

Chapter-II
Effectiveness of Planning

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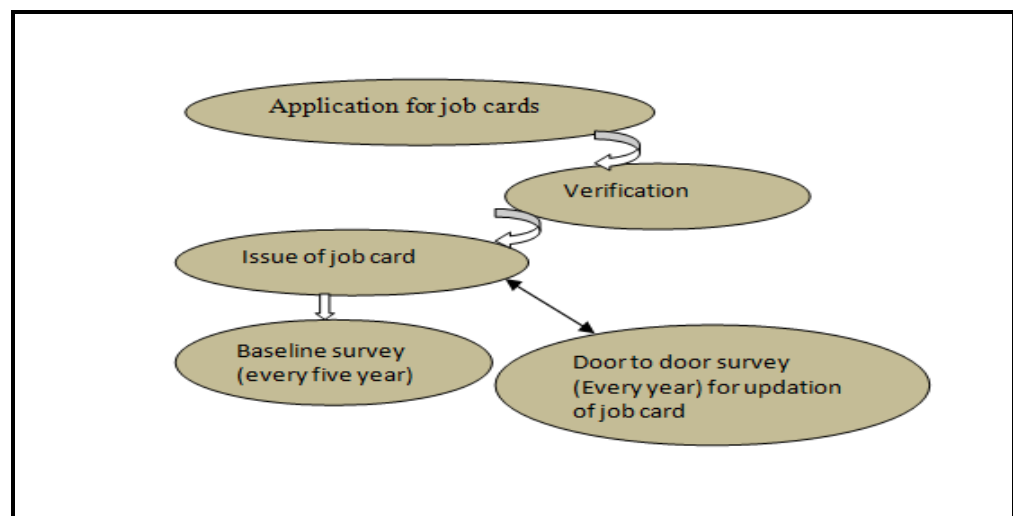
Effectiveness of Planning

The Department did not undertake baseline and door-to-door survey so that rights-based entitlement could be ensured to the eligible beneficiaries. This resulted in Labour Budget getting prepared on the basis of *ad hoc* figures and generation of projected PDs on the basis of budget rather than demand. The Development Plans and District Perspective Plans were also not prepared. Serious deficiencies in issuing and updating of Job Cards (JC) were noticed which rendered them useless as original and initial records of employment given to the JC holders were not maintained. IEC activities and *Rozgar Diwas* were not conducted as required to spread awareness about the Scheme.

Participatory planning is most critical for the successful implementation of any Scheme. MGNREGS is a demand driven programme for timely generation of employment. Therefore, it is expected that Gram Panchayats identify their own needs to create infrastructure or quality assets for their community and put their demand in proposals and get them sanctioned from the block and district administrations. In MGNREGS policy framework, bottom-up approach is adopted, and decentralisation of power is institutionalised.

The Job Card is a key document that records workers' entitlements under MGNREGS. It legally empowers the registered households to apply for work, ensures transparency and protects workers against fraud. Under the planning process, the Department was required to issue job cards after verification, conduct the base line survey, door-to-door survey and prepare the Labour Budget (LB). The key process of issuing of job card is given in **Chart 2.1**.

Chart 2.1: Process of issuing of job cards



Source: Operational Guidelines, 2013

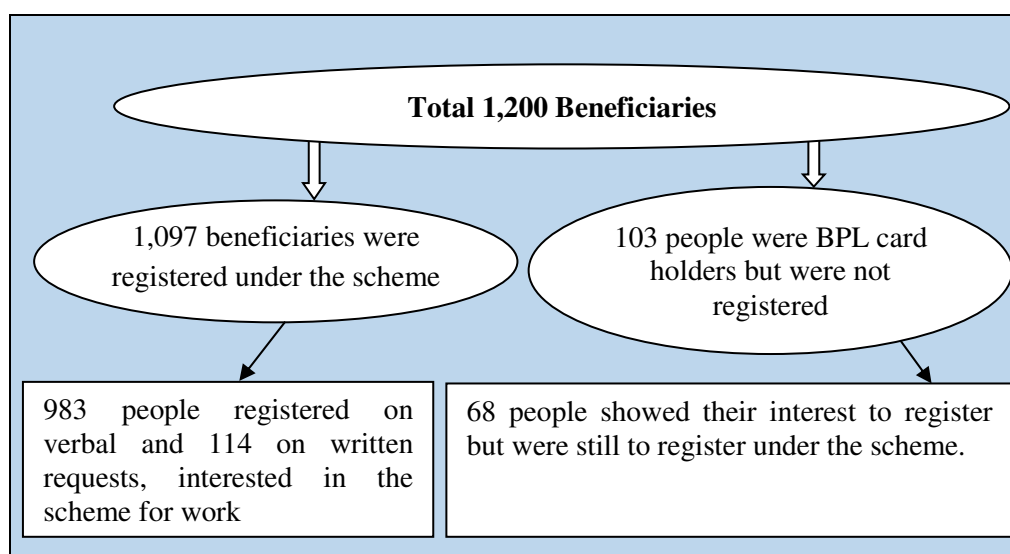
Audit analysed the data of selected districts, blocks and Gram Panchayats (GPs) and it was noticed that receipt of applications, verification thereof and processes of issuance of job cards was not done as prescribed in the guidelines, and the findings are discussed in the succeeding paragraphs.

2.1 Non-conducting of door-to-door survey

Para 3.1.1 (ii) of Operational Guidelines, 2013 provides that a door-to-door survey should be undertaken by each GP 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.

- During field audit (September 2021 to April 2022) it was observed that no door-to-door survey was conducted by the POs during 2016-2021. Further, the application register required for registration of JC holders were also not maintained. In the absence of JC application register, Audit could not verify the effectiveness of the process adopted at the operational level.
- In addition to that, Audit came across 18 cases in 14 GPs, where work was executed in the name of dead JC holders (*as discussed in Chapter-IV*) and payments were made. Audit checked the muster rolls of these cases and it was noticed that even the attendance was recorded in the name of the dead JC holders.
- In 315 cases of 37 GPs, two job cards were issued to a single household (HH) against the norms of the scheme. Out of these, 31 JC holders had got work on both the JCs. Thus, deficiencies in the registration process had led to inclusion and exclusion errors in the registration process.

Results of Beneficiary Survey:



The survey showed that 160 (14.59 *per cent*) beneficiaries got their Job cards after prescribed limit of 15 days. However, as the crucial records were not maintained, Audit could not verify the contention.

The analysis of these selected beneficiaries' JCs showed that 356 (32.45 *per cent*) job cards were without photographs and no work entry was found in 812 (74.02 *per cent*) job cards. Such faulty Job Cards would not enable verification or social audit of employment generated.

Further, the beneficiaries during the beneficiary survey had confirmed that no door-to-door survey was undertaken. As the exercise was not undertaken, the authorities could not assess the requirements of the beneficiaries. The indifferent attitude of the Department is also evident from the fact that it did not make any effort to conduct door-to-door survey despite the Public Accounts Committee (PAC) recommendations (September 2014) to conduct door-to-door survey and maintain proper records.

In the exit conference, the Department assured that the verification would be conducted from October 2022. The fact remains that accuracy of information was not ensured in the most basic records making the scheme very susceptible to frauds. The Department needs to strengthen its feedback mechanism to quickly respond to complaints of omission and commission so that the rural poor do not get excluded from the scheme and the unscrupulous elements do not get enriched from the scheme.

2.2 Deficiencies in issue and updation of Job cards

Para 3.1.2 (i) of Operational Guidelines, 2013 stipulates that a household having adult members desirous of seeking unskilled employment in MGNREGS may apply for registration. The application for registration may be given on plain paper to the local Gram Panchayat. Application for registration must be made on behalf of the household by any adult member. However, all members included in the application should be local¹ residents.

Para 3.1.4 (ii) (d) provides that it is mandatory to take the Household ID² at the time of registration of beneficiaries in NREGASoft.

Further para 3.1.5 (xii) explained that all entries in the JC should be duly authenticated by means of signature of an authorised officer.

Further, Para 3.1.5 (i) stipulates that if a household is found to be eligible for registration, the GP will, within a fortnight of the receipt of application, issue a

¹ Local implies residing within the GP and includes families of that area that may have migrated some time ago but may return.

² Name of applicant, Individual Photo of applicant, Aadhaar Number, etc.

JC to the household. Para 10.3.5 stipulates that Job Card Application Register is required to be maintained at GP level by the Panchayat Secretary.

Audit noticed various shortcomings in the selected GPs as detailed below:

The application register for registration was not maintained at GP level except GP under Lohian Block. Therefore, Audit could not verify whether the beneficiary, who had applied for registration, was able to register or not.

Job Card Registers of workers were not maintained at GP level except GPs under Lohian Block. Therefore the authenticity of issuance of job card within a period of 15 days as desired under the Right to Service Act, 2011 could not be ascertained.

Further, proofs of job card updation like marking of attendance on job cards, payments made so far, work demanded by the beneficiaries, affixing of photographs on the job cards as well as on job card register were not found.

Test check of records of NREGASoft of selected blocks revealed that no records related to photo identity of JC holders, was found maintained at GP level though the JCs were issued on NREGASoft. Moreover, during physical verification 85 beneficiaries were found without physical job cards. In the absence of this, identity of registered beneficiary could not be verified in audit.

Beneficiary Survey:

Shortcomings noticed during Beneficiaries survey						
No. of Beneficiaries	No. of Beneficiaries Without physical job card	Without Photograph	No entry of employment demanded by JC holder	No entry of number of days employment provided	No entry of Payment made to beneficiaries	Job cards given to the JC Holder after 15 days
1,097	85	356	812 (No work entry was found)			160

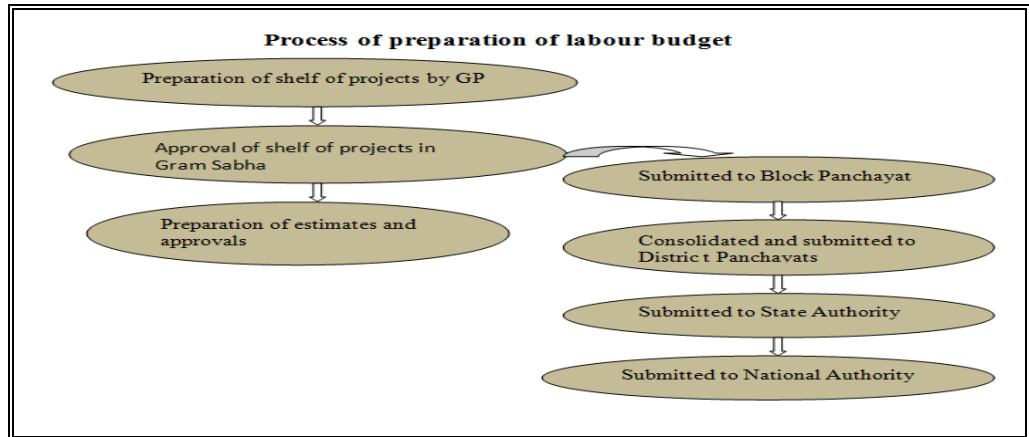
The Department replied (October 2022) that due to rush of works and having charge of 15-20 GPs with one GRS, these registers could not be maintained. In respect of identity of JC holders, it was replied that at the time of registration, IDs were taken from the beneficiaries but due to non-availability of shelf and infrastructure, copies of IDs could not be stored. The reply is untenable because it is not expected that copies of IDs are stored in a shelf. The issue is that Department was not maintaining the required registers of applicants, JC holders and was also not recording the details of beneficiaries and the works allotted to them and authenticating the records as required under the rules.

The fact remains that due to failure of the Department to maintain requisite records such as application register, job card register, marking of attendance on job cards, affixing photographs on job cards, fake/fictitious payments to ghost workers could not be ruled out.

2.3 Preparation of labour budget

The process of preparation of Labour Budget is depicted in **Chart 2.2** below:

Chart 2.2: System for preparation of labour budget



Source: *Operational Guidelines, 2013*

Before preparation of labour budget, various activities need to be completed first such as:

- conducting of baseline survey to assess the quantum and timing of demand for work;
- preparation of Development Plan and shelf of projects;
- preparation of District Perspective Plan to identify the needs and gaps in the districts in all the sectors; and
- adherence of timeline in preparation of labour budget, etc.

However, in preparation of Labour Budget various deficiencies/irregularities were noticed which are discussed in the succeeding paragraphs:

2.3.1 Non-conducting of baseline survey

Para 6.2 (i) of Operational Guidelines, 2013 stipulated that a survey of job card holders was 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 were to be empaneled separately in each State to finalise the framework and methodology. The pilots for baseline survey was to be done in 2012-13 so that the surveys for all GPs were completed in 2013-14.

Scrutiny of records (July 2021) revealed that neither baseline survey was conducted nor expert institution was empaneled within the prescribed time frame i.e., before or after 2013-14. It was also observed that the baseline survey was not conducted during the period 2016-2021. In the absence of the

survey, GPs could not ascertain the actual demand of work from the beneficiaries, nature of works to be carried out and timing of demand for employment due to which a realistic development plan could not be prepared at the grass root level i.e. by the involvement of GPs. Moreover, in the absence of baseline survey, the Department could not assess distress migration of households.

The Department stated (September 2022) that though no baseline survey was conducted but Gram Panchayat Development Plan (GPDP) had been prepared from 2021-22. The reply of the Department should be seen in the light of the fact that due to non-conducting of baseline survey, actual demand of works could not be taken into account resulting in unrealistic preparation of Development Plan and the Labour Budget. Consequently, it was not possible to correlate the person days created, wages paid against the work done. So the correctness of the payments for development works could not be ascertained.

2.3.2 Non-preparation of Development Plan

Para 6.3 of Operational Guidelines, 2013 provides that the projects to be taken up as part of the Labour Budget should emerge from an integrated plan for local development with focus on Natural Resource Management especially on a micro watershed basis so that sustainable livelihoods are created. The needs of the people may be identified through consultations with different stakeholders like MGNREGS workers, Self Help Groups (SHGs), small and marginal farmers, Watershed Committees and agricultural labour and their needs identified and prioritised. Special efforts should be taken to include the priorities suggested by SCs and STs.

Audit observed that the Development Plans were not prepared by the GPs. Since Development plans play a pivotal role in implementing the scheme, therefore, in absence of development plan, the Department could not ascertain the labour demand, identify works to meet estimated labour demand or estimate the cost of works and wages and benefits expected in terms of employment generated along with physical improvements. Thus, the Department failed to identify the needs and resources of different stakeholders as prescribed in the guidelines *ibid*. Moreover, overall development of the GPs could not take place as convergence works were not included in the development plans.

The Department replied (October 2022) that no instructions had been issued by the higher authority to prepare the development plan. The reply is not acceptable because scheme guidelines clearly reflect the importance of preparation of Development Plans.

Thus, there was no holistic deliberate approach to plan for works based on local development priorities to derive benefits for the local population, particularly the vulnerable groups.

2.3.3 Non-preparation of District Perspective Plan

Paras 15.3.1 and 15.3.1.1 of Operational Guidelines, 2013 provide that for implementation of convergence a District Perspective Plan (DPP) should be prepared by the DPC which identifies the needs and gaps in the districts in all the sectors. This plan is a multi-year plan for different departmental projects and requires to be included in the Development Plan of the GP. It also requires maintaining of a shelf of possible works to be taken up under the Scheme as and when demand for works arises.

Scrutiny of records revealed that the DPP was not prepared in the selected districts, though the convergence works had been included in the shelf of projects, without any DPP. Thus, needs and gaps of all the sectors in the districts, with reference to convergence could not be identified.

The Department stated (September 2022) that the exercise of preparing DPP was unfruitful as the scheme was on demand basis and the shelf of projects was to be prepared by the GPs concerned. The reply of the Department was not tenable because the scheme sought to bring into focus the local development needs with focus on natural resource management and development of micro watersheds to create sustainable livelihoods for the people and demand was to be met from employment generated from such projects. Further, though the Department claimed that the shelf of projects was to be prepared by the GPs concerned but in reality, it was being decided by the PO without the involvement of the GPs.

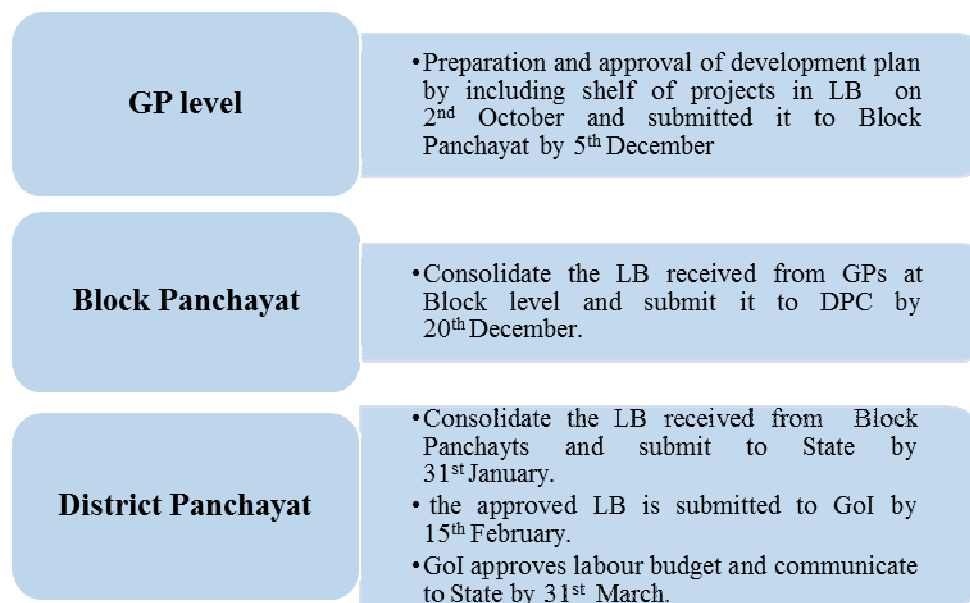
2.3.4 Non-adherence to timeline in preparation of Labour Budget

Para 6 of the Operational Guidelines, 2013 provides the steps required for setting up systems, to accurately record demand for work by wage-seekers. Before recording demand, one needs to make a prior assessment of the quantum of work likely to be demanded and also to ascertain the timing of such demand. Concomitantly, a shelf of projects is to be prepared and prioritised to meet this demand. This matching of demand and supply of work is the process of planning under MGNREGS, and this is to be achieved through the preparation of a Labour Budget (LB). The LB, thus, covers two aspects viz. assessment of quantum and timing of demand for work and preparation of a shelf of projects to meet demand for works within the prescribed time.

Government of India (MoRD) issued (August 2016) directions to all the States to take up a time bound participatory planning exercise followed with other relevant activities to ensure timely and realistic preparation of LB.

The time frame for preparation and submission of LB at every level is given in **Chart 2.3**.

Chart 2.3: Time frame for finalisation and submission of labour budget



However, Audit noticed various discrepancies in preparation and following of timeline at every level as discussed in succeeding paragraphs:

(i) Irregular change in number and nature of works at Block level

The details of preparation of LB by GPs, submitted to Block and consolidated at Block and District levels for the year 2016-2021 is given in **Table 2.1**.

Table 2.1: Labour Budget proposals bottom to top approach in respect of 120 selected GPs

Sr. No.	Particular	2016-17	2017-18	2018-19	2019-20	2020-21
1.	LB proposed by the No. of GPs	75	69	74	95	93
2.	LB not proposed by the No. of GPs	45	51	46	25	27
3.	Proposed No. of works by GPs (Out of details of Sr. No. 1)	490	544	591	930	964
4.	No. of works included in the LB by the blocks (Out of Sr. No. 3)	201	303	363	524	674
5.	LB was not proposed by GPs but included in LB at Block level (Out of Sr. No. 2)	31	40	24	16	22
6.	LB proposed by GPs but proposals not included in LB at Block level (Out of Sr. No. 1)	42	35	34	40	37
7.	No. of GPs who passed their LB proposals after the due date of submission to the district by the block (Out of Sr. No. 1)	9	13	11	59	25
8.	No. of GPs who passed their LB proposal after the due date of submission to the State by the District (Out of Sr. No. 7)	6	9	7	9	7

Source: Departmental data

Analysis of the table revealed that out of selected 120 GPs:

- GPs ranging between 69 and 95 submitted their proposals of LB (*Appendix 2.1*) whereas GPs ranging between 25 and 51 did not submit their proposals of LB during 2016-2021 (*Appendix 2.1*).
- GPs ranging between 16 and 40 had not submitted their proposal for LB. However, Works had been included in LB at Block level without any involvement of the GPs (*Appendix 2.1*).
- GPs had submitted their LB proposals by including the works ranging between 490 and 964 works, against which the LBs that were consolidated at Block level had works ranging between 201 and 674 during 2016-2021. This change in works had happened without involvement of the GPs concerned as required under provision *ibid* (*Appendix 2.1*).
- The LB proposals of GPs ranging between 34 and 42 were not included in the LB proposals of blocks despite timely submission of LB proposals by these GPs (*Appendix 2.1*).
- GPs ranging between 9 and 59 had submitted their LB proposal to the Block after submission of LB by block to the DPC. Further, out of these GPs, the GPs ranging between 6 and 9 submitted the LB proposal after submission of LB proposal by DPC to State Authority (*Appendix 2.1*).
- In selected 10 GPs of Rayya block, the labour budget was prepared on the basis of funds without incorporating number of works during 2016-17 and 2018-19 whereas during 2017-18, the LB was prepared by including only one work in each GP.

Thus though the works were executed, they were not as per demands of GPs.

(ii) Delay in submission of labour budget

- Five blocks, while sending the proposals of LB to the districts concerned, did not mention any date. Therefore, it could not be ascertained as to whether these blocks submitted their proposal in time, as per the stipulated schedule.
- Seven blocks³ during 2017-18 and six blocks⁴ during 2018-21 submitted their LB proposal after due date.
- Four blocks- Ghal Khurd, Sangrur, Malerkotla-2 and Zira (during 2018-19) were also not following the practice of preparing and submitting the GP wise LB proposals during 2016-2021. In absence of which, inclusion of selected GPs' proposal in block LB proposal, could not be verified.

³ (i) Moga-1; (ii) Baghapurana; (iii) Majri; (iv) Kharar; (v) Sangrur; (vi) Malerkotla ; and (vii) Rayya.

⁴ (i) Moga-1; (ii) Baghapurana; (iii) Majri; (iv) Kharar; (v) Sangrur; and (vi) Malerkotla.

- SAS Nagar district during 2020-21 and Sangrur district during 2017-18 passed their LBs after finalisation of LB by the GoI. Passing of LB after the date of its presentation to the GOI defeated the purpose of preparation of labour budget.
- The District Panchayat of the Sangrur passed the LB of 2017-18 after the due date of its submission to the State while the District Panchayat of Ferozepur passed LB after due date during 2017-2021. Two districts⁵ had not got passed its LB from the District panchayat during 2016-2021. District Panchayat of SAS Nagar passed LB after due date during 2017-18, 2019-20 and 2020-21. In Jalandhar district, LB was approved by the district panchayat on 21.03.2017 whereas the LB was sent to the State by DPC Jalandhar on 29.12.2016 without approval of District Panchayat.
- One district⁶ issued separate directions every year to its block offices to ensure completion of the works in the GPs within the person days fixed by the district.

In addition to the above it was noticed that Department of Rural Development and Panchayats issued (September 2015) directions to all the districts to prepare labour budget of ₹ 1,300.00 crore to generate 3,71,42,857 PDs for the year 2016-17. Each district was also directed to prepare its LB by projecting the PDs according to the directions. This signifies that the Department adopted top-to-bottom approach instead of bottom-to-top approach in preparing LB and thereby, leading to limited participation of the panchayati raj institutions in the preparation of a LB. Without participatory planning derived out of surveys, the labour budget exercise was reduced to a mere act of fitting the numbers to the approved budget of the Department.

The GPs proposed their LBs in terms of number of works and/or amount only instead of prescribed labour budget format⁷. There was no uniformity in preparation of LB at GP level. According to the proposal of GPs, utilisation of labour/person-days and material was neither assessed at the GP level nor at block level. No records relating to the preparation of rough cost estimates to assess the cost of labour/person-days and material on proposed works were found prepared at block level. Convergence works were also not part of LB at GP level. The addition and deletion of works in labour budget was done at block level, without any proposal, which shows the arbitrary/*ad hoc* approach of the Department. This shows that annual LBs were prepared on presumption basis and the figures of projected person days are arbitrary and vague.

⁵ (i) Amritsar and (ii) Moga.

⁶ Amritsar.

⁷ Annexure 10 of Operational Guidelines of MGNREGS 2013.

The Department accepted the fact and assured (September 2022) that necessary directions would be issued to the field offices. Compliance was awaited (November 2022).

However, the fact remains that the Department failed to make any effort to adopt a bottom-up approach, depriving the GPs of the opportunity to identify their own needs to create infrastructure for their community.

These shortcomings in planning had repercussions on the State level budget planning which has been explained in the para below.

2.3.5 Gap in projected and achieved person days

Para 6.1.3 of Operational Guidelines, 2013 provides that DPC has to ensure strict adherence to the principle of bottom-up approach from planning to approval of the selected shelf of projects by each of the Gram Sabhas in the district.

Audit observed that the LB was not prepared in a bottom-up approach as following shortcomings were noticed during audit:

- The work proposals prepared by the GPs were not being consolidated at block level, as no records relating to compilation of GPs proposals was maintained in blocks and annual LBs were prepared on the presumption basis at block level. This resulted into non-participation of GPs in the preparation of LB.
- In one selected district – Amritsar, a difference ranging between 45,714 PDs and 2,12,940⁸ PDs was noticed between the proposals received from the blocks and consolidated in the district/State.

It was also observed that changes in the PDs of LB were made by the district on the verbal directions of the JDCC office. The changes made in the proposal of LB were not intimated to the Blocks/GPs concerned.

The JDCC office did not maintain records related to compilation of LB proposals received from the districts. As a result of this, huge variation between projected and actually generated PDs was noticed during 2016-21 as discussed below:

8

Year	PDs received from Block	PDs consolidated in District/State	Difference
2016-17	15,05,567	12,92,627	2,12,940
2017-18	14,78,612	14,03,670	74,942
2018-19	17,03,085	17,82,010	78,925
2019-20	23,81,486	23,25,529	55,957
2020-21	37,90,423	37,44,709	45,714

Table 2.2: PDs proposed, approved and actual generation in the State

(Figures in lakh)

Year	No. of PDs projected in LB	No. of PDs approved by GoI	No. of PDs actually generated	Revised approval of PDs by GoI	Short approval of PDs	Shortfall in PDs with reference to projected	Excess generation of PDs against original approval
1	2	3	4	5	6 (4-5)	7(2-4)	8 (4-3)
2016-17	383.66	137.56	157.73	Not accorded	20.17	225.93(59)	20.17 (14.66)
2017-18	446.86	180.00	223.13	218.00	5.13	223.73 (50)	43.13 (23.96)
2018-19	509.23	150.00	204.49	2,00.00	4.49	304.74 (60)	54.49 (36.33)
2019-20	527.43	200.00	235.25	234.00	1.25	292.18 (55)	35.25 (17.63)
2020-21	659.77	250.00	376.87	360.00	16.87	282.90 (43)	126.87 (50.75)
Total	2,526.95	917.56	1,197.47				

Source: Departmental data

Note: Figures in parenthesis indicate percentage.

From the above table it is evident that:

- Due to non-adoption of scientific criteria provided in the guidelines, huge shortfall in achievement of projected PDs, ranging between 43 and 60 per cent was noticed. Excess generation of PDs ranging between 14.66 per cent and 50.75 per cent over the GoI approved PDs was noticed during 2016-2021.
- Though, the provision to revise the LB existed, revised LB was not got approved as per actually generated PDs. GoI short approved PDs ranging between 1,25,000 and 16,87,000. It is pertinent to mention that the excess generation of PDs for the year 2016-17 was not approved by GoI (May 2022). As a result of this, irregular payments amounting ₹ 114.08 crore beyond the approval of GoI were made during 2016-2021.

Similarly, the variation in projected PDs and actual generation of PDs in the selected districts was also noticed.

- Shortfall in achievement of projected PDs ranging between 23.19 and 94.91 per cent during 2016-2021 was noticed in the selected districts. In Ferozepur, the PDs were generated, in excess during 2016-17 (**Appendix 2.2**). In the selected blocks, the shortfall in achievement of projected PDs, was ranging between 12.18 per cent and 89.26 per cent (**Appendix 2.3**). This indicated that the LB did not originate from proposals, submitted at GP level and the modifications in number and nature of works at block and District level were made.
- The labour budget was not prepared at GP level due to which frequent changes in the number and nature of works approved at block and district levels were made. As a result, projected PDs could not be approved from GoI.

While admitting the facts, the Department stated (September 2022) that some districts, did not prepare labour budget in a realistic manner and assured to issue directions to the field offices, to prepare the labour budget in a realistic manner. Further, the Department assured to streamline the preparation of LB.

The fact remains that the projection of man-days was not derived from the door-to-door or baseline surveys. Also, no shelf of works based on the felt needs of the community was prepared at any level. So, the projections made were without any basis. Again, no assurance can be drawn on the correctness of the demand shown, and payments made. This requires internal inquiry by the Department as various unauthorised payments such as payment to double job card holders, dead workers etc. came to notice in audit as discussed in Paragraph 4.2.6.

While discussing the CAG's Report for the year ended March 2012 (Paragraph 2.2.7.2), PAC advised (September 2014) the Department to see the matter in future. However, it was observed that the Department did not comply with the advice of the highest Legislative authority of the State.

2.4 Non-formation of District Level Technical Committee

Para 4.4.3 of 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 project, 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 in five selected districts⁹ that no District Level Technical Committee was formed to provide guidance for the implementation of MGNREGS. In absence of this, GP and Block Development Plans could not be examined on the basis of 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. Technical soundness of the works in terms of the quality of the assets could not be watched as well.

The Department admitted the facts (September 2022) and assured to issue directions to the field offices to form technical committees. However, compliance was awaited (November 2022).

2.5 Non-preparation of Information, Education and Communication Plan

Para 5.4.2 of Operational Guidelines, 2013 provides that all States should develop an Information, Education and Communication (IEC) plan of the scheme with focus on reaching out to the registered workers as well as other

⁹ (i) Amritsar; (ii) Ferozepur; (iii) Jalandhar; (iv) Moga; and (v) SAS Nagar.

groups which could benefit from the scheme. The IEC plan should clearly indicate State, District, Block and local level activities.

Audit observed that no IEC plan was prepared at State, district and block level during 2016-2021. In Amritsar district, IEC activities were conducted during 2016-2021. However, no IEC activity was conducted during 2017-18 and 2020-2021 in Sangrur district and during 2016-17, 2017-18 and 2019-21 in Ferozepur district. Though, a few activities like wall paintings, printing of pamphlets and job cards were conducted at Ferozepur and Sangrur, no organised or systematic effort was made by the districts to execute the IEC activities.

Beneficiaries survey results

Due to non-preparation of IEC plan, following points were noticed during survey of 1097 beneficiaries:

- 198 (18.05 *per cent*) beneficiaries were not aware about the entitlement of wages.
- 568 (51.78 *per cent*) beneficiaries were not aware about the timelines of payment of wages;
- 218 (19.87 *per cent*) beneficiaries were not aware about the minimum 100 days of employment during a financial year.
- 45 (4.10 *per cent*) beneficiaries were not aware about the muster roll; and
- 57 (5.20 *per cent*) beneficiaries stated that the selection of works was not discussed with them in the Gram Sabha meetings.

Thus, non-preparation of IEC plan had adversely affected the outcome of the scheme as the stakeholders were not aware about the scheme. Further, it has eroded the authority of the stakeholders as the asymmetrical/skewed information has made the government official immune and non-accountable.

The Department admitted the facts (September 2022) and agreed to prepare the IEC plan. However, compliance was awaited (November 2022).

Thus, non-preparation of IEC plan led to the intended beneficiaries remaining unaware of the provisions of the scheme.

While discussing the CAG's Report for the year ended March 2012 (Paragraph 2.2.7.2), PAC advised (September 2014) to formulate cluster and committee to spread awareness amongst the people. However, no committee was constituted which shows indifferent approach of the Department.

2.6 Shortfall in conducting *Rozgar Diwas*

Para 3.3 (i) of Operational Guidelines, 2013 provides that every GP 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. Further, para 11 of Guidelines for *Rozgar Diwas* provides that the DPC will submit the compiled report of the district to the State Rural Development Department, on a monthly basis.

Audit observed various shortcomings in respect of organising of *Rozgar Diwas* during 2016-2021:

- Out of selected 120 GPs, in 43 GPs of eight blocks¹⁰, no *Rozgar Diwas* was organised. In remaining 77 GPs, the shortfall in organising of *Rozgar Diwas* was ranging between 78.33 per cent and 98.33 per cent (**Appendix 2.4**).
- Out of selected 12 blocks, in five blocks¹¹, the shortfall in organising of *Rozgar Diwas* ranged between 84.70 and 100 per cent. In seven selected blocks¹², the data of organising the *Rozgar Diwas* was not maintained (**Appendix 2.5**).
- Out of six selected districts, in four districts¹³ the data regarding *Rozgar Diwas* was not maintained. In two districts, there was shortfall in organising the *Rozgar Diwas* ranging between 82.04 per cent and 98.32 per cent during 2016-2021 (**Appendix 2.5**).

The Department admitted the facts (September 2022) and assured to conduct the *Rozgar Diwas* on last Friday of each Month. However, compliance was awaited (November 2022).

2.7 Conclusion

Punjab has a very unique structure of agricultural labour. As per one estimate¹⁴, the migrant workers constituted 23 per cent of the agricultural workforce of the state in 2007 and in absolute numbers, it was 8,00,000. Besides, there was original rural population of Punjab which needed employment under the scheme. The Department did not have latest data

¹⁰ (i) Ghall Khurd; (ii) Kharar; (iii) Mazri; (iv) Moga-I; (v) Lohian; (vi) Rayya; (vii) Sangrur; and (viii) Verka.

¹¹ (i) Ghall Khurd; (ii) Zira; (iii) Sangrur; (iv) Malerkotla-II; and (v) Mehatpur.

¹² (i) Baghapurana; (ii) Kharar; (iii) Lohian; (iv) Majri; (v) Moga-I; (vi) Rayya; and (vii) Verka.

¹³ (i) Amritsar; (ii) Jalandhar; (iii) Moga; and (iv) SAS Nagar.

¹⁴ Wiley Public Health Emergency Collection.

regarding the Below Poverty Line (BPL) persons of this rural population. As per the estimates of 2011-12¹⁵, the BPL persons in 2011-12 was 7.7 per cent of rural population. Based on the census figures of 2010-11 and making an approximation based on estimates of Planning Commission of India, the BPL persons in Punjab translated to 13,35,503¹⁶ as on 2010-11. However, the MIS system did not have the functionality of identifying BPL beneficiaries. Against this backdrop, the Department had 31,43,568 registered beneficiaries on 20,20,525 JCs¹⁷ as on 31 March 2021.

The Department had not assessed the quantum and timing of labour demand. Thus, the very basic tenet of the scheme that it was a demand-based scheme for rural employment was violated in Punjab as no door-to-door survey was done despite the prescribed Operational Guidelines and recommendation of the PAC.

Thus, instead of running the scheme with its intended demand-based employment, the Department converted it into supply-based employment (as discussed in **Paragraph 2.3.4**). Audit noticed that first budget was allocated and then job and person days were fitted-in. This confirms that the scheme was not run in the way, it was intended to be run. This fact can also be seen corroborated from the table given below:

Table 2.3: Expenditure for each PD generated

Year	Total Expenditure (₹ in crore)	No. of PDs generated (No. in lakh)	Amount spent to generate each PD (in ₹)	Approved wage rate for 1 Day (in ₹)	Percentage increase over previous year
1	2	3	4	5	6
2016-17	506.86	157.73	321.35	218	-
2017-18	607.10	223.13	272.08	233	6.88
2018-19	633.68	204.49	309.88	240	3.00
2019-20	824.46	235.25	350.46	241	0.42
2020-21	1,313.75	376.87	348.60	263	9.13

As can be seen from **Table 2.3**, the Department claimed to have generated PDs by spending ₹ 272 to ₹ 350 for each PD. However, there was no consistency in per PD expenditure and it was not commensurate even with the percentage wage increase. While the wage increase was in an upward trend year-after-year, per PD rate showed abrupt down and up trends. Even the percentage increase in wage rate alone would not justify such abrupt changes

¹⁵ Niti Aayog, erstwhile Planning Commission of India.

¹⁶ Population of Punjab in 2010-11: 2,77,43,338; Rural population: 1,73,44,192.

¹⁷ Applied for.

as Audit did not come across any specific change in nature of works executed during the audit period as the wage rates compared here are for unskilled work only. Thus, the data maintained by the Department itself was inconsistent and suspicious.

It has also been seen that the most fundamental requirements for planning in terms of assessment of demand and preparation of labour budget were not met.

Further, the non-maintenance of essential records, non-conducting of Gram Sabha discussions, insertion of works at PO level instead of inclusion at GP level, inordinate delay in payments of dues to suppliers and payments to labour without using the Aadhaar Based Payment (ABP) methods, were all indicative of suspicious nature of programme implementation.

Thus, in the absence of crucial data like BPL population, the list of identified beneficiaries and the extent and timing of demand, the Department was not in a position to give assurance to Audit that the scheme was being run in a transparent manner and the intended beneficiaries were indeed gainfully employed.

2.8 Recommendations

- (i) *The Department may fix responsibility on defaulting officials for non-conducting of door-to-door survey, non-updation of job cards, non-preparation of development/perspective plan and irregular change in number and nature of works at block levels;*
- (ii) *The Department should ensure to adopt bottom to top approach in preparation of Labour Budget; and*
- (iii) *MGNREGS, being a demand driven programme, requires the beneficiaries to be aware of their rights. Therefore, IEC activities need to be stepped up besides organising Rozgar Diwas on regular basis.*

