

Highlights

The National Rural Employment Guarantee Act (NREGA) enacted on 25 August, 2005 and renamed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2 October 2009, includes activities under nine different heads to provide employment to village communities and improve their livelihoods. The scheme was launched as flagship programme of the Central Government in February 2006. This Act guarantees hundred days of employment in unskilled manual labour at a minimum wage to every rural household to enhance livelihood security each financial year. Some of its feature include a time bound employment guarantee and wage payment within 15 days, prohibition of the use of contractor and machinery, facilities to be provided at the work site, a 60:40 wage and materials cost ratio and a mandatory 33 *per cent* participation of women. In Bihar, the scheme could not gain momentum as the percentage of households provided 100 days employment ranged from one to seven *per cent* during 2007-12.

The Scheme is administered by the Ministry of Rural Development, which is responsible for policy formulation, release of funds and also for prescribing a monitoring mechanism for its implementation. At the State level, Rural Development Department (RDD) is the nodal department with the overall responsibility for execution, supervision, monitoring and coordination of MGNREGS. Decision making powers in regard to technical, financial and administrative sanctions to be accorded under the scheme vest in the district and block level functionaries.

During 2007-12, ₹ 8,184.26 crore had been released and against this, an expenditure of ₹ 8,110.84 crore had been incurred leaving unspent balance of ₹ 73.42 crore as on 31st March 2012.

Chapter I of this Report provide background information on the Scheme, audit approach, details of sample selection, criteria and methodology. Chapter III to XII provide overall audit findings on audit objectives dealing with the intent and spirit of the Scheme. Chapter XIII is the conclusion. In the backdrop of the above factors, a performance audit on “MGNREGS” has been conducted by covering 319 units (250 GPs, 54 PS and 15 Districts) during 23.02.2012 to 30.06.12 and 7.8.12 to 21.8.12. Performance Audit of the MGNREGS was conducted under Section-14 of the Comptroller and Auditor General’s (Duties, Power and Conditions of Service), Act, 1971.

Significant audit findings of the current audit are given below;

- Under MGNREGS, 1.34 crore households were registered and jobs were provided to only 35 *per cent* (average of the period 2007-12) registrants. Twenty eight *per cent* jobs were provided to female workers against the stipulated 33 *per cent* and only one to seven *per cent* households were provided 100 days job during 2007-12.

(Paragraph-1.1, 5.2 & 5.3)

- The Annual Plans were prepared with delay and without labour projection. The District Perspective Plans were not prepared. In six districts, works involving expenditure of ₹ 3.76 crore were found executed beyond Annual Plan.

(Paragraph 3.2 & 3.3)

- The number of registered households reported to the government was inflated and households were issued more than one job cards.

(Paragraph 5.1)

- There was decreasing trend in providing jobs under the scheme from 75 *per cent* (2007-08) to 20 *per cent* (2011-12).

(Paragraph 5.1)

- Labour Budget was not prepared in time and in a realistic manner. The state was deprived of grant of ₹ 9684.24 crore during 2007-12 in shape of central share due to less creation of man days, sharp increase in demand for fund without sufficient justification and unspent balance of grant.

(Paragraph 3.5 & 4.2)

- Unspent grant of ₹ 21.48 crore and cost of unutilised quantity of grain amounting to ₹ 77.36 crore of Sampooran Gramin Rojgar Yojna /National Food for Work Programme was not transferred to MGNREGS account. Specific grant of ₹3.29 crore was blocked for more than three years.

(Paragraph 8.1& 8.2)

- The State Government failed in utilising available grants and unspent balance ranged from 26 to 40 *per cent* during 2007-12. At the same time liability of ₹ 79.54 crore on account of payment of wage and pending material bills was created.

(Paragraph 4.1 & 5.8)

- In a beneficiary survey of 1997 beneficiaries, photographs was not found affixed in 37 *per cent* job cards and in 26 *per cent* cases, payment of wages entered in the job cards did not tally with the amount credited into their accounts.

(Paragraph 9.1)

- There were several cases of delayed and non-payment of wages, for which no compensation was paid to the labourers. In three sampled districts, jobs were denied to 12092 households. In almost hundred *per cent* cases, jobs were provided on verbal request of the job seekers, which was not documented.

(Paragraph 5.4.1 & 5.7)

- In selected 15 districts, lowest prioritised sector of works were given highest priority (49 *per cent* works were related to road connectivity) and non permissible works amounting to ₹ 2.11 crore were executed. Of the total 7.44 lakh works undertaken during 2007-12 at state level, only 3.06 lakh works (41 *per cent*) were completed.

(Paragraph 6.1, 6.2 & 6.3)

- In sampled districts, there was ineffective execution of planning as the Panchayat Samitis/ Zila Parishad executed 3964 number of works involving ₹113.80 crore which were not related to more than one Panchayats / Panchayat Samitis.

(Paragraph 3.4)

- In the absence of sufficient protective measures, non-obtaining of NOC and wrong selection of site for plantation, Plantation (1.76 lakh plants) involving expenditure of ₹ 2.07 crore failed.

(Paragraph 6.12)

- There was wide variation between data (expenditure/man days) reported to the State Government through MPR and the entries of Management Information System. Monitoring system was deficient at the State and district levels. Works were not supervised by State level authorities whereas, in nine districts, supervision of works ranged between one and nine *per cent*.

(Paragraph 10.1)

- There was no effective grievance redressal mechanism in the State and districts level. Complaints register was not maintained by Gram Panchayats and Ombudsman at State and district levels was not appointed by the Government.

(Paragraph 10.4)

- Unspent amount of grant, cost of food grain and excess consumption of material over wages caused less creation of 76.42 lakh mandays.

(Paragraph 6.9, 8.1, 6.4 & 4.6)