

## Chapter –V Registration, Employment and Payment of Wages

### 5.1 Registration and issue of job cards

Para 5.2 of Operational Guidelines stipulates that households would submit an application or oral request for registration. It was also provided that door-to-door survey would be undertaken to identify persons willing to register under the scheme. The Gram Panchayats would issue Job Cards to every registered household within 15 days from the date of application. Timely issue (within a fortnight of application for registration) of well-designed Job Cards was essential. Photographs of adult member (applicants) should be affixed on the Job Cards. Job Card is the legal document for demanding job and it should be renewed at the interval of five year. The Job Card would be maintained in double copy and a copy should be in the custody of the household to whom it was issued whereas the second copy was required to be kept for office use. Addition and deletion of registrants was to be done at regular interval.

Scrutiny of test checked districts revealed following shortcomings:-

- Registration of the labourer was done on verbal request. Written application prescribed by the government was not used in any of the 15 districts. Further, documentation of verbal application for registration was not done. It was, therefore not possible to verify whether any registration was not done/denied in case of verbal requests particularly from the minorities or weaker sections of the society.
- In eight<sup>8</sup> districts it was found that large number of households had multiple job cards. More than one Job Card was issued to 2849 households. In some cases, even three or four Job Cards were issued to a single person/household in violation of the Act (Annexure-XII).
- In the sampled districts, the trend of percentage of households getting jobs was found decreasing during 2007-12. Although in absolute numbers, it went up continuously during 2007-11(except 2008-09) before falling significantly (24 *per cent*) in 2011-12. One of the main reasons for shortfall in creation of man days was tardy utilisation of available grants and lack of proper monitoring. Providing job was based on the availability of funds not as per demand.

**Table-4**  
**Job provided to households (Sampled district)**

Year	Number of Registered Households	Cumulative Households provided job	Percentage
2007-08	3003754	1560748	52
2008-09	4206473	1649543	39
2009-10	5121897	2051274	40
2010-11	5426911	2277770	42
2011-12	5538911	1352789	24

(Details are given in Annexure-XIII)

<sup>8</sup> Madhubani, Muzaffarpur, Jehanabad, Bhabhua, Begusarai, Darbhanga, West Champaran and Bhojpur

**Table-5**  
**Job provided to households (State)**

Year	Households issued job card (cumulative)	Households provided job	Percentage of job provided
2007-08	5295829	3961854	74.81
2008-09	10299609	3842014	37.30
2009-10	12406518	4127311	33.27
2010-11	13044879	4684704	35.91
2011-12	13381535	2679829	20.03

(Source: Rural Development Department, Government of Bihar)

There was remarkable decreasing trend in providing jobs at the state level from 75 (2007-08) to 20 *per cent* (2011-12). Thus, the primary objective of the MGNREGS to provide livelihood facilities was defeated.

- In 82 GPs of four selected<sup>9</sup> districts, number of registered households reported to the RDD and MoRD was found inflated by 40304 (40 *per cent*) (**Annexure- XIV**).

Door-to-door survey to identify persons willing to register was not conducted by any of the sampled panchayats.

## 5.2 Employment Generation

The primary objective of MGNREGA is to enhance livelihood security by providing at least 100 days of guaranteed wage employment on demand.

In course of test check of 15 sample districts, it was noticed that maximum 17 *per cent* households were provided 100 days job during 2007-12, in which Madhubani recorded the lowest, which was below one *per cent* while Begusarai registered the highest seventeen *per cent* which is too low (**Annexure- XV**).

However, the state ratio ranged between 1.45 and 6.95 *per cent* it was, therefore, evident that the primary purpose of the scheme *i.e.* to enhance livelihood security by providing at least 100 days of guaranteed wage employment on demand in a year was not achieved.

**Table-6**  
**Position of providing 100 days job (State)**

Year	Number of Households issued job cards	Households provided job	Man days generated (in crore)	Number of Households provided 100 days job	Percentage of providing 100 days job
2007-08	5295829	3961854	7.04	57593	1.45
2008-09	10299609	3842014	9.92	100891	2.63
2009-10	12406518	4127311	11.38	287019	6.95
2010-11	13044879	4684704	15.97	260919	5.57
2011-12	13381535	2679829	8.66	137649	5.14

(Details are given in **Annexure-XVI**)

<sup>9</sup> Madhubani, Muzaffarpur, Bhabhua, Bhojpur

Non receipt of demand for job and unavailability of fund was cited the reasons for poor generation of employment. But, the reply is not reasonable as the available fund with the districts was not utilised as discussed in para 4.1.

### 5.3 Ratio of female worker

As per para 5.5.9 of MGNREGS guidelines while providing employment, priority shall be given to women in such a way that at least one-third of the beneficiaries shall be women who have registered and requested for work under the scheme.

Of the test checked districts, the prescribed ratio was not maintained in six districts<sup>10</sup> (the ratio of providing job ranged from 19 to 31 *per cent*) in any year during 2007-12. Whereas, in other nine districts the ratio ranged from 4 to 50 *per cent* during different years. The lowest and highest percentage observed in Bhojpur (three *per cent*) and Darbhanga (50 *per cent*) district, respectively. At the State level 14.67 crore women person days was created (28 *per cent* of total person days) during 2007-12 (**Annexure-XVII**).

The State Government failed to adhere to the mandatory provision of providing at least one-third jobs to female worker. Although the position of employment provided was reported to the government by the units through MPR yet the government did not take effective step to improve position.

### 5.4 Employment and payment of wages

Every person working under the MGNREGS was entitled to get wages at the minimum wage rate fixed by the State Government for agricultural labourer under the Minimum Wages Act, 1948. It was essential to ensure that wages were paid on time. Worker were entitled to get payment of wages on a weekly basis and in any case within a fortnight of the date on which work was done, failing which they were entitled to get compensation as per the provisions of the Payment of Wages Act, 1936. To make the payment of wages more transparent, payment of wages through bank/post office made statutory and cash payment is banned since October 2008.

Further, the State Government is required to provide employment to a registered applicant within 15 days of demand, failing which unemployment allowance at stipulated rates was to be paid. The liability of payment of unemployment allowance is to be borne by the State Government. Scrutiny disclosed following points:-

#### 5.4.1 Delay in payment of wage and non-payment of compensation

In sampled test checked works, it was observed that payment was not made in time (within 15 days from day of work) and there was delay in payment of wages ranged from 16 days to 700 days in 657 numbers of works out of total 3743 test checked works amounting to

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<sup>10</sup> Araria, Aurangabad, Banka, , Kishanganj, Madhubani and West Champaran

₹ 4.97 crore. No compensation for delay in payment was paid. Delay in payment discourages participation of job seekers in the scheme which was evidenced from decreasing trend of the employment (**Annexure-XVIII**).

The entities replied that the reason for non-payment of compensation was due to non-receipt of the claims by the labourers. The State Government stated that there were bottlenecks from the side of post offices which caused delayed payment of wage 17 to 312 days.

#### **5.4.2 Average wage**

Average wage earned per household (which were provided job) annually from MGNREGS in all the sampled districts ranged from ₹ 513 (Begusarai) to ₹ 5407 (Munger) which was very less from the stipulated target. However, the State average ranged between ₹ 1718 and ₹ 3789. It was observed that average wage paid were too low which defeated spirit and intent of the scheme (**Annexure- XIX**).

#### **5.4.3 Less than 26 person days available to a households yearly**

Against mandatory provision of providing at least 100 days job to a household in a financial year, less than 26 person days (average of 2007-12) job was provided to a household in Bihar (**Annexure-XX**).

#### **5.4.4 Person days declined sharply**

There was sharp decline in providing job in selected 14 districts<sup>11</sup> in the year 2011-12 as compared to the year 2010-11 (ranged from 30 to 80 *per cent* ) Poor utilisation of fund and lack of proper supervision of MGNREGS (as discuss in para 4.1 and 11.2) were the reasons for shortfall in creation of person days (**Annexure-XXI**).

#### **5.4.5 Payment of wage through personal account of the agencies**

Although the payment of wage in the saving account of the labourers through banks and Post Office is mandatory from October 2008 yet in 18 test checked works, payment of wages amounting to ₹ 14.09 lakh was drawn in favour of the working agencies and deposited into their personal account first and subsequently the amount was remitted to the post office through their personal cheques or cash which not only caused delay in payment but also indicatives of wrong intention of the agencies (**Annexure-XXII**).

In Begusarai, it was found that the PRS, the working agent of 10 GPs, remitted 12 personal cheques amounting to ₹ 3.45 lakh to the Post Office during October 2009 and August 2011 for payment of wages to the labourers. The Post Office credited the due amount of wage into labourer's account, however the cheques were subsequently dishonoured due to insufficient balance in the PRS account and all the cheques were lying pending for clearance at Head Post Office, Begusarai for one to two years.

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<sup>11</sup> Except West Champaran

#### 5.4.6 Non/short payment of wages

It was observed that people who had worked did not get payment amounting to ₹ 79 lakh in 77 works in nine districts (**Annexure-XXIII**) and got short payment of ₹ 38 lakh in 119 works in 10 districts (**Annexure-XXIV**). The consequences of not receiving wages on time are often cycles the debt or migration. Non-opening of accounts by the post office and un-availability of fund were cited as reasons by the audited entities. But, it was noticed that in most of the cases, the amount had already been drawn by the agency and wages were not paid.

#### 5.4.7 Violation of minimum wage rate

The minimum wage rate had been revised by the state government for MGNREGS workers from time to time but, in four districts, the labourers were not paid as per revised rate of wages in eight works. Thus, the minimum wage fixed by the government was violated (**Annexure-XXV**).

#### 5.5 Delay in payment of wage caused by post office

In Darbhanga and Jehanabad district, it was observed that the Post Office did not pay wages to the labourer amounting to ₹ 6.87 lakh despite receiving the amount with list of labourers through combined pay order (advice). FIR was lodged against Postmaster in Jehanabad. (**Annexure-XXVI**) Further in Sitamarhi, it was noticed that there was delay in payment by post offices amounting to ₹ 7.16 lakh. The period of delay ranged from 24 to 106 days in PS Sursand.

The audited entities of Darbhanga (GP-Muraitha and Karba Taliyani) and Jehanabad (GP-Jamanganj and West Saren) replied that in some works, payment of wages to the labourers was not made on time due to lackadaisical attitude of the post office. Further, the Post Master, Sitamarhi replied that delay in payment of wage occurred as huge number of cheques submitted by the Panchayats was pending for clearance from bank due to technical and other reasons.

The reply furnished by the Post Master, Sitamarhi was not acceptable as rolling money amounting to ₹ 3 crore was lying in the post office to avoid delay of payment of wages.

#### 5.6 Unemployment allowance

No sampled districts (except Araria) had paid unemployment allowance on account of non providing of job on demand. However, Beneficiary Survey showed that in 58 per cent cases employment was not provided within the stipulated period *i.e.* within 15 days from the date on which work was requested. It was also found that works were given on verbal request and written documentation for demand of work was not found in any of the sampled district. The Employment Register was also not maintained. In Araria district, ₹ 11.27 lakh was to be paid as unemployment allowance to 619 labourers of Panchayat

Samiti Araria but, only ₹ 9.35 lakh was paid to the labourers during 2010-12 and it was stated that ₹ 1.92 lakh could not be paid due to non opening of accounts.

#### **5.7 Jobs were not provided even after demand**

Scrutiny of the complaint register maintained by the P.O. Basopatti Block (Madhubani) showed that 105 persons having Job Cards, applied for jobs (Seli Belli Panchayat) on 25.08.11 but, they were not provided job till 24.03.2012. It was also observed that works had been executed in the Panchayat after the date of their application for job. However, unemployment allowance was not paid to them. In Darbhanga and Araria, the jobs were not provided as per demand and there was shortage in providing of jobs to 142 and 11766 households respectively in 2010-11. In Aurangabad, jobs were not provided as demanded to 184 households in 2007-08. Further, it was observed that in the year 2009-10 jobs were provided without demand to 14030 households in Darbhanga.

#### **5.8 Liability for payment of wage and material**

Payment of wages to the labourers was to be done within 15 days but it was observed in nine districts<sup>12</sup> that huge liability amounting to ₹ 79.54 crore was created by the districts on account of pending wage and materials bills. The delay from due date of payment ranged between one to five years (**Annexure-XXVII**). The State/District level authorities have failed to take appropriate measures in time to prevent occurrence of such inordinate delay.

Paucity of fund was cited as main reason for incurring liabilities by audited entities. It was also replied that direction of the Government to continue the execution of work even in scarcity of fund was also the reason for liability.

#### **5.9 Execution of works without sanction**

In Darbhanga and Nalanda, 77 works amounting to ₹ 71.66 lakh were executed without involvement of Panchayat fund. The execution of work without funding was not explained to audit. Huge liability of wage and material and execution of works without involvement of panchayat fund was indicative of involvement of contractors/middlemen in gross violation (**Annexure-XXVIII**).

#### **Recommendation**

- Job Card register should exhibit actual number of registrants and addition and deletion of the households should be done regularly.
- Effective steps should be taken to delete multiple job card issued to households.
- Reasons causing delay in payment of wages by the field authorities need to be addressed. Effective penalty clause for such delay may be framed.
- Payment of wages should be made to the labourers as per minimum wage rate fixed by the government and it is to be ensured that due wage payment is done within stipulated time.

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<sup>12</sup> Araria, Begusarai, Bhojpur, Darbhanga, Jehanabad, Madhubani, Muzaffarpur, Nalanda and Sitmarhi



## Chapter –VI Execution of works and creation of assets

Schedule I of the Act and MGNREGS guideline provide that the focus of the scheme should be on the following works in their order of priority (i) Water conservation and water harvesting; (ii) Drought proofing (including forestation and tree plantation); (iii) Irrigation canals including micro and minor irrigation works; (iv) Land development facility to SC/ST and other weaker section of the society (v) Renovation of traditional water bodies including desilting of tanks; (vi) Land development; (vii) Flood control and protection works including drainage in water logged areas; (viii) Rural connectivity to provide all-weather access; and (ix) Any other work which may be notified by the Central Government in consultation with the State Government.

Further, as per para 6.1.1 (viii) of the MGNREGS guidelines, no cement concrete roads should be taken. As per para 4.3 (v), each work taken up with unique number (irrespective of the implementing agency) has to be recorded in the Works register to be maintained at GP to enable verification and prevent duplication.

### 6.1 Lowest prioritised sector of work given highest priority

It was observed that lowest prioritised works (rural connectivity) were given highest priority. In 14 districts<sup>13</sup>, 25701 works out of total 66282 undertaken by sampled units (39 *per cent*) were executed of this sector and a sum of ₹ 365.91 crore (52 *per cent* of the total expenditure) was spent on the works of least priority. The State/District level authorities didn't take effective measures to stop this practice (**Annexure- XXIX & XXX**).

#### 6.1.1 Creation of asset

From MPR through which status of works was reported to the government, it was observed that a total number of 133729 works were completed by the sampled districts during 2007-12. Of the total completed works, 49 *per cent* works involving expenditure of 53 *per cent* were of rural connectivity, though this was the lowest in the list of prioritised works. Works completed and its percentage to total works is given below:

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<sup>13</sup> Except Nalanda

**Table-7**  
**Position of completion of work**

Total no. of works completed during 07-12	Category of works	No. of works	Percentage of work to total works completed	Expenditure involved (in lakh)	Percentage of expenditure on work
133729	Water Conservation	12346	9.23	16973.23	10.78
	Drought Proofing	10566	7.90	5584.73	3.55
	Micro irrigation	12207	9.13	15467.10	9.82
	Provision of irrigation facility to SC/ST/IAY beneficiary	3291	2.46	3155.53	2.00
	Renovation of traditional water body	14341	10.72	14285.04	9.07
	Land Development	5564	4.16	5147.30	3.27
	Flood Control	7965	5.96	10334.00	6.56
	Rural connectivity	64988	48.60	82703.60	52.52
Any other specified works	2461	1.84	3807.20	2.42	
<b>Total</b>		<b>133729</b>		<b>157457.73</b>	

(Details are given in **Annexure-XXXI**)

## 6.2 Execution of non-permissible works ₹ 2.11 crore

Scrutiny of records of five test checked districts disclosed that non-permissible works worth ₹ 2.11 crore were executed from the MGNREGS funds. Detail can be seen in the table given below:-

**Table-8**  
**Non-permissible works**

Name of district	Name of non-permissible work	Expenditure (₹ in crore)
Madhubani	Construction of generator shade	0.03
Darbhanga	Construction of generator shade	
Aurangabad	Construction of pucca platform	0.15
	Construction of RTPS centre	0.30
Bhojpur	Construction of PCC roads	1.58
W.Champaran	Construction of PCC roads	0.05
	<b>Total</b>	<b>2.11</b>

(Source : Scheme files of unit)