

10.1 Introduction

Para 9.1.1 of the Operational Guidelines stipulates proper maintenance of records as one of the critical success factors in implementation of MGNREGS. Information on critical inputs, processes, outputs and outcomes have to be meticulously recorded in prescribed registers at the levels of District Programme Coordinator (DPC), Programme Officer (PO), gram panchayat (GP) and other implementing agencies to ensure verifiable compliance with 100 days of employment on demand and other expected outcomes of the Scheme. The Operational Guidelines provide specified details of records and registers to be maintained at different levels. Proper record maintenance is *sine qua non* for any accountability mechanism. The effectiveness of the audit process also depends on records maintenance to a large extent.

In particular, the following important records were required to be maintained as per Operational Guidelines:

Name of the register	Purpose of the record	Authority responsible for maintenance
Muster roll issue register	Records issue and receipt of muster rolls (from the PO to the GP/implementing agency)	Programme Officer at the block level
Muster roll receipt register	Records receipt of muster rolls by GPs	Gram Panchayat
Job card application register	Records name of applicant, dated receipt of applications/requests. It also contains reasons in case job card was not issued	Gram Panchayat/ Programme Officer
Job card register	Records details of members of the households who were issued job cards	Gram Panchayat/ Programme Officer
Employment register	Records for each registered household, details of employment demanded, employment allotted and employment actually taken up, performance of work and the wages or unemployment allowance paid to the worker	Gram Panchayat/ Programme Officer

Name of the register	Purpose of the record	Authority responsible for maintenance
Works register	This register records details of the work such as number and date of sanction order, completion date, expenditure incurred, date of social audit and pre-mid-post project condition of the work, etc.	Programme Officer/ Gram Panchayat/ Other Implementing Agencies
Assets register	Records all works sanctioned, executed and completed. It contains details of asset, its cost, location, current status, etc.	Programme Officer/ Gram Panchayat/ Other Implementing Agencies
Complaint register	Records details of complaints made, and action taken on the complaint and date of final disposal.	DPC/Programme Officer/ Gram Panchayat/ Other Implementing Agencies
Monthly allotment and utilization certificate watch register	Records date-wise information of allotment, expenditure, balance available with the implementing agency and the details regarding submission and pendency of utilization certificate.	DPC/ Programme Officer/ Gram Panchayat/ Other Implementing Agencies

In addition to the registers mentioned above, two other basic documents which every implementing agency is required to maintain are:

- Muster rolls: beneficiary's details including days worked, days absent, etc.
- Cash book: records of all the inflow and outflow of funds.

10.2 Non Maintenance of Records

Audit noted that, out of the total test checked 182 districts, 458 blocks and 3,848 GPs of 28 states and four UTs in a large number of cases the basic records were not maintained. Poor record maintenance was not only at the gram panchyat level, where lack of capacity was often cited as a reason. There were equally serious deficiencies at the block and district level. The findings related to non-maintenance of records are summarized below:

Sl. No.	Types of register to be maintained	Audit Observations	Percentage of GPs not maintaining records
1.	Job card application register	In 1,205 GPs and 165 blocks in 56 districts in Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Meghalaya, Nagaland, Punjab, Uttar Pradesh, West Bengal and Dadra & Nagar Haveli (15 states and one UT) the job card application register/application registration register was not maintained.	31.31
2.	Job card register	In 482 GPs and 43 blocks in 4 districts in Andhra Pradesh, Haryana, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Meghalaya, Nagaland, Punjab, Tripura and Uttar Pradesh (10 states), the job card register was not maintained.	12.53
3.	Employment register	In 1,111 GPs and 108 blocks in 37 districts in Andhra Pradesh, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Punjab, Uttar Pradesh, West Bengal, Dadra & Nagar Haveli and Puducherry (16 states and two UTs), the employment register was not maintained.	28.87
4.	Assets register	In 1,063 GPs, 167 blocks, in 48 districts in Andhra Pradesh, Bihar, Gujarat, Goa, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Meghalaya, Nagaland, Punjab, Tamil Nadu, Uttar Pradesh, West Bengal, Dadra & Nagar Haveli and Puducherry (15 states and two UTs), the assets register was not maintained.	27.62
5.	Muster roll issue /receipt register	In 885 GPs, 74 blocks, in 42 districts in Arunachal Pradesh, Assam, Bihar, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Meghalaya, Nagaland, Odisha, Punjab, Uttar Pradesh and Dadra & Nagar Haveli (14 states and one UT), the muster roll issue/receipt register was not maintained.	22.99
6.	Complaint register	In 1,300 GPs, 111 blocks, and 34 districts in Assam, Arunachal Pradesh, Bihar, Gujarat, Goa, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh,	33.78

Sl. No.	Types of register to be maintained	Audit Observations	Percentage of GPs not maintaining records
		Meghalaya, Nagaland, Punjab, Tamil Nadu, Uttar Pradesh, Dadra & Nagar Haveli and Puducherry (15 states and two UTs), the complaint register was not maintained.	
7.	Works register	In 1,665 GPs, 200 blocks in 46 districts in Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Punjab, Tamil Nadu, Uttar Pradesh, West Bengal, Dadra & Nagar Haveli and Puducherry (17 states and two UTs), the works register was not maintained.	43.26
8.	Monthly allotment and utilization certificate watch register	In 442 GPs 56 blocks and 10 districts in Andhra Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Meghalaya, Nagaland, Punjab, Dadra & Nagar Haveli and Lakshadweep (seven states and two UTs), this register was not maintained.	11.48

Thus, it was observed that in a significantly large number of implementing agencies the basic records for MGNREGS were not being maintained, raising serious doubts about the effectiveness and transparency in implementation of the Scheme. State/UT-wise details are given in **Annex-10A**.

10.3 Incorrect Maintenance of Records

Important records and registers are required to be maintained regularly for them to be reliable. In addition to non-maintenance of records, a number of cases of incorrect maintenance of records also came to the notice of Audit. These included instances of registers /records not being updated, proper entries not being made, columns in the registers being left blank, etc. These are summarized below:

Sl. No.	Types of Record	Audit Observations	Percentage of GPs out of GPs test checked incorrectly maintaining records
1.	Job Card application register	In 564 GPs and 39 blocks in Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Manipur, Sikkim, Tripura, Uttarakhand and Dadra & Nagar Haveli, (eight states and one UT) job card application register was not maintained properly.	14.66

Sl. No.	Types of Record	Audit Observations	Percentage of GPs out of GPs test checked incorrectly maintaining records
2.	Job card register	In 892 GPs and 51 blocks in Jharkhand, Karnataka, Madhya Pradesh, Manipur, Odisha, Sikkim, West Bengal and Dadra & Nagar Haveli, (seven states and one UT), it was observed that the job card register was not maintained properly.	23.18
3.	Employment register	In 957 GPs, and 41 blocks in Assam, Goa, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Manipur, Odisha, Uttarakhand, West Bengal and Dadra & Nagar Haveli (10 states and one UT), the employment register was not maintained properly.	24.87
4.	Assets register	In 736 GPs and 42 blocks and two districts in Andhra Pradesh, Arunachal Pradesh, Assam, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Manipur, Odisha, Sikkim, Uttarakhand, West Bengal and Dadra & Nagar Haveli (12 states and one UT), the assets register was not maintained properly.	19.12
5.	Muster roll issue / receipt Register	In 442 GPs and 36 blocks in Jharkhand, Karnataka, Manipur, Madhya Pradesh and Sikkim, (five states) the muster roll issue /receipt register was not maintained properly.	14.86
6.	Complaint register	In 473 GPs, 57 blocks in 11 districts in Andhra Pradesh, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Manipur and Odisha (seven states), the complaint register was not maintained properly.	12.29
7.	Works register	In 551 GPs 43 blocks in 10 districts In Jharkhand, Goa, Karnataka, Madhya Pradesh, Manipur, Odisha, Uttarakhand and Dadra & Nagar Haveli, (seven states and one UT), the works register was not maintained properly.	14.31
8.	Monthly allotment and utilization certificate watch register	In 255 GPs and 15 blocks in Himachal Pradesh, Jharkhand and Madhya Pradesh (three states) the monthly allotment and utilization certificate watch register was not maintained properly.	6.62

State/UT-wise details of incorrect maintenance of records are given in **Annex-10B**.

Thus, the deficiencies in terms of both non-maintenance and incorrect maintenance of records were in the range of 18 to 54 *per cent* of the all test checked GPs. Of the registers mentioned above, it was seen that only monthly allotment and utilization certificate registered were maintained reasonably well. Deficiencies of non-maintenance or incorrect maintenance were significantly high in respect of all other registers.

10.4 Other Inadequacies in Records

In addition to the registers mentioned above, a number of other basic records like muster rolls and cash books were also required to be maintained. However, a number of shortcomings were noticed in the maintenance of these records as well. Operational Guidelines require that every muster roll should have a unique number and should contain the names of the person on work, job card numbers, days worked, days absent and wages paid. Signature or thumb impression of the beneficiary was also to be recorded on the muster roll. The muster rolls was to be signed by persons taking attendance.

Maintenance of muster rolls: It was seen that muster rolls were not maintained properly in Goa, Gujarat and Pochampalli block of Nalgonda district, Buchayyapeta block of Visakhapatnam district and all the test-checked blocks of Nalgonda and Ranga Reddy districts of Andhra Pradesh. In Chirang district of Assam and in Lakshadweep it was observed that the muster rolls were not maintained in the prescribed format.

Maintenance of cash books: In Uttarakhand and Dadra & Nagar Haveli (at GP level) deficiencies in the maintenance of cash book were noticed. Most of the transactions were not attested by the Head of Office, the totals were not verified, overwriting and corrections were not attested by the competent authority and several amounts were entered with pencil.

Cash book of DPC Dehradun was not being closed on yearly basis, since the inception of the Scheme.

Other state specific issues related to record maintenance are given in **Annex- 10C**.

The widespread deficiencies in the maintenance of records as brought out above rendered any verification of the outputs and outcomes of the Scheme an impossible task. The absence of records also made it difficult to ascertain whether the beneficiaries exercised their legal rights. In addition, requirements of transparency and accountability of the Scheme were also severely compromised. For instance, incorrect maintenance of cash book which is a basic record of the receipts and expenditure made under the Scheme would render money transactions unverifiable. Financial accountability would then be impossible.

As noted above, the job card application register was not available in 1,205 GPs and was incorrectly maintained in 564 GPs. The job card application register is a record of all the

households who applied to be registered in the Scheme. This document was necessary to verify whether all those who wanted to get a job card were able to do so. In its absence, Audit could not ascertain if all the potential beneficiaries had been included.

The Ministry stated that it had enhanced the administrative expenses from two *per cent* to four *per cent* in March 2007 and four *per cent* to six *per cent* in March 2009 to enable states to augment human resources.

The fact remains that increase in the quantum of administrative expenses did not result in any perceptible improvement in the maintenance of records.

10.5 Monitoring Information System (MIS)

The Ministry had implemented a web based Monitoring Information System— NREGASoft for data entry and consolidating the information related to the financial and physical aspects of the Scheme at state and district levels. With a large and complex scheme such as MGNREGS, the use of a computerised MIS was not just a facilitator but the only meaningful way of consolidating the information generated in the basic records. The MIS was used by both Ministry and states as a tool for monitoring the implementation of the Scheme. Additionally, the MIS was a tool for transparency by ensuring wider dissemination of the collected information.

Audit noted large discrepancies between the data uploaded in the MIS and actual paper records maintained/information available with Department/DPC. These discrepancies were noted in all types of records such as number of households registered, number of job cards issued, job card number, employment demanded, employment provided, number of works, expenditure, number of inspections of works, number of social audits, etc. Some of the discrepancies are discussed below:

- Job card numbers of beneficiaries fed into the MIS did not match actual records in the case of Assam, Goa, Gujarat, Jharkhand, Nagaland, Punjab, Rajasthan and Lakshadweep (seven states and one UT). Details are given in **Annex-10D**.
- The position of fund balances entered in the MIS did not tally with those entered in the bank pass book and other basic records in the case of Andhra Pradesh, Goa, Kerala, Maharashtra and Nagaland (five states). Details are given in **Annex-10E**.
- The employment generation figures entered in the MIS did not match those given in the actual records in the case of Bihar, Goa, Gujarat, Jharkhand, Kerala, Punjab, Rajasthan, Tamil Nadu, Uttarakhand and Puducherry (nine states and one UT). Details are given in **Annex-10F**.
- There was a variation in the expenditure figures given in the MIS and those which were available in the Monthly Progress Reports in the case of Assam, Bihar, Goa, Gujarat, Jharkhand, Punjab, Uttar Pradesh and Lakshadweep (seven states and one UT). These cases are detailed in **Annex-10G**.

Apart from the erroneous entries made in the database, a number of cases were noticed where the states were not entering data on a regular basis. This deficiency was noticed in Arunachal Pradesh, Bihar, Gujarat, Jharkhand, Jammu & Kashmir, Mizoram, Maharashtra, Odisha, Rajasthan, Sikkim, Uttarakhand and Dadra & Nagar Haveli (11 states and one UT).

An important step to ensure the authenticity of the data in the MIS is to have a mechanism for cross-checking data with original records and correcting any errors noticed. However, Audit observed that in Goa, Gujarat, Haryana, Jharkhand, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, West Bengal and Puducherry (11 states and one UT) the original data fed into the system was not checked before updating the MIS.

In addition to the deficiencies outlined above, a number of other state specific issues were noticed while carrying out a test check of the quality of data available in the MIS. These are clear indicators of weak controls and call into question the reliability of the entire data contained in the MIS. The issues related to programming logic and internal controls of NREGASoft are discussed in detail in the chapter related to the IT Audit of the software. The details relating to state specific deficiencies are in **Annex–10H**.

Good Practices: Electronic Muster and Measurement System in Andhra Pradesh

Government of **Andhra Pradesh** had introduced, in a phased manner, an Electronic Muster and Measurement System (eMMS) in order to address serious shortcomings in muster rolls. All implementing functionaries were provided with GPS-enabled mobile phones under 'Own Your Mobile' Scheme, and had also been provided with Closed User Group SIM cards with GPRS-Internet connectivity. Mobile-based applications had been developed for **e-Muster** – taking group-wise, work-wise attendance at the worksite by the FA on his/ her mobile phone, and immediate uploading of MRs; **e-Measurement** – taking group-wise work measurements at the worksite and immediate uploading of measurements; **e-Muster verification** – verification of muster data by designated muster verification Officers on their mobile phones and immediate uploading of verification data; **e-check Measurement** – verification of works measurement by designated check measurement officers on their mobile phones from the worksite, and immediate uploading. In addition, a fingerprint-based bio-metric and GPS based eMMS had been implemented in Nizamabad district, whereby muster attendance data was being captured through fingerprint enabled devices, instead of mobile phone.

Recommendation:

The absence of physical records and their incorrect maintenance at the GP level makes verification of the achievements of the Scheme an extremely difficult task; it also increases the risk of misappropriation of funds. Record maintenance at GP level needs to be streamlined. Record maintenance should be monitored closely at all levels and fund release should be linked to proper maintenance of records.