not establishing Human Resource Development and Capacity Building Division led to the absence of a comprehensive training plan.

2.3 Financial Management

Paragraph 12.1.1 envisages that MGNREGS is a Centrally Sponsored demand driven wage employment Scheme. Releases of Central Share of funds are based on the projection of labour demand in Labour Budget (LB) agreed to between Central

¹⁹ 2019-20: 9 Training programmes (147 Participants); 2020-21: 9 Training programme (172 Participants); 2021-22: 23 Training programmes (73 Participants); 2022-23: 6 Training programme (110 Participants); 2023-24: 4 Training programme (97 Participants).

Government and State Government. The Central releases are, thus, based on District/ State specific anticipated labour demand proposals rather than on predetermined budget allocations.

2.3.1 Funding Pattern

Central Share (CS) of funds under MGNREGA is normally released in two tranches. The release of 1st tranche (including upfront money) of CS is based on proportionate fund requirement as per the agreed to LB to take care of requirement for the first six months of the financial year, subject to a maximum of 50 *per cent* of the total fund required for a whole year. The release of 2nd tranche is based on unspent balances and actual performance against the agreed to LB during the year.

The MGNREGS in the UT of J&K is having 100 *per cent* funding from the GoI from the year 2019-20 onwards²⁰. The GoI allocates wages for unskilled/skilled and semi-skilled labour, material costs and administrative expenses to the GoJ&K in two tranches. GoJ&K releases these funds to the State Employment Guarantee Fund (SEGF). The funds (wages) are then transferred by SEGF to the accounts of unskilled, skilled, semi-skilled workers and to the vendors/suppliers on account of payments for material and other administrative expenses. In May 2013, the Government constituted the State Employment Guarantee Authority (SEGA), J&K which is responsible for management and administration of SEGF. SEGA was registered (May 2013) as a society under J&K Registration of Societies Act, 1998.

2.3.1.1 Financing under MGNREGA

The position of funds released by the GoI/ UT Government and the expenditure incurred there against during 2019-20 to 2023-24 is given in **Table 2.9**.

Table 2.9: Status of availability of funds and expenditure incurred in J&K

(₹ in crore)

Year	Opening Balance	Funds Released	Other/ Misc Receipts	Total receipt	Total funds available	Total expenditure (per cent)	Closing Balance (per cent)
	(A)	(B)	(C)	(D)= (B)+(C)	(E)= (A)+(B)+(C)	(F)	(G)
2019-20	181.26	1,255.75	1.69	1,257.44	1,438.70	1,013.74 (70)	424.96 (30)
2020-21	424.96	1,308.90	2.74	1,311.64	1,736.60	1,566.40 (90)	170.20 (10)
2021-22	170.20	963.18	110.04	1,073.22	1,243.42	1,145.45 (92)	97.97 (8)
2022-23	97.97	1,054.79	3.30	1,058.09	1,156.06	968.52 (84)	187.54 (16)
2023-24	187.54	990.42	1.66	992.08	1,179.62	1,132.29 (96)	47.33 (4)
Total		5,573.04	119.43	5,692.47	5,873.73	5,826.40	

(Source: records of Rural Development Department)

It may be seen from **Table 2.9** that during 2019-20 to 2023-24 against an amount of ₹ 5,873.73 crore available, an expenditure of ₹ 5,826.40 crore (99 *per cent*) was incurred, indicating good performance of the Department in utilisation of funds. The

²⁰

After re-organisation of erstwhile State of J&K into UT of J&K from August 2019.

year-wise percentage of expenditure against the funds available during 2019-20 to 2023-24 ranged from 70 *per cent* to 96 *per cent*. There was gradual decrease in the unspent balances at the end of each year ₹ 424.96 crore (30 *per cent*) in 2019-20 to ₹ 47.33 crore (4 *per cent*) in 2023-24. The shortfall in utilisation of the funds, particularly during 2019-20 was partly due to late release of funds by the Finance Department of GoJ&K, as discussed in succeeding Paragraph.

2.3.1.2 Delay in Release of Funds

As per conditions attached with the sanction orders issued by the GoI, the UT Government was to transfer the MNREGA funds to the SEGF for programme implementation within 3 to 15 days positively from the date of receipt of these funds. For delayed release of funds the J&K Government was liable to pay interest at the rate of 12 *per cent* per annum.

Audit observed that there were instances of delay in release of funds received from GoI by the J&K Finance Department. The delay in release of ₹ 2,150.39 crore by the J&K Finance Department, to SEGF during 2019-20 to 2023-24 ranged from 4 to 122 days²¹. For non-adherence to above conditions the J&K Government was liable to pay interest of ₹ 44.18 crore on the delayed release of funds made during 2019-20 to 2023-24. No correspondence relating to raising of demand of interest was available on records in the Department.

2.3.2 Creation of Liability

Paragraph 8.3.1 of MGNREGA Operational Guidelines, 2013 provides that workers are entitled to being paid on a weekly basis, and in any case within a fortnight of the date on which work was done and systemic solutions are required to ensure that wages are paid on time. Further, Paragraph 7.1.7 (f) of Annual Master Circular 2019-20 stipulates that the payment of material procured shall commence only after the labour muster rolls have been cleared for payment i.e., wage payment must precede the payment of material for that work.

Audit observed that an amount of ₹ 704.39 crore²² was outstanding in respect of unskilled wages (₹ 49.19 crore), semi-skilled/ skilled wages & material (₹ 646.92 crore) and administrative expenses (₹ 8.28 crore) as of March 2024. Against the total expenditure of ₹ 1,333.25 crore on material (including skilled/ semi-skilled wages) during the period 2019-2024, the Department had not cleared dues of ₹ 646.92 crore (49 *per cent*). The payment of dues was pending over periods ranging from one to five years. This reflects weaknesses in financial management, particularly in timely settlement of material procurement liabilities and wages to poor workers, thereby defeating the objective of the Scheme to that extent. Besides, there was absence of proper recording of events as per the guidelines.

²¹ Worked out after giving 15 days grace period.

²² 2019-20: ₹ 42.45 crore; 2020-21: ₹ 46.24 crore; 2021-22: ₹ 82.83 crore; 2022-23: ₹ 55.24 crore; 2023-24: ₹ 477.63 crore

In five sampled Districts, there was an outstanding liability of ₹ 245.08 crore on account of unskilled wages (₹ 6.11 crore), semi-skilled/skilled wages (₹ 63.56 crore) and material (₹ 175.41 crore) as of March 2024. This liability included the liability of ₹ 21.93 crore²³ in respect of 10 sampled blocks and ₹ 5.07 crore²⁴ in respect of 40 sampled GPs. Thus, in an employment-driven Scheme meant to provide immediate wage support, non-clearance of liabilities undermined both livelihood security of workers and credibility of the Scheme. Further, inconvenience to the vendors cannot be ignored as the payments due to vendors was running into crores for each year.

In reply, the Department stated (August 2025) that as soon as the funds are received from the MoRD GoI, the liabilities under all the components would be cleared.

2.3.2.1 Rejected/ Regenerated Transactions

Audit observed that out of 3,16,178 rejected transactions during 2019-20 to 2023-24, 2,83,196 transactions (90 *per cent*) pertained to wages of unskilled workers amounting to ₹ 48.91 crore. The remaining 10 *per cent* were on account of material cost and administrative charges. The primary reasons for rejected transactions were dormant bank accounts, change of bank, variation in IFSC code, incorrect bank account details and not mapping of Aadhar of beneficiaries.

It was seen that out of total 3,16,178 rejected transactions amounting to ₹ 77.24 crore during 2019-20 to 2023-24 only, 2,67,321 transactions amounting to ₹ 65.45 crore were regenerated. Of these, 40,349 transactions involving payment of ₹ 8.26 crore were pending as on March 2024 at Bank Level, for which no reasons were recorded. Further, 8,508 transactions amounting to ₹ 3.53 crore had not been regenerated and remained pending for payment as of March 2024, for which no reasons were recorded. Non-payment of wages to workers, material cost and administrative charges due to rejected transactions resulted in creation of pending liabilities during the period 2019-24.

In reply, the Department while accepting the audit observation stated (January 2025) that rejection and regeneration of transaction is an ongoing process with proper check and balances to ensure that rightful workers/ suppliers receive the funds after due authentication of their account credentials.

The fact, however, remained that wages and payments towards material cost and administrative charges remained unpaid due to persistent rejection of transactions, leading to accumulation of liabilities.

2.3.3 Compensation for Delayed Payment of Wages

Paragraph 29 of the revised schedule II of MGNREGA Act, 2005 lays a detailed procedure for establishing a compensation system for delay in payments. MGNREGS workers are entitled to receive compensation, at a rate of 0.05 *per cent* of the unpaid

²³ Unskilled wages (₹ 0.72 crore), semi-skilled/skilled wages (₹ 5.92 crore) and material (₹ 15.29 crore)

²⁴ Unskilled wages (₹ 0.12 crore), semi-skilled/skilled wages (₹ 1.35 crore) and material (₹ 3.60 crore)

wages per day for the duration of the delay beyond the 15th day of the closure of the muster roll.

Audit scrutiny of records and information collected from the RDD&PR revealed that against approved compensation of ₹ 19.60 lakh from 2019-2020 to 2023-24, only ₹ 2.04 lakh (10 *per cent*) was paid, leaving a balance of ₹ 17.56 lakh unpaid as of March 2024. In five sampled districts, an amount of ₹ 10.95 lakh was payable as of March 2024 to the workers on account of delayed wage payments for works executed during 2019-24. Further, out of five sampled districts, only two districts (Rajouri and Poonch) had approved compensation for delayed wage payments for works executed during 2019-24.

Further, in 10 sampled Blocks, in 284 (71 *per cent*) out of 400 test-checked works, the wages were paid after prescribed time limit during 2019-24. The delay in payment of wages ranged from one to 254 days. The compensation for delayed payments of wages amounting to ₹ 2.66 lakh was outstanding as of March 2024. Delayed payment of wages defeat the very purpose of providing employment in time of need.

During the Beneficiary survey of 400 beneficiaries, 165 (41 *per cent*) beneficiaries stated that they could not get payment of wages within the prescribed limit of 15 days from the date of completion of work.

In reply, the Department (January 2025) stated that the UT is committed that all the pending compensation shall be processed efficiently, besides steps shall also be initiated to prevent such delays in future.

2.3.4 Aadhar Based Payment

Paragraph 14.2 of Master Circular (2019-20) provides that the account details of the workers will be updated regularly in the MIS, but in order to make Aadhar Based Payments System (ABPS), there is a need for Aadhar seeding and its mapping at National Payments Corporation of India mapper by the banks. Further, Paragraph 8.8(ii) of Operational Guidelines, 2013 provides that in order to ensure timely payments to the workers for the work done, State/UT shall fix up maximum time limits for each complete process resulting in payment of wages to the wage seekers, in such a way that each wage seeker gets the wage payments for the work done within 15 days.

Out of total 22.29 lakh workers (including 14.61 lakh active workers) in J&K, accounts of only 3.33 lakh workers (including 2,088 accounts of active workers) had not been converted to Aadhar based payment mode as of March 2024.

Audit observed that due to not mapping of Aadhaar with accounts of active workers, as prescribed in Paragraph 14.2 of Master Circular (2019-20) of Ministry of Rural Development, GoI, 67,430 transactions amounting to ₹ 11.33 crore were rejected during 2019-24 in five sampled districts²⁵. Thus, the Department did not ensure

²⁵ Anantnag: 25,469 (₹ 4.36 crore); Kupwara: 2,542 (₹ 0.41 crore); Poonch: 12,876 (₹ 2.03 crore); Rajouri: 16,433 (₹ 2.64 crore); Jammu (10,110 (₹ 1.89 crore)

universal adoption of ABPS, which led to rejection of a significant number of transactions and delayed wage payments.

In 40 sampled GPs, 400 beneficiaries surveyed during field visit stated that they were in possession of Aadhaar cards, indicating that delays in mapping were not due to unavailability of Aadhaar but due to deficiencies in mapping and record maintenance, reflecting inadequate monitoring by the Department.

In reply, the Department stated (August 2025) that as per MIS data as on 14 August 2025, the UT has converted all the 14.79 lakh active workers in ABPS except 0.21 lakh workers and the balance would be converted shortly. It was further stated that all the payments are exclusively made through ABPS.

2.3.5 Inadmissible Expenditure

Paragraph 12.5.2 of the MGNREGA Operational Guidelines, 2013 provides that the Central Government provides funds up to six per cent of the total MGNREGA expenditure towards administrative expenses, to be utilised for approved activities²⁶. Further, Paragraph 12.5.6 provides that expenditure shall under no condition be booked under the administrative costs for purchase of vehicles and repair of old vehicles, civil works, salaries/remuneration of functionaries already engaged by the Government/PRI/ any other implementing agency and material procurement for works.

Test check of the records revealed that during 2019-20 to 2023-24, ₹ 53.48 lakh²⁷ was irregularly incurred on items²⁸ which were not covered under the Scheme guidelines.

In reply, the Department stated (August 2025) that in future strict compliance shall be adhered to while booking expenditure under Admin component of the Scheme.

2.4 Employment Generation-Provision of Guaranteed Employment

The main objectives of MGNREGS are to provide minimum 100 days of guaranteed wage employment every year to a willing household (HH) whose adult members volunteer to do un-skilled manual work and to create durable assets to strengthen the livelihood resource base of the rural poor. It was seen in audit that out of a total 37,82,594 job card HHs who demanded job during 2019-20 to 2023-24, a significant number i.e. 34,99,449 (93 *per cent*) HHs were provided employment, indicating satisfactory performance of the Department in providing guaranteed employment.

²⁶ Trainings; IEC activities; MIS; Quality Management; setting up of grievance redressal system; Professional/ Technical services; operational expenses, ICT facilities in GPs; Additional Staff deployment; Social Audits; Work-site facilities; Evaluation and Research; Contingency Expenditure like Ex-gratia payments, medical treatment, hospitalisation

²⁷ Director RDD Kashmir: ₹ 20.69 lakh; Director RDD Jammu: ₹ 24.29 lakh; ACD Kupwara: ₹ 8.50 lakh.

²⁸ Repair of vehicle, repair of gen sets, boarding and lodging charges, construction of meeting hall, anti-termite and anti-silver fish treatment of office building, refreshment charges, travelling expenses, purchase of crockery items, clearance of liability of PMAY-G sammelan, POL for DG sets and purchase of furniture etc.

However, only 77,512 (two *per cent*) HHs²⁹ were provided the minimum of 100 days of employment during 2019-24.

In all five sampled districts, the position of HHs that demanded employment and were provided employment during 2019-20 to 2023-24 is given in **Table 2.10**.

Table 2.10: Households demanded and provided employment in five sampled Districts during 2019-24

Name of the District sampled	HHs demanded Job	HHs provided Job	HHs not provided Job	Percentage of HHs not provided Job	HHs provided 100 days Job	
					Number	Percentage
Anantnag	3,23,579	2,99,949	23,630	7	9,287	3
Jammu	1,29,074	1,18,617	10,457	8	1,055	1
Kupwara	3,31,284	3,31,004	280	0.08	3,586	1
Poonch	2,93,418	2,80,530	12,888	4	4,534	2
Rajouri	3,82,673	3,58,344	24,329	6	7,193	2
Total	14,60,028	13,88,444	71,584	5	25,655	2

(Source: records of District Rural Development Department)

It is evident from the **Table 2.10** that in five sampled districts, a total of 14,60,028 HHs demanded employment under MGNREGS during five-year period from 2019-20 to 2023-24 out of which 13,88,444 (95 *per cent*) HHs were provided with jobs, indicating good performance of the Department in providing employment in sampled districts. However, a very small fraction of 25,655 (about two *per cent*) HHs were provided with the minimum guaranteed employment of 100 days.

In reply, the Department stated (August 2025) that the households that had demanded employment subsequently did not report for work when it was made available to them. It was further stated that the department has issued (August 2024) statutory order which notifies the unemployment allowance rules under MGNREGA and all districts have been duly instructed to take necessary action in accordance with the rules currently in force.

The reply should be viewed in light of the fact that the objective of Scheme is to provide at least 100 days of guaranteed wage employment every year.

2.4.1 Employment Provided to the Differently Abled Persons

Paragraph 9.3.9 of Operational Guidelines, 2013 provides that a special drive should be initiated to identify all persons with disability and other vulnerable persons and provide 100 days of work to each of the household that they belong to in all the villages within a specified timeframe. The Co-ordinator (Vulnerable Groups) shall hold a monthly meeting to review the progress of such implementation with Block and Gram Panchayat level officials and he/she will submit monthly and quarterly progress reports to the DPC.

²⁹ 2019-20: 12,879 (02 *per cent*); 2020-21: 22,700 (03 *per cent*); 2021-22: 23,626 (03 *per cent*); 2022-23: 9,940 (01 *per cent*); 2023-24: 8,367 (01 *per cent*)

Audit examination disclosed that no special drive was initiated by the Department for identification of the disabled and other vulnerable persons in J&K during 2019-20 to 2023-24. Employment provided to the already registered differently abled persons ranged between 30 *per cent* and 35 *per cent* during 2019-20 to 2023-24. Data of differently abled persons who demanded work during 2019-20 to 2023-24 was neither depicted in NREGAsoft nor any corroborative physical record was maintained at the UT level. Therefore, the percentage of differently abled persons who demanded works could not be ascertained in audit. Besides, none of the differently abled person was provided 100 days of employment during 2019-20 to 2023-24. In the five sampled districts³⁰, the employment ranging between 17 *per cent* and 36 *per cent* was provided to the registered differently abled persons during 2019-20 to 2023-24.

Audit further noted that during 2019-20 to 2023-24, in eight out of 10 sampled blocks³¹, employment was provided ranging between 0 *per cent* and 42 *per cent* of the registered differently abled persons. No physical record of differently abled persons who demanded works was maintained in 10 sampled blocks and in the 40 sampled GPs. Therefore, the percentage of differently abled persons who demanded works could not be ascertained in audit. The demand register to track work demanded/ offered was not maintained in any of the 40 sampled GPs of 10 sampled blocks. The monthly meeting of Coordinator (Vulnerable Groups) to review the progress of identified disabled and other vulnerable persons was neither held in the sampled 10 blocks nor in the sampled 40 Gram Panchayats. The Guaranteed Employment of 100 days of work was not provided to any of the differently abled person in the sampled blocks/GPs.

In reply, the Department while acknowledging the audit observation stated (January and August 2025) that the issue of not having demand data for differently-abled persons in MIS will be brought to the attention of MoRD, GoI. It was further stated that MoRD is the primary stakeholder responsible for developing the MIS for ensuring better tracking of both demand and employment provided to differently abled persons under MGNREGA.

2.4.2 Execution of Works

The implementation of MGNREGS depends on execution of works against which employment is provided and Person Days (PDs) generated. Section 4(3), Schedule-1 of MGNREG Act categorises the works under MGNREGS into four categories.

A sample size of 400 works (10 works each from 40 sampled GP) including completed/ongoing³² works (including convergence works) under all the categories of works executed during 2019-24 was selected and their joint physical survey was also conducted. Only labour component of works executed in convergence with the line

³⁰ Anantnag: 30 *per cent*; Jammu: 17 *per cent*; Kupwara: 33 *per cent*; Poonch: 29 *per cent*; Rajouri: 36 *per cent*.

³¹ In two Blocks Surankote and Loran in Poonch district, no differently abled person had registered for providing the job under MGNREGS.

³² Ongoing works: 126; Completed works: 274; Inclusive of Convergence works: 81

departments³³ was checked during field audit as the material component was borne by the line department. The sanctioned amount, expenditure incurred and the PDs generated for the execution of the selected works are given in **Table 2.11**.

Table 2.11: Sample Size of selected works in J&K

Category Name	Description of works	No. of works sampled	Sanctioned amount	Expenditure incurred	No. of Person days Generated
			(Figures ₹ in lakh)		(in lakh)
Category “A”	Public works relating to Natural Resource Management	166	350.00	267.05	1.67
Category “B”	Community assets or individual assets for vulnerable section (only for households in para 5 of section 4 (3) schedule-I)	55	36.13	31.72	0.11
Category “C”	Common infrastructure including for NRLM compliant self-help groups	<i>No works were executed under this category in the sampled Blocks of the sampled districts</i>			
Category “D”	Rural infrastructure works	179	360.00	277.56	0.92
Total		400	746.13	576.33	2.70

Audit findings relating to these 400 sampled works are discussed in the succeeding paragraphs.

2.4.2.1 Shortfall in execution and completion of works

Paragraph 7.17 of Operational Guidelines, 2013 provides that there should be a strategy to address incomplete works. Further, paragraph 7.17.4 of Operational Guidelines, 2013 provides that no sanction should be given to those Programme Implementing Agencies (PIA) where works are lying incomplete for more than one fiscal year, after the year in which these were proposed.

Out of 27.14 lakh planned works to be taken up for execution during 2019-20 to 2023-24 in J&K, only 20.16 lakh works (74 *per cent*) were taken up for execution. However, only 5.34 lakh (26 *per cent*) of the works taken up for execution were completed during 2019-20 to 2023-24. A significant number of 14.82 lakh works remained incomplete constituting about 74 *per cent* of the works taken up for execution. The Department incurred an expenditure of ₹ 1,897.10 crore as of March 2024 on these incomplete works. Reasons for not completing 74 *per cent* of works were not forthcoming from records.

In five sampled districts, out of 5.69 lakh works to be taken up for execution during 2019-20 to 2023-24, only 3.39 lakh works (60 *per cent*) were taken up for execution.

³³ Social Welfare, Rural Development for PMAY-G Scheme, Rural Development for 14th Finance Commission Programme

Although 2.24 lakh works were completed, still 1.14 lakh works³⁴ (34 *per cent*) were incomplete despite incurring an expenditure of ₹ 569.36 crore³⁵, and 2.30 lakh works were not taken up for execution.

In reply, the Department stated (August 2025) that a significant number of works that are currently marked as “incomplete” have in fact been physically completed but are pending financial closure due to delays in the release of material component funds by the MoRD, GoI.

The reply should be viewed in light of the fact that the Department’s assertion that a “significant number of works are physically complete but pending financial closure” is not supported by documentary evidence.

2.4.2.2 Savings in Completed Works

Audit noted that in 400 sampled works, 265 works were completed during 2019-24. Out of 265 completed works, an expenditure of ₹ 104.84 lakh was incurred on 129 works against the sanctioned amount of ₹ 160.35 lakh, resulting in savings of ₹ 55.51 lakh³⁶ (35 *per cent*) as of March 2024. In ten sampled blocks, the savings against the sanctioned amount of works ranged between 6 and 99 *per cent*. The significant savings in sampled completed works indicate that estimates of works were not prepared on a realistic basis.

In reply, the BDOs (Kralpora, Magam, Anantnag, Qazigund and Pargwal) stated (September 2024 to January 2025) that due to site requirements, works were not executed as per the estimates and better estimates will be prepared in consultation with the technical team. Further, the Department stated (August 2025) that the variation (2 to 5 *per cent*) between the estimated quantities and the actual work executed was primarily due to the challenges posed by the hilly terrain.

The reply should be viewed in context of the fact that substantial variations cannot be attributed merely to terrain conditions or minor site adjustments. This indicates that the preparation of estimates was ad-hoc and inflated, potentially leading to distorted financial projections and underutilisation of funds.

2.4.2.3 Muster Roll

Muster Rolls (MRs) are the base of generation of Fund Transfer Orders (FTOs) for making payments relating to wages to the un-skilled, semi-skilled and skilled workers.

³⁴ Anantnag: 12,489 (22 *per cent*); Kupwara: 29,353 (33 *per cent*); Jammu: 2,692 (22 *per cent*); Poonch: 28,487 (33 *per cent*); Rajouri: 41,456 (42 *per cent*)

³⁵ Anantnag: ₹ 1.24 crore; Kupwara: ₹ 177.61 crore; Jammu: ₹ 21.52 crore; Poonch: ₹ 144.90 crore; Rajouri: ₹ 224.09 crore

³⁶ Loran: ₹ 10.11 lakh (38 *per cent*); Surankote: ₹ 15.12 lakh (49 *per cent*); Moughla: ₹ 5.65 lakh (30 *per cent*); Mandal Phallan: ₹ 6.07 lakh (33 *per cent*); Thanamandi: ₹ 5.53 lakh (31 *per cent*); Kralpora: ₹ 6.29 lakh (34 *per cent*); Magam: ₹ 0.87 lakh (11 *per cent*); Anantnag: ₹ 1.47 lakh (40 *per cent*); Qazigund: ₹ 1.40 lakh (16 *per cent*); Paragwal: ₹ 3.00 lakh (32 *per cent*)

Audit observed that in 84 out of 400 sampled works, muster rolls in respect of skilled/ semi-skilled workers were not found available in files. Despite this, payments of ₹ 24.72 lakh were made solely based on entries in the NREGAsoft muster rolls. In absence of muster rolls, the authenticity and correctness of these payments could not be verified and contributed to inadmissible wage payments, as instanced in **Paragraph 2.4.2.10**.

In reply, the BDOs of Magam and Kralpora stated (January 2025) that the audit instructions have been noted and payments will be made on the basis of MRs. Five BDOs³⁷ stated (October to December 2024) that the directions will be given to the concerned staff to find the same and enclose in the works files.

In reply, the Department stated (August 2025) that it is not possible to make payments without generating muster rolls as all payments are made through PFMS and requested for specific work name, panchayat and block where any such payment have been made and the department could get the matter enquired.

The fact remained that no physical muster rolls were found on record, nor were they produced during audit or with the replies. Further, reliance on electronic entries in NREGAsoft without corroborating these with physical muster rolls undermines the transparency of wage disbursement.

2.4.2.4 Measurement Book

Paragraph 7.13 of MGNREGA Operational Guidelines, 2013 envisages that all measurements of work done shall be recorded in the measurement book (MB) duly authorised and issued by the competent authority. Weekly measurement of works should be undertaken by measurement officers (Technical Assistants/ Overseers/ Junior Engineers). Measurement officers should ensure that all measurements are taken within three days after close of weekly muster. This is crucial for timely wages payments.

It was observed that in respect of 266 (67 *per cent*) out of 400 sampled works, the Measurement Books (MBs) were not found available in the corresponding Work Files. Despite this, payments of ₹ 3.42 crore were made without availability of the MBs. In absence of MBs, audit could not ascertain the accuracy and authenticity of payments so made against these works.

In reply, the Department stated (August 2025) that the districts are committed to ensuring that no future payment shall be processed without enclosing certified MB entries in work files and necessary instructions have already been issued to all BDOs/Technical Staff for strict compliance.

2.4.2.5 Verification of the Bills/ Vouchers at the Worksite

Paragraph 7.11.5 of MGNREGA Operational Guidelines, 2013 provides that when a work is in progress, the workers engaged in that work will select, from among

³⁷

Mandal Phallian, Loran, Thannamandi, Moughla and Surankote

themselves, not less than five workers, on a weekly rotational basis, to verify and certify all the bills/vouchers of their worksite, at least once a week.

Audit scrutiny of records revealed that this process of verification/certification of bills/vouchers was not operationalised in 400 sampled works of 40 sampled Gram Panchayats during 2019-20 to 2023-24. Thus, mandatory mechanism of peer verification by workers was not complied with, which diluted a key transparency safeguard envisaged in the Scheme.

In reply, the Department stated (August 2025) that the districts have assured that this gap will be fully addressed and henceforth, no worksite will be allowed to close without certification of bills/ vouchers by selected workers in strict adherence to the MGNREGA guidelines.

2.4.2.6 Procurement of Material by Gram Panchayats

Paragraph 7.1.7(c) of master circular MGNREGS 2019-20 envisages that if some items are to be used across the entire block e.g. bricks, reinforcement bars etc., then the requirement from each GP for the entire financial year may be aggregated at the block level. The BDO shall call a tender for such aggregated items so that materials are procured at competitive rates and economies of scale are achieved. The BDO shall approve the vendors along with rates for procurement of the aggregated items. In all such cases, the GPs may procure the material at approved rates through vendors approved by BDO.

Audit examination disclosed the following issues during 2019-20 to 2023-24. No assessment of block-level material requirement was worked out in the 10 sampled blocks. No block-level tendering was undertaken to approve rates of procurement. Procurement of material such as bricks, cement, interlock tiles, steel etc. was made by the 40 sampled GPs without ensuring the competitive rates. The deviation from the aforesaid rules resulted in to purchase of material amounting to ₹ 50.42 crore³⁸ during 2019-20 to 2023-24, without evaluation of competitive rates.

Further, it was observed that during 2019-24, Material Procurement Register was not maintained in 40 sampled GPs, as envisaged in Paragraph 10.3 of MGNREGA Operational Guidelines, 2013. The inward and outward movement of materials for a given period was not maintained in 40 sampled GPs to ensure an effective inventory control.

In reply, the eight BDOs³⁹ stated (September 2024 to February 2025) that the corrective measures will be implemented to ensure accurate and timely recording of material consumption in future. While BDOs (Kralpora and Magam) stated (January 2025) that the provisions of the guidelines will be followed in future.

³⁸ Kralpora: ₹755.24 lakh; Magam: ₹ 162.46 lakh; Surankote: ₹ 944.43 lakh; Loran: 97.83 lakh; Thanamandi: ₹ 780.42 lakh; Moughla: ₹ 96.95 lakh; Mandal Phallian: ₹ 188.46 lakh; Anantnag: ₹ 1,524.69 lakh; Qazigund: ₹ 404.97 lakh; Pargwal: ₹ 86.51 lakh.

³⁹ Mandal Phallian, Loran, Thannamandi, Moughla, Surankote Anantnag, Qazigund and Pargwal

In reply, the Department stated (August 2025) that material is procured by the selected vendors of panchayat chosen by the Gram Sabha and registered at MIS level through proper procedure and verification process.

The fact remained that material amounting to ₹ 50.42 crore was procured without following the procedures laid down in Paragraph 7.1.7(c) of Annual Master Circular 2019-20.

2.4.2.7 Work Site Facilities

Paragraph 7.12 of MGNREGA Operational Guidelines, 2013 provides that work site facilities like medical aid, drinking water, shade and crèche etc. are to be provided. The first aid box should be replenished as and when required and should not have medicines that are expired. Provision of drinking water may require trolleys for fetching water from long distances. In case the children below the age of six years accompanying the women workers at any site are five or more, a crèche will need to be provided. Paragraph 7.12.5 provides that all expenditure on worksite facilities should be booked as part of administrative expenditure and not as part of work. Further, Paragraph 7.11.1 of MGNREGA Operational Guidelines provides that in managing work-site facilities including attendance of works, a mate should be appointed for each work and preference in appointment of mates should be given to women workers or differently abled persons who are educately trained for performing the duties expected of mates.

Test check of records of the sampled 40 Gram Panchayats revealed that no such work site facilities were provided to the workers as no expenditure was incurred for providing these worksite facilities during the period from 2019-20 to 2023-24. Non-availability of basic facilities at work sites might result into exclusion of women/ disabled beneficiaries in MGNREGS works apart from adversely impacting health, safety and hygiene of workers. Further, in 400 sampled works, mates were not appointed from women workers or differently abled persons to help the Gram Rozgar Sahayak (GRS) in providing and managing the worksite facilities during 2019-20 to 2023-24.

In reply, the Department stated (August 2025) that no such need has been felt in execution of works under MGNREGA, as and when there is need of worksite facility viz., crèche and water facility, the same shall be provided as per guidelines.

The fact, however, remained that even basic worksite facilities such as drinking water facility and first aid etc. were not made available at the worksites.

Further, a beneficiary survey of 400 beneficiaries revealed the following:

- 205 (51 *per cent*) beneficiaries stated that drinking water facility at work sites was not made available;
- All 400 beneficiaries stated that first aid facility at work sites was not available;
- 399 beneficiaries (99.75 *per cent*) stated that provision of shade at worksite was not available and

- All the 400 beneficiaries stated that provision of childcare facilities (crèche) for children at worksite was not available.

The survey findings clearly indicate widespread non-compliance with essential worker welfare provisions at worksites. These deficiencies not only undermine the objectives of the Scheme but also compromise the health, safety and well-being of the beneficiaries.

2.4.2.8 Quality of Works – Outcome of Joint physical verification

Paragraph 14.1 of Operational Guidelines, 2013 stipulates that one of important objectives of the MGNREGS is to create durable assets and strengthen the livelihood resource base of the rural poor. As such, it is important to ensure that good quality and durable assets are being created under MGNREGS. The following are the outcomes of physical verification of works of the sampled Gram Panchayats as given in **Table 2.12**.

Table 2.12: Outcomes of Joint Physical Verification of sampled works

Sl. No.	Details of the works	Outcome of Physical verification
1	Construction of 39 Soakage Pits under three work codes (15) 1401003032/IF/8808733347, (10) 1401003019/IF/ 8808526558 and (14) 1401007017/IF/8808583884) in GP Magam-B, Khanpora in GP Sodal of Block Magam and at Slamati Wari Phase 1 in GP Shaloori of Block Kralpora, District Kupwara Year: 2022-23 Estimated Cost: ₹ 2.64 lakh; Expenditure: ₹ 2.38 lakh	• Out of 39 Soakage Pits constructed, only 3 soakage pits were found to be functional. • 14 Soakage Pits were not connected with inlet waste water pipes. As a result, they were not collecting the waste water and remained non-functional as of November 2024, thereby defeating the purpose of construction of soakage pits. • The remaining 22 soakage pits were not traceable on ground in 3 GPs viz GP Magam “B” (9), GP Sodal (5) and GP Shaloori Kralpora (8). In reply, the Department stated (August 2025) that the inlet connection with soakage pit would be done only after receiving the material payment. However, the fact remained that without inlet connection, the soakage pits would remain non-functional and soakage pits were not found traceable on ground raises concerns regarding fictitious execution, wasteful expenditure and possible misappropriation of funds.
2	Two Amrit Sarovars viz., Sayed Zaman Shah Amrit Sarovar at Sarran Loran” with work code 1411009001/WH/54231 (2022-23) and “Amrit Sarovar at Kayala Danna Tantraygam” with work code 1411002014/WC/ 8808537892 of Block Loran at District Poonch Year: 2022-23 & 2023-24;	• The Amrit Sarovars remained non-functional due to absence of a water inlet source. • Further, in absence of waterproof plastering of walls, water filled in the ponds, was getting drained out. In reply, the Department stated (August 2025) that non-functionality was primarily due to lack of inlet source arrangement and absence of proper waterproof plastering. It was added that the department is committed to making the Amrit Sarovars fully functional and sustainable in the long run. The fact, however, remained that due to absence of basic functional requirements, the constructed Amrit Sarovars failed

Sl. No.	Details of the works	Outcome of Physical verification
	Estimated Cost: ₹ 3.99 lakh and ₹ 2.99 lakh Expenditure: ₹ 1.57 lakh and ₹ 2.86 lakh	to serve their intended purpose, resulting in unfruitful expenditure and consequent non-achievement of Scheme objectives.
3	Construction of drain at halqa Shoul Sursona of Block Anantnang at District Anantnag work code 1406020006/RS/ 8808523791, specifically for the Construction of Open / Covered Grey Water/Storm Drain for Community use; Year: 2023-24; Estimated Cost: ₹ 3.99 lakh; Expenditure ₹ 2.40 lakh	- The constructed drain, which was intended for community use, currently serves only two houses and is situated within their boundary walls. - This not only renders the drain underutilised and ineffective in addressing the area's wider drainage needs but also constitutes a violation of its intended purpose. - Additionally, no drainage water has been connected to it making it non-functional. This indicates that there was absence of proper site survey and planning at the Gram Panchayat level, which led to this misallocation of resources. - As a result, the expenditure of ₹ 2.40 lakh did not yield the expected community benefits, resulting in wasteful expenditure and failure to resolve the broader drainage issues of the area. In reply, the Department stated (August 2025) that the drain is a catchment drain meant for grey water carriage and occasionally carries flow of grey water from the surrounding households. However, the fact remained that the Grey Water Drain was to be constructed for Community use and not for two individual households.
4	Construction of road from Sheikh Mohalla to Gulnard in GP Kralpora-C, Block Kralpora, District Kupwara (code no 1401007003/ RC/ 8808636684) Year: 2023-24 Estimated Cost: ₹ 4.98 lakh Expenditure: ₹ 3.74 lakh	- The road was found to be in a deteriorated condition and was neither connected to any habitation nor to any horticulture/ agriculture land. - As a result, the expenditure of ₹ 3.74 lakh incurred on its construction was rendered wasteful, as it did not serve its intended purpose of providing connectivity to a settlement. In reply, the Department stated (August 2025) that two mohallahs i.e, Sheikh Mohalla and Gulnard were to be connected and the road could not reach to its destination due to shortage of funds.
5	Construction of Solid Liquid Waste Management projects at Panchayat Halqa Kralpora “C” Block Kralpora District Kupwara (work code no 1401007003/ RS/8808491121) and Solid Waste Management Segregation Shed with 2 Nos. Degradable Composite Pits (work code no 1401007003/ RS/8808491121) in GP Sodal	- The Solid Liquid Waste Management (SLWM) Sheds were non-functional due to non-collection and non-transportation of the waste/household garbage to the segregation sheds. - Thus, construction of SLWM Sheds was taken-up without mechanism for collection and transportation of the waste/household garbage. - This resulted not only in wasteful expenditure of ₹ 8.05 lakh but also depriving the local populace from availing the benefits of the SLWM project.

Sl. No.	Details of the works	Outcome of Physical verification	
	Magam, Block Magam, District Kupwara Year: 2021-22 & 2022-23; Estimated Cost: ₹ 6.46 lakh & ₹ 6.35 lakh; Expenditure: ₹ 6.20 lakh and ₹ 1.85 lakh	In reply, the Department stated (August 2025) that the MGNREGA guidelines do not allow to keep provision for collection and transportation of wastes. The fact, however, remains that taking up construction of SLWM sheds without ensuring a workable system for collection and transportation of waste rendered them non-functional, defeating the very purpose of the project.	
6	Drain work “Drain Moh. Kote at Block Loran District Poonch W. No. 01” with work code 1411002005/FP/GIS/74068 Year: 2020-21 Estimated Cost: ₹ 0.57 lakh Expenditure: ₹ 0.41 lakh	- The constructed drain was not continuous as its alignment was obstructed by a concrete stepped path. - Consequently, the purpose of construction of drain was defeated since the water would spill over the steps instead of flowing into the downstream portion of the drain. - This reflects deficient planning and execution at Gram Panchayat level. In reply, the Department stated (August 2025) that a revised proposal was being prepared to re-align the drain and provide cross-drainage arrangement across the stepped path. The fact, however, remains that the drain built was rendered non-functional due to deficient planning and execution, resulting in unfruitful expenditure and the need for additional corrective works.	
7	“Construction of Irrigation/ladh from L/O Gh. Nabi Wani and Others at Monghall” Block Anantnag District Anantnag (work code 1406012028/IC/880858732) Year: 2023-24; Estimated Cost: ₹ 1.99 lakh Expenditure: ₹ 1.16 lakh	- A Ladh was constructed side by side to an already constructed Ladh, covering the same stretch, resulting in redundant efforts and duplication of work in creation of the Ladh. The work file contained neither a site survey nor any documentary evidence to justify the necessity of constructing the second Ladh. - The two Ladhs of 50 meters originated from same source Ladh leading to construction of 2 parallel Ladhs adjacent to each other. - These Ladhs were constructed on the plea that two land owners did not agree for construction of a single Ladh, resulting in wasteful expenditure of ₹ 1,16,144 and creation of liability of ₹ 79,630 on account of material	

Sl. No.	Details of the works	Outcome of Physical verification	
		component due to inadequate planning. In reply, the Department stated (August 2025) that the irrigation ladhs were at different levels (gradient) and hence it was not possible to merge these ladhs. The reply is not acceptable as the two ladhs originate from the single ladh and were constructed adjacent to each other at the same level as evident from the photographs.	
8	“Land Development /P/Work Pacca Path wazir Mohd And Other” with work code 1411002030/WC/GIS/108478- construction of Pacca path and Protection work at Danna Kharappa Loran block Loran District Poonch Year: 2021-22 Estimated Cost: ₹ 1.98 lakh Expenditure: ₹ 0.31 lakh	The protection wall was constructed during 2021-22 at a cost of ₹ 31,458. However, the work relating to construction of pacca path had not been taken up as of March 2024, resulting in non-completion of work since 2021-22. In reply, the Department stated (August 2025) that the path work could not be executed within the estimate due to change in site scope and limited funds. It was added that the concerned field staff have been instructed to strictly adhere to approved estimates in future and obtain prior administrative approval in any change in site conditions. However, the fact remained that the work is still incomplete as of August 2025 despite incurring an expenditure of ₹ 0.31 lakh.	
9	“Construction of Amrit Sarovar at GP Rajdhani B” Block Thanamandi District Rajouri with work code 1412008031/WC/GIS/278130 Year: 2023-24 Estimated Cost: ₹ 2.71 lakh Expenditure: ₹ 1.32 lakh	The work does not exist on ground despite generation of 543 person-days. In reply, the Department stated (August 2025) that the work had been started but could not be executed further during earthwork excavation due to hard rock. It was further stated that a proposal to restart the work had been made and that the work would be completed during the current year. However, the fact remains that work was not visible on ground.	

Sl. No.	Details of the works	Outcome of Physical verification	
10	“H-Tank Nr. Pervaiz at GP Rajdhani B” Block Thanamandi District Rajouri with work code 1412008031/WC/ 8808520434 Year: 2020-21; Estimated Cost: ₹ 1.99 lakh Expenditure: ₹ 1.10 lakh	The work does not exist on the ground. At the site, only a concrete slab, with no trace of harvest tank or inlet and outlet water supply was found. In reply, the Department stated (August 2025) that the owner of the land had constructed a building over the site and it was assured that proper measures would be taken to retrieve the asset from the occupier and make it functional or recover the amount spent on the work. This reflects inadequate oversight on the part of the Department, resulting in public funds being rendered infructuous.	
11	"744 - Construction of Link Road with Lane from H/O Khalil Mohammad to H/O Fayaz Ahmad at New Colony GP Shoul" Block Anantnag District Anantnag (work code 1406020006/RC/ 8808611674) Year: 2022-23; Estimated Cost: ₹ 3.93 lakh; Expenditure: ₹ 3.92 lakh	The link road does not connect to any main or secondary road, with the nearest accessible road being over 400 feet away. As a result, it is essentially unusable for public purposes. Since this project was part of community development efforts, the lack of connectivity undermines its effectiveness. In reply, the Department stated (August 2025) that the work has been executed as per nomenclature and that the part of the road which would connect it to the main road is disputed. However, the fact remains that construction of a link road without ensuring its connectivity to the main road rendered the expenditure infructuous, defeating the intended purpose of creating community assets.	
12	Development of Public Park (work code 1401003032/LD/ 8808522235) in GP Magam-B Block Magam District Kupwara Year: 2020-21; Estimated Cost: ₹ 1.14 lakh Expenditure: ₹ 1.14 lakh	The work for development of public park was shown taken-up at an estimated cost of ₹ 1.14 lakh. However, instead of the stipulated work of developing a Public Park, a graveyard was found to exist at site. In reply, the Department stated (August 2025) that in MGNREGA, the site was developed by clearing jungle, land filling etc.	

Sl. No.	Details of the works	Outcome of Physical verification	
		The reply is not satisfactory as the stipulated work was to develop the public park.	
13	Improvement of Gam Khul Shukar Sur to irrigation Khul with lining wall (Work code 1401003019/IC/8808541025) in GP Sodal Block Magam District Kupwara Year: 2021-22; Estimated Cost: ₹ 3.32 lakh; Expenditure: ₹ 2.25 lakh	The work does not exist on ground. In reply, the Department stated (August 2025) that the work was executed, however, concerned officials were transferred and present officials were unable to identify the spot. However, the fact remained that Gam Khul does not exist at the location shown by the RDD officials.	
14	Construction of road from Panypora to Aungbrodge Ph-I (work code 1406014023/RC/8808534388) in GP Matipora Block Anantnag District Anantnag Year: 2019-20; Estimated Cost: ₹ 7.51 lakh; Expenditure: ₹ 5.26 lakh	The constructed road was in a dilapidated condition, thereby reducing its public utility. In reply, the Department stated (August 2025) that boulders had initially been laid as part of the road foundation and filling. However, since 2019, the road has been subjected to continuous movement of tractors, trippers and other heavily loaded vehicles, which led to its deterioration and filling no longer being visibly intact. It was further stated that the related records and files were not readily traceable and efforts are being made to locate and organise them for submission. The reply should be seen in light of the fact that the deterioration of the road within a short period indicates poor quality of execution and lack of proper maintenance, thereby rendering the expenditure unfruitful	

The shortcomings noticed during physical verification of the works highlight that neither the intended infrastructure nor durable assets were created, despite incurring an expenditure ₹ 37.87 lakh on these works. This undermined the very objective of the Scheme, adversely affecting the lives of the rural poor. Moreover, the payment of ₹ 5.81 lakh⁴⁰ was made for four works that were not existent.

2.4.2.9 Citizen Information Board

Paragraph 7.10.1 (v) of MGNREGA Operational guidelines, 2013 stipulates that before starting any work, the Citizen Information Board (CIB) with MGNREGA logo must be set up at the work site. The CIB should contain essential information such as details of work, estimates, estimated cost, work status, quantities of materials to be used, basic

⁴⁰ Works in the table at Serial No. 9 (₹ 1.32 lakh), No. 10 (₹ 1.10 lakh), No.12 (₹ 1.14 lakh) and No.13 (₹ 2.25 lakh).

dimensions of the work, person-days to be generated, wage rates and amount of work to be done and expected benefits from the work etc. as indicated in the Annexure-I of the guidelines. The Operational Guidelines, 2013 further prescribe that such boards should also be displayed at a public place in the Gram Panchayat, as indicated in the Annexure-II of the guidelines.

Audit observed that out of 400 works physically surveyed in audit, the Citizen Information Board with MGNREGA logo was not installed at the worksite in 326 works (81 per cent).

In reply, the Department stated (August 2025) that Citizen Information Board (CIB) are installed on work sites before start of the works. However, in some instances CIBs got damaged or unreadable due to weather conditions. Necessary instructions have been noted for future compliance.

2.4.2.10 Miscellaneous Audit observations

Scrutiny of the 400 sampled works revealed the following irregularities:

i) Short-payment of wages:

Chapter 8 of MGNREGA Operational guidelines provides that every person working under the Scheme is entitled to wages at the wage rate notified by the Central Government under Section 6 (1) of the MGNREGA.

Audit noticed that in respect of 43 sampled works, against the wage component of ₹ 86.59 lakh to be paid to 38,356 workers as per works bills, an amount of ₹ 84.98 lakh was paid to 37,676 workers as per Fund transfer orders, thereby resulting in short payment of wages of ₹ 1.60 lakh to 680 workers.

In reply, the Department stated (August 2025) that attendance at work site without performing the specified work, leads to deduction of wages.

The reply is not acceptable as the contention of the Department regarding attendance at worksite without performing the specified work was not supported by any documentary evidence.

ii) Execution of un-approved items of works:

Paragraph 7.8.1 of the MGNREGA Operational guidelines, 2013 stipulates that the work estimates should be generated from the NREGASoft with the help of back-end standard template designed for each type of work.

Audit noticed that in 18 sampled works, an expenditure of ₹ 6.76 lakh was incurred on execution of un-approved items/components of works during 2019-24.

In reply, the Department requested (August 2025) to share the details of these 18 works enable submission of specific reply.

Details of these works have been communicated to the Department in August 2025, however, reply is yet to be received.

iii) Payment to Vendors Without Supporting Vouchers:

As per Annual Master Circular 2019-20 of MGNREGA, for payment to the suppliers/ contractors (Vendors) and for the preparation of the bill, material supply vouchers are to be submitted by the suppliers/ contractors. The copies of these vouchers and bills are to be kept in the Case Record/ Work File.

Audit noted that in respect of 33 works, the material payment amounting to ₹ 18.68 lakh was made to vendors without supporting vouchers, rendering the payments doubtful.

In reply, the Department stated (August 2025) that the quantity of the items and corresponding cost are clearly indicated in the bills/MB and vouchers which form part of the record are uploaded on the MIS, thereby becoming public document.

The reply is not satisfactory, as mere entry of vendor details and payment particulars on the MIS does not substitute the requirement of maintaining supporting material supply vouchers/bills in the case records/work files. In absence of such vouchers, material payments amounting to ₹ 18.68 lakh could not be verified in audit.

iv) Inadmissible Wage Payments:

In 47 works, against the actual wage payment of ₹ 42.70 lakh payable to 19,732 workers, Fund Transfer Orders (FTOs) amounting to ₹ 61.26 lakh were generated for 27,791 workers in MGNREGAsoft resulting in inadmissible wage payment of ₹ 18.56 lakh to 8,059 workers.

In reply, the Department stated (August 2025) that there is hardly any possibility that payments will be made to the workers without actually executing the work. However, the fact remained that FTOs were generated in respect of 8,059 non-existent workers in 47 works.

v) Payments without Contingent Bills:

Paragraph 4 of Annexure “A” of the Jammu and Kashmir Financial Code Volume I envisages that separate contingent bills should be prepared for expenditure relating to works, duly supported by sub-vouchers. The name of the work, as per the sanctioned estimate, should be noted conspicuously on each sub-voucher as well as in the bill itself. Audit noted in 105 works, against sanctioned cost of ₹ 102.75 lakh, payments amounting to ₹ 65.88 lakh were made during 2019-24 without preparation of the work contingent bills.

In reply, the Department stated (August 2025) that separate contingent bills are framed for each work as per financial code.

However, the fact remained that in 105 works, payments were made without preparation of the work contingent bills.

vi) Works Executed Without Gram Sabha Approval:

Paragraph 2.1.2 (i) of MGNREGA Operational guidelines provides that the Gram Sabha (GS) recommends works to be taken-up and is the final authority to determine their order of priority under MGNREGA. Audit, however, noted that 207 works amounting to ₹ 314.97 lakh were executed during 2019-24 without the approval of Gram Sabha.

2.4.3 Framework for Convergence between MGNREGA and Other Programmes/ Schemes

One of the objectives of MGNREGA is the creation of durable assets and securing livelihood of rural households. This can be facilitated through convergence of MGNREGA works with resources of other Programmes/ Schemes available with Panchayats and other line departments. These resources are not limited to availability of funds but include technical expertise and know-how of the line departments. Further, Paragraph 15.3.1.3 (a) of the MGNREGA Operational Guidelines provides that planning for works and managing the convergence would require institutional arrangements for proper coordination at District, Block and Village level. The institutional platform for such dovetailing will be the Gram Sabha at the Village level and then the Gram Panchayat.

Audit, however, observed the following shortcomings during 2019-20 to 2023-24. The institutional arrangements/mechanism for planning and managing the convergence works with other programmes were not in place either at the District level or at the Block level in sampled districts. Although, the Department of Rural Development (MGNREGS), GoI issued (November 2013)⁴¹ circular regarding constitution of a convergence team consisting of senior officials of Pradhan Mantri Gram Sadak Yojna (PMGSY) and MGNREGS to operationalise convergence guidelines, no such convergence team had been constituted as of August 2025. There was nothing on record to indicate that the Department had achieved any inter-departmental convergence in sectors such as horticulture, fisheries, PMGSY, roads, agriculture, sericulture etc.

According to the Department of Rural Development (MGNREGS), GoI circular (November 2013), there are clear provisions for ensuring that roads constructed under PMGSY should be included in post-construction activities such as maintenance, road-side plantations and water harvesting structures under MGNREGA, for placing in ensuing Gram Sabha for approval and inclusion in shelf of projects.

⁴¹ Department of Rural Development (MGNREGS) Government of India Circular No. J-11060/1/2021-MGNREGA, dated 7th November 2013

Audit observed that there was a critical gap in coordination and data sharing between the PMGSY and MGNREGA teams at the District level as no data of completed roads was shared with MGNREGA engineer by PMGSY divisions. Due to non-preparation of the multi-year District Perspective Plans, sector-wise gaps in the Districts for convergence with MGNREGA were not systematically identified. While convergence projects are required to be discussed in Gram Sabhas, audit, however, noted in 40 sampled Gram Panchayats that all the convergence works were decided and marked as convergence by the Block Authorities without Gram Sabha deliberation. It could also not be verified whether other sector resources were substituted by MGNREGS resources. In 40 sampled GPs, there was nothing on record to indicate that technical expertise from the parent departments was being provided to the Gram Sabhas during 2019-24. Besides, no PMGSY convergence works were taken-up in 40 sampled GPs, due to absence of institutional framework.

In reply, the Department stated (August 2025) that convergence with MGNREGA is undertaken regularly with those departments who intend for convergence. It was further stated that dedicated convergence plan covering 12,000 works with a provision of ₹ 285.00 crore was formulated during 2023-24, in coordination with all line departments.

The reply has to be seen in view of the fact that institutional arrangements for convergence were not in place at sampled District and Block levels, and there existed critical gaps in coordination and data sharing, particularly between PMGSY and MGNREGA teams. Further, the multi-year District Perspective Plans were not prepared, and convergence works were not routed through Gram Sabhas, as required under the guidelines.

2.4.3.1 Construction of Anganwadi Centres (AWCs) under MGNREGA in convergence with ICDS

Ministry of Rural Development, Government of India (MGNREGA Division) Guidelines (February 2016) provide for construction of Anganwadi Centres (AWCs) under MGNREGA in convergence with ICDS Scheme of Ministry of Women and Child Development. The guidelines aim at building a systematic convergence of ICDS, MGNREGS and resources of Panchayati Raj Institutions, especially 14th Finance Commission grants so that every AWC is provided with own building.

Under MGNREGA, expenditure up to ₹ 5 lakh will be allowed for construction of an AWC building. Beyond this, the expenditure of ₹ 2 lakh will be borne from the ICDS Scheme of the Ministry of Women and Child Development. Progress of construction of AWCs under MGNREGS shall be the responsibility of the District Programme Coordinator (DPC) and the agency implementing ICDS Scheme as mentioned in the respective guidelines. The completion period of each AWC building shall not be more than 11 months from the date of commencement of the work.

Audit observed that 144 Anganwadi Centres were taken up for execution in four sampled Districts⁴² at a sanctioned cost of ₹ 932.54 lakh during the period 2017-24. Of these, 104 (72 *per cent*) AWCs remained incomplete after incurring an expenditure of ₹ 242.29 lakh as of March 2024. The shortfall in completion of AWCs in the four sampled districts⁴³ ranged from 54 to 100 *per cent*.

The failure of the district authorities to inspect and monitor the progress of construction of AWCs under MGNREGS resulted in unfruitful expenditure of ₹ 242.29 lakh. Consequently, the intended objectives of the convergence programme, ensuring functional AWC buildings, were not achieved.

In reply, the Department stated (August 2025) that the work on these projects was halted due to some land disputes and some other local issues which would be sorted out. It was added that work on incomplete projects will be started soon after taking up the matter with ICDS and efforts will be made to complete the left out works. Delay in fund release is also a contributory factor for non-completion.

2.4.4 Solid and Liquid Waste Management (SLWM)

Paragraph 27 under (H.) Rural sanitation related works under Appendix 2 of MGNREGA Operational Guidelines 2013 envisages multiple benefits from Solid and Liquid Waste Management (SLWM), including health benefits from safe disposal of waste, economic benefits through reuse/recycling of discarded products, and aesthetic improvements from cleaner surroundings. Effective SLWM includes management of biodegradable and non-biodegradable waste, treatment of grey water generated in the village, and overall cleanliness. The activities under SLWM include construction of Compost pits/common compost pits, system for collection, transportation, segregation and composting and disposal of household garbage.

The Rural Development Department, GoJ&K accorded sanction (May 2022) for construction of Compost Pits and Soak Pits in every individual rural household in the UT of J&K under MGNREGS and instructed District Programme Coordinators/District Development Commissioners to include these works in MGNREGA Action Plan 2022-23. The works were to be completed within one month. The status of construction of compost pits and soak pits in the UT of J&K as of March 2024 is given in **Table 2.13**.

⁴² No AWC taken up for construction in Jammu District.

⁴³ Anantnag: 54 *per cent*; Kupwara: 95 *per cent*; Poonch: 100 *per cent*; Rajouri: 58 *per cent*.

Table 2.13: Status of construction of Compost/Soak Pits in J&K during 2022-24

Particulars	Construction of Compost Pits	Construction of Soak Pits
No. of works taken-up	94,385	3,70,652
No. of works completed	37,620	1,93,807
Expenditure on complete works (₹ in crore)	23.35	67.75
No. of incomplete works	56,765	1,76,845
Per cent incomplete	60	48
Expenditure on incomplete works (₹ in crore)	21.52	57.31

(Source: records of Rural Development Department)

It can be seen from **Table 2.13** that 56,765 compost pits and 1,76,845 soak pits remained incomplete despite incurring expenditure of ₹ 21.52 crore and ₹ 57.31 crore respectively on these works. Thus, there was a shortfall of 60 *per cent* and 48 *per cent* in completion of construction of Compost and Soak pits respectively during 2022-24. Reasons for this shortfall were not forthcoming from records.

Audit further observed that against 5.46 lakh MGNREGA-registered households in the five sampled districts, the Department took-up construction of only 0.71 lakh Compost Pits (13 *per cent*) and 0.54 lakh Soak Pits (10 *per cent*) as of March 2024. No reason for restricting the coverage to such a limited proportion of households was found on record.

The shortfall in completion of the Compost/Soak Pits is bound to affect the effective management of SLWM including the management of all grey water generated in the village and general cleanliness of the village. Deficiencies noticed during the physical verification of sampled works including construction of soakage pits and drainage works have been highlighted in **Paragraph 2.4.2.8** of this report.

In reply, the Department stated (August 2025) that the non-completion of works is mainly due to non-receipt of corresponding material share although the works are physically complete. It was added that the department is committed to ensuring completion of remaining compost pits and soakage pits in future based on financial resources and community demand.

2.4.5 Construction of Bharat Nirman Rajiv Gandhi Sewa Kendras

The Ministry of Rural Development, Government of India guidelines (December 2009)⁴⁴ expanded the scope of MGNREGA works to include the construction of Bharat Nirman Rajiv Gandhi Sewa Kendras⁴⁵ at Gram Panchayat and Block levels.

⁴⁴ D.O. No. J-11013/2/2009-NREGA(Pt.) 30th December 2009

⁴⁵ Village-level public service centres constructed under MGNREGA for facilitating delivery of government services and conduct of Gram Sabha-related activities

Test-check of records in three (Anantnag, Kupwara and Poonch) out of five sampled districts revealed that 102 Bharat Nirman Rajiv Gandhi Sewa Kendras (BNRGSKs) at Gram Panchayat and Block levels were taken-up for execution⁴⁶ at sanctioned cost of ₹ 1,998.76 lakh under MGNREGS. Fourteen BNRGSKs remained incomplete despite incurring an expenditure of ₹ 70.13 lakh as of March 2020 and thereafter no further physical/financial progress was reported as of March 2024. Seven BNRGSK were dropped after incurring an expenditure of ₹ 24.71 lakh. Further, out of 81 completed BNRGSKs, three Kendras on which an expenditure of ₹ 16.23 lakh⁴⁷ from MNREGS funds and ₹ 27.78 lakh⁴⁸ from 13th Finance Commission Funds was incurred were found not functional as of March 2024.

In reply, the Department stated (August 2025) that the work on a few projects was halted due to some land disputes and some other local issues which are now sorted out and works has resumed on these projects.

The fact remained that failure to complete 14 BNRGSKs and dropping of seven projects after incurring expenditure of ₹ 24.71 lakh, coupled with non-functionality of three completed Kendras, led to unfruitful expenditure of ₹ 111.07 lakh and denial of envisaged facilities to the rural population.

2.5 Management Information System

2.5.1 NREGASoft

Transparency and Accountability are at the core of MGNREGA. Paragraph 13 (a) of Schedule I of the MGNREGA Act also stipulates that all information relating to the implementation of the Act shall be pro-actively put in public domain. Towards these two goals, the MoRD, GoI has developed a work-flow based web enabled application (known as NREGASoft) which is hosted at the portal accessible as <https://nrega.dorg.gov.in>. NREGASoft provides for recording of all transaction details of different processes in implementation of MGNREGA and putting the same in public domain.

All the entities (Central/ State /District /Block and Panchayat levels) involved in the MGNREGS should do timely reporting on public domain (<https://nrega.dorg.gov.in>) to represent the picture of MGNREGS implementation almost on or close to real-time, thereby ensuring the achievement of the goals of transparency and accountability. A total number of 35 Reports (R1 to R35) are available at <https://nrega.dorg.gov.in> for each financial year for each State/ UT.

Audit findings related to Management Information System are discussed in the following paragraphs.

⁴⁶ Anantnag: 88; ₹ 1,760.00 lakh; Kupwara: 09; ₹ 138.76 lakh; Poonch: 05; ₹ 100 lakh

⁴⁷ GP Sallar: ₹ 2.93 lakh; GP Tanjloo: ₹ 6.49 lakh; GP Sagam: ₹ 6.81 lakh

⁴⁸ GP Sallar: ₹ 10.00 lakh; GP Tanjloo: ₹ 7.79 lakh; GP Sagam: ₹ 9.99 lakh

2.5.1.1 Mismatch of Departmental data with NREGASoft data

Paragraph 11.9 of MGNREGA Operational Guidelines, 2013 envisages that the entire data is put in the public domain through MIS and is viewable over the Internet and the States/ UTs must devise a mechanism to ensure integrity of the data being entered.

Audit, however, noted that there was a mismatch between the data regarding total available funds and expenditure incurred during the period from 2019-20 to 2023-24 as provided by the Department to audit and data uploaded on NREGASoft. The difference in total availability of funds and total expenditure incurred is given in **Table 2.14**.

Table 2.14: Variations in the position of availability of funds and expenditure in J&K

(₹ in crore)

Year	Data provided by the Department		Data as per NREGASoft		Difference	
	Total available funds	Total expenditure	Total available funds	Total expenditure	Total available funds	Total expenditure
2019-20	1,438.70	1,013.74	1,015.82	1,004.80	422.88	8.94
2020-21	1,736.60	1,566.40	755.11	1,548.61	981.49	17.79
2021-22	1,243.42	1,145.45	300.71	1,144.05	942.71	1.40
2022-23	1,156.06	968.52	292.55	968.66	863.51	(-) 0.14
2023-24	1,179.62	1,132.29	521.07	1,218.44	658.56	(-) 86.15

(Source: NREGASoft and Departmental data)

Further, mismatches in the closing balance at the end of each year with the opening balance of subsequent years within the NREGASoft were noticed during the period from 2019-20 to 2023-24, as given in **Table 2.15**.

Table 2.15: Position of Opening/ Closing Balances as per NREGASoft in J&K

(₹ in crore)

Year	Data as per NREGASoft		
	Opening Balance	Closing Balance	Difference within NREGASoft
2019-20	2.45	11.02	-
2020-21	(-) 1.42	(-) 793.50	(+) 12.44
2021-22	146.86	(-) 843.34	(-) 940.36
2022-23	95.42	(-) 676.11	(-) 938.76
2023-24	18.23	(-) 697.37	(-) 694.34

(Source: data of NREGASoft)

In reply, the Department stated (August 2025) that the variation has arisen primarily due to misreporting in earlier years in NREGASoft, wherein certain entries were not timely updated. This has resulted in mismatch when compared with the reconciled departmental figures. It was further stated that the mismatch observed is not on account of departmental lapses in fund management, but due to technical reporting/ legacy updation issues in NREGASoft, which are being addressed in consultation with MORD/ NIC.

The reply is not satisfactory as the data available in the public domain through NREGASoft is meant to be reliable and accurate and it was the responsibility of the Department to ensure its correctness.

2.5.2 Monitoring Mechanism

The MGNREGA Act, 2005 and MGNREGA Operational Guidelines, 2013 prescribe monitoring at National level, State level and District level through Vigilance and Monitoring Committees, District Quality Monitors, State Quality Monitors, National level Monitors, State Employment Guarantee Council, and Social Audit by Social Audit Unit (SAU).

2.5.2.1 State Employment Guarantee Council

Section 12 of ‘Mahatma Gandhi National Rural Employment Guarantee Act 2005’ envisages setting up of a State Employment Guarantee Council (SEGC) for regular monitoring and review of the implementation of the Act at the State/ UT level.

Accordingly, the Department constituted (March 2006) “State Employment Guarantee Council” (SEGC) to advise the UT Government on all matters relating the Scheme, including reviewing the monitoring and redressal mechanism, giving recommendations for improvement as well preparing the annual report to be laid before the State/ UT Legislature.

Audit observed that SEGC was required to meet at least twice a year for regular monitoring and review of the implementation of the Scheme at the UT level. Against the requirement of 10 meetings held during 2019-24, the SEGC held only one meeting on 02 September 2022 during 2019-24. Even the decision taken in the meeting held on 02 September 2022, regarding preparation of Annual Reports for placing before the Administrative Council, had not been fully implemented as of March 2024. The SEGC had fixed target for construction of 13.73 lakh soakage/ compost pits in registered HHs. However, these targets were not achieved fully as of March 2024, as only 4.65 lakh (34 *per cent*) soakage/compost pits in individual HHs were taken-up for execution. Of these, only 2.31 lakh (50 *per cent*) soakage/compost pits were completed as of March 2024. Reasons for not completing 50 *per cent* soakage/ compost pits were not on record. Thus, the envisaged monitoring and steering role of SEGC at the highest level

was not effectively discharged, thereby weakening accountability and oversight envisaged under MGNREGA.

In reply, the Department while accepting the audit observations stated (January 2025 and August 2025) that the annual reports prepared could not be placed before the Administrative Council and shall now be presented before the Legislative Assembly in the coming session. Further, the Department stated that they have actively worked towards the completion of SBM soakage and compost pits in accordance with the targets.

The fact remains that soakage and compost pits were not constructed in every rural household as envisaged, and the SEGC failed to discharge its mandated role of providing effective oversight of the Scheme.

2.5.3 Social Audit

MGNREGA has institutionalised 'Social Audit' as a means of continuous public vigilance. The basic objective of social audit is to ensure public accountability in the implementation of projects, laws and policies. Section 17 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREG Act, 2005) states that the Gram Sabha would monitor the execution of works within the Gram Panchayat and conduct regular social audits of all the projects under the Scheme taken up within the Gram Panchayat.

2.5.3.1 Social Audit Setup

The J&K Society for Social Audit Accountability and Transparency (JKSSAAT) conducts Social Audits of MGNREGS in J&K and was registered in 2018. The Director of Social Audit Unit (SAU) was appointed in January 2021.

Audit examination disclosed that the Governing Body of the SAU was constituted in the year 2024, after a lapse of five years from registration of SAU as a Society in 2018.

Auditing Standards 2120 (v) (a) issued by the Ministry of RDD, GoI provides for designating a Grievance Redressal Officer for accepting complaints from citizens about the staff and practices of the SAU and the Grievance Redressal Officer shall report to the Governing Body. Paragraph 13.1.1 (ii) of MGNREGA Operational Guidelines 2013 stipulates that State/ UT Government shall facilitate conduct of social audit of works taken up under the Act in every Gram Panchayat at least once in six months. However, contrary to these provisions, the SAU prepared an Annual Social Audit Plan, instead of the mandated six-monthly plan.

Paragraph 13.4.3 of MGNREGA Operational Guidelines, 2013 provides that SAU, an independent organisation, would facilitate conduct of Social Audit by Gram Sabhas and identify, train and deploy suitable Resource Persons (RP) at Village, Block, District and

UT levels. These RPs are to be drawn from primary stakeholders and other civil society organisations with knowledge and experience of working for the rights of the people.

However, there were significant shortage of Resource Persons as of March 2024. Against the sanctioned strength of four State Resource Persons (SRPs) and 20 District Resource Persons (DRPs), only one SRP and 15 DRPs were available respectively. Further, against the sanctioned strength of 385 posts, no Block Resource Person (BRP) was available as of March 2024. Further, against 4,291 existing GPs, only 250 Village Resource Persons (VRP) were available for facilitating the conduct of social audit. The shortage of the RPs affected the effective implementation of conduct of social audit as discussed in the succeeding paragraphs.

In reply, the Department cited (August 2025) procedural delays in constituting the governing body for JKSAU in the year 2024. Regarding Grievance Redressal Officer, it stated that the gap has been acknowledged by the Department and it will be covered in near future. The department further stated that due to shortage of field staff only one audit per year is planned. Proposal to fill vacancies was initiated in 2020-21 but due to absence of the governing body (till 2024) much could not be done in this direction.

2.5.3.2 Social Audit Observations

Paragraph 13.4.2 of MGNREGA Operational Guidelines 2013 provides that the District Programme Coordinator (DPC) shall ensure that time-bound corrective action is taken on the social audit report. During 2019-20 to 2023-24, the Social Audit Unit (SAU) raised 27,089 audit observations⁴⁹, of which corrective action was taken in 24,656 cases (91 *per cent*). The year-wise⁵⁰ pendency ranged between 4 and 12 *per cent*. The outstanding observations have been pending for one to five years.

As per MGNREGA Operational Guidelines 2013, the DPC is required to ensure that a First Information Report (FIR) is filed in every case in which there is *prima facie* evidence of misappropriation or financial irregularity. However, no FIR was filed as of March 2024 in respect of 2,138 cases of financial misappropriation.

In reply, the Department stated (August 2025) that recoveries have been made against the majority of cases raised by social audit unit under financial misappropriation and deviations and a considerable show cause notices and warnings have been issued to the concerned officials.

2.5.3.3 Concurrent Social Audit

Paragraph 11.1 of Operational Guidelines of MGNREGA stipulates that concurrent monitoring plays an important and crucial role in effectively deploying resources

⁴⁹ Grievances: 2,231; process violations: 14,885; financial deviations: 7,835; financial misappropriation: 2,138.

⁵⁰ 2019-20: 9 *per cent*; 2020-21: 12 *per cent*; 2021-22: 4 *per cent*; 2022-23: 9 *per cent*; 2023-24: 10 *per cent*.

towards meeting the objectives of MGNREGA. Further, Paragraph 13.6.4 stipulates that the Vigilance and Monitoring Committee (VMC) at local level should act as a forum for concurrent social audit and will have the right to visit work sites and interact with workers, verify records and on-site facilities, assess quality of materials and cost and provide end-of-work report on its satisfactory completion including a qualitative assessment of the nature of the work and its usefulness.

Audit noted that the VMCs were neither constituted at Block level nor in the sampled Gram Panchayats during 2019-20 to 2023-24. Thus, not constituting of VMCs at the local level resulted in non-conduct of concurrent social audit during 2019-24.

In reply, ACDs (Poonch, Rajouri and Kupwara) attributed the observation to non-availability of Resource Persons, stating (September 2024, October 2024 and November 2024) that in their districts, the post of DRP remained vacant and other staff such as VRPs from SHGs were not identified and empanelled.

In reply, the Department stated (August 2025) that due to non-constitution of the VMCs, the concurrent social audit was not held and instructions have been issued to constitute the VMCs at the earliest as per the mandate of the Act.

2.5.4 State/ District Quality Monitors

Paragraphs 14.7 and 14.10.4 of MGNREGA Operational Guidelines, 2013 stipulate that the State Quality Monitor (SQM) will inspect at least five *per cent* of works while they are still in progress, to assess process quality aspects. Further, as per Paragraph 7.12.1 of Annual Master Circular 2019-20, there shall be a District Quality Monitoring (DQM) cell, comprising a panel of 10 to 15 technical officials. These officials will monitor and evaluate at least 10 *per cent* of the works executed under the Scheme.

Audit, however, observed that neither SQMs nor DQMs were appointed in the UT during 2019-20 to 2023-24. Consequently, no work was subjected to quality inspection, either during execution or after completion. It was also noticed that no efforts were made by the Department for empanelment/appointment of SQMs and DQMs during this period.

In reply, the Department while acknowledging (January 2025 and August 2025) the audit observation stated that the process for empanelment of SQMs/ DQMs was at advanced stage.

2.5.5 Availability of Ombudsman

Paragraph 13.14 of the Operational Guidelines, 2013 provides that the State/ UT Government will establish the office of Ombudsman in all Districts for expeditious redressal of grievances regarding implementation of the Scheme.

Audit observed that only 12 Ombudsmen were engaged against the requirement of 20 for all the 20 districts of UT of J&K. Further, in three (Kupwara, Poonch and Rajouri) out of five sampled districts, activities such as submission of summary report of cases disposed, monthly and annual reports and list of awards passed etc., were not reported to the Secretary in charge of MGNREGA during 2019-24. Thus, due to non-appointment of requisite number of Ombudsmen in the UT of Jammu and Kashmir, the Department failed to create an effective mechanism for grievances redressal.

In reply, the Department stated (August 2025) that the process for recruitment of ombudsperson is under progress and shall be completed in due course of time.

The fact, however, remains that the absence of a full complement of Ombudsmen and not reporting of their activities in three of the sampled districts undermined the institutional mechanism for redressal of grievances, thereby affecting accountability and transparency in the implementation of the Scheme.

2.5.5.1 Disposal of Complaints

Section 23(6) of the MGNREG Act provides that the Programme Officer (PO) shall enter every complaint in a complaint register maintained by him and shall dispose of the dispute and complaints within seven days of their receipt and in case complaints relate to matters to be resolved by any other authority shall be forwarded to such authority under intimation to the complainant. Further, as required under Paragraph 10.3.9 of Operational Guidelines, 2013, complaint register should be maintained at GP, Block and District levels for monitoring the status of complaints.

It was, however, noted that in five sampled districts and in 40 sampled GPs of 10 sampled blocks, no complaint register was maintained during 2019-20 to 2023-24.

Concerned ACDs stated that complaints are registered on NREGASoft and are monitored there. Further, complaints are also submitted verbally/in writing to POs and district officials and are disposed accordingly.

However, the maintenance of complaints on an online platform or informal receipt of complaints does not dispense with the requirement of maintaining the prescribed complaint registers, as mandated under Section 23(6) of the Act and Paragraph 10.3.9 of the Operational Guidelines, 2013. Further, in the absence of the prescribed registers at the District, Block, and Gram Panchayat levels, the completeness, traceability, and timeliness of disposal of complaints cannot be verified.

In reply, the Department stated (August 2025) that the complaint register shall be maintained properly in future and further stated that efforts are made to establish helpline for redressal of grievances at district level.

2.5.6 Citizen's Charter

As per Paragraph 13.12.1 of Operational Guidelines, Citizens' Charter shall cover all aspects of the duties of Panchayats and officials under the Act. It should describe the specific steps involved in implementing the provisions of the Act and lay down the minimum service levels mandated by these provisions on the Panchayats and the officers concerned.

Audit noted that no Citizens' Charter was prepared by the Department during the period from 2019-20 to 2023-24. The absence of such a Charter deprived beneficiaries of awareness regarding the roles and responsibilities of Panchayats and officials, as well as the minimum service standards envisaged in the MGNREG Act.

In reply, the ACDs (Kupwara, Anantnag and Jammu) while accepting the audit observation stated (September 2024, October 2024 and November 2024) that the Citizen Charter will be prepared as per the guidelines of the Scheme. The Additional Secretary, RDD stated (January 2025) that the Citizen Charter is already in the form of Annual Master Circulars.

The reply is not satisfactory as Annual Master Circulars are internal administrative instructions and do not constitute a Citizens' Charter, which is a public-facing document mandatorily required under Paragraph 13.12.1 of the MGNREGA Operational Guidelines, 2013 to specify service standards, timelines, and responsibilities for beneficiaries.

2.5.7 Maintenance of Mandatory Records

MGNREGA Operational Guidelines, 2013 (Chapter-10) describes the mandatory records required to be maintained. Further, GoI issued instructions (November 2016) for proper maintenance of records to ensure effective implementation of Scheme. It provided simplified formats of seven Registers to ease the functioning of the field-level personnel and reduce duplication of work, without compromising the quality of information especially those relating to entitlements of workers.

Register II (Gram Sabha Register), Register III (Demand for work, allocation of work and payment of wages register) and Register V (Fixed Asset register) were required to be maintained manually. Further, Register I (JC application, registration, issue and household employment reports), Register IV- (Work register), Register VI (Complaint register) and Register VII (Material register) can be maintained partially manually and partially printed and pasting from MIS itself.

Audit noted that in 40 sampled GPs of 10 sampled blocks, none of the prescribed registers was maintained during 2019-24. Consequently, crucial data such as applications for work, allotment of work, performance of work, wages or

unemployment allowance paid to the workers and details of complaints, etc. could not be recorded or verified, as required under the Scheme guidelines.

In reply, the BDOs accepted (August 2024 to February 2025) the audit observation and stated that the records will be maintained in future.

2.5.8 Conclusion

The Department did not assess the quantum and timing of labour demand as no door-to-door survey was conducted, despite this being mandated in the Operational Guidelines. Absence of District Perspective Plans indicates that planning was largely input-driven rather than demand-driven. Non-constitution of District Level Technical Committees, absence of IEC Plans and non-establishment of the Human Resource Development and Capacity Building Division weakened technical scrutiny, awareness generation, and capacity building under the Scheme.

Vacancies of Programme Officers, Accounts Assistants, Technical Assistants and Gram Rozgar Sahayaks, coupled with uneven distribution across districts, constrained effective supervision, record maintenance, and timely service delivery.

Further, non-maintenance of essential records, inordinate delays in payments to suppliers and release of wages to workers without using Aadhaar Based Payment (ABP) methods reflected systemic weaknesses.

There were also instances of delayed release of funds by the UT Government to the implementing Department, non-payment of unemployment allowances, delayed payment of wages and expenditure on inadmissible items. The Scheme implementation suffered from lacunae in maintenance of basic records such as measurement books and muster rolls, thereby undermining transparency.

Monitoring and grievance redressal mechanisms were inadequate. The State Employment Guarantee Council (SEGC), envisaged as the apex steering and monitoring body, failed to discharge its role effectively, as its meetings were not held regularly and the decisions taken were not fully implemented. Further, there were shortcomings in conduct of social audits and settlement of objections raised in social audit reports.

2.5.9 Recommendations

The UT Government may consider:

- *Conducting door-to-door surveys, updating job cards, preparing development/perspective plans, stepping up IEC activities, and organising Rozgar Diwas on a regular basis so that a realistic assessment of local needs of employment be made.*

- *Ensuring timely release of funds by the UT Government, prompt payment of wages to workers, payment of unemployment allowances to eligible beneficiaries, and clearance of pending compensation for delayed wage payments.*
- *Strict monitoring of prescribed activities including the concurrent social audit by constituting institutions of State/District Quality Monitors, Ombudsman and preparation of Citizen's Charter.*

Srinagar/Jammu

Dated: 02 September 2026



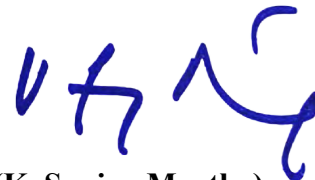
(S. Sunil Raj)

**Principal Accountant General (Audit),
Jammu and Kashmir**

Countersigned

New Delhi

Dated: 14 September 2026



(K. Sanjay Murthy)

Comptroller and Auditor General of India

APPENDICES

Appendix 1.1

(Reference Paragraph 1.5)

Total JJM Schemes in sample villages

District	Block	Village	Schemes
4 out of 20	11 out of 57	22 out of 179	44
Anantnag	Anantnag	Khiram	1.WSS Bulbul Nowgam
		UttrasooNajigund	2.WSS Najigund
	Dachnipora	Dari Gund	3.WSS Darigund
		Wullarhama	1. WSS Dachnipora 2. WSS Wularhama Jerpati 3. WSS Gujrat Lehandajan
	Pahalgam	Serchan	1. WSS Molvi Mohalla Budwan 2. WSS Hukhard 3. WSS Serchen
		Yened B (Mowra)	1.WSS Movoora Wehdan
	Shahabad	Hakura (a)	1. WSS Hakoora Bedasgam 2. WSS Manzgam Shekhpura
		Zaldoora	1. WSS Lisser Kokerag 2. WSS Zaldoora
Kulgam	D K Marg	Chimmer A	1.WSS Kawpora Tchimer
		Rengeth	1. WSS Gujerpor Diyanipora 2. WSS Zrode G.B.
	Devsar	Churath	1. WSS Malikabad Budhwani 2. WSS Karewa Churath
		Zongalpura	1.WSS Gundi Tankipora
Doda	Bhaderwah	Dranga	1. WSS Chobia
			2. Retrofitting of WSS Chunaseri
		Sungli	1. WSS Athkar
			2. WSS Sungli

District	Block	Village	Schemes
	Doda	Jodhpura	3. Retrofitting and Augmentation of WSS Dhareja
			1.WSS Udhyampur
		Suhanda	2. WSS Jodhpur
			1.WSS Haliya lift
	Chilli Pingal	Chilla Bhalla	1.WSS Chillishokow
			2.WSS Nali FB
		Sanwara	1.WSS Sanwara
			2.WSS Batoli
Kishtwar	Dachan	Janakpur	1.WSS Janakpur
		Sounder A	1.WSS Sounder Bungam Sounder
			2.Tander Sunder & Kalnoo
			3.WSS Kiber
			4.WSS Pinjrari Ikhala
	Kishtwar	Hidyal	1.WSS Lanyal Bagh
			2. WSS Nagni Katersemena
		Poochal A-1	1.WSS Huller Hunjalla
			2.WSS Matta Pocchal
			3.WSS Pochhal B1
			4. WSS Pochhal B2
			5. WSS Lachkhajan
Kashmir-2 Jammu-2	Kashmir-6 Jammu-5	Kashmir-12, Jammu-10	Kashmir-20, Jammu-24

(Source: Sampling / Divisional Records)

Appendix 1.2

(Reference Paragraph: 1.5)

Challenges/ issues faced/ being faced in implementation of JJM as conveyed by the Department

Challenges and issues faced/ being faced by the Department:

- Very low response to tenders in the initial two years due to dearth of resourceful agencies at local level with requisite financial and technical capabilities as required in composite tendering.
- Slow supplies of GI pipes in Jammu Division and DI pipes in Kashmir.
- Poor ground water aquifer resulting in Dry bore-wells in Rajouri, Poonch, Kathua, Samba, Jammu, Anantnag etc.
- Fewer heavy machines for hard strata and deep drilling in Jammu division.
- Incident of Ammoniacal Nitrate in 19 bore-wells in Kashmir Division.
- Multistage lifts were required at some places, inaccessibility of machines/mechanical transport to large number of sites in hill Districts.
- Unwillingness of contractors to work in hilly areas and non-availability of skilled manpower locally for specialised jobs like construction of overhead tanks and Rapid Sand Filtration Plants.

To address these challenges following Key interventions were made:

In 6th Apex Committee meeting held in June 2022, it was noticed that only 788 (14 *per cent*) works were allotted and only 223 (05 *per cent*) works were started. To address these issues following interventions were made by Department:

- Administrative Approvals and Technical Sanctions were accorded for the balance Schemes, and an amount of ₹ 522 crore were saved by taking various cost-effective measures while granting administrative approvals.
- On the advice of National Jal Jeevan Mission, use of HDPE pipes was explored. The use of HDPE pipes has resulted in saving of about ₹ 455 crore.
- In 17 cases in place of RCC water tanks, Sheet Moulding Compound fiberglass-reinforced plastic (SMC-GRP) overhead water tanks were used as a time and cost-effective solution.
- 535 Slow Sand Filtration Plants (SSFPs) were converted to Filter galleries in consultation with IIT, Jammu. This resulted in cost saving and solve the issue of space constraint for construction of SSFPs.
- 13 consultants were engaged for technical assistance to Mission Director, JJM.

Appendix 1.3

(Reference Paragraph: 1.5)

Instances of success stories in implementation of JJM as conveyed by the Department

Achievements:

- More than 1,480 (45 *per cent*) Schemes were completed as of October 2025 and out of remaining 1,773 Schemes, physical progress of 1,600 Schemes was more than 50 *per cent*.
- Against 19.20 lakh targeted FHTCs, 15.60 lakh FHTCs (81 *per cent*) were provided and remaining 3.60 lakh household will be covered with completion of Mission.
- UT of J&K was at 5th place in overall functionality assessment conducted by Ministry of Jal Shakti, GoI and overall functionality was improved from 53 *per cent* in 2022 to 84 *per cent* in 2024.
- UT of J&K ranked at 1st place in Water Quality Monitoring and Surveillance at National level in 2023-24 and 2024-25.
- 98 water testing laboratories were setup across the UT and 22 of them were NABL accredited.
- More than 8,000 Field Testing Kits (FTKs) have been distributed, and 37,850 women were trained for use of these FTKs to test water quality.
- Coverage of Functional Household Tap Connections was 100 *per cent* in Srinagar and Ganderbal Districts.

Appendix 1.4

(Reference Paragraph 1.7.1)

Details of functions, composition, number of meetings of Apex and Executive committees and SLSSC

Type of committee and date of constitution	Preamble/ Functions	Composition	No. of meetings required to be conducted	Meetings actually conducted
Apex Committee in April 2020	➤ To provide policy guidance for overall planning, strategizing and implementation of JJM; ➤ Responsible for finalization/ in principal approval of State Action Plan (SAP) to provide FHTC to every rural household by 2024; ➤ Decide water quality and service standard; ➤ To recommend charges for providing FHTC; ➤ To monitor financial discipline including timely utilisation of funds; ➤ To finalise action plan for devolution of powers empowering gram panchayats/ sub-committee of Gram Panchayats for management of in-village infrastructure; ➤ To enforce uniform policy for use of ground water; ➤ To finalise policy interventions on engaging dedicated human resource for ensuring water quality testing; etc.	Chairman- Chief Secretary; Members- Administrative Secretaries of Finance, Health & Medical Education, School Education, Planning & Development & Monitoring, Information, Rural Development & Panchayati Raj Departments, Representative of Ministry of Jal Shakti, Government of India, Director J&K Branch, Bureau of Indian Standard GoI, Regional Director, Central Ground Water Board (CGWB) Jammu, Assistant Professor Civil Engineering Indian Institute of Technology (IIT) Jammu; Member Secretary - Administrative Secretary, Jal Shakti Department	16 (once in quarter)	Eight (2020-21: 3; 2021-22: 2; 2022-23: 1; 2023-24: 2)
Executive Committee in April 2020	➤ To provide support to District Jal Jeevan Mission (DJJM)/DWSM¹, ensure necessary capacity building and regular monitoring of its functions;	Chairman- Mission Director (MD) JJM; Members- MD National Health Mission; Project Director Sarva Shiksha Abhiyan (SSA) J&K; Director Finance Jal	48 (once in month)	One

¹ Also named as DJJM

Type of committee and date of constitution	Preamble/ Functions	Composition	No. of meetings required to be conducted	Meetings actually conducted
	➤ To monitor physical and financial performance; ➤ To take up evaluation studies, impact assessment studies, and Research and Development (R&D) activities; ➤ To ensure regular updation of physical and financial progress on Integrated management Information System (IMIS) and validate the same; to empanel partner Non-Government Organisations (NGOs)/ Self Help Groups (SHGs) as Implementation Support Agencies; ➤ To finalise Information, Education and Communication (IEC), Behavioral Change Communication (BCC) strategy; to ensure that Utilisation Certificates (UCs) and Audited Statement of Accounts (ASA) are submitted to GoI timely; ➤ To create and maintain digital inventory of JJM assets on Geographical Information system (GIS) plate form; ➤ To approve adoption of accounts, appointment of auditor from Comptroller and Auditor General of India (CAG) empaneled auditors, performance review of annual plans, and approval of next year annual plan etc. in its Annual General Meetings (AGM).	Shakti; Director Planning, Rural Development and Panchayati Raj; Director Planning Jal Shakti Department; Director Rural Sanitation; Chief Engineer, Public Works, Mechanical Department; representative from Regional Centre, National Institute of Hydrology; Member Secretary- Additional MD JJM		

Type of committee and date of constitution	Preamble/ Functions	Composition	No. of meetings required to be conducted	Meetings actually conducted
State Level Scheme Sanctioning Committee (SLSSC) in March 2020	➤ To examine the proposal and provide the best techno-economic inputs to representatives; ➤ To approve the Schemes which are not under the preview of DWSM/DJMM for sanction viz intra/ inter district distribution networks, regional water supply Schemes, bulk water transfer through water grids, treatment plants etc; ➤ To review availability of portable water in adequate quantity in prescribed quality for the Scheme design period;	Chairman- Administrative Secretary Jal Shakti; Members- Representative from DDWS² GoI; Development Commissioner (Works); MD JJM; Chief Engineer (CE), Public Health Engineering (PHE) Kashmir; CE PHE Jammu; Regional Director, Central Ground Water Board (CGWB) Jammu; Director Central Water Commission Jammu; Director Finance, Jal Shakti Department; Director Planning Jal Shakti Department. Member Secretary -Additional Mission Director JJM	Not Defined	20

² Department of Drinking Water and Sanitation

Appendix 1.5

(Reference Paragraph 1.7.2)

Details of functions, composition, number of meetings of DWSMs in sampled Districts

Type of committee and date of constitution	Preamble/ Functions	Composition	No. of meetings required to be conducted	Meetings actually conducted
District Water and Sanitation Mission in April 2020	There are 28 different functions of DJJM, some important functions of DJJM, are as below: ➤ Finalize District Action Plan to provide FHTC to every rural household by 2024, ➤ Ensure regular updates of JJM physical and financial progress on IMIS, ➤ Monitor and evaluate physical and financial performance, ➤ Approve and share reports, success stories, best practices under JJM within district, ➤ Analyze data on health care, waterborne diseases, etc. for corrective measures, ➤ Grievance redressal, ➤ Ensuring that all information is placed on IMIS portal	Chairman- District Development Commissioner Members - Additional District Development Commissioner, Assistant Commissioner Development, Divisional Forest Officer (DFO) concerned, Chief Planning Officer (CPO), Chief Medical Officer concerned, Chief Education Officer concerned, District Social Welfare Officer/ District Tribal Welfare Officer, District Information Officer, EE Jal Shakti Department concerned* EE Jal Shakti Mechanical Department concerned, Two persons to be nominated from field of water management, community health, community development etc. Member Secretary- Superintending Engineer (SE) Hydraulic Concerned	48 for each District (once in month)	Eight³ (Doda: 07, Kishtwar: 01, Anantnag: 0 and Kulgam: 0)

³ Doda (2021-22: 01, 2022-23: 03; 2023-24: 03) and Kishtwar (2022-23: 01)

Appendix 1.6

(Reference Paragraph 1.9.4)

Status of funds under Support Activities and WQM&S

(₹ in lakh)

District	Division	Year	Total Allocation	Support activities (due at the rate of 5 per cent)	WQM&S activities (due at the rate of 2 per cent)	Support activities limit issued		WQM&S activities limit issued		Expenditure Support Activities	Expenditure WQM&S
						Amount	Per cent	Amount	Per cent		
Kulgam	Kulgam	2019-20	0	0	0	0		0		0.00	0.00
		2020-21	0	0	0	0		0		0.00	0.00
		2021-22	77	3.85	1.54	2	2.59	8.14	10.57	2.00	7.52
		2022-23	1361.79	68.09	27.24	44.89	3.30	8.14	0.60	36.94	7.52
		2023-24	4952.76	247.64	99.06	120.30	2.43	8.14	0.16	72.50	8.14
Anantnag	Qazigund	2019-20	0	0	0	0		0		0.00	0.00
		2020-21	0	0	0	0		0		0.00	0.00
		2021-22	0	0	0	0		0		0.00	0.00
		2022-23	966.14	48.31	19.32	14.49	1.50	8.42	0.87	8.42	7.02
		2023-24	3067.08	153.35	61.34	12.08	0.39	12.35	0.40	12.08	12.35
	Bijbehara	2019-20	0	0	0	0		0		0.00	0.00

District	Division	Year	Total Allocation	Support activities (due at the rate of 5 per cent)	WQM&S activities (due at the rate of 2 per cent)	Support activities limit issued		WQM&S activities limit issued		Expenditure Support Activities	Expenditure WQM&S
						Amount	Per cent	Amount	Per cent		
Doda		2020-21	743.88	37.19	14.88	0	0.00	20.87	2.80	0.00	8.66
		2021-22	4113.86	205.69	82.28	0	0.00	21.18	0.51	0.00	17.19
		2022-23	4979.85	248.99	99.6	150.49	3.02	22.09	0.44	80.78	22.05
		2023-24	24062.77	1203.14	481.26	208.81	0.87	18.94	0.08	133.66	17.57
	Doda	2019-20	424.7	21.24	8.49	0.2	0.05	25.27	5.95	0.2	13.51
		2020-21	284.29	14.21	5.69	3.6	1.27	10.19	3.58	3.6	9.4
		2021-22	343.22	17.16	6.86	3.6	1.05	16.01	4.66	2.4	14.04
		2022-23	7388.24	369.41	147.76	13.6	0.18	14.93	0.20	12.78	14.69
		2023-24	19066.74	953.34	381.33	65.66	0.34	15.93	0.08	54.51	14.87
		2019-20	34.96	1.75	0.7	0	0.00	0	0.00	0	0
	Gandoh	2020-21	44.01	2.2	0.88	0	0.00	3.21	7.29	0	3.21
		2021-22	109.741	5.49	2.19	8.15	7.43	3.21	2.93	8.15	3.21
		2022-23	1010.35	50.52	20.21	4.07	0.40	3.21	0.32	4.07	3.21
		2023-24	2409.18	120.46	48.18	4.07	0.17	3.21	0.13	4.07	3.21

District	Division	Year	Total Allocation	Support activities (due at the rate of 5 per cent)	WQM&S activities (due at the rate of 2 per cent)	Support activities limit issued		WQM&S activities limit issued		Expenditure Support Activities	Expenditure WQM&S
						Amount	Per cent	Amount	Per cent		
Kishtwar	Kishtwar	2019-20	165.32	8.27	3.31	1.918	1.16	23.94	14.48	0.75	21.29
		2020-21	93.968	4.7	1.88	1.8	1.92	18.46	19.64	1.8	17.55
		2021-22	1119.608	55.98	22.39	1.8	0.16	18.46	1.65	1.8	17.81
		2022-23	1719.01	85.95	34.38	37.80	2.20	18.46	1.07	26.66	18.46
		2023-24	7740.69	387.03	154.81	120.28	1.55	18.46	0.24	101.00	18.00

(Source: Divisional Records)

Appendix 1.7

(Reference Paragraph 1.11.1)

Details showing invitation of e-NITs before accord of AA/ TS

S. No.	Name of WSS	SLSSC	AA Date	TS Date	NIT Date	Allotment Date
1	Darigund	21.03.2021	01.08.2022	25.08.2022	08.03.2022	23.12.2022
2	Molvi Mohalla Badwan	21.03.2021	01.08.2022	25.08.2022	11.06.2022	01.05.2023
3	Bulbul Nowgam	21.03.2021	01.08.2022	08.09.2022	21.02.2022	18.10.2022
4	Utterso Nagigund	21.03.2021	20.07.2022	08.09.2022	18.04.2022	29.09.2022
5	Huller Hunjalla	02.08.2022	13.09.2022	17.09.2022	20.06.2022	01.06.2023
6	Pochhal B1	02.08.2022	25.08.2022	05.09.2022	27.05.2022	03.08.2023
7	Pochhal B2	02.08.2022	26.07.2022	16.08.2022	26.05.2022	16.05.2023
8	Lachkhazana	02.08.2022	13.09.2022	17.09.2022	20.06.2022	19.07.2023

(Source: Divisional records)

Appendix-2.1

(Reference: Paragraph 2.1.3.3)

Statement showing the details of the sampled Districts/ Blocks and Gram Panchayats

MGNREGA - Sample Size Jammu and Kashmir			
Name of the Province	Name of the District Sampled	Name of the Block Sampled	Name of the GP Sampled
Jammu	Rajouri	Thanamandi	Rajdhani "B"
			Haspilote
			Haspilote (Chrung)
			Tota Morha
		Moughla	Khabber
			Treru Upper "A"
			Treru Lower "A"
			Taryath
	Poonch	Surankote	Kallar Kattal Upper
			Potha Lower
			Hari Lower
			Marhote Middle
		Loran	Dana Kharappa Loran
			Loran Lower "B"
			Brachhar
			Tantray Gam Loran
	Jammu	Mandal Phallian	Parladpur
			Sum
			Kandwal
			Kripalpur Charkan
		Paragwal	Pargwal Upper
			Pargwal Lower

MGNREGA - Sample Size Jammu and Kashmir			
Name of the Province	Name of the District Sampled	Name of the Block Sampled	Name of the GP Sampled
Kashmir			Sarwal
			Pindi
	Anantnag	Anantnag	Matipora
			Chee
			Monghall
			Should
		Qazigund	Y.K.Pora "A"
			Panzath "B"
			Songram
			Nussu
	Kupwara	Kralpora	Batpora "B"
			Daradpora "C"
			Kralpora "C"
			Shaloor
		Magam	Sodal
			Shogpora
			Opezwani
			Magam "B"
Grand Total	5	10	40

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