CHAPTER II
SOCIAL SECTOR

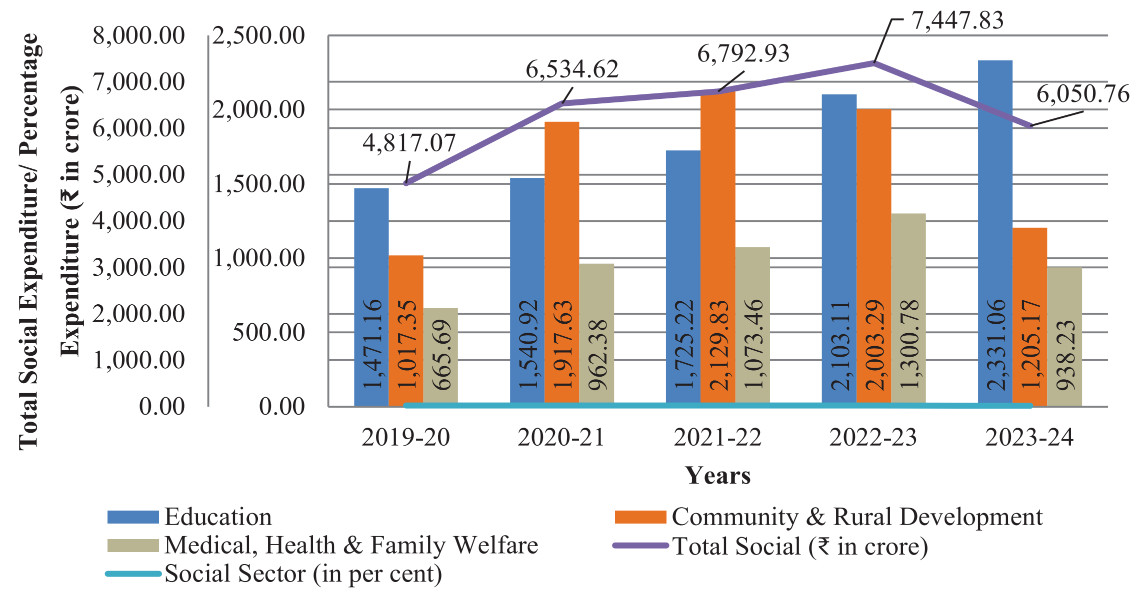
2.1 Introduction

The Chapter contains findings based on audit of the State Government departments under the Social Sector.

Social Sector is one of the most important sectors of any economy. It includes components which play an important role in contributing to human resource development. Education, health and medical care, training, water supply and sanitation, and housing conditions *etc.* are some of the components which contribute to the enhancement of human capital. Since human capital refers to the productive capacities of human beings as income producing agents in the economy and is a stock of skills and productive knowledge embodied in people, there is a direct relationship between Social Sector and the growth of an economy.

The expenditure incurred during the last five years by the major Departments under the Social Sector is depicted in **Chart 2.1.1**.

Chart 2.1.1: Expenditure incurred by Major Departments (2019-2024)



Source: Appropriation Accounts of respective years

Table 2.1.1 provides department-wise details of budget provision and expenditure incurred by 17 departments pertaining to the Social Sector during 2023-24.

Table 2.1.1: Budget Provision and Expenditure of departments in the Social Sector during 2023-24

(₹ in crore)

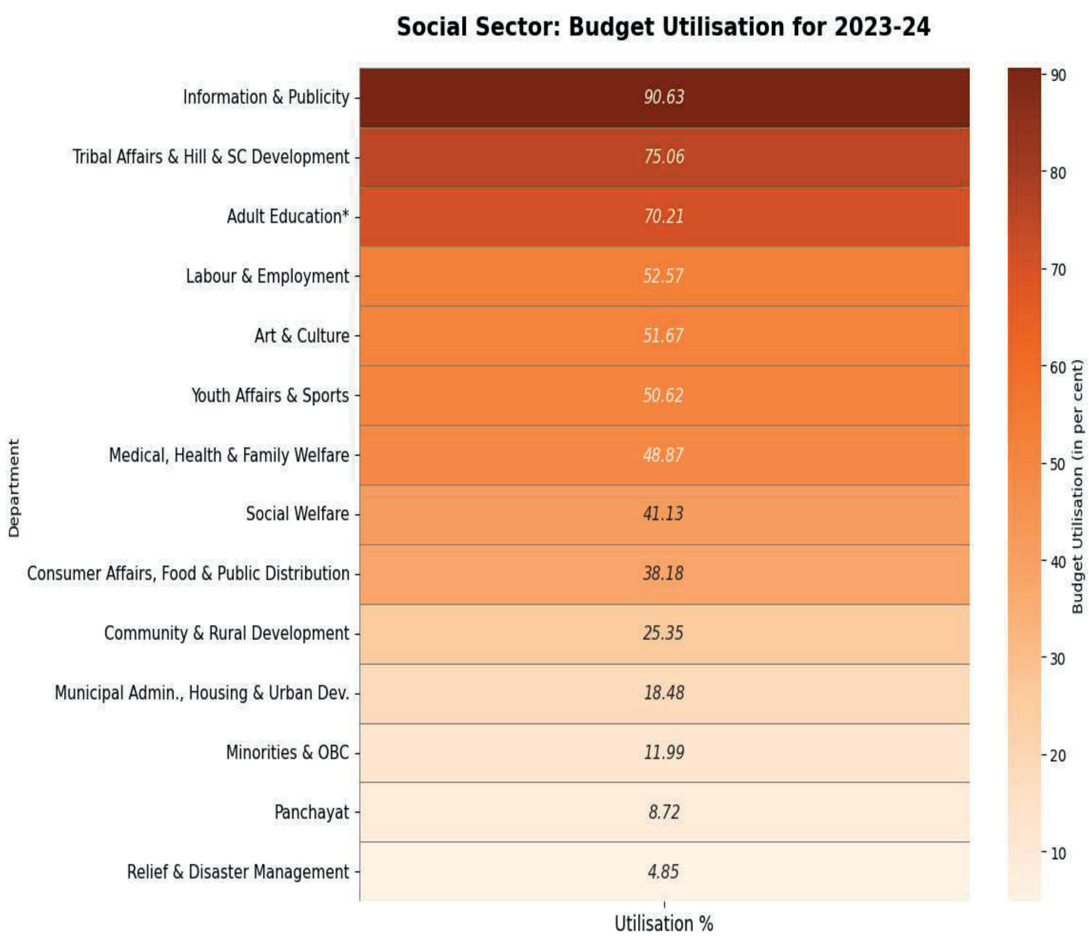
Sl. No.	Department	2023-24		Savings	Savings as *per cent* of Budget Provision
		Budget Provision	Expenditure		
1	Adult Education*	3,320.25	2,331.06	989.19	29.79
2	Education (Schools)*				

Sl. No.	Department	2023-24		Savings	Savings as *per cent* of Budget Provision
		Budget Provision	Expenditure		
3	Education (University)*				
4	Technical Education*				
5	Community and Rural Development	4,754.58	1,205.17	3,549.41	74.65
6	Tribal Affairs and Hill and Schedule Castes Development	875.57	657.23	218.34	24.94
7	Medical, Health and Family Welfare	1,919.67	938.23	981.44	51.13
8	Municipal Administration Housing and Urban Development	1,054.49	194.88	859.61	81.52
9	Social Welfare	972.95	400.13	572.82	58.87
10	Minorities and Other Backward Classes	642.07	76.99	565.08	88.01
11	Panchayat	156.80	13.67	143.13	91.28
12	Relief and Disaster Management	195.80	9.50	186.30	95.15
13	Consumer Affairs, Food and Public Distribution	184.03	70.26	113.77	61.82
14	Youth Affairs and Sports	129.92	65.76	64.16	49.38
15	Labour and Employment	73.64	38.71	34.93	47.43
16	Art and Culture	57.36	29.64	27.72	48.33
17	Information and Publicity	21.55	19.53	2.02	9.38
Total		**14,358.68**	**6,050.76**	**8,307.92**	**57.86**

** Separate information not available.*

Source: Budget Documents and Appropriation Accounts, 2023-24.

Heatmap 2.1 shows the Budget utilisation for 2023-24 under Social Sector.



Source: Budget Documents and Appropriation Accounts, 2023-24

KEY INSIGHT

(i) Department-wise Utilisation Analysis

A. High Budget Utilisation

- **Information & Publicity:** 90.62 *per cent*
- **Tribal Affairs & Hill & SC Development:** 75.06 *per cent*
- **Education:** 70.21 *per cent*

These departments demonstrated efficient budget management with minimal savings.

B. Low Budget Utilisation

- **Community & Rural Development:** 25.35 *per cent*
- **Municipal Admin., Housing & Urban Development:** 18.48 *per cent*
- **Minorities & OBC:** 11.99 *per cent*
- **Panchayat:** 8.72 *per cent*

These departments did not utilise their allocations effectively, leading to high savings and consequent probable impact on achievement of planned targets.

(ii) Key Audit Concerns

- *Excessive savings* in the departments such as *Panchayat* (91.28 *per cent*).
- Potentially indicates *ineffective planning* and *poor fund absorption capacity*.
- Possible risk of *surrendering funds* at the close of the financial year.
- Probable non-achievement of programme objectives due to *low fund utilisation*.

Recommendations:

- ➢ Departments with less utilisation should submit action plans to improve fund absorption.
- ➢ *Panchayat* and *Minorities & OBC* Departments must strengthen their mechanisms to ensure timely fund deployment.
- ➢ Periodic mid-year expenditure reviews should be conducted to monitor utilisation trends and take corrective action.
- ➢ Unspent funds should be reallocated to the departments in need of funds so as to maximise efficiency.
- ➢ The Finance Department may introduce budget execution performance indicators for better monitoring and timely rectificatory action.

2.1.1 Planning and execution of Audit

Compliance audit of the Social Sector is conducted in accordance with an Annual Audit Plan approved by the Comptroller and Auditor General of India. Topicality, financial profile, social relevance, internal control system of the units and occurrence of defalcation/ misappropriation/ embezzlement as well as past audit findings form the basis of risk assessment while selecting auditable entities.

After completion of the compliance audits, Inspection Reports (IRs) are issued to the heads of units as well as to the concerned heads of departments. In the light of replies received, audit observations are reviewed and settled, if action taken by the audited entities is satisfactory. However, if no action has been taken or action taken is not sufficient, the audit findings are retained and units are advised to take further remedial measures. However, some serious and material audit findings are selected and processed for inclusion in the Audit Report of the Comptroller and Auditor General of India for placing of the same before the State Legislative Assembly as mandated by the Constitution.

Keeping in view the importance accorded to the Social Sector by the State, Audit too focused on the Social Sector in the Annual Audit Plan.

During 2023-24, the Office of the Accountant General (Audit), Manipur, planned for audit of 88 units[2], out of 263 units, pertaining to Social Sector. Of which, 54 units involving expenditure of ₹7,453.20 crore (details are shown in ***Appendix 2.1***) including expenditure of previous years were actually audited. As of March 2024, 36 IRs containing 197 paragraphs were issued to the State Government with copies to the Heads of the Departments concerned.

This chapter consists of two Performance Audits and one Compliance Audit Paragraph as discussed in succeeding paragraphs.

[2] Including seven Apex Bodies

PERFORMANCE AUDIT

RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT

2.2 "Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Manipur"

A Performance Audit on the "Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme" was carried out covering the period from 2019-20 to 2023-24. This Performance Audit brought out the following significant findings.

Highlights

- ***Baseline survey was not conducted and no expert institutions were empanelled to finalise the framework and methodology for the pilot baseline survey. As a result, realistic development plan could not be prepared.***

  (Paragraph 2.2.7.1)

- ***There were huge closing balances ranging from ₹138.73 crore (2023-24) to ₹673.82 crore (2022-23). The Finance Department, Government of Manipur (GoM) retained 49 to 91 per cent of the unspent balances at the end of the financial years.***

  (Paragraph 2.2.7.10)

- ***During 2019-2024, there was short receipt of Central share of ₹1,971.39 crore due to availability of unspent balances of previous year, inability to send Utilisation Certificates (UCs) and proposal for 2nd tranche in time. Out of ₹1,971.39 crore, during 2023-24 the short receipt was the highest (₹1,040.00 crore, 53 per cent).***

  (Paragraph 2.2.7.11.1)

- ***Central share of ₹3,584.61 crore was released to State Employee Guarantee Fund (SEGF) account with delay ranging from 13 to 248 days. Similarly, state share of ₹386.67 crore was also released with delay ranging from 07 to 347 days.***

  (Paragraph 2.2.7.11.2)

- ***The Department of Rural Development & Panchayati Raj, GoM procured local made Face Masks and Hand Sanitisers by incurring an expenditure of ₹14.79 crore at State level and ₹5.59 crore in the sampled districts from the fund for administrative expenses against the Operational Guidelines and instruction of Ministry of Rural Development (MoRD).***

  (Paragraph 2.2.7.11.4)

- ***In the State large liabilities were pending on account of unpaid wages and material during 2019-2024 ranging from ₹454.09 crore (2023-24) to ₹1,020.37 crore (2021-22) despite the availability of unspent balance at the end of the respective years.***

  (Paragraph 2.2.7.11.6)

- ***During 2019-2024, the prescribed wages and material ratio was not maintained ranging from two districts in 2019-20 to eight districts in 2023-24, as an amount of ₹39.23 crore was utilised in excess on the material component, which could have generated 15.77 lakh Person Days (PDs) of wage employment.***

(Paragraph 2.2.7.11.7)

- ***Door-to-door survey was not conducted annually during the period 2019-2024 for identification and registration of willing Households (HHs) in all the sampled GPs.***

(Paragraph 2.2.8.2.1)

- ***Data at Management Information System (MIS) revealed significant gaps in mandatory information viz. details of job card without- bank account number; HH photographs and workers without individual photographs.***

(Paragraph 2.2.8.2.2)

- ***During 2019-2024, only 0.02 to 0.79 per cent HHs who demanded jobs were provided 100 days employment.***

(Paragraph 2.2.8.3)

- ***Against the payable compensation of ₹240.42 crore for delayed payment, only ₹0.02 crore was approved and ₹49.51 crore was not verified (as of May 2025) by the Programme Officer. The State Government did not pay the compensation payable for delayed payments.***

(Paragraph 2.2.8.9)

- ***In the sampled six blocks, unemployment allowance of ₹69.73 lakh was not provided to 6,074 HHs though they had demanded work during 2019-2024.***

(Paragraph 2.2.8.10)

- ***At the State level, there was delay in payment of wages ranging from 83 to 99 per cent during the period 2019-2024.***

(Paragraph 2.2.8.11.1)

- ***During the period 2019-2024, except with Border Road Organisation in Tengnoupal, Chandel and Ukhrul districts, the State Government had not taken up any work under convergence in the remaining districts with the schemes of Panchayat and line departments.***

(Paragraph 2.2.9.2)

- ***Out of the prescribed 10 meetings of the State Employment Guarantee Council (SEGC) during 2019-2024, only two meetings were held in 2020-21. The non-official members of the SEGC were neither re-appointed nor new members were appointed. The posts of non-official members remained vacant since 15 January 2022. This compromised the***

oversight, monitoring and advisory functions to be discharged by the SEGC as envisaged under the Act, thereby reducing transparency and accountability in the implementation of the scheme at the State level.

(Paragraph 2.2.10.4.1 & 2.2.10.4.2)

- ***In the State, GPs ranging between 4.02 and 93.59 per cent remained unaudited during 2019-2024 against the number of GPs planned by the Manipur Social Audit Agency (MSAA). However, the shortfall ranged from 77.73 to 98.70 per cent against required number of social audits to be conducted as per Operational Guidelines.***

  (Paragraph 2.2.10.11.2)

- ***The State Government did not appoint full time Director of MSAA but was given to a senior official of the State Government as additional charge. Further, there was shortage of administrative staff and Resource Persons for conduct of social audit.***

  (Paragraph 2.2.10.11.3)

- ***During 2019-2024, Vigilance Cell was not constituted at the State, District and Local level. Further, no State Quality Monitor (SQM)/ District Quality Monitor (DQM) were appointed. Citizens' Charter had not been developed due to which MGNREGS in Manipur had been implemented without any mandated duties of PRIs and Government officials. Hence, the main stakeholders of the scheme remained unaware of the duties and function of the MGNREGA functionaries.***

  (Paragraph 2.2.10.13)

Audit Snapshot

Why did we do this audit?

- To assess compliance with MGNREGA Act & Operational Guidelines.
- To verify fund management, planning, monitoring & employment generation
- To evaluate transparency & delivery of guarantee wage employment.

What did we find?

- Only 42 average employment days provided *vs* 100-day guarantee.
- Delay in release of Central fund and State fund by the State Government led to undue creation of interest liability of ₹148.83 crore.
- Acute shortage of Technical Assistant at the State level.
- Inadequate IEC activities led to low awareness
- Significant shortfall in social audits (92 *per cent*).
- Overall governance and oversight lapses undermined MGNREGA's objective of ensuring rural livelihood security.

Registered Households: 6.09 lakh

Unskilled workers: 9.01 lakh

Average Employment Days: 42

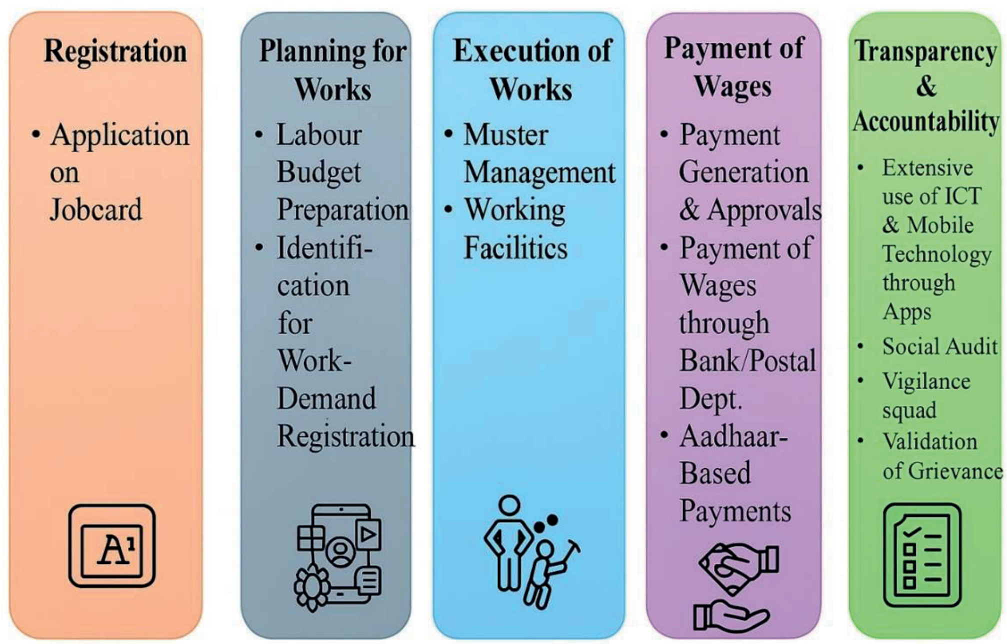
Total expenditure incurred: ₹3,880.27 crore

What do we recommend?

- Conduct baseline surveys and make a realistic annual plan.
- Timely release of fund to the SEGF to avoid delay in utilisation of funds and clearance of pending liabilities.
- Stop diversion of scheme and administrative fund.
- Conduct annual door to door job card verification.
- Constitute Vigilance cell and prepare citizens' charter.
- Prepare IEC plan in bottom-up approach.
- Achieve 100 *per cent* Aadhaar Based Payment System coverage.
- Appoint independent SQM/ DQM.

2.2.1 Introduction

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a Centrally Sponsored Scheme under the Ministry of Rural Development (MoRD), Government of India (GoI) implemented on a cost sharing basis between the GoI and the State Governments[3]. The GoI enacted (September 2005) National Rural Employment Guarantee Act (NREGA), later renamed as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in October 2009. An overview of MGNREGS is shown below:



MGNREGA provides a legal guarantee of at least 100 days of wage employment, in a financial year, to every household whose adult members volunteer to do unskilled manual work at the minimum wage rate. The features of MGNREGS are shown below:

Novel Features of MGNREGS: Demand-Driven & Rights-Based Legal Guarantee

Aspect	What Makes it Novel
Legal Entitlement	Every rural household has the *right to demand* up to 100 days of guaranteed wage employment per financial year for unskilled manual work. This right is enforceable under the Mahatma Gandhi National Rural Employment Guarantee Act, 2005.
Demand-Driven Nature	Unlike supply-driven schemes, work must be provided within 15 days of a demand. If not, the State Government must pay unemployment allowance.
Accountability Mechanism	Legal penalties and compensation provisions create accountability on the part of the State if entitlements are not met.

[3] GoI will bear 100 *per cent* of wages of unskilled manual workers and 75 *per cent* of the cost of material and the State Government will bear the remaining 25 *per cent*.

Aspect	What Makes it Novel
Social Audits & Transparency	Social audits by Gram Sabhas and proactive disclosure of information are institutionalised to prevent corruption and empower beneficiaries.

MGNREGA provides a powerful framework of rights to ensure rural households have access to employment and livelihood security. Understanding and exercising these rights is crucial for maximising the benefits of the scheme and promoting equitable development. The rights and entitlements of MGNREGS workers are shown below:

Major entitlements of the MGNREGS Scheme

- **Right to a Job Card.**
- **Right to demand and receive work within 15 days.**
- **Right to unemployment allowance.**
- **Right to plan and prepare a Shelf of Projects.**
- **Right to obtain work within a radius of five kilometres.**
- **Right to worksite facilities.**
- **Right to notified wage rate.**
- **Right to receive wages within 15 days.**
- **Compensation for delay in payment of wages.**
- **Right to time-bound redressal of grievances and right to conduct concurrent social audits of all MGNREGS expenditure.**

The other objectives of the MGNREGA were to create durable assets, to ensure that there is a source of livelihood for the economically weaker sections of the society and to strengthen Panchayati Raj establishments across India. The scheme of MGNREGA was rechristened (October 2009) as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) (Scheme). The MGNREGS, is a Centrally Sponsored Scheme (CSS), under the MoRD, Government of India (GoI).

The MGNREGS is a demand driven employment programme, implemented on a cost sharing basis between GoI and State Government[4]. The State Government is required to establish State Employment Guarantee Fund (SEGF) for the purposes of the implementation of the Scheme. All the funds received from the GoI and State Government are to be deposited to the SEGF which shall be expended in such manner as may be prescribed by the State Government. Accordingly, State Government has framed (October 2012) Manipur State Employment Guarantee Fund Rules, 2009.

In Manipur, the scheme was implemented *w.e.f.* 2006-07 in Tamenglong district. Coverage was extended to all the districts *w.e.f.* 2008-09.

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[4] GoI will bear 100 *per cent* of wages of unskilled manual workers and 75 *per cent* of the cost of the material. The State Government will bear the remaining 25 *per cent* of the material cost, unemployment allowances and administrative expenses of the SEGC.

The Department of Rural Development and Panchayati Raj (RD&PR), Government of Manipur (GoM) is the nodal Department for implementation of the Scheme in Manipur. As per Paragraph 6.10 of the MGNREGS Operational Guidelines, 2013, the Gram Sabha (GS) approve the Annual Plan of the Gram Panchayat (GP) and submit the plan to the Programme Officer (PO) at Block level. The consolidated and approved Annual Plans received from the GPs were submitted to District Programme Officer (DPC) by PO as Block Plan. The District Annual Plan (DAP) and Labour Budget (LB) were approved by the District Panchayat and submitted to the State. The LB submitted by the RD&PR Department is then approved by the Empowered Committee of the MoRD, GoI.

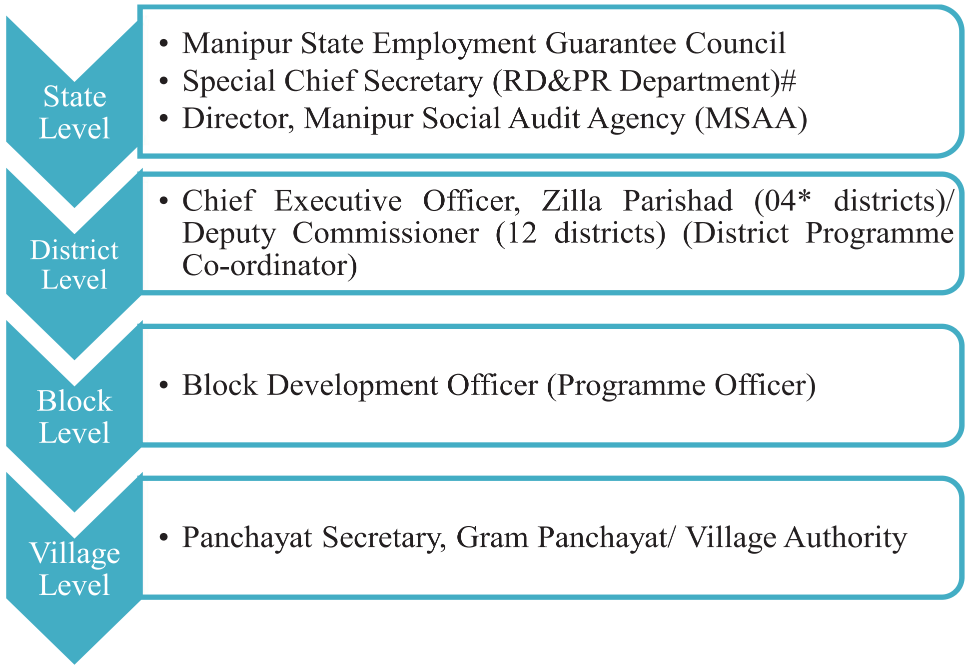
2.2.2 Organisational set-up

The key stakeholders at various level for implementation of MGNREGS are shown below:

Key stakeholders at various levels		
National Level	• Central Employment Guarantee Council • Ministry of Rural Development	• Overall monitoring and provide advice to the Central Government. • Policy formulation, providing financial and technical support to States, monitoring and evaluation of the Scheme.
State Level	• State Government • State Employment Guarantee Council	• Policy formulation, guidelines and overall supervision of MGNREGA implementation. • Advises the State Government on MGNREGA implementation and policy matters.
District Level	• District Programme Coordinator • District Rural Development Office	• Oversees the overall implementation of MGNREGA within the district. • Managing the technical aspects of MGNREGA projects.
Block Level	• Programme Officer • Block Panchayat	• Coordinating MGNREGA activities within the block, including work allocation, monitoring and resolving grievances.
Village Level	• Village Panchayat • Village Employment Council	• Identifying works, managing Job Card holders, and overseeing the implementation of MGNREGA projects within the village.
Civil Society	• Civil Society Organisations • Self Help Groups	• Awareness generation, capacity building, and social accountability.

The organogram for implementation of the scheme at different levels is shown in **Chart 2.2.1**.

Chart 2.2.1: Organisational structure for implementation of MGNREGS



Source: Department records

 # State Level Monitoring Cell headed by Special Chief Secretary (RD&PR)-cum-State Programme Coordinator, MGNREGA

** Imphal East, Imphal West, Bishnupur and Thoubal.*

Audit framework

2.2.3 Audit Objectives

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

- Planning process and financial management practices were adequately geared towards achieving the goals of the Act, while adhering to relevant rules and regulations;
- Fair access to employment opportunities was achieved, as well as employment adequately generated, leading to social protection and livelihood security as envisaged;
- Durable and useful assets were created and maintained in compliance with rules and regulations, while ensuring convergence with other programmes/ schemes; and
- Appropriate and adequate monitoring, social audit and grievance redressal systems were in place and functioning as envisaged to achieve greater transparency and accountability.

2.2.4 Audit Criteria

The audit findings were benchmarked against the following criteria:

- MGNREGA, 2005; Operational Guidelines, 2013; amendments thereto and Rules issued under the Act;

- Annual Master Circulars[5] issued by MoRD, GoI;
- National Rural Employment Guarantee Scheme (NREGS), Manipur, 2006 (as notified by the State Government) and amendments thereto;
- Government Orders, circulars and instructions, Guidelines *etc*., issued by GoI and the State Government;
- Central Treasury Rules, General Financial Rules, 2017 and Manipur Delegation of Financial Power Rules, 1995;
- SEGF Rules, 2009 and MGNREG Audit of Scheme Rules, 2011;
- Auditing Standards for Social Audit issued by Ministry of Rural Development; and
- Management Information System (MIS)/ NREGASoft.

2.2.5 Audit scope, methodology and sampling

The performance audit (PA) commenced with an Entry Conference (19 June 2024) with Special Secretary, RD&PR Department and other responsible officers of the Department, wherein audit objectives, criteria, scope and methodology were discussed. The PA covered the period 2019-2024. The PA was conducted during July to November 2024 by test check of records in the State Level Monitoring Cell (SLMC), three sampled districts, six blocks (two blocks from each sampled district), and 24 GPs (04 GPs from each sampled block) (*details are given in **Appendix 2.2***) by adopting Stratified Random Sampling method on expenditure basis through Interactive Data Extraction and Analysis (IDEA) software. Further, in the 24 sampled GPs, 242 beneficiaries (10 beneficiaries in each sampled GP) were also selected randomly and 192 works (eight works for each GP) were selected for Joint Physical Verification during August 2024 to October 2024. Exit Conference of the PA was held on 02 May 2025 with the Commissioner (RD&PR Department) and other responsible officers of the Department. The views expressed by the Commissioner during the Exit Conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs.

2.2.6 Acknowledgement

Audit acknowledges the co-operation extended by the Department of Rural Development & Panchayati Raj, SLMC, sampled DPCs, POs and GPs during the conduct of the PA.

Audit findings

The audit findings of the Performance Audit are discussed in the succeeding paragraphs.

[5] Annual Master Circulars are comprehensive documents issued by MoRD each year. They provide detail guidelines and instructions for implementing the MGNREGA scheme, covering various aspects like planning, execution, financial management and monitoring of works.

2.2.7	**Audit objective:**	**Whether planning process and financial management practices were adequately geared towards achieving the goals of the Act, while adhering to relevant rules and regulations?**

Planning

2.2.7.1 Non-assessment of quantum and timing of demand for work

Paragraph 6.2 of the Operational Guidelines, 2013 provides that the Gram Panchayat (GP) shall conduct survey of the job card holders mandatorily once in every five years, 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 to finalise the framework and methodology for the pilot baseline survey.

Audit, however, noticed that during the period 2019-2024:

- The sampled GPs neither conducted baseline survey nor expert institutions were empanelled to finalise the framework and methodology for the pilot baseline survey.
- In absence of the baseline survey, the sampled GPs prepared only shelf of works for the next financial year.
- The shelf of works so prepared were without assessing quantum and timing of demand for works for Labour Budget due to which a realistic Development/ Annual Plans could not be prepared.

Thus, non-conducting of baseline survey resulted in gap between projected, approved and generated Person Days (PDs) both month-wise and year-wise as discussed in **Paragraph 2.2.8.1**.

The State Government stated (May 2025) that an advance planning was carried out each year by assessing and projecting the job demand month-wise and also prepared month-wise quantum and timing of demand of works. However, no documents were furnished in support of the planning except MIS Report (R2.2.2) which shows projected PD and PD generated.

The lack of compliance by the sampled GPs to conduct the mandatory baseline survey and in empanelling expert institutions compromised the process of realistic planning under MGNREGS. As a result, the Labour Budgets were prepared without a proper assessment of actual demand for work, resulting in gaps between projected, approved and generated Person Days (PDs) and defeating the objective of need-based development planning.

2.2.7.2 Non-preparation of District Perspective Plan

Paragraph 15.3.1 of the Operational Guidelines of NREGA envisages that for implementation of convergence, a District Perspective Plan (DPP) which identifies the needs and gaps in the districts in all the sectors should be prepared. This plan is a multiyear 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.

However, the DPPs were not prepared in the sampled districts. Thus, needs and gaps of all the sectors in the districts, with reference to convergence could not be identified. Further, non-preparation of DPP adversely affected the continuity of the planning process at the district level.

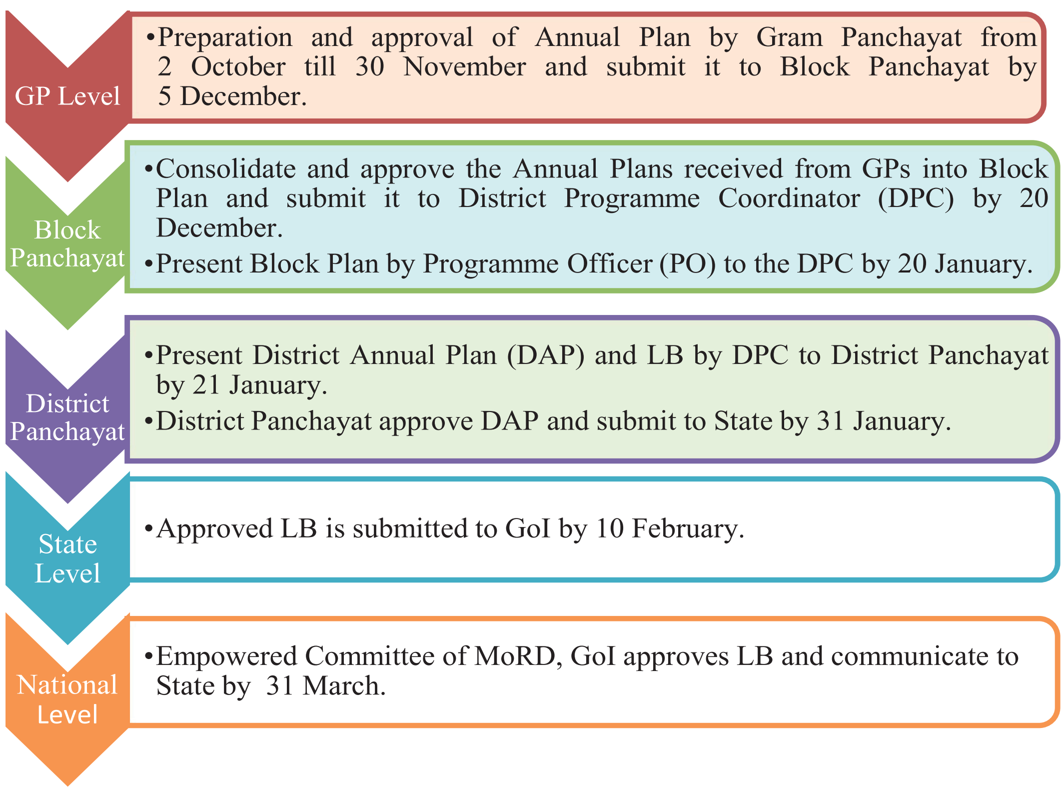
The State Government stated (May 2025) that the DPP was prepared in earlier years. However, as the Operational Guidelines highlighted the approval of LB on annual basis, the DPP was not prepared. The reply of the State Government is not acceptable, as the previously prepared DPPs do not ensure accurate, need-based planning for the current year. The absence of an updated DPP compromises the objective of realistic and responsive planning under MGNREGS.

The fact remained that non-preparation of DPPs in the sampled districts resulted in absence of a comprehensive assessment of sectoral needs and gaps, defeating the objective of convergence of different programmes with MGNREGS.

2.2.7.3 Non-adherence to timeline in preparation of Labour Budget

The MoRD, GoI directed (September 2019) all the States to take up a time bound participatory planning exercise followed with other relevant activities to ensure timely and realistic preparation of Labour Budget (LB). The time frame for preparation and submission of LB at every level is given in **Chart 2.2.2**.

Chart 2.2.2: Time frame for finalisation and submission of labour budget



Source: Annual Master Circular

During the audit period, several discrepancies were observed in the preparation and adherence to timelines at all levels, as discussed in the following paragraphs:

- **In the 24 sampled GPs -** out of 120 cases, delays in the submission of Annual Plans by the GPs to the Blocks were observed in 52 cases. Information was not available for 56 cases, while for 12 cases no delay was observed.
- **In the six sampled blocks** (30 cases), delays in the submission of Block Plans by the Blocks to the DPCs were observed in 20 cases. Information for 10 cases was not available.
- The sampled GPs did not hold Gram Sabha meetings for the approval and preparation of Annual Plans during the years 2022-23 and 2023-24. The Annual Plans were prepared by the Block and DPC on the basis of the previous years' approved shelf of works, as approved by the Gram Sabha, instead of preparing fresh plans based on the current priorities.
- There was delay in submission of DAP from the 16 districts in 21 cases. In 46 cases, information was not furnished by the SLMC. Thus, Audit could not ascertain whether the Plans had been submitted on time.

In turn there was delay in submission of Labour Budget by the State Government to the MoRD during 2019-2023, (except 2023-24). The LB for the year 2022-23 was submitted (11 March 2022) after a delay of one month. The State Government stated (May 2025) that the LB was submitted to MoRD in time before the conduct of the Empowered Committee meeting at the Ministry. The reply of the State Government regarding timely submission of LB is not acceptable as the documentary evidence clearly indicated that the submission had been delayed.

Thus, there were systemic deficiencies in the preparation and submission of plans at all levels such as GP, Block, District and State. Delays in the submission of Annual Plans, Block Plans, District Plans and Labour Budgets, coupled with the non-availability of records in a significant number of cases, indicate weak institutional planning. The non-conduct of Gram Sabha meetings for the approval of Annual Plans for the year 2022-23 and 2023-24 further compromised the spirit of participatory planning envisaged under the scheme. These lapses collectively compromised the objective of timely and participatory planning process, adversely affecting the implementation of the programme.

2.2.7.4 Non-preparation of Annual Plan in order of priority

Paragraph 6.4 of Operational Guidelines, stipulates that the order of priority of projects shall be determined by each GP in meetings of the Gram Sabha (GS) and the Ward Sabha and will be reflected in the Annual Plan. Works that are inserted at block and district level have to be approved and assigned a priority by the GS before administrative approval can be given. As per Paragraph 6.6 of the Annual Master Circular, the works are to be entered on the Management Information System (MIS) as per the order of priority decided in the GP and implemented in accordance with the priority decided.

Audit observed that out of 24 sampled GPs, 11 GPs did not prepare Annual Plans in the order of priority. Audit further observed that the works taken up by all the sampled GPs were not executed in the order of priority. Thus, the works that required higher priority for the GP were not taken up.

The State Government stated (May 2025) that shelf of works in order of priority was determined by Gram Sabha and any change in the priority is done at the GP level. The reply of the State Government is not completely acceptable as 11 out of 24 GPs did not prepare Annual Plan in the order of priority and no works in all the sampled GPs were executed in order of the priority during the audit period.

Thus, non-preparation and non-adherence to Annual Plans in order of priority defeated the very objective of ensuring that the most urgent and essential works of the GPs were addressed first. This led to arbitrary selection and execution of works, compromising the principles of need-based planning and optimal utilisation of resources under the scheme.

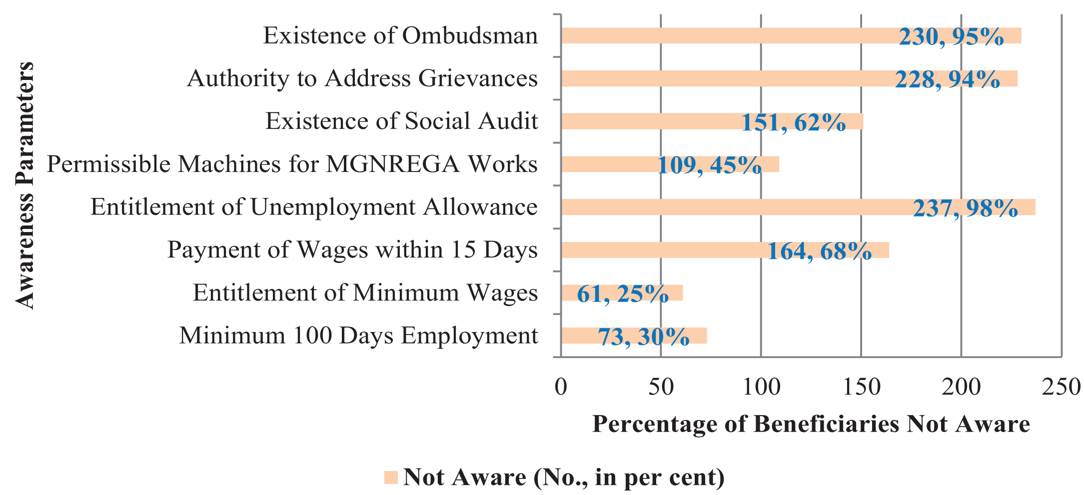
2.2.7.5 Non-preparation of Information, Education and Communication (IEC) Plan

Paragraph 5.4 of the Operational Guidelines stipulates that to ensure effective implementation of MGNREGA, it is crucial to raise awareness among the rural people, particularly MGNREGA workers, about the scheme's provisions and their rights and entitlements. Further, Paragraph 5.4.2 states that State should prepare an IEC plan by indicating State, District, Block and Local level activities. The State Public Relations Department and the publicity units of different departments like Agriculture, Social Welfare, Education, and Health and Family Welfare should be actively involved in the planning as well as in implementation stages to achieve maximum spread of the key messages. Paragraph 11.7 of the Annual Master Circular states that Job card may be an important IEC tool to create awareness by incorporating information like salient features of the scheme such as payment of wages within 15 days of completion of work authority to address grievances including ombudsman, and rights and entitlements of the worker such as compensation for delayed payment of wages, unemployment allowances *etc*.

On the Audit Report of the Comptroller and Auditor General of India for the year ending March 2012, featuring PA on implementation of the MGNREGS for the period 2007-12, the Public Accounts Committee (PAC) recommended that the State Government as well as the DPCs concerned to have a clear-cut policy of training with documentation and formulate IEC plan.

Audit observed that IEC activities *viz*. wall paintings, broadcast of serial play and success story at All India Radio, DDK and fixing of ink jet vinyl poster on transport vehicles *etc*. were conducted at State and District level independently. The State Public Relations Department and publicity units of different departments were not involved in the IEC activities. No IEC activities was conducted at State level during 2020-21. Non-preparation of holistic IEC plan leads to lapses in the implementation of the Scheme as pointed out in **Paragraphs 2.2.8.6, 2.2.8.10, 2.2.8.11.4, 2.2.8.12.1, 2.2.10.8, 2.2.10.9 and 2.2.10.10**. **Chart 2.2.3** depicts the deficiencies observed during beneficiary survey due to non-preparation of holistic IEC plan as envisaged in the Operational Guidelines.

Chart 2.2.3: Beneficiaries Not Aware of Key MGNREGA Entitlements



Source: Beneficiary Survey

As evident from **Chart 2.2.3**, the non-preparation of a holistic IEC plan had resulted in beneficiaries not being well aware of the salient features of the scheme. It resulted in fragmented communication, poor community awareness, weak stakeholder participation, and inefficient use of resources, thereby undermining the core objectives of the scheme and increasing the risk of unachieved outcomes despite financial expenditure.

Audit further observed that the job cards of the sampled GPs did not mention the rights to compensation for delayed payments, entitlement to unemployment allowances, existence and contact details of the ombudsman and the toll-free help line number. Moreover, the contents of the Job cards were also not written in the local language as required.

The State Government stated (May 2025) that in future, a detailed IEC plan shall be prepared for each year as pointed out by audit. Further, MoRD has prepared a common IEC plan for the year 2025-26 onwards which shall be followed in the State accordingly. The reply of the State Government is not acceptable. While the State Government assured that a detailed IEC plan would be prepared in future and that the MoRD's common IEC plan for 2025-26 onwards would be adopted, these are prospective measures and do not address the audit observation regarding the non-preparation of holistic IEC plans in the past years. Moreover, despite the recommendations of the PAC, the State Government has not complied with the directions till date. This continued non-compliance reflects inadequate planning and weak monitoring mechanisms in implementing the scheme effectively.

Thus, the inaction of the State Government in preparing and implementing a comprehensive annual IEC plan, despite PAC recommendations and audit observations, had adversely affected beneficiaries' awareness of the scheme's salient features and had deprived them of the intended benefits. The reliance on the MoRD's common IEC plan from 2025-26 onwards did not mitigate the lapses observed during the review period.

2.2.7.6 Non-constitution of Human Resource Development and Capacity Building Divisions and Units

Paragraph 16 of the Annual Master Circular states that the capacity building of MGNREGS functionaries and skilling of its workers is important for effective implementation of the Scheme. Paragraph 5 of the Operational Guidelines stipulates that a training Plan need to be prepared at the State and at each district level for each category of functionaries after carrying out training needs assessment by setting up a MGNREGA Human Resource Development and Capacity Building (HRD&CB) Division at the State level and Unit at each District level.

Audit observed that trainings on capacity building *viz*. Secure, NMMS, MIS, Amrit Sarovar *etc*. were conducted at State and District level. During the audit period, five trainings were conducted at the State level and 34 trainings were conducted at the sampled districts. However, no separate HRD&CB Division and Units were established at State and District level and no training needs assessment was conducted during the period 2019-2024. Thus, the effectiveness of the training provided and the fulfilment of actual training needs of the MGNREGS functionaries could not be ascertained.

The State Government stated (May 2025) that State Institute of Rural Development (SIRD) conducted regular training programmes for various schemes of RD&PR including MGNREGS. However, as pointed out by audit, the Department would propose to the competent authority for setting up of HRD&CB Division. The reply of the State Government is not acceptable, as the State Government stated that the SIRD conducted regular trainings and proposed to set up the HRD&CB Division, which are prospective measures and do not address the audit observation regarding the absence of a dedicated HRD&CB Division and the non-conduct of training needs assessment during 2019-2024. Hence, the effectiveness of the trainings and fulfilment of actual training needs could not be ascertained. The absence of a dedicated HRD&CB Division and the non-conduct of training needs assessment during the period under review led to lapses in the implementation of the Scheme and limited the effectiveness of capacity-building efforts for MGNREGS functionaries.

2.2.7.7 Shortfall in conducting Rozgar Diwas

Paragraph 3.3 of the Operational Guidelines provides that every GP should organise a *Rozgar Diwas* (RDs) at least once every month where the GP should pro-actively invite applications for work from potential workers.

Audit observed that out of 24 sampled GPs, 12 GPs did not organise RDs during 2019-2024. In the remaining 12 GPs, there was a shortfall in organising RDs as 01 to 24 RDs were organised out of the mandatory 60 RDs during 2019-2024.

Thus, non-compliance by GPs in organising the RDs, undermines the core demand-driven nature of MGNREGA, leading to suppressed demand registration, inaccurate labour budgets, reduced awareness of entitlements, weak accountability, and exclusion of vulnerable households, thereby diluting the very objective of the Act.

The State Government stated (May 2025) that instruction would be given to all the districts to mandatorily observe RD on every third Wednesday of a month. The reply of the State Government is not acceptable as the instructions to all districts to mandatorily observe RDs on every third Wednesday of the month are prospective measures and do not address the non-compliance during 2019-2024. The shortfall in organising the RDs during the review period affected proper assessment of beneficiary requirements.

Thus, the non-compliance by GPs in organising the RDs as mandated during 2019-2024 led to lapses in identifying and addressing the requirements of beneficiaries, thereby affecting the effective implementation of the scheme.

2.2.7.8 Non-preparation of Schedule of Rate (SoR) for MGNREGS works

As per Paragraph 7.7.1 of the Operational Guidelines, separate SoR needs to be devised for the works that are done manually as the SoR based on contractor-led, machine-based system of implementation was not appropriate for the works to be done manually and will lead to underpayment. The SoR for MGNREGS works was to be based on Work Time and Motion Study[6] to be done by an expert agency independent of the nodal department. The Empowered Committee of MoRD had also repeatedly instructed the State Government during the approval of the LB to complete the Time and Motion Studies and prepare a separate SoR for MGNREGS works.

Audit, however, observed that the GoM had not completed the Time and Motion Studies and had not prepared a separate SoR for works under MGNREGS as of November 2024. In the absence of a separate SoR, the State continued to adopt the Manipur SoR of the Public Works Department for execution of MGNREGS works.

The SLMC stated (December 2024) that preparation of Time and Motion Studies is under process with NIRD, Hyderabad. The reply of the SLMC is not acceptable as the preparation of Time and Motion Studies is a prospective measure and does not address the audit observation regarding the non-preparation of Time and Motion Studies during the review period.

[6] Systematic revision of SoRs requires an estimation of the amount of work (a "Task") a human being can perform in a given area in the prescribed period of time (Nine hours including one hour of rest as per Schedule I). Thus, a carefully designed Work Time and Motion Studies need to be undertaken (Paragraph 7.7.4, Operational Guidelines).

Thus, the non-preparation of separate SoR for works under MGNREGS led to inappropriate estimation of works and underpayment to workers affecting the effective and fair implementation of the scheme.

2.2.7.9 Shortage of Human Resources

Paragraph 4 of the Operational Guidelines states that provision of adequate human resources at all levels of programme implementation holds the key to success of MGNREGA. Supporting staff could also be hired, on contractual basis, to provide professional services at the State level. The appointment of core staff cannot be deferred on grounds of insufficient fund. Further, Section 18 of the MGNREG Act provides that the State Government is mandated to make available to the DPC and PO necessary staff and technical support as may be necessary for effective implementation of the scheme.

The availability of staff against the sanctioned posts of RD&PR Department in the State is given in **Table 2.2.1**.

Table 2.2.1: Sanctioned strength and person-in-position of staff

Name of post	Sanctioned post	Person in position	Shortfall (-)/ Excess (+)	Shortfall (-)/ Excess (+) (*per cent*)
Executive Engineer (EE)	12	17	5	*41.67*
Assistant Engineer (AE)	20	21	1	*5*
IT Manager	79	99	20	*25.32*
Programme Officer/ BDO	70	63	(-)7	*(-)10*
Computer Operator (MIS)	75	123	48	*64*
Gram Rozgar Sahayak (GRS)	170	158	(-)12	*(-)7.06*
Panchayat Secretary	161	69	(-)92	*(-)57.14*
Assistant Project Officer (APO)	30	10	(-)20	*(-)66.67*
Accountant/ Accounts Manager	124	43	(-)81	*(-)65.32*

Source: Departmental data

The above table shows that there was excess of staff in the posts of EE, AE, IT Manager and Computer Operator (MIS) ranging from 05 to 64 *per cent*. There was shortfall of staff against the sanctioned strength ranging between 07 and 67 *per cent* in five posts. Moreover, the State Government/ DPC did not take adequate steps to assess the actual requirement for deploying staff in key areas. Thus, the shortage of staff in key areas adversely affected the implementation of the Scheme as pointed out in **Paragraphs 2.2.8.2.2** and **2.2.8.2.3**.

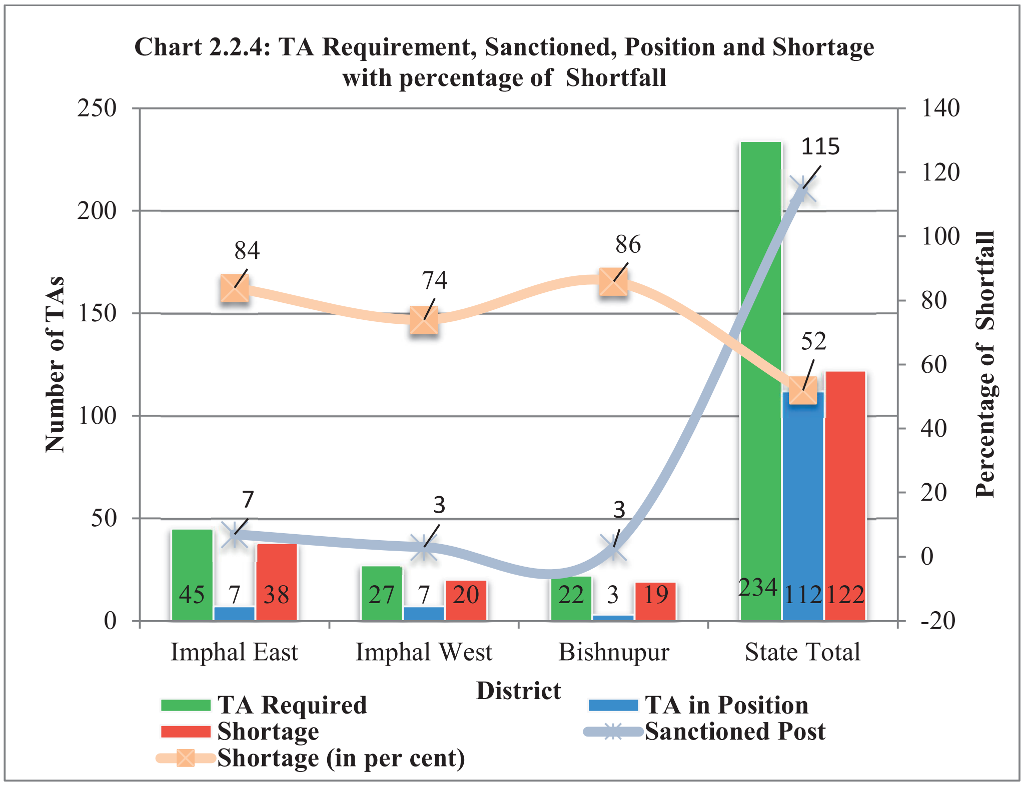
The State Government stated (May 2025) that the DPCs have sufficient flexibility for engaging human resources. The reply of the State Government is not acceptable as the staff engagement should be in accordance with the created sanctioned post.

Thus, the disproportionate engagement of staff, without assessing the actual requirement against sanctioned posts in key areas, adversely affected the implementation of the Scheme, leading to inefficiencies and inadequate delivery of services to beneficiaries.

2.2.7.9.1 Shortage of Technical Assistant

As per Paragraph 7.12.5 of the Annual Master Circular, there shall be a Technical Assistant (TA) for every 2,500 active Job Cards (JCs), for measuring and recording of measurement in the MB every week or soon after the closure of muster, whichever is earlier.

Chart 2.2.4 depicts the requirement of TA, sanctioned post, TA-in-position, shortage and shortfall (in *per cent*).



Source: Information furnished by the Department

Note *(i) Including Village Authorities of Hill Districts*

(ii) As per Annual Master Circular, one TA is required for 2,500 active JC holder.

As shown in the **Chart 2.2.4** above, there was a shortfall of 122 (52 *per cent*) TAs at the State level. In the sampled districts, the shortage ranged from 74 to 86 *per cent*. Due to the shortfall in the availability of technical staff against the prescribed requirement, various shortcomings in ensuring the quality of works were observed as discussed under **Paragraphs 2.2.8.8, 2.2.8.11.2** and **2.2.8.11.3**.

The shortage of technical staff adversely affected the implementation of the Scheme, leading to lapses in quality control of works at both State and district levels.

2.2.7.9.2 Non appointment of full-time Programme Officer

As per Paragraph 4.3.1 of the Operational Guidelines, Programme Officer (PO) not below the rank of the Block Development Officer (BDO) may be appointed for each Block. The PO would be a full-time dedicated officer, and act as a coordinator and overall in-charge of all MGNREGS works at the Block level. The PO can be taken on deputation basis or recruited afresh and shall report to the DPC of the District. In the State, there was no full time PO, instead the BDO of the respective Block was designated as the PO. Against the sanctioned post of 70 POs in the State, there were 63 POs in position, resulting in a shortfall of seven POs as of May 2025.

The State Government stated (May 2025) that all Sub-Divisional Officers (SDOs)/ BDOs of all the blocks were functioning as full time PO under MGNREGS. The reply of the State Government is not acceptable as assigning BDOs or SDOs as POs does not constitute full-time dedicated POs and does not address the shortfall against sanctioned posts. Hence, the administrative and supervisory responsibilities of POs were likely diluted, affecting proper implementation of the Scheme.

Thus, the absence of full-time POs and the shortfall in sanctioned posts adversely affected the oversight and monitoring of the Scheme, leading to potential lapses in execution and delivery of benefits to beneficiaries.

Financial Management

2.2.7.10 Financial outlay

During the period 2019-2024, out of the total available funds of ₹4,019 crore, ₹3,880.27 crore (97 *per cent*) was utilised on the implementation of the Scheme in the State. The details of year-wise availability and utilisation of funds under the Scheme during 2019-2024 in the State are given in **Table 2.2.2.**

Table 2.2.2: Availability and utilisation of funds during the period 2019-2024

(₹ in crore)

Year	Opening Balance	Receipt					Total Expenditure *(Percentage of Col. 7)*	Closing Balance	Fund not released by FD, GoM out of Col. 9 *(percentage)*
		Central Share	State Share	Others/ Misc.*	Total receipt	Total fund Available			
1	*2*	*3*	*4*	*5*	*6 (3+4+5)*	*7 (2+6)*	*8*	*9 (7-8)*	*10*
2019-20	24.25	628.13	45.00	2.27	675.40	699.65	449.10 *(64)*	250.56	214.75 *(86)*
2020-21	250.56	1,306.74	115.11	5.91	1,427.76	1,678.31	1,056.15 *(63)*	622.15	569.17 *(91)*
2021-22	622.15	563.11	90.95	3.52	657.58	1,279.74	929.75 *(73)*	349.99	230.02 *(66)*
2022-23	349.99	1,086.63	25.56	5.80	1,117.99	1,467.98	794.16 *(54.10)*	673.82	330.14 *(49)*
2023-24	673.82	0	110.05	5.97	116.02	789.84	651.11 *(82.44)*	138.73	0
Total		**3,584.61**	**386.67**	**23.47**	**3,994.75**	**4,019**	**3,880.27 *(97)***		

Source: Information furnished by the SLMC

* *Bank interest, Quality control recoveries, Social Audit recoveries*

As can be seen from the above table, the receipt of central fund shows a fluctuating trend during 2019-2024 ranging from ₹563.11 crore in 2021-22 to ₹1,306.74 crore (2020-21) and there was no release of central share during 2023-24.

There were closing balances at the end of each financial year ranging from ₹138.73 crore (2023-24) to ₹673.82 crore (2022-23). The substantial closing balance at the end of each financial year indicated that utilisation of funds was not efficient and led to creation of pending liabilities, delayed payment of wages and material cost to the workers and vendors respectively and less generation of employment during the year 2022-23 as the closing balance exceeded the total pending liabilities. As noticed in columns 9 and 10 of the table, the Finance Department, GoM did not release 49 to 91 *per cent* of the closing balances to the SEGF during 2019-2023.

The total expenditure against the total fund available was not optimal as during the five-years period of 2019-2024, the percentage of expenditure ranged between 54.10 *per cent* in 2022-23 to 82.44 *per cent* in 2023-24 against the available fund.

The State Government stated (May 2025) that fluctuation in fund availability is mainly due to delay in release from Finance Department, GoM owing to ways and means problem of the State. However, going forward with SNA SPARSH mechanism, the problem would be addressed properly. The reply of the State Government is not acceptable as the reply attributed the fluctuation in fund availability to delays by the Finance Department, which are prospective explanations and do not address the observed inefficiencies in fund utilisation during 2019-2024. The delayed release of funds had already resulted in pending liabilities, delayed payments, and lower employment generation, as evidenced in the audited period.

Thus, the inefficient utilisation of funds, coupled with delayed release by the Finance Department, adversely affected the implementation of the Scheme. This led to pending liabilities, delayed wage and material payments which in turn resulted in reduced employment generation, highlighting the need for improved fund management and timely releases.

2.2.7.11 Deficiencies noticed under Financial Management

The deficiencies in financial management have been discussed in succeeding paragraphs.

2.2.7.11.1 Delay and short release of central funds by MoRD

As per Paragraph 15.1.1 of the Annual Master Circular, the 1st tranche of central fund to be released by the MoRD is estimated on the basis of funds required for initial six months of a financial year or 50 *per cent* of Labour Budget (LB) for the State, whichever is lower, less the opening balance as per MIS pending liabilities shall also be considered. The first instalment of the 1st tranche will be released in the first half of April month of the financial year after adjusting unspent balance available with the Districts/ State and considering the pending liabilities, if any.

As per Paragraph 15.1.2 of the Annual Master Circular, the 2nd tranche is released on submission of proposal after the State has utilised 60 *per cent*

(75 *per cent* from 2021-22) of the total available funds. If the proposal for 2nd tranche is submitted after 1st October, then the Audit Report and audited UC of the previous financial year are also required. Quantum of funds to be released as part of 2nd tranche depends upon the performance of the State.

Audit noticed that out of ₹5,556 crore receivable from the MoRD for 2019-2024, the State Government received only ₹3,584.61 crore resulting in short receipt of ₹1,971.39 crore as given in the **Table 2.2.3.**

Table 2.2.3: Details of fund receivable, received and short receipt from MoRD during 2019-2024

(₹ in crore)

Year	Approved Person days (PD)	Fund receivable[7] from the MoRD	Fund received from the MoRD	Short receipt of fund from the MoRD
2019-20	2,60,00,000	911.04	628.13	282.91
2020-21	3,35,00,000	1,275.68	1,306.74	(-)31.06
2021-22	3,30,00,000	1,325.28	563.11	762.17
2022-23	2,50,00,000	1,004.00	1,086.63	(-)82.63
2023-24	2,50,00,000	1,040.00	0	1,040.00
Total		**5,556.00**	**3,584.61**	**1,971.39**

Source: Departmental record

Audit observed that the short receipt of ₹1,971.39 crore was due to unspent balance of previous years, delayed submission of Utilisation Certificates and proposal for 2nd tranche fund due to delay/ non-release of fund by the Finance Department, GoM.

Moreover, for the year 2021-22, the 1st tranche of central fund was received in August 2021 with a delay of four months. Audit further observed that in 2023-24, the State Government did not receive any Central Fund. The delay in receipt/ non-receipt of fund had a cascading effect resulting in delay in generation of mandays and submission of proposals for the 2nd tranche.

The State Government stated (May 2025) that the LB was fixed by MoRD based on the performance of demand for works by the job card holders of the previous financial year. The reply of the State Government was not acceptable as the allocation of LB based on the previous year's demand could have been revised if the State had been able to utilise the approved LB. Further, the delays in fund release or the short receipt of funds impeded the timely execution of works and adversely affected wage employment generation during the audit period.

The short-receipt and delayed release of central funds had adversely affected the implementation of the Scheme, resulting in delays in employment generation, pending mandays and late submission of proposals for subsequent fund tranches, highlighting the need for timely fund release and improved monitoring mechanisms.

2.2.7.11.2 Delay in release of Central and State share by State Government

As per instruction issued by the MoRD in the sanction letters, the GoM must transfer funds received from the Centre along with the State share into the SEGF account within three days of receipt; in the event of non-compliance, the GoM

[7] Fund receivable (Central Share) = Approved Labour Budget × Central share cost

is liable to pay interest @ 12 *per cent* for the period of delays beyond the specified period.

During 2019-2024, audit observed that the central share amounting to ₹3,584.61 crore was released to the SEGF account with delays ranging from 13 to 248 days. Similarly, the state share of ₹386.67 crore was also released with delays ranging from 07 to 347 days ***(details are given in Appendices 2.3 & 2.4)***. As a result, the State Government became liable to pay interest of ₹146.76 crore for delay in release of funds.

Thus, the inadequate management of financial resources by the Department led to the undue creation of interest liability, delay in payment of wages and low completion of works executed as highlighted in **Paragraphs 2.2.8.11.1** and **2.2.9.1.2**.

The State Government stated (May 2025) that delay in release of fund was due to delay in release of fund by the Finance Department, GoM which in turn is due to constraint in the resource of the State Government. The fact, however, remained that the delayed release of central and state funds, coupled with ineffective financial management, adversely affected the implementation of the Scheme. This resulted in avoidable interest liability, delayed wage payments, and low completion of works. Thus, a robust fund flow mechanism and improved coordination between the Department and the Finance Department are essential to ensure the timely release and utilisation of funds for the efficient execution of the Scheme in the State.

2.2.7.11.3 Inadmissible expenditure

Paragraph 12.5.2 of the Operational Guidelines provides that up to six *per cent* of the total expenditure can be utilised for administrative expenses. Further, as per Paragraph 12.5.5, administrative expenses can be utilised on training, IEC activities, operational expenses and social audit. However, expenditure should not be incurred on specific[8] items.

Scrutiny of the records revealed that an amount of ₹74.56 lakh was incurred on civil works and other items *viz*. partition of office room, repairing and improvement of DPC office, construction of gates for G-20 Summit, Independence Day, Republic Day and material procurement for work *etc*. which were not admissible under the Scheme ***(details are given in Appendix 2.5)***.

The State Government stated (May 2025) that the expenditure was incurred on important National and the State occasions which showcase the activities and the achievement of the Department and is permissible.

The reply of the State Government is not acceptable. The Operational Guidelines of the Scheme do not permit expenditure on such activities as the

[8] (i) Purchase of vehicles and repair of old vehicles; (ii) Civil works; (iii) Salaries/ remuneration of functionaries already engaged by the Government/ PRIs/ any other implementing agency; and (iv) Material procurement for works

funds were earmarked exclusively for training, IEC activities, operational expenses and social audit under the Scheme. Hence, incurring expenditure on inadmissible items was irregular and violated financial norms.

Thus, incurring on inadmissible works and activities indicated weak financial controls and deviation from the prescribed guidelines, thereby diverting funds from core objectives of the Scheme and adversely impacting its implementation.

2.2.7.11.4 Unauthorised Expenditure

Paragraph 12.4.4 of the Operational Guidelines provides that the scheme funds were not to be diverted for any other purposes and the State had to furnish a certificate regarding non-diversion of the scheme funds with the proposal for release of 2nd tranche of grants. On scrutiny of records of the sampled offices, it was noticed that fund for administrative expenses was diverted for purposes which were not authorised by the Operational Guidelines and MoRD.

- As per Paragraph 12.5.5 of the Operational Guidelines, first aid box with adequate material for emergency treatment for minor injury and health hazards in connection with the works performed under the MGNGREG Act is permissible under worksite facilities. The MoRD had, however, clarified (May 2020) that expenditure on Masks and Sanitisers for use by MGNREGA workers could not be purchased or booked under administrative expenses. Despite this, the RD&PR Department, GoM procured locally made Face Masks and Hand Sanitisers through DPCs from the fund for administrative expenses as worksite facilities for preventing the spread of Covid 19 among job card holders and incurred an expenditure of ₹14.79 crore at State level, out of which ₹5.59 crore were in the sampled districts[9].

- Audit noticed that an amount of ₹17.41 lakh was unauthorisedly utilised for printing of Annual Administrative Reports[10] (AARs) for the nodal Department for all the schemes implemented by the Department *viz*. Pradhan Mantri Gram Sadak Yojana, DDU-GKY, Pradhan Mantri Awaas Yojana-Gramin, Manipur State Livelihood Mission, MLA Local Area Development, MP Local Area Development, MGNREGS *etc*., which were not permissible under administrative expenses.

- As per Paragraph 14 of the Cluster Facilitation Project (CFP) guidelines, the proposed budget for the CFP should be met by the Ministry from the Budget Head of “Capacity Building and Technical Support”, including remuneration, contingencies and travel allowance of thematic experts appointed for the Project.

  Audit however noticed that ₹49.84 lakh was paid as remuneration to 11 thematic experts and ₹0.64 lakh for TA/ DA of one thematic expert from the administrative fund to be recouped once sanctioned by the Ministry. It

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9 Imphal East - ₹2.93 crore, Imphal West - ₹1.44 crore and Bishnupur - ₹1.22 crore.

10 For the years 2017-18, 2018-19, 2021-22, 2022-23.

was observed that the amount was not refunded till the date of audit (November 2024). As such, an amount of ₹50.48 lakh has been diverted from the administrative fund.

- The Department of RD&PR granted (February 2022) ₹62 lakh to the Manipur Social Audit Agency (MSAA) for payment of remuneration of staff and office maintenance with a condition that the amount would be refunded upon receipt of funds from the Ministry. Out of this, ₹30 lakh was repaid (April 2024) and the balance amount of ₹32 lakh remained outstanding till the date of audit. At the instance of audit, the MSAA refunded the outstanding amount of ₹32 lakh to SEGF account in March 2025.

The State Government stated (May 2025) that purchase of handmade face mask and Sanitiser were covered under medical expenses which was permissible under administrative expenses as advised by the Advocate General of Manipur. The reply of the State Government is not acceptable as the MoRD's clarification (May 2020) explicitly prohibited the purchase of masks and Sanitisers from administrative expenses under MGNREGS. Moreover, the advice of the Advocate General could not override the provisions of the Operational Guidelines and instructions of the MoRD. Therefore, incurring ₹14.79 crore on inadmissible items was irregular.

Similarly, the utilisation of ₹17.41 lakh for printing AARs, ₹50.48 lakh under CFP, and ₹62.00 lakh for MSAA (of which ₹32 lakh was refunded later) were all instances of financial deviations from prescribed norms.

The fact, however, remained that the RD&PR Department, GoM, did not ensure adherence to the prescribed guidelines in the utilisation of administrative funds under MGNREGS. The expenditure on procurement of masks and Sanitisers, the printing of AAR, the remuneration and TA/ DA to thematic experts was incurred irregularly, in violation of MoRD guidelines. Further, the release to the MSAA without timely recovery, with the balance amount refunded only at the instance of audit**,** indicates financial irregularities, diversion of funds and weak internal controls within the Department.

2.2.7.11.5 Utilisation of fund for administrative expenses.

As per Paragraph 12.5.2 of the Operational Guidelines, at least two-thirds of the administrative expenditure should be spent at the Block level and below *i.e.* GP level.

Audit observed that the devolution of at least two-thirds (66.66 *per cent*) of the administrative expenses to the Block level and below were not complied with in all the five-years period of 2019-2024. Moreover, during the period 2019-2024, all the sampled GPs did not receive any fund under administrative expenses from the Block. Details of utilisation of administrative fund in State, District and Block levels during 2019-2024 are given in **Table 2.2.4**.

Table 2.2.4: Utilisation of administrative fund in Block level in the State during 2019-2024

(₹ in lakh)

Year	Utilisation of administrative fund			
	During the year	At State level *(percentage)*	At districts level *(percentage)*	At Block *(percentage)*
1	*2 (3 + 4 + 5)*	*3*	*4*	*5*
2019-20	1,705.61	40.66 *(2)*	1,254.18 *(74)*	410.75 *(24.08)*
2020-21	4,447.13	83.44 *(2)*	2,953.93 *(66)*	1,409.72 *(31.70)*
2021-22	2,658.10	293.51 *(11)*	1,830.08 *(69)*	534.50 *(20.10)*
2022-23	2,951.09	574.25 *(19)*	1,352.73 *(46)*	1,024.11 *(34.70)*
2023-24	1,250.89	578.06 *(46)*	423.12 *(34)*	249.71 *(19.96)*

Source: MIS data

As can be seen from **Table 2.2.4**, the percentage of administrative fund spent at block level ranged from 20 to 35 *per cent* which is against the provision of the Operational Guidelines. Further, during the year 2023-24, the amount spent at state level was more than the amount spent by all the 16 districts.

The State was required to transfer minimum two-thirds to the Block and GPs mandatorily as prescribed in the Operational Guidelines. Short release of administrative fund at Block and GP level affects the implementation of the Scheme by the Block and GPs including provision of worksite facilities as pointed out in **Paragraph 2.2.10.2**.

The State Government while accepting the audit comment stated that provision of the Operational Guidelines would be complied.

2.2.7.11.6 Pending liability

As per the instructions of the MoRD (March 2019), the pending liabilities of wages and material were required to be cleared on priority, with the old pending liabilities to be cleared first.

Audit observed that in the State large liabilities were pending during 2019-2024 as detailed in **Table 2.2.5**.

Table 2.2.5: Outstanding liabilities for the year 2019-2024

(₹ in crore)

Year	Wages	Material	Total liability	Closing Balance as on 31 March	Closing Balance lying with SEGF *(out of Col 5)*	Fund not released by FD, GoM out of Col. 5 *(percentage)*
1	*2*	*3*	*4*	*5*	*6*	*7*
2019-20	230.58	231.72	462.30	250.56	35.81	214.75 *(85.71)*
2020-21	467.48	229.04	696.52	622.15	52.98	569.17 *(91.48)*
2021-22	651.16	369.21	1,020.37	349.99	119.97	230.02 *(65.72)*
2022-23	157.43	371.81	529.24	673.82	343.68	330.14 *(49.00)*
2023-24	295.56	158.45	454.01	138.73	138.73	0

Source: CA Report and UCs

As can be seen from **Table 2.2.5**, the total liability of the State on account of unpaid wages and material during 2019-2024 ranged from ₹454.01 crore (2023-24) to ₹1,020.37 crore (2021-22) despite the availability of unspent balance at the end of the respective years.

Table 2.2.6 depicts the pending wages and material liabilities in sampled districts during 2019-2024.

Table 2.2.6: Pending wages and material liabilities in sampled districts during 2019-2024

(₹ in lakh)

Year	Bishnupur			Imphal East			Imphal West		
	Wages	Material	Amount	Wages	Material	Amount	Wages	Material	Amount
2019-20	1.14	3.09	4.23	5.19	23.60	28.79	1.73	1.19	2.92
2020-21	1.23	3.25	4.48	11.34	8.05	19.39	4.55	1.59	6.14
2021-22	11.02	17.26	28.28	124.99	183.4	308.39	14.04	71.09	85.13
2022-23	1.81	25.50	27.31	27.89	104.58	132.47	2.46	0	2.46
2023-24	19.28	1,699.80	1,719.08	594.95	1,734.12	2,329.07	17.23	1024.24	1,041.47
Total	**34.48**	**1,748.90**	**1783.38**	**764.36**	**2,053.75**	**2818.11**	**40.01**	**1,098.11**	**1,138.12**

Source: MIS data

It can be seen from **Table 2.2.6** that in the sampled districts, an amount of ₹57.40 crore *i.e.* ₹8.39 crore for wages and ₹49.01 crore for material remained pending as on the date of audit (December 2024).

As MGNREGS is primarily a wage employment generation scheme for the rural poor, prolonged non-payment of dues to workers and suppliers defeated the basic objective of the scheme and adversely impacted on rural livelihoods.

The State Government stated (May 2025) that efforts were on to clear all the pending liabilities on priority.

The fact, however, remained that the persistent delays in wage and material payments compromised the implementation of MGNREGS and defeated its objective of providing timely wage support to rural households.

2.2.7.11.7 Non-maintenance of prescribed wage and material ratio

Paragraph 20 of Schedule-I of MGNREG Act provides that for all works taken up by the GPs and other implementing agencies, the cost of material component including the wages of the skilled and semi-skilled workers shall not exceed 40 *per cent* at the district level.

Audit examination revealed that, during 2019-2024, the prescribed wages and material ratio was not maintained ranging from two districts in 2019-20 to eight districts in 2023-24.

Excess utilisation of funds on the material component reduced the generation of wage employment for MGNREGA workers. During the period 2019-2024, an amount of ₹39.23 crore was utilised in excess on the material component, which could have generated 15.77 lakh PDs of wage employment (details are shown in ***Appendix 2.6***).

The State Government stated (May 2025) that audit comment was noted for compliance.

The reply of the State Government did not address the impact of the excess expenditure on material components on the generation of wage employment. Merely noting the audit observation does not justify the deviation from the prescribed wage-material ratio.

The fact remained that the non-adherence to the prescribed wages and material ratio had resulted in inefficient utilisation of MGNREGA funds and reduced wage employment opportunities for workers.

2.2.7.12 Conclusion

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 as no baseline survey was conducted.

The Department did not prepare holistic plan for IEC and no Human Resource Development and Capacity Building Divisions and Units were established to create awareness among rural people, especially MGNREGS workers and to build the capacities of functionaries involved in the implementation of the Scheme.

There was short release of the Central Fund by the MoRD due to availability of unspent balances from previous years, inability to send UCs and proposal for 2nd tranche in time during 2019-20 to 2023-24. The State Government did not receive Central share estimated at ₹1,040 crore during 2023-24 due to the non-fulfilment of prescribed conditions. The State Government was liable to pay interest of ₹146.76 crore for delay in release of funds to the SEGF. Though the funds were available for clearing pending liabilities, the State Government did not clear the pending liabilities.

2.2.7.13 Recommendations

(i) ***The Department should conduct a comprehensive baseline survey to accurately assess the quantum and timing of labour demand and prepare a realistic documented annual plan.***

(ii) ***The State Government should formulate a holistic IEC strategy through a bottom-up approach and ensure the mandatory organisation of Rozgar Diwas every month to enhance awareness among beneficiaries.***

(iii) ***The Department should establish a dedicated HRD&CB Division and Unit, conduct training need assessments and implement capacity-building initiative for all stakeholders involved in scheme implementation.***

(iv) ***The State Government should ensure the timely release of funds to the SEGF to facilitate efficient utilisation and avoid accumulation of pending liabilities.***

(v) ***The Department should fix accountability for inadmissible expenditure, diversion of scheme funds and unauthorised utilisation and take appropriate corrective and disciplinary action against the concerned officers/ officials.***

(vi) ***The Department should ensure the transfer of at least two-third of the administrative funds to the Block level and below to strengthen field-level implementation.***

(vii) ***The Department should clear pending liabilities on priority in accordance with the instructions of the MoRD to ensure smooth execution of works and to sustain the employment generation of rural households.***

(viii) The Department should strictly adhere to the prescribed wage-material ratio to optimise person-day generation and ensure compliance with scheme guidelines.

2.2.8 Audit objective: Whether fair access to employment opportunities was achieved, as well as employment adequately generated, leading to social protection and livelihood security as envisaged?

2.2.8.1 Gap in projected, approved and generated person day

As per Paragraph 6.1.3 of the Operational Guidelines, the 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.

Scrutiny of the Labour Budget (LB) and MIS data revealed that against 1,425 lakh person days (PDs) approved by the GoI for the State for the period 2019-2024, only 1,092 lakh PDs (77 *per cent*) were actually generated, as detailed in **Table 2.2.7** and **Chart 2.2.5**.

Table 2.2.7: PDs proposed, approved and actual generation in the State during 2019-2024

(Figures in lakh)

Year	No. of PDs projected in LB	No. of PDs approved by GoI	No. of PDs Generated *(percentage)*	Shortfall in PDs against approved LB *(percentage)*
1	*2*	*3*	*4*	*5 (3-4)*
2019-20	578.11	260	234 *(90)*	26 *(10)*
2020-21	588.87	335	330 *(99)*	5 *(1)*
2021-22	589.03	330	303 *(92)*	27 *(8)*
2022-23	605.18	250	75 *(30)*	175 *(70)*
2023-24	610.20	250	150 *(60)*	100 *(40)*
Total	**2,971.39**	**1425**	**1,092 *(77)***	**333 *(23)***

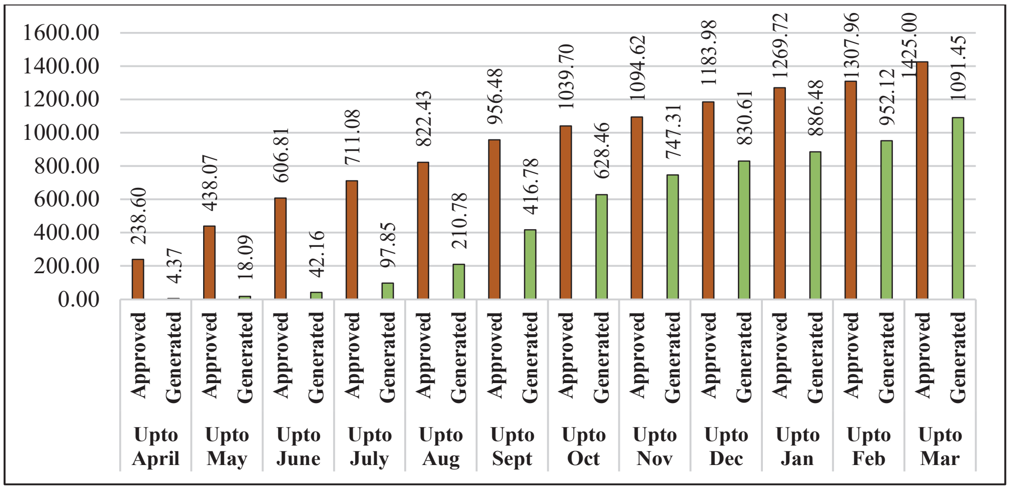
Source: MIS and Departmental data

As evident from **Table 2.2.7**, the shortfall between the approved PDs by MoRD and generated PDs ranged from 01 *per cent* (2020-21) to 70 *per cent* (2022-23) during the audit period. The total shortfall in PD generated against PD approved by MoRD is 333 lakh during 2019-2024. The short generation of PDs against approved PDs significantly impacted the objective of providing 100 days of wage employment to all eligible MGNREGS households.

An analysis of month-wise PD generation against the total PD approved during the period 2019-2024 revealed that generation of PD during the first six months (upto September) were very low (38.19 *per cent*), as shown in the **Chart 2.2.5**.

Chart 2.2.5: Month-wise mandays generated against approved during 2019-2024

(in lakh)



Source: MIS data

The low generation of PDs during the first half of the year *i.e.* upto September had a cascading effect on the submission of proposals for 2nd tranche of funds, as these could be submitted only after utilisation of 60 *per cent* (revised to 75 *per cent* from 2021-22) of the total available funds. Since the quantum of 2nd tranche release depends on the State's performance, low PD generation adversely affected the timely flow of funds and disrupted the regular income for livelihood of the rural workers.

The State Government stated (May 2025) that the gap between the approved and generated PDs is due to non-release of fund from the Finance Department, GoM. The reply of the State Government is not acceptable as the release of funds to the implementing agency is a core responsibility of the State Government to ensure continuity of employment under the scheme.

The fact remained that the short generation of PDs indicates inadequate planning, ineffective implementation and delayed utilisation of funds. The non-adherence to the bottom-up approach and the delay in release of adequate wage employment to rural households, defeating the core objective of MGNREGS.

2.2.8.2 Registration and issuance of Job Cards

As per Paragraph 3.1.2 of the Operational Guidelines, 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 GP and registration shall also be opened throughout the year at the GP office. As on the date of audit (December 2024), there are 6.09 lakh HHs registered in the State.

2.2.8.2.1 Door-to-door survey for registration of households (HHs)

As per Paragraph 3.1.1 of the Operational Guidelines, a door-to-door survey was to be conducted at GP level every year to identify eligible HHs who have been missed out and wish to be registered under the Act. The PO will lay down a schedule for this survey and ensure that all GPs in his/her charge have done this survey. During the survey, details of individual in the registered HHs should also be verified and compared with the details in the database in MIS for any corrections.

Audit observed that door-to-door survey were not conducted annually during the period 2019-2024 for the identification and registration of willing HHs in all the sampled GPs. The sampled GPs stated that door-to-door survey were conducted once in five years as instructed by DPC. However, documents for conduct of survey were not produced to audit.

The State Government stated (May 2025) that time to time survey was done at GP level. The reply of the State Government is not acceptable as the information furnished by the sampled GPs clearly confirmed that no door-to-door surveys were conducted during the period 2019-2024. The claim of periodic surveys made by the State Government lacks documentary evidence and contradicts the records maintained at the GP level.

The fact remained that the non-conduct of annual door-to-door surveys, as mandated under the Operational Guidelines, resulted in the exclusion of potentially eligible households from registration under the Act. This reflects inadequate monitoring and supervision by the POs and indicates non-compliance with the prescribed provisions.

2.2.8.2.2 Registration of Job Cards with incomplete information

As per Paragraph 3.1.2 of the Operational Guidelines, application for registration should contain names of those adult members of the HH who are willing to do unskilled manual work. The information of HH and individual details in MIS should *inter-alia* include bank account number, Electoral Photo Identity Card (EPIC) number, village name, Aadhaar number, Rashtriya Swastha Bima Yojana (RSBY) number, HH photographs *etc*. The application for registration is required to be verified by the concerned GP.

Scrutiny of data at MIS of the sampled districts revealed significant gaps in mandatory information *viz.* details of job card without bank account number, HH photos and worker's photo, as given in **Table 2.2.8.**

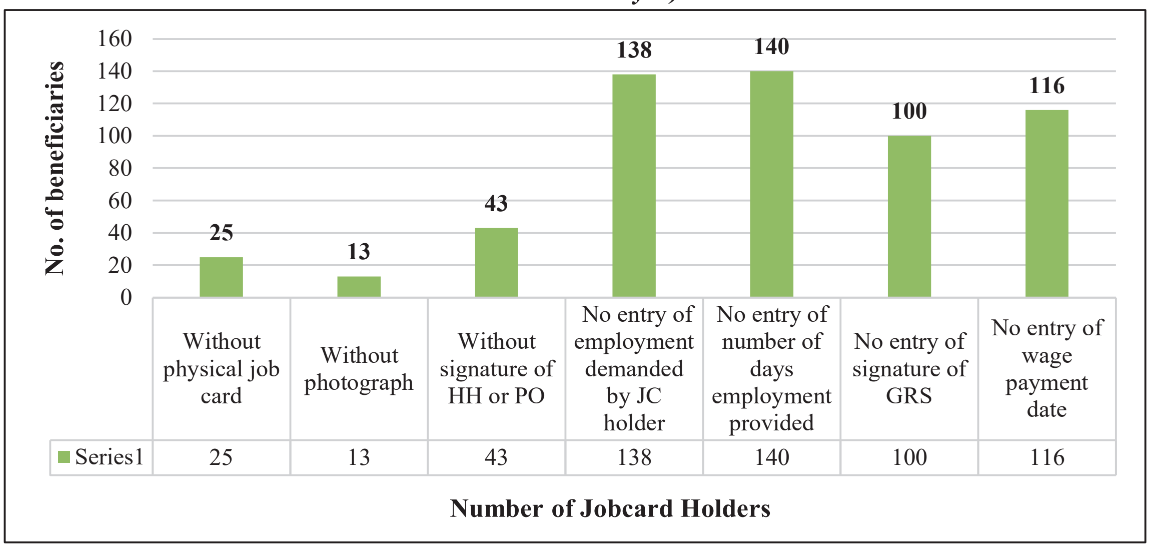
Table 2.2.8: Details of Job card without bank account number, HH and worker's photograph

Mandatory information parameters	State/ Sampled Districts			
	Bishnupur	Imphal East	Imphal West	State
No. of HH Registered	54,760	1,18,049	68,734	6,09,453
No. of Job cards (JCs) issued	54,746	1,17,177	68,477	6,07,330
No. Workers Registered	93,593	1,39,771	1,33,720	9,29,994
No. of Workers without bank Account number (in *per cent*)	19,558 (20.90)	7,488 (5.36)	42,354 (31.67)	1,80,364 (19.39)
No. of JC without HHs Photographs (in *per cent*)	18,052 (32.97)	31,386 (26.79)	15,677 (22.80)	1,16,218 (19.07)
No. of Workers without individual Photographs (in *per cent*)	64,295 (68.70)	57,136 (40.88)	1,16,771 (87.33)	7,32,897 (78.81)

Source: MIS data as of November 2024

It can be seen from **Table 2.2.8** that workers without bank accounts number ranged from 05 to 32 *per cent* across sampled districts while it was 19 *per cent* for the State. Job cards without HH photographs ranged from 23 to 33 *per cent* in the sampled districts and stood at 19 *per cent* at the State level. Workers without individual photographs ranged from 41 to 87 *per cent*, with the State average at a significantly high 79 *per cent* as of November 2024. Shortcomings noticed during the beneficiary survey are given in **Chart 2.2.6**.

Chart 2.2.6: Shortcomings noticed during Beneficiaries survey *(out of 242 beneficiaries surveyed)*



Source: Beneficiaries Survey

Chart 2.2.6 indicates that the GPs did not ensure complete and accurate registration of HHs. The absence of essential information such as bank account numbers, household photographs, and worker photographs points towards inadequate verification of applications by the GPs and lack of effective monitoring and supervision by the POs. Due to the omission by GPs in entering requisite information on job cards, the correctness and reliability of the MIS data could not be ensured by the Department.

The State Government stated (May 2025) that necessary instruction would be issued to all districts to strictly observe caution while registering the job cards. The reply is not acceptable as issuing instructions after the audit findings does not address the deficiencies in existing job card data. The fact, however, remained that the Department did not establish effective monitoring mechanisms, regularly verify the accuracy of MIS entries and ensure compliance with operational guidelines at the GP level.

The lack of complete information in job cards and the lack of assurance of data integrity highlights systemic weaknesses in registration processes, poor monitoring and ineffective supervision. Unless the Department undertakes a comprehensive verification drive to update incomplete job card details and strengthens its internal controls, the reliability of MIS data will remain compromised.

2.2.8.2.3 Delay in issue of Job card

As per Paragraph 3.1.2 of the Operational Guidelines, a HH having adult members desirous of seeking unskilled employment in MGNREGS may apply for registration. If a HH is found to be eligible for registration after verification, the GP will issue a JC to the HH within a fortnight of the application.

Audit scrutiny of the Registration-1[11] available at the MIS, revealed that out of 57,800 HHs registered till March 2024 in the sampled GPs, 17,238 (30 *per cent*) JCs were issued beyond the prescribed period of a fortnight of its application with delay ranging from 01 to 3,413 days ***(details are given in Appendix 2.7).*** This finding was further corroborated by the beneficiaries surveyed, wherein 62 *per cent* (151 out of 242) of the beneficiaries confirmed delays in receiving their job cards. The delay in issuing JCs effectively deprived rural unemployed adults of their statutory right to seek wage employment within the stipulated timeframe, thereby compromising one of the core objectives of the scheme.

The State Government stated (May 2025) that the delay in issuing job cards was due to technical issues in the MIS portal, shortage of staff and delays in verification process at the GP level. The State Government further stated that steps were being taken to solve these issues. The reply of the State Government confirms that the State Government did not put in place effective monitoring mechanisms to ensure compliance with the prescribed timelines.

Thus, the persistent delays in issuing job cards highlight ineffective supervision, inadequate planning and weak internal controls at multiple administrative levels. Unless the Department implements robust monitoring systems, strengthens manpower deployment and ensures timely verification of applications, the objective of providing time-bound wage employment under MGNREGS will remain unfulfilled.

2.2.8.2.4 Partial coverage of household of landless casual labourers

The MoRD, GoI issued (December 2016) directives that the State had to proactively reach out to landless manual casual labourers HHs as per data of Socio Economic Caste Census (SECC), 2011 and register those HHs who were missed out and willing to work under the Scheme.

Audit observed that out of 61,455 landless casual labourers in the State, 28,817[12] were located in the sample districts. Out of this, 12,860 (44.63 *per cent*) were surveyed and 68.69 *per cent* (68 out of 99 willing HHs) were issued job cards. The objective of covering all willing landless casual labourers and provide job cards to the willing HHs under the Scheme was not achieved, thus, depriving many vulnerable households of the opportunity to access wage employment. Further, non-completion of the survey limited the identification of additional HHs who are most vulnerable and in need of work.

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[11] Register for Job Card (JC) application, JC Registration, JC Issue and HH Employment Reports

[12] Bishnupur - 4,055, Imphal East - 16,126 and Imphal West - 8,636.

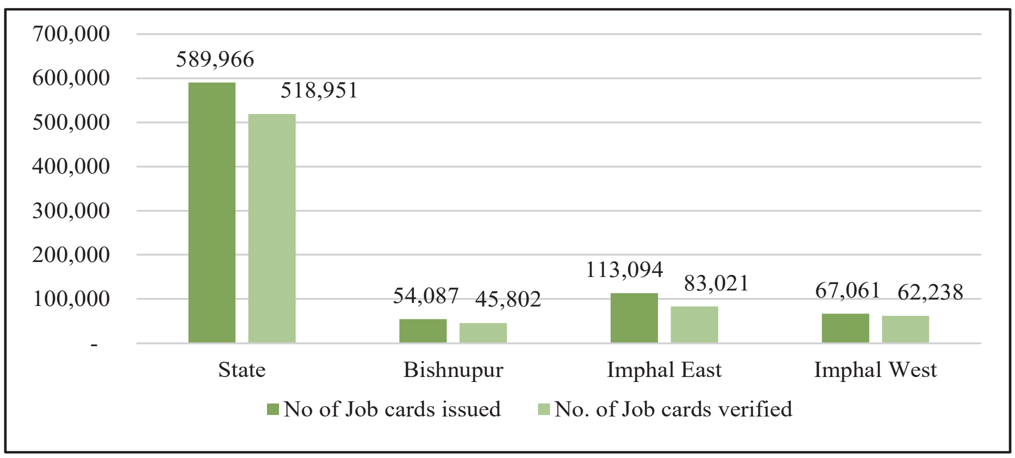
The State Government stated (May 2025) that audit comment was noted for necessary action and compliance. The reply of the State Government is silent about the reasons for incomplete coverage of eligible HHs and non-completion of surveys despite clear directives from MoRD. Also, the absence of a targeted outreach strategy and poor follow-up indicate weak planning, ineffective monitoring and inadequate supervision at the district and GP levels.

Thus, non-coverage of all willing landless casual labourer HHs under MGNREGS in a timely manner reflects systemic deficiencies in implementation and poor compliance with MoRD directives. Unless the Department completes the survey, identifies all uncovered eligible HHs and issues job cards to all willing applicants, the intended objective of extending wage employment to the most vulnerable sections of society will remain unachieved.

2.2.8.2.5 Updating and verification of Job card

As per Paragraph 3.1.5 of the Operational Guidelines, Job card was valid for a period of five years. GPs had to undertake an annual updating exercise in the same manner as for registration of HHs. The SEGC, Manipur directed (October 2021) all DPCs to complete 100 *per cent* Job card verification by 30 October 2021. The number of Job cards issued and verified in the State *vis-à-vis* sampled districts is shown in **Chart 2.2.7**.

Chart 2.2.7: Job card issued and verified in the State *vis-à-vis* sampled districts



Source: Departmental records

Audit observed that out of 5.90 lakh active job cards, 5.19 lakh (88 *per cent*) were verified and updated in the State as of March 2024. Similarly, in the sampled districts, out of 2.34 lakh active job cards, 1.91 lakh (82 *per cent*) were verified and updated as of March 2024. Further, out of job cards of 50,146 workers in the sampled GPs job cards of 12,452 workers were pending for verification as on the date of audit (December 2024).

The State Government stated (May 2025) that verification of job cards is an ongoing process and incomplete or wrong information in job cards are corrected from time to time. However, the fact remained that 100 *per cent* Job Card verification by October 2021, remained incomplete as of May 2025, despite sufficient time having elapsed.

Thus, the non-completion of timely verification and updating of Job Cards indicates weak monitoring and ineffective enforcement of the SEGC's directives at the GP and district levels. This not only compromises the accuracy of the MIS but also affects targeted implementation of MGNREGS benefits.

2.2.8.3 Shortfall in providing of 100 days employment to HHs

Paragraph 1.1 of the Operational Guidelines provides that at least 100 days of guaranteed wage employment in a financial year should be provided to every rural HHs whose adult members volunteer to do unskilled manual work. The details of HHs registered and demanded job *vis-à-vis* actually provided 100 days of job to HHs during 2019-2024 are shown in the **Table 2.2.9.**

Table 2.2.9: Shortfall in providing 100 days of employment to HHs during 2019-2024

Year	HHs registered under MGNREGS	HHs demanding job	HHs provided job	HHs provided 100 days job	*Percentage* of HHs provided 100 days job against demand
2019-20	5,73,316	5,47,419	5,45,572	856	*0.16*
2020-21	5,86,416	5,52,103	5,51,599	4,365	*0.79*
2021-22	5,95,555	5,61,370	5,61,206	1,859	*0.33*
2022-23	5,99,099	3,87,619	3,87,231	64	*0.02*
2023-24	6,09,374	5,10,115	5,09,825	276	*0.05*

Source: MIS data as of August 2024

Audit observed that during 2019-2024, 64 to 4,365 HHs (0.02 to 0.79 *per cent*) who demanded jobs were provided 100 days employment. The percentage of HHs receiving 100 days of employment declined sharply from 0.79 *per cent* in 2020-21 to 0.05 *per cent* in 2023-24. Thus, the primary objective of providing at least 100 days of guaranteed wage employment to willing rural HHs in a financial year was not achieved.

The State Government stated (May 2025) that the reason was due to non-release of fund in time from the Finance Department, GoM. The reply of the State Government is not acceptable as the release of funds to the implementing agency is a core responsibility of the State Government to ensure continuity of employment under the scheme. The State Government did not demonstrate any proactive measures taken to mitigate the impact of delayed fund releases, such as phased planning of works, re-prioritisation of projects or requesting additional central assistance. The persistent shortfall across five years indicates systemic deficiencies in fund flow management rather than a one-time funding issue.

Thus, the shortfall in provision of 100 days of wage employment to the majority of HHs that demanded work during 2019-2024 reflects ineffective implementation of MGNREGS in the State. Unless the State Government ensures - timely release of funds, better planning & monitoring and strict adherence to operational guidelines, the scheme will continue to fall short of its mandate of guaranteeing employment and improving rural livelihoods.

2.2.8.4 Employment provided to the differently abled persons

Paragraph 9.3.9 of the Operational Guidelines 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 household. Paragraph 9.2.2 of the guidelines *ibid* states that each State Government should designate one officer in each district as a Co-ordinator (Vulnerable Groups) who will look after the needs and requirements of the special categories and create enabling conditions for their inclusion in MGNREGA works.

Audit observed that in the State, no Coordinator (Vulnerable Groups) was designated in any district and no special drive was undertaken by the Department to identify and include differently abled persons in MGNREGA works.

Audit scrutiny of MIS data revealed that in the State, the differently abled persons registered ranged between 3,107 and 4,331 during the period 2019-2024 and the percentage of employment provided to them remained significantly low, ranging from 41 to 60 *per cent* in the same period, as detailed in **Table 2.2.10**.

Table 2.2.10: Provision of employment to differently abled persons during 2019-2024 (State level)

Year	No. of Disabled persons registered	No. of Disabled persons employed in the FY	*Percentage*	PDs generated in the FY	Average PDs generated
2019-20	3,913	1,854	*47*	70,155	38
2020-21	4,185	1,987	*47*	1,01,547	51
2021-22	4,331	2,140	*49*	1,14,268	53
2022-23	3,261	1,341	*41*	24,876	19
2023-24	3,107	1,879	*60*	62,604	33

Source: MIS data

It can be seen from **Table 2.2.10**, the percentage of differently abled persons employed remained below the mandated target of 100 days of wage employment. The average PDs generated per differently abled worker ranged between 19 and 53 days, indicating significant underutilisation of the employment guarantee. The lack of special drives and absence of a dedicated Co-ordinator adversely impacted the participation of differently abled persons in MGNREGA works.

The State Government stated (May 2025) that employments are provided to differently abled persons. The reply of the State Government is not acceptable as can be seen from the table above, the percentage of employment and average PDs generated for differently abled persons remained low.

Thus, due to the inadequate initiatives of the State Government and non-compliance with the Operational Guidelines, a large number of differently abled persons could not access the guaranteed 100 days of wage employment under MGNREGA during 2019-2024.

2.2.8.5 Low provision of employment to the Internally Displaced Persons

Paragraph 9.8.1 of the Operational Guidelines stipulates that the DPC concerned has to issue a special Job Card to Internally Displaced Persons (IDPs), the validity of which would be lost as soon as the IDPs return to their original place of residence.

Audit scrutiny revealed that Special JC were issued to 4,607[13] number of IDP HHs in sampled districts. However, the DPCs could provide wage employment to only 65 *per cent* of the Special JC holders in the sampled districts during the audit period.

Thus, the DPCs did not ensure provision of mandated livelihood security to the conflict affected vulnerable groups (IDPs) who had lost their houses, properties and means of livelihood due to conflict.

2.2.8.6 Non-coverage of workers under Social Security Scheme

Paragraph 8.9 of Operational Guidelines provides that MGNREGA workers are to be covered under the Janashree Bima Yojana (JBY) implemented by the Ministry of Finance which provides life coverage and disability benefits to rural people. Rashtriya Swasthya Bima Yojana (RSBY) has been extended to all MGNREGA workers/ beneficiaries who have worked for more than 15 days in the preceding financial year. DPCs and POs are required to make workers aware of these schemes.

The other schemes such as Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM) Pension Scheme envisaged minimum pension of ₹3,000 after 60 years.

As per directions of the Ministry (November 2021), State Government were to mobilise the PRIs and its officials for significant rise in the enrolment with e-SHRAM portal as well as Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PM-JAY).

Audit observed that during the period 2019-2024, neither the State Government nor the PRI officials undertook any significant IEC initiatives to spread awareness among MGNREGA workers about these social security schemes. Hence, a large number of eligible workers were not enrolled and therefore, could not avail themselves of the benefits envisaged under these schemes.

Thus, as the State did not enrol MGNREGS workers into the social security scheme, the benefits provided by the Schemes could not be availed.

While accepting the audit observation, the State Government stated that the Department would take necessary steps for compliance.

The fact remained that the State Government did not adequately promote and facilitate the enrolment of MGNREGA workers under the available social security schemes, which defeated the objective of extending financial, health and pension benefits to rural HHs. Effective IEC measures and better

[13] Imphal East – 1,306; Imphal West – 586; and Bishnupur – 2,715.

institutional coordination are required to ensure that all eligible workers are covered under these welfare schemes.

2.2.8.7 Unauthorised deduction and non-refund of insurance premium to workers

As per the instruction (December 2009) of the State Government, health insurance was to be provided to the BPL Job Card Holders (JCHs) subject to a maximum premium of ₹750 *per annum* per family to be borne by the central and state government in the ratio of 90:10.

Audit, however, observed that the DPC, Bishnupur unauthorisedly deducted an amount of ₹2.72[14] crore from the wages of JCHs during April 2010 to March 2011. The deducted amount was paid to Sunlife Insurance Company (Insurer) towards the premium for providing health insurance to 66,763 JCH.

It was also observed that the actual premium cost for insurance policies for 66,763 JCHs was only ₹1.02 crore. As such, the Insurer refunded (March 2014) the excess amount of ₹1.69 crore[15] to the DPC. Details are given in **Table 2.2.11**.

Table 2.2.11: Details of insurance premium, payments and refunds

Particulars	1st phase	2nd phase	Total
Total number of policies issued	31,169	35,594	66,763
Total cost of policies (in ₹)	14,65,674	88,32,821	1,02,98,495
Amount deposited to the Insurer	16,00,000	2,56,07,227	2,72,07,227
Un-utilised amount	1,34,326	1,67,74,406	1,69,08,732
Refunded amount by the Insurer[16]	-	-	1,68,96,157

Source: Departmental records

Since the funds were deducted from the wages of JCHs, it should have been refunded to the respective JCHs. However, as of March 2023, out of the total un-utilised refunded amount of ₹1.69 crore, an amount of ₹0.94 crore only had been refunded to 20,657 JCHs. The remaining amount of ₹0.75 crore was unauthorisedly retained in the MGNREGS account of the DPC, Bishnupur as of March 2024.

Moreover, the audit could not ascertain the position of subsequent payment of policy premium, status of the policy (either active or lapsed) and amount of bank interest accrued, so far, from the deposited amount as the relevant documents or reasons were not furnished by the DPC.

The State Government stated (May 2025) that the remaining policy holders/ Job Card holders could not be found by the office and proposed to deposit to the SEGF in consultation with the Finance Department, GoM. The reply of the State Government is not acceptable as it neither safeguards the financial interests of MGNREGA workers nor ensures compliance with the prescribed guidelines. Moreover, the reply is silent on the interest earned on the refunded amount

[14] ₹16,00,000 (from 31,169 JCHs in Phase I) + ₹2,56,07,227 (from 35,594 JCHs in Phase-II)
[15] ₹2.72 crore - ₹1.02 crore
[16] ₹1,67,61,831(DD No. 725102 dated 05.03.2014) + ₹1,34,327 (and DD No. 725103 dated 05 March 2014)

retained in the MGNREGS account and whether such interest would also be passed on to the beneficiaries. Further, the State Government did not furnish any action plan or timeline for identifying the beneficiaries and completing the refund process.

The unauthorised deduction of insurance premiums from workers' wages and the non-refund of the amount to the concerned Job Card Holders indicate serious lapses in financial management and non-compliance with government instructions. Although the State Government stated (May 2025) that the unrefunded amount would be deposited into the SEGF after consultation with the Finance Department, no timelines were provided and no assurance was given regarding safeguarding workers' interests. This reflects inadequate follow-up and ineffective monitoring, resulting in financial hardship to MGNREGA workers and compromising the intended objective of extending social security benefits to vulnerable rural HHs.

2.2.8.8 Payment without execution of works - ₹94.76 lakh

As per Paragraph 7.13.1 of Operational Guidelines**,** all measurements of work done shall be recorded in the Measurement Book (MB) duly authorised and issued by competent authority. Paragraphs 7.13.2 and 7.13.3 states that weekly measurement of works should be undertaken by measurement officers (Technical Assistants/ Junior Engineers). All measurements should be captured task-wise so that nothing remains invisible and underpaid. Paragraph 7.13.5 also states that checking of measurement recorded by TA/ Junior Engineer by an authority higher than the measurement officer is crucial for effective monitoring and ensuring quality of MGNREGS works. Appropriate check measurement norms have to be adopted by States to ensure creation of quality assets.

Further, as per SOP 5/20 of the CPWD Manual 2019, payments to contractors and others for the work done or other services rendered are made on the basis of measurements recorded in the MB. These books are considered as very important records and maintained carefully and accurately as these may be produced as evidence in a court of law, if and when required.

In the Report of the C&AG of India, for the year ending March 2012, GoM, featuring PA on implementation of MGNREGS, PAC recommended that the department fix the responsibility to the erring official for making payment without execution of the works and strictly monitor the financial management system of the Department.

Scrutiny of work files and JPV of 192 sampled works in the three sampled districts revealed that payments amounting to ₹94.76 lakh were incurred without actually executing the works, as detailed below:

(i) In five sampled works, excavation of extra earthwork beyond the scope of original works were included in the estimates and recorded as executed in the MBs at a cost of ₹13.19 lakh. However, during JPV the extra excavations of earthwork were not found at the worksite. The village representatives were also not aware of the extra earthwork excavation components. Details are shown in ***Appendix 2.8***.

(ii) In respect of seven[17] sampled works, though earth excavation were recorded as executed at a cost of ₹49.47 lakh, the photographs of 'during execution' attached in the work file revealed that no earth excavation was seen executed at the worksite except surface dressing/ removal of vegetation over the already existing irrigation canal (pre-execution photograph), indicating that payment was made without execution. List of works are shown in ***Appendix 2.9***.

(iii) In one work 'Renovation of public pond at Wangoo Ahallup at Ward No. 9[18]', excavation of earthwork for pond estimating to ₹11.89 lakh was not found to have been executed as the existing pond was filled with water during execution of work as shown in the photographs below:

Before execution of work

During execution of work

(iv) In one work[19] at Wangoo Terakhong GP, component of retaining wall (RR masonry with hard stone) of 62 m in length (valuing ₹6.19 lakh) included in the Hill cutting work and recorded in the MB as executed was not found at the worksite during JPV. The village representative was unaware of the retaining wall component.

(v) In two works, one at Leirenjam Meijrao GP[20] and another at Phoubakchao Sekmaijin GP[21], banking of excavated earth was included in the estimate and recorded in the MBs as executed valuing ₹5.61 lakh, was not found at the worksite during JPV other than the levelling of excavated earth which was already included in the excavation item of the estimate.

(vi) In one work at Pukhao GP[22], dimension of the pond was found only 300m^3 (15m × 5m × 4m) against the size in the estimate *i.e.* 7,696 m^3

[17] Two works at Haraorou Tangkham GP, one work at Ngangkhalawai GP, three works at Moirangkhunou GP and one work at Khoijuman Kwashiphai GP.

[18] Work code: 2006004011/WC/48973 (2022-23).

[19] Hill cutting with R/w and earth filling from Kh. Muhindro to Tomboi Meisnam lock taba (RC/GIS/15288)(2021-22).

[20] C/o Laishram khong with culvert ward No.11(2007007009/IC/38220) (2019-20)

[21] C/o cement concrete road at water supply leirak ward No. 4 (2007007003/RC/33002) (2019-20)

[22] C/o public pond at Khewa Phurju Makha Leikai near Anganwadi centre (2009005009/WC/43325) (2020-21).

(52m × 37m × 4m), thereby resulted in short execution of volume by 7,396 m^3 amounting ₹8.41 lakh (7,396 m^3@ ₹113.699).

The DPCs stated that at the instance of audit, the short executions of works were re-executed as per the estimate. The reply of the DPCs further corroborates the audit observation that payments were made without actual execution of works, as the Department had to re-execute the shortfall only after audit intervention. This clearly indicates serious lapses in monitoring, verification and internal control mechanisms. Moreover, the reply is silent about the action taken on the recommendations made by the State PAC.

Had these instances not been highlighted by audit, such irregularities would have remained undetected, leading to potential financial mismanagement and non-creation of intended assets. The Department did not institute robust pre-payment verification, strict check measurement protocols and did not comply with the recommendations of the State PAC by fixing the accountability on the responsible officers/ officials for authorising payments without ensuring actual execution.

2.2.8.9 Non-payment of compensation for delayed payments

As per Paragraph 29 of Schedule II of the Act, disbursement of wages is to be made within 15 days from the date of work done otherwise the workers are entitled to receive compensation, @ 0.05 *per cent* of the unpaid wages per day for the duration of the delay beyond the 15th day of the closure of the Muster Roll (MR).

Each PO shall decide whether the compensation calculated by the NREGA Soft is payable or not within 15 days of compensation becoming due. The State Government shall be responsible for operationalising a system for payment of compensation for delayed wage payments.

Audit observed that during 2019-2024 an amount of ₹240.42 crore was outstanding for making payment as compensation for delayed payment of wages in the State level, including ₹107.35 crore in the sampled districts. Details are given in **Table 2.2.12**.

Table 2.2.12: Status of Pending compensation for delayed payment of wages during 2019-2024

(₹ in crore)

State/ District	Delayed Compensation				Amount yet to be verified	Rejection reason (in PDs)				Total rejected days	Delayed compensa-tion Paid	Payment due
	Payable		Approved									
	Days*	Amount	Days*	Amount		Insuffi-cient fund	Natural calamities	Compensa-tion not due	Other			
Imphal East	59.72	55.58	0	0	18.58	11.00	0.01	27.28	0	38.29	0	0
Imphal West	28.80	27.97	0	0	0.06	22.82	3.29	2.64	0	28.75	0	0
Bishnupur	50.75	23.80	0	0	2.59	3.42	0.24	41.13	0	44.79	0	0
Sub-Total	***139.27***	***107.35***	***0***	***0***	***21.23***	***37.24***	***3.53***	***71.05***	***0***	***111.82***	***0***	***0***
State	**314.09**	**240.42**	**0.01**	**0.02**	**49.51**	**68.04**	**3.74**	**178.28**	**0**	**250.06**	**0**	**0.02**

*Source: MIS data * Days in crore.*

It can be seen from **Table 2.2.12**, out of delayed compensation payable of ₹240.42 crore in the State, ₹0.02 crore was approved and ₹49.51 crore was yet to be verified. However, the State Government did not pay the compensation payable. Out of total 314.09 crore days payable during 2019-2024, the POs rejected 79.61 *per cent* (250.06 crore days) on the ground of insufficient fund (27.21 *per cent*), natural calamities (1.50 *per cent*) and compensation not due (71.29 *per cent*). The reason of 'insufficient fund' is not acceptable as there are fund available in the SEGF as could be seen from **Tables 2.2.2 and 2.2.5**. Further, reasons such as 'natural calamities' and 'compensation not due' were also not acceptable as there were no documented records in support of these statement at the offices of the POs and at the MIS.

The MoRD had instructed GoM to approve all delayed compensation and pay promptly. Further, the Hon'ble Supreme Court of India in the Writ Petition 'Swaraj *Vs* Union of India & Ors' ordered (March 2017) the GoI to focus on the delay in payment of wages as well as the delay in payment of interest and compensation to the workers. Despite the MoRD and Hon'ble Supreme Court directions, the GoM did not pay compensation for delayed payment of wages.

During beneficiary survey, out of 242 beneficiaries surveyed, 236 (98 *per cent*) beneficiaries reported non-receipt of wages within the prescribed limit of 15 days from the date of completion of work, which was further validated through entries in their Job cards.

In the Exit Conference, the State Government stated (May 2025) that the matter was noted for necessary action. The reply is not acceptable as it did not specify any action plan/ timeline or mechanism to clear the pending compensation. Further, no assurance was given regarding verification of rejected claims, nor was there any roadmap for compliance with MoRD and Hon'ble Supreme Court directions.

Thus, the non-compliance with provisions relating to timely payment of compensation for delayed wages violates the provisions of MGNREGA Act, MoRD guidelines and Supreme Court directives. This adversely affects workers' livelihood and reflects systemic lapses in monitoring, fund management and grievance redressal mechanisms.

2.2.8.10 Non-providing of Unemployment Allowance

Section 7 of the Act provides that if an applicant for employment under the Scheme is not provided such employment within 15 days of receipt of his/ her application seeking employment, he/ she shall be entitled to a daily unemployment allowance. Every payment of unemployment allowance shall be made not later than 15 days from the date on which it became due for payment.

Section 8 of the MGNREG Act states that every case of non-payment or delayed payment of unemployment allowance shall be reported in the annual report submitted by the DPC to the State Government along with reasons for it. State Government shall frame Rules governing the procedure and make necessary budgetary provision for payment of Unemployment Allowance.

Audit observed that in the sampled blocks, unemployment allowances of ₹69.73 lakh was not extended to 6,074 HHs though they had demanded the work during 2019-2024, as shown in **Table 2.2.13**.

Table 2.2.13: Unemployment allowance not paid to in the sampled block during 2019-2024

(Amount in ₹)

Year	Imphal East I		Heingang		Patsoi		Imphal West II		Bishnupur		Moirang	
	HH	Amount	HH	Amount	HH	Amount	HH	Amount	HH	Amount	HH	Amount
2019-20	96	80,154	223	1,14,975	10	1,753	18	18,396	153	3,15,032	35	16,206
2020-21	334	2,92,859	11	12,733	167	60,928	195	2,10,630	768	12,53,189	64	79,254
2021-22	109	2,20,253	183	1,27,508	117	3,01,702	8	19,704	132	2,61,292	7	16,315
2022-23	5	2,259	40	30,622	354	6,57,620	43	26,104	0	0	8	2,887
2023-24	1,027	9,31,320	639	6,19,580	457	5,70,700	198	2,83,140	75	54,600	598	3,91,040
Total	**1,571**	**15,26,845**	**1,096**	**9,05,418**	**1,105**	**15,92,703**	**462**	**5,57,974**	**1,128**	**18,84,113**	**712**	**5,05,702**

Source: MIS data

Audit also observed that the State Government framed Rules (May 2021) for governing the procedure for payment of Unemployment Allowance, but no budgetary provision was made for its payment.

In the sampled districts and blocks, the POs and DPCs did not report the cases of non-payment of unemployment allowance to the State Government, as required under Section 8 of the Act.

Thus, the State Government not only deprived the timely provision of employment but also deprived the unemployment allowance of the wage seekers. Further, not reporting the matter by the PO and DPC to the State Government indicates the lack of seriousness on the part of the officials. Responsibility may be fixed to the responsible official/officer for not reporting the matter to the State Government.

The State Government stated (May 2025) that no unemployment allowances were reported in the MIS. But in the year 2024-25, an amount of ₹3,050 in Imphal West was reflected in MIS where the DPC was instructed for necessary action. All the DC/ DPCs/ POs would be directed to report any cases of unemployment allowances to the State Government. However, the reply is not acceptable as the data was sourced from the MIS, which clearly reflects the non-payment of unemployment allowance during 2019-2024.

2.2.8.11 Timely payment of wages

2.2.8.11.1 Delay in payment of wages

Scrutiny of MIS data revealed that during 2019-2024 wage payment at the State level was made with delays ranging from 83 to 99 *per cent* as detailed in **Table 2.2.14**.

Table 2.2.14: Delay in payment of wages (State level) during 2019-2024

(₹ in lakh)

Year	Total wage Payment	Payment of wages with delay of				Total Delayed payment	Percentage of delays
		1 to 15 days	16 to 45 days	46 to 75 days	More than 75 days		
2019-20	50,796.65	2,491.65	4,259.65	5,853.85	33,933.43	46,538.58	*92*
2020-21	77,535.52	1,729.94	2,912.72	4,236.87	60,992.62	69,872.15	*90*
2021-22	68,743.44	107.38	562.66	881.92	66,209.72	6,7761.68	*99*
2022-23	18,383.93	1,970.03	3,218.81	1,444.83	8,704.52	15,338.19	*83*
2023-24	34,357.48	4,121.59	2,660.90	2,756.83	19,469.81	29,009.13	*84*

Source: MIS data

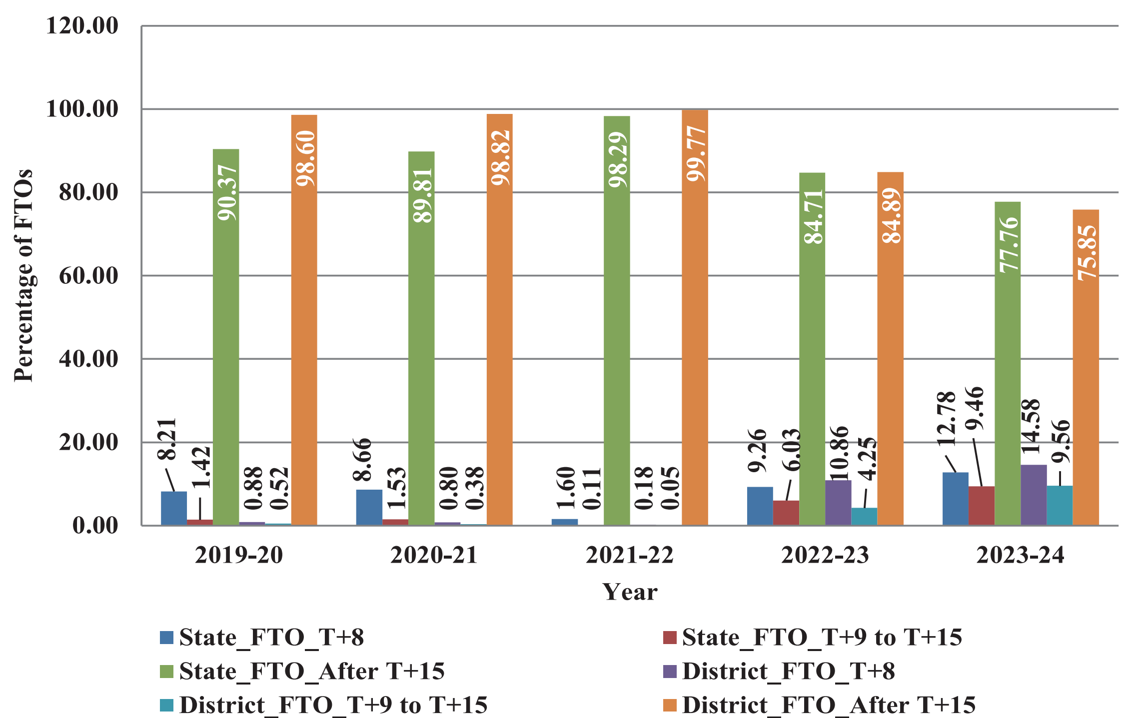
In the sampled districts, out of total wage payment of ₹955.35 crore during 2019-2024, wages amounting to ₹932.19 crore (98 *per cent*) were paid with delays (***Appendix 2.10***). Audit observed that the reason for delay in payment was mainly due to delay in release of fund by the Finance Department, GoM, rejection of Fund Transfer Orders (FTOs) in large numbers and delay in regeneration of rejected FTOs.

The State Government stated (May 2025) that no delay in payment of wages is reported. The reply is not acceptable as MIS data and verified job cards of the beneficiaries surveyed clearly established significant delays in wage payments. Therefore, the Department's claim was factually incorrect.

2.2.8.11.2 Delay in generation of FTOs

As per instruction of MoRD, FTOs are to be generated within eight days of closure of MR for timely payment of wages. This includes filling of attendance (T+2 days), measurement of work (T+5 days), generation of wage list (T+6 days) where T refers to the date of closure of MR. Audit noticed that there were considerable delays in the generation of FTOs in the State and sampled districts as shown in **Chart 2.2.8.**

Chart 2.2.8: Delay in Generation of FTOs (2019-2024)



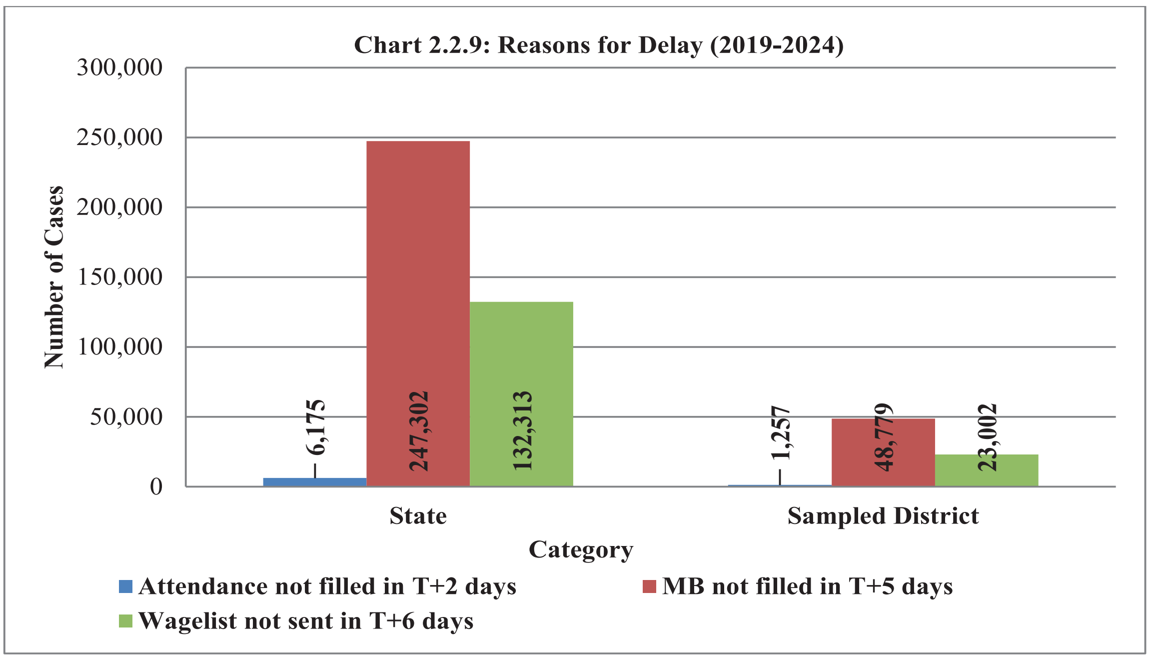
Source: MIS data

It can be seen from the **Chart 2.2.8** above that, during the period 2019-20 to 2023-24:

- The majority of FTOs were generated after 15 days of closure of MRs. The trend is visible at both state level (78 to 98 *per cent*) and sampled districts level (76 to 99 *per cent*).

- The percentage of FTOs generated within the prescribed T+8 days remained extremely low.
- There was some improvement in timely FTO generation in the last two years, particularly in sampled districts (increased by 10 to 15 *per cent*). However, even then, more than three-fourths of FTOs were delayed beyond 15 days.
- The consistently high proportion of delayed generation of the FTOs indicates that the delays were not just isolated lapses but rather indicated towards the systemic and monitoring deficiencies.
- The NREGASoft had a built-in provision for generating reports[23] to track the timeliness of wage payments. However, POs and DPCs did not effectively monitor the system-generated alerts and take corrective measures. Thus, workers faced avoidable delays in wage disbursement.

Further scrutiny showed that the delays in generation of FTOs were due to delay in filling/ to update key records such as attendance, Measurement Book (MB) and generation of wage list as shown in the **Chart 2.2.9.**



Source: MIS data

It can be seen from **Chart 2.2.9** above that-

- The largest cause of delay was non-entry of MBs within T+5 days. At the State level, 2.47 lakh and the sampled district level, 0.48 lakh cases were delayed due to MBs, compared to only a few thousand for attendance not filled in T+2 days.
- The secondary cause of delay was due to wage lists not sent within T+6 days. At the district level 23,002 cases against 1.32 lakh cases at the state level.

[23] R-4.1 (MR issued *vs* MR filled), R-14.3 (stage wise pendency of MR), R-14.2 (list of MR pending beyond T+15 days), R-8.1.1 (FTOs pending for signing by 2^{nd} Signatory)

- The data shows that field-level execution deficiencies (MBs and wage lists), rather than attendance marking, were the main reasons of delays in FTO generation.

The State Government stated (May 2025) that DPCs had been instructed to strictly generate FTO within the given timeline *i.e.* within five days of closure of MR. The reply is not acceptable as despite repeated instructions, delays persisted over multiple years, with more than three-fourths of FTOs being generated after 15 days of MR closure. Issuing instructions without establishing an effective monitoring and accountability mechanism has not improved timeliness. Unless strict compliance is enforced through periodic review, fixing of responsibility, and leveraging NREGASoft's real-time reports, rural HHs workers will continue to suffer delays in receiving wages.

2.2.8.11.3 Delays in recording the measurement of works

Paragraph 7.13.2 of the Operational Guidelines provided that weekly measurement of works was to be undertaken by the competent technical personnel within three days of closure of the Muster Roll.

Audit scrutiny revealed that out of the 192 sampled works, there were delays of one to 30 days in recording the measurement in 17 works. This resulted in delay in generation of FTOs which ultimately caused delay in payment of wages.

Further, out of 192 sampled works, no MB was maintained for 24 works and incomplete entries were made in MBs of nine works. Thus, in the absence of the systematic monitoring mechanism the lapses were observed repeatedly, resulting in delays in wage payments.

The State Government stated (May 2025) that any delay from the field officials would be looked into so that there is no delay in measurement of works and payment to workers. The reply of the State Government is not acceptable due to the fact that, despite repeated instructions, delays continued over multiple years, with more than three-fourths of FTOs being generated after 15 days of MR closure. Issuing instructions without establishing an effective monitoring and accountability mechanism has not improved timeliness. Unless strict compliance is enforced through periodic review, fixing of responsibility, and leveraging NREGASoft's real-time reports, workers will continue to suffer delays in receiving wages.

2.2.8.11.4 Non-payment of wages due to non-generation of rejected FTOs

Paragraph 2.2.1 of the Operational Guidelines provided for proactive role of PO in opening of bank accounts of workers and linking it with their job cards after verification to ensure prompt payment to the right beneficiaries. Regeneration of rejected transaction should be done in a time bound manner. The MoRD directed the state to ensure regeneration of all rejected transactions within two days of the response on NREGASoft.

Audit observed that during 2019-24 out of 2.79 lakh rejected transactions involving ₹44.26 crore at the State level, 2.56 lakh transactions involving

₹40.46 crore were regenerated successfully. However, 3,993 transactions involving ₹54.18 lakh were pending for regeneration at the PO level while 19,159 regenerated transactions involving ₹3.26 crore were pending at bank level. The oldest being in 2019-20 with four transactions pending at PO level and 619 transactions pending at bank level, involving ₹10.53 lakh pending together at PO and bank level.

In the sampled districts, FTOs for wages amounting to ₹18.48 crore involving 1.25 lakh transactions were rejected during 2019-2024. Audit observed that out of 1.25 lakh, the oldest rejected transaction was for the year 2019-20 (34,924) due to closure of account, non-existence of account, account blocked/ frozen, Aadhaar de-seeding from National Payment Corporation of India (NPCI) mapper by bank.

The State Government stated (May 2025) that instruction would be given to all districts to ensure regeneration of rejected transactions after clarifying/ verifying the cause of rejected transactions.

The fact, however, remained that despite MoRD's directives, a large number of transactions were pending for over four years, leading to prolonged non-payment of wages to workers.

2.2.8.12 Direct Benefit Transfer (DBT)

2.2.8.12.1 Incomplete conversion to Aadhaar Based Payment System (ABPS)

As per Paragraph 14.6 of the Annual Master Circular, the PO had to ensure that verified Aadhaar were seeded for all active workers both in the bank core baseline banking system and in the National Payment Corporation of India (NPCI) mapper and 100 *per cent* payment through Aadhar Based Payment System (ABPS) was ensured.

Audit noticed that out of 6.85 lakh active workers under the scheme, accounts of 1.24 lakh (18.70 *per cent*) active workers were not converted into ABPS. Further, in the sampled districts, the percentage of non-conversion of active workers into ABPS ranged from 12 to 14 *per cent.* Thus, due to non-conversion of accounts into ABPS, 1.24 lakh workers were denied the rights either to wage employment or timely receipt of wages.

Audit further observed that during 2019-2024, out of 1,178 transactions pending for regeneration in the sampled Blocks, 380 (32.26 *per cent*) transactions were rejected due to non-seeding of Aadhaar in the bank and NPCI mapper.

Moreover, 17,107 joint bank accounts of active HHs in the State were not converted into individual accounts upto March 2024, which was required for Aadhaar seeding and DBT payments.

Thus, the Department did not ensure that all the active workers were paid through the ABPS. Had all the payments to the workers been converted into ABPS, the delay in wage payments could have been avoided. Further, transparency would be there if accounts of workers were mapped with Aadhaar.

The State Government stated (May 2025) that it is an ongoing process and likely to be completed soon. The reply of the State Government is not acceptable as treating Aadhaar-based payment conversion as an "ongoing process" is not justified, since the issue has persisted over multiple years despite clear guidelines. As of March 2024, workers' accounts were not converted into ABPS, transactions were rejected due to non-seeding of Aadhaar and joint accounts were still not shifted to individual accounts. This reflects inadequate monitoring and lack of accountability at both State and district levels. Unless the Department enforces time-bound conversion of all active workers into ABPS with proper seeding in banks and NPCI mapper, wage delays and payment rejections will continue, defeating the purpose of DBT and transparency in MGNREGS.

2.2.8.13 Irregularities in procurement of material

2.2.8.13.1 Procurement of material without inviting Tender.

As per Paragraph 7.1.7 of Annual Master Circular, while procuring material, principles indicated in the General Financial Rules (GFR) or the State Financial Rules should be scrupulously followed and all related records should be kept for scrutiny by any authority. For items to be used across the block, requirements from each GP for the financial year can be aggregated at the block level. The BDO shall call a tender for such aggregated items and approve the vendors along with rates from which the GPs may procure the material at approved rates. The States can also procure such aggregated items either at the District or the State level after approval of the Principal Secretary in charge of MGNREGS.

The specifications in terms of quality, quantity, type *etc*. of goods to be procured, should be clearly spelt out while making supply order to the supplier. Offers should be invited following a fair, transparent and reasonable procedure.

Scrutiny of MIS data showed that in the six sampled blocks an amount of ₹290.68[24] crore was incurred on procurement of goods for execution of work. However, scrutiny of the records at the sampled Blocks and GPs revealed that the BDOs neither called tender for aggregated item nor for item for each work. Further, supply orders did not mention the specification of the required materials to be procured and delivery schedules. Thus, the manner of selection of suppliers, communication made for supply of material and receiving of material in full could not be ascertained by audit.

The State Government stated (May 2025) that all the DPCs shall be instructed and ensured that all procurement processes are in conformity with the applicable financial rules.

[24] (i) Sawombung – ₹62.43 crore, (ii) Heingang - ₹79.46 crore, (iii) Patsoi - ₹52.28 crore, (iv) Wangoi - ₹18.66 crore, (v) Bishnupur - ₹37.90 crore, (vi) Moirang - ₹39.95 crore.

The fact, however, remained that the procurement of materials was carried out in violation of the prescribed tendering procedures, resulting in a lack of transparency and the possibility of financial irregularities cannot not be ruled out.

2.2.8.13.2 E-procurement

As per Rule 149 of GFR and instruction of Finance Department, GoM (September 2017), the e-procurement of goods and services is mandatory for goods and services available on Government e-Marketplace (GeM). For goods not available at GeM, Local Purchase Committee (LPC) shall be formed for goods/ services costing ₹25,000 to ₹2.50 lakh and Limited Tender Enquiry and Advertised Tender Enquiry for purchase up to ₹25.00 lakh and above ₹25.00 lakh respectively.

In the Report of Comptroller and Auditor General of India (CAG), for the year ending 31 March 2012, GoM featuring PA on implementation of MGNREGS, PAC recommended the DPCs of Imphal East and Tamenglong to frame a policy and to maintain stock register.

Audit, however, observed that no policy was framed by the DPCs as per the recommendations of the State PAC. Further, scrutiny of records revealed that:

- During the period 2019-2024, DPC and ZP Imphal West procured goods and services valued between ₹2.50 lakh and ₹24.21 lakh amounting to ₹4.36 crore. The procurement was made directly from the market by utilising the administrative fund of MGNREGS bypassing GeM without forming Local Purchase Committee (LPC) and without inviting tenders, in violation of GFR and instructions of the Finance Department.
- In the SLMC, Imphal East and Bishnupur DPCs and sampled Blocks, the procurements of the goods and services were carried out directly from the market without utilising GeM, without inviting Limited Tender/ Advertised Tender Enquiry. Audit further observed in some instances, their composition did not comply with the prescribed norms.

Thus, due to non-invitation of open tender and non-procurement through GeM, the fairness and justification of the rate could not be verified.

The State Government stated (May 2025) that all the DPCs would be instructed and ensured that all procurement of goods and services would be made in conformity with the applicable financial rules.

The fact, however, remained that the State Government did not comply with the recommendations of the PAC and did not frame and enforce procurement policies, which resulted in violations of financial provisions and lacked transparency.

2.2.8.14 Conclusion

There was a significant gap between PDs projected, approved and generated, indicating poor planning and execution. The number of HH provided 100 days guaranteed wage was very low ranging from 0.02 to 0.79 *per cent* of HHs. The steps taken up to register and issue Job card to the HH lack seriousness on the part of the GPs and Job cards issued do not contain basic information.

There were lapses on the execution of works violating the Operational Guidelines. Compensation for delayed payment of wages and Unemployment Allowances were not paid by the State. The payment of wages was made with delays ranging from 83 to 99 *per cent*. Procurement was not made by following the codal provision.

2.2.8.15 Recommendations:

The Department should:

(i) ***take steps to reduce gap between approved PDs and generated PDs.***

(ii) ***take steps to register households with complete information and issue accurate Job cards within the stipulated time.***

(iii) ***guarantee 100 days of wage employment to all the eligible households, as mandated by the Act.***

(iv) ***enforce strict adherence to Operational Guidelines/ applicable Rules and prevent execution of works in violation of prescribed norms.***

(v) ***take steps against the concerned officials for claiming false bills and recover the amount paid for works not executed. Also, the Department should take steps against the concerned officials and fix accountability.***

(vi) ***ensure prompt payment of unemployment allowance and compensation for delayed payment of wages to the eligible beneficiaries.***

(vii) ***expedite 100 per cent Aadhaar based Payment System (ABPS) conversion to ensure timely, transparent and direct benefit transfers.***

(viii) ***establish a robust monitoring mechanism to track wage disbursements, procurement and rejected transactions in real time.***

2.2.9 Audit objective: Whether durable and useful assets were created and maintained in compliance with rules and regulations, while ensuring convergence with other programmes/ schemes?

2.2.9.1 Execution of works

2.2.9.1.1 Low creation of individual works and common infrastructure

As per Paragraph 4 of Schedule I of the Act, permissible works were classified into four broad categories with various sub-categories *viz*.

- Category-A: Works related to Natural Resource Management (NRM),
- Category-B: Creation of community and individual assets for vulnerable groups,
- Category-C: Creation of common infrastructure for National Rural Livelihood Mission compliant self-help group, and

- Category-D: Creation of rural infrastructure.

Further, to address the issue of huge number of incomplete works, Paragraph 7.17.4 of the Operational Guidelines provides that Programme Implementing Agencies, that have incomplete works for more than one fiscal year, no sanction should be given for beginning new works.

During the period 2019-2024, the State had taken up 8.55 lakh works and incurred a total expenditure of ₹377.12 crore on execution of the following category of works, as shown in **Table 2.2.15**.

Table 2.2.15: Status of works taken up during 2019-2024 (category wise)

Category of work	Spill over + New					No. of New Works	Category wise *percentage* of work	Category wise *percentage* of expenditure
	Total Works	Ongoing Works	Completed Works	No. of works not started	Expenditure (₹ in lakh)			
A	2,66,144	47,224	29,272	1,89,648	2,32,914	97,247	*31.12*	*61.76*
B	3,49,826	3,409	2,780	3,43,637	11,518	83,873	*40.90*	*3.05*
C	1,602	189	35	1,378	596	850	*0.19*	*0.16*
D	2,37,732	29,577	14,341	1,93,814	1,32,090	62,015	*27.80*	*35.03*
Total	**8,55,304**	**80,399**	**46,428**	**7,28,477**	**3,77,118**	**2,43,985**	**-**	**-**

(Source: MGNREGA website)

As evident from **Table 2.2.15** above that:

- Out of 8.55 lakh works, only 46,428 (5.43 *per cent*) were completed till August 2024.
- Expenditure was skewed towards Category A (62 *per cent*) and Category D (35 *per cent*), while Category B and C received only 03 and 0.16 *per cent* respectively.
- This reflects under-prioritisation of individual and livelihood-supporting works despite the Act mandating special emphasis on vulnerable groups.

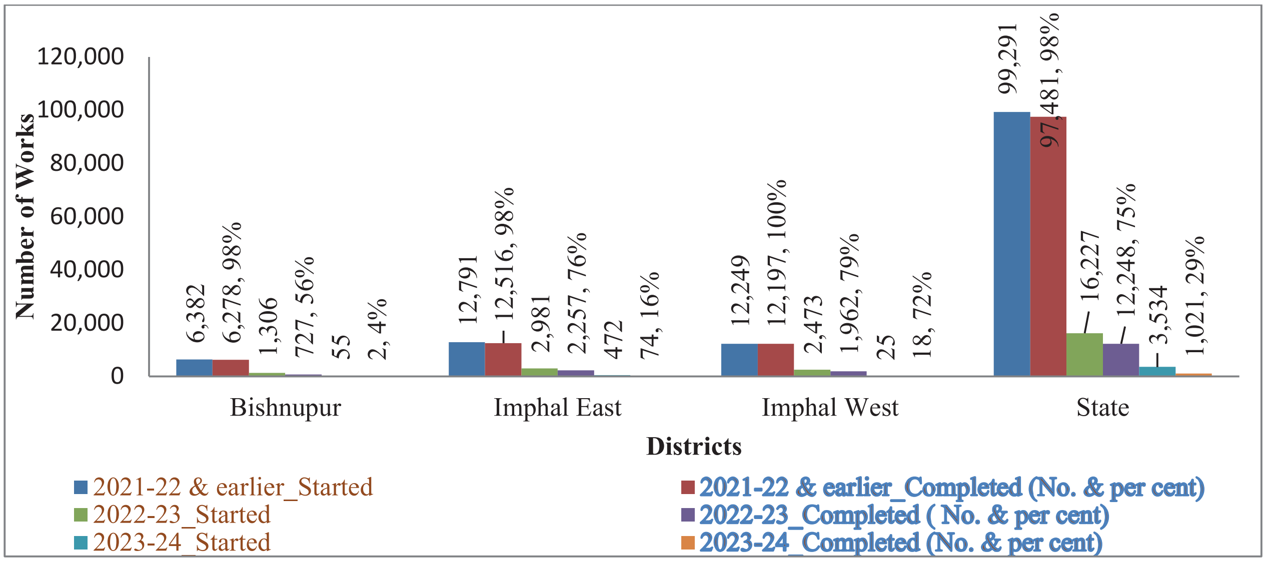
The State Government stated (May 2025) that selection of individual works and common infrastructure works were finalised at the GP level and low creation depends on the job card holder types of works selections. The State Government further added that the department was suggested to give necessary instruction to the implementing agencies to accord priority to the Category B and C works while preparing and approving the works.

The reply of the State Government is not acceptable as merely attributing the low creation of such works to job card holders' choices overlooks the Department's supervisory role. Further, the admission of the State Government that "instructions will be given" indicates that adequate directions and monitoring mechanisms were not in place during the audit period (2019–2024). The under-allocation of funds to Category B and C works demonstrates systemic neglect, not just a matter of beneficiary preference.

2.2.9.1.2 Low completion of works executed

The status of completion of works at the State and sampled districts during 2019-2024 is given in **Chart 2.2.10**.

Chart 2.2.10: State *vis-à-vis* sampled District-wise Works (Started *vis-à-vis* Completed, All Years)



Source: MIS Report

It can be seen from the **Chart 2.2.10** above that-

- At the state level, completion was very high (98 *per cent*) for works started in 2021-22 and earlier, but significantly lower for the year 2023-24 (29 *per cent*). This indicates weak execution capacity and inadequate planning, as more recent works remain incomplete despite continued sanctioning of new ones.
- In sampled districts, completion ranged from 56 to 79 *per cent* (2022-23) and a mere 04 to 72 *per cent* (2023-24). This shows a declining trend in work completion rate, indicating weak execution and monitoring.

The State Government stated (May 2025) that low completion of works executed was due to non-availability of material component fund in time. The reply of the State Government is not factually correct and hence not acceptable as large numbers of new works were sanctioned despite significant spill-over works, violating the scheme guidelines. Further, this diversion of resources towards new works aggravated the backlog. Thus, the core issue lies in weak planning and prioritisation of completion over sanctioning of fresh works.

2.2.9.1.3 Low coverage on works related to agriculture and allied activities

As per Paragraph 4(2) of Schedule 1 of the Act, the DPC shall ensure that at least 60 *per cent* of works to be taken up in a district in terms of cost shall be creation of productive assets directly linked to agriculture and allied activities through development of land, water and trees.

Audit observed that during the period 2019-2024, zero to 48 *per cent* and zero to 89 *per cent* of the total expenditure was incurred on agricultural and allied activities in the state and sampled districts respectively as shown in **Table 2.2.16.**

Table 2.2.16: Expenditure on works related to agriculture and allied activities during 2019-2024

(₹ in crore)

State/ District	2019-20		2020-21		2021-22		2022-23		2023-24	
	Total Expn.	Expn. on agricul-ture and allied activities	Total Expn.	Expn. on agricul-ture and allied activities	Total Expn.	Expn. on agricul-ture and allied activities	Total Expn.	Expn. on agricul-ture and allied activities	Total Expn.	Expn. on agricul-ture and allied activities
State	800.20	0	1251.76	0	1222.89	592.32 ***(48)***	272.08	122.09 ***(45)***	625.60	226.99 ***(36)***
Bishnupur	77.79	0	115.23	0	111.13	71.65 ***(64)***	13.06	10.81 ***(83)***	49.70	30.31 ***(61)***
Imphal East	181.64	0	267.98	0	275.55	165.00 ***(60)***	2654	16.66 ***(63)***	86.84	28.86 ***(33)***
Imphal West	107.96	0	150.40	0	147.35	97.45 ***(66)***	589	5.24 ***(89)***	35.78	22.04 ***(62)***

*Source: MIS data *bracket indicates percentage*

As can be seen from the above table, that:

- During 2019-20 and 2020-21, no expenditure was spent in the State as well as sampled districts on agriculture and allied activities.
- The State did not achieve the mandated 60 *per cent* expenditure benchmark in all the five years.
- Amongst the sampled districts, Imphal East did not achieve the mandated target in three years (2019-20, 2020-21 and 2023-24) out of five years.
- Out of 16 districts in the State, there were 11[25] districts where the expenditure on agriculture and allied activities since inception was less than 60 *per cent*. The percentage of expenditure on these 11 districts ranged from 31 to 55 *per cent*.

Thus, the statutory requirement of prioritising agriculture assets creation was not ensured, compromising the objective of augmenting incomes of small/ marginal farmers apart from increasing the agriculture productivity of farmland not being fully achieved.

The State Government did not furnish actual reason(s) for low coverage of agriculture and related works.

2.2.9.1.4 Irregular creation of assets on private land

Paragraph 7.4.12 of Annual Master Circular (AMC) stipulated that works creating individual assets should be prioritised on land owned by HHs belonging to SC, ST, nomadic tribes, de-notified tribes, BPL families, women headed and physically handicapped headed HHs *etc*. For executing the above works, the landowner shall be a job card holder and also work in the project.

Further, the materials required for the individual works on private lands is to be procured by the beneficiary HH at the rates approved by the competent authority from any vendor having Tax Identification Number (TIN) number.

Scrutiny of records and JPV of the sampled works revealed that, 12 works such

[25] Chandel, Churachandpur, Jiribam, Kamjong, Kangpokpi, Noney, Pherzawl, Senapati, Tamenglong, Tengnoupal, Ukhrul

as construction of fishery pond, retaining walls *etc*. valuing ₹1.13 crore were found executed on the private lands. However, there are no records for selection of beneficiaries, procurement of materials by the landowner. Further, the landowner of the above mentioned works did not participate in the execution of the work. Thus, the execution of the works was irregular (***Appendix 2.11)*** and violated the provisions of the AMC.

The State Government stated (May 2025) that the work on private land was undertaken only after obtaining the necessary permission from landowners and ensuring that it aligns with the stipulated norms. The reply is not relevant as the audit comment was not on ownership permission but specifically on non-participation of the landowners in the execution of works and absence of documents/ records establishing eligibility of beneficiaries and procurement of materials by the landowners.

Thus, the execution of works on private land without ensuring the mandatory conditions of beneficiary participation and documented material procurement violated the provisions of the AMC. This not only rendered the works irregular but also defeated the intended objective of providing employment and asset ownership to the targeted beneficiary groups.

2.2.9.1.5 Irregularities in tree plantation

As per Paragraph 7.6.4 of AMC, plant species should be selected as per agro-climatic conditions, market opportunities, income generation *etc*. Economically beneficial plants species should be listed with due consultation of experts from Horticulture department/ Forest department, KVKs *etc*. before the start of the planning process. Paragraph 7.6.6 of the AMC states that due permission of the concerned departments should be taken before taking up plantation work. Further, Paragraph 7.6.8 of the circular *ibid* states that plantlets/ seedlings for tree plantation should be procured from Forest/ Government nurseries at government rates or government approved private nurseries at rate fixed by the committee headed by DPC or free of cost from nurseries raised under MGNREGS.

Out of 192 sampled works, audit observed that in eight works ***(Appendix 2.12)*** of six GPs executed during 2019-2024 at a cost of ₹36.57 lakh, the GPs did not identify the sites/ areas for tree plantation and did not obtain prior permission or registration with the Divisional Forest Officer (DFO). Plant species were not listed in consultation with experts and saplings were procured from non-approved firms[26]. Further, during JPV, it was observed that no tree species were found planted and no Citizen Information Boards were displayed at the worksite.

Further, as per norms, an application for felling of trees from non-forest areas for non-commercial purposes shall be made to the DFO. Application shall be

[26] M/s Nilla Agency, M/s S. Angou Enterprises, M/s Koubru Construction and Suppliers, M/s Luwang Enterprises

submitted along with marking list of trees to be felled, tree-wise measurements of girth proposed to be felled *etc*.

Audit observed that in three works[27] taken up in Phoubakchao Sekmaijing GP, expenditure of ₹7.71 lakh was shown on felling 2,259 trees. However, no records of stock taking or disposal of the felled logs were available. This fact was corroborated by the GRS of the concerned GP during the JPV. Thus, the expenditure incurred on felling of tress indicated inflated estimates and suspected misappropriation of funds.

The State Government stated (May 2025) that audit observation has been noted and shall be ensured to comply in future and all the DPCs shall be instructed accordingly. The reply was, however, silent on the irregular expenditure on the purported felling of trees.

2.2.9.2 Non-ensuring of convergence with other schemes

Paragraph 15 of the Operational Guidelines provides that the objective of the scheme was to be achieved through convergence of MGNREGS with other schemes of panchayats and line Departments.

The DPCs are to facilitate and ensure that at least 65 *per cent* of expenditure in a financial year is on Natural Resource Management (NRM) related works in convergence with other schemes[28] for better outcomes of the water conservation and water harvesting measures.

Audit however noticed that during the period 2019-2024, except with Border Road Organisation in Tengnoupal, Chandel and Ukhrul districts, the State Government had not taken up any work under convergence in the remaining districts with the schemes of Panchayat and line departments though works to be covered under convergence *viz*. Tree plantation, Construction of Anganwadi Centre *etc*. were taken up under the Scheme in the sampled GPs. Thus, the intention to create more durable assets with additional employment generation through convergence of similar schemes as envisaged in the Act remained un-achieved.

The State Government stated (May 2025) that as pointed out by the Audit, a stringent approach shall be followed up with all the concerned departments to implement convergence works successfully.

2.2.9.2.1 Irregularities in construction of Anganwadi Centre.

As per instruction of MoRD (February 2016), construction of Anganwadi Centre (AWC) is permissible under MGNREGA in convergence with Integrated Child Development Project (ICDS) Scheme of Ministry of Women

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27 WBM at Ema Kalika Leirak at Ward No. 7 (₹2,69,869), C/o of cement lining of irrigation canal at Meikam Iboton Singh Loukhong at Hangoon Ward No.7 (₹1,42,453) and C/o MI canal at Moirangthem Mohon Leirak, Hangoon ward No. 7 (₹3,58,722)

28 Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Integrated Watershed Management Programme (IWMP) and Command Area Development and Water Management (CAD&WM)

and Child Development (MWCD). The location for construction of AWC buildings selected by the GP on land belonging to State government or Panchayat should be sent to the ICDS officer for consolidating all such proposals at the Block level and sent to the District Programme Officer at the District level which shall form part of the District Plan.

The construction of AWC building taken up under MGNREGS should be done by using appropriate building technologies with expenditure ceiling limit of ₹Five lakh[29] from the MGNREGA fund with provisions for learning areas, eating/ sleeping areas, kitchen, toilet *etc*.

Out of 192 sampled works, two works for construction of AWC at Ngangkhalawai and Nachou GP were not taken up in convergence with the ICDS Scheme of Social Welfare Department. Out of the two AWC buildings, the AWC at Ngangkhalawai GP was constructed on the private land of the Pradhan of the GP which is not permissible. Moreover, the construction cost was ₹14.62 lakh which exceeded the permissible limit. No drawings and designs were framed during preparation of estimate.

On JPV of the construction of AWC at Ngankhalawai GP, audit noticed that there was no provision for essential areas/ facilities such as separate kitchen, store for storing food items, child friendly toilets, space for playing of children, separate sitting room *etc*. at the building as could be seen from the pictures below.

Audit further noticed during the JPV that the work for construction of AWC at Nachou GP (planned during 2023-24) was not yet started as on the date of audit (October 2024).

Outside the building of AWC at Ngangkhalawai GP

Inside the building of AWC at Ngangkhalawai GP

The State Government while accepting the audit observation stated (May 2025) that steps will be taken up to formalise land ownership in compliance with Operational Guidelines. The cost for construction of AWC through convergence will be restricted to ₹Eight lakh as per the instruction of the MoRD.

2.2.9.2.2 Non-integration with the District Irrigation Plan

Para 6.1.4 of the Annual Master Circular states that the recommended work plan on Watersheds/ Command Area approach as approved in the District Irrigation

[29] Revised from ₹Five lakh to ₹Eight lakh *w.e.f.* 30 January 2023

Plan (DIP) of Pradhan Mantri Krishi Sinchayee Yojna (PMKSY) should be sent to all the GPs for community validation and vetting. The DPC shall ensure that the NRM component of Labour Budget of MGNREGS is integrated into the DIP.

However, no work plan approved in the DIP were sent to the sampled GPs and the DPC did not integrate the NRM component of Labour Budget of MGNREGS into the DIP.

2.2.9.3 Conclusion

The completion of works at the State level was very low during 2022-2024 ranging from 29 to 75 *per cent*. The expenditure incurred on agriculture and allied activities was low at the State level. The State Government had not taken up any work under convergence in the State except with BRO in three districts of Tengnoupal, Chandel and Ukhrul.

2.2.9.4 Recommendations

(i) ***The Department may take steps to complete incomplete works on priority before taking up new works.***

(ii) ***Efforts towards ensuring convergence of schemes/ funds under MGNREGS with other rural Development Programme needs to be taken by the State Government for ensuring sustainable livelihood to the targeted rural community.***

2.2.10 Audit Objective: Whether appropriate and adequate monitoring, social audit and grievance redressal systems were in place and functioning as envisaged to achieve greater transparency and accountability?

2.2.10.1 Keeping of completed project as 'ongoing' status in MIS

As per Paragraph 7.17 of the Operational Guidelines, on completion of every project, a Project Completion Report (PCR) should be prepared and the details entered therein should be verified by a senior officer. Summary details should also be made available to concerned ward, block and district panchayat member, MLA and MP. Geo-tagged time-stamped photographs of the work for three stages *viz*. before start of work, at intermediate stage and after completion of work should be taken as a record of the work and attached to PCR and uploaded into NREGAsoft.

Scrutiny of records and JPV of 82 ongoing sampled works showed that 65 works were found completed during the period August 2020 to July 2024 and completion reports had also been issued by the Technical Assistant. However, the status of these completed works was yet to be updated as completed in the MIS due to pending liabilities (41 works) and shortage of manpower (24 works).

The State Government while accepting the audit observation stated (May 2025) that instruction shall be given to all the DPCs to update all completed works in the MIS.

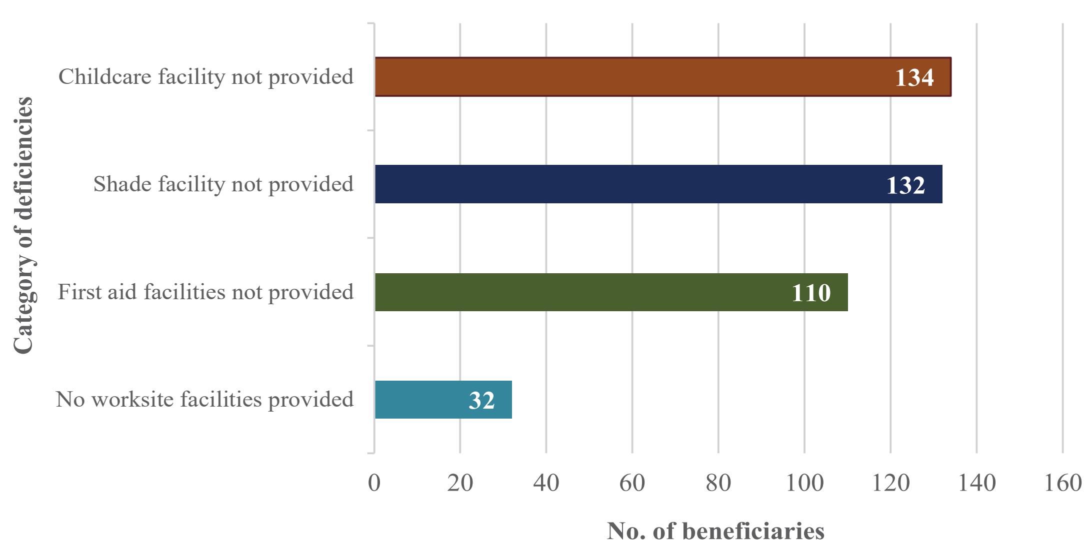
Thus, despite issuance of completion reports, the completed works continued to remain shown as 'ongoing' in the MIS. This resulted in misrepresentation of the actual progress of works in the database and weakened planning and allocation of resources, indicating weak internal controls and non-compliance with the operational guidelines.

2.2.10.2 Non-providing of worksite facilities

As per Paragraph 7.12 of the Operational Guidelines, worksite facilities *viz*. medical aid, drinking water, shade for children and periods of rest are to be provided at the worksite. In case the number of children below the age of six years accompanying the women working at any site are five or more, a crèche needs to be provided.

Chart 2.2.11 depicted the deficiencies reported by 242 beneficiaries during the beneficiary survey.

Chart 2.2.11: Results of 242 beneficiaries surveyed



Source: Beneficiary Survey Report

Non-availability of basic facilities at worksites adversely affected the participation of women or elderly beneficiaries in MGNREGS works.

The State Government while accepting the audit observation stated (May 2025) that worksite facilities were to be provided as per the Operational Guidelines.

Thus, despite clear provisions in the guidelines, essential worksite facilities were not provided at many sites. This adversely affected the working conditions and resulted in potential exclusion of vulnerable groups, thereby compromising the objectives of MGNREGS and indicating weak compliance by the implementing agencies of the State.

2.2.10.3 Non-verification of the bills/ vouchers at the worksite

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

Scrutiny of records and information of 24 sampled GPs revealed that this aspect of verification/ certification of bills/ vouchers was not operationalised. This led to lack of transparency and supervision by workers' representatives engaged in the work.

The State Government noted the audit observation and stated (May 2025) that all the DPCs shall be informed that workers at worksites should verify and certify all the bills/ vouchers of their worksite at least once in a week.

The fact, however, remained that non-verification and non-certification of bills/ vouchers at the worksites compromised transparency and accountability envisaged under the scheme. This increased the risk of irregularities, misappropriation and reduced worker participation in monitoring of works.

2.2.10.4 State Employment Guarantee Council (SEGC)

2.2.10.4.1 Constitution and functioning of SEGC

Section 12 of the Act provides for constitution of the SEGC for the purpose of regular monitoring and review of the implementation of the scheme at the state level. The duties and functions of the SEGC include *inter alia* advising the state government on all matters concerning the scheme, determining the preferred works, review the monitoring and redressal mechanisms and prepare Annual Report to be laid before the State Legislature. As per Rule 6 of the Manipur State Employment Guarantee Council Rules, 2009, the SEGC shall meet at least twice a year or more frequently as it may consider necessary.

Audit observed that out of the prescribed 10 meetings of the SEGC during 2019-2024, only two meetings were held in 2020-21. While no meetings were held during the years 2019-20 and 2021-22 to 2023-24. In the two meetings conducted, discussions mainly focused on the progress of implementation of the scheme, National Electronic Fund Management System (NeFMS), geo-tagging of works, Aadhaar seeding and completion of incomplete works. It was also observed that the SEGC did not prepare any Annual Reports on the implementation of the scheme for the periods 2019-2024. As such, the main functions of the council remained ineffective.

The State Government stated (May 2025) that regular meeting would be conducted henceforth.

The fact remained that the irregular conduct of meetings and the non-preparation of Annual Reports compromised the monitoring and advisory functions envisaged for the SEGC, thereby weakening transparency and accountability in the implementation of the scheme.

2.2.10.4.2 Non-appointment of non-official members of the SEGC

Rule 3 of the Manipur State Employment Guarantee Council Rules, 2009 provides for the appointment of 10 non-official members of the SEGC (five from SC/ ST/ OBCs/ Minorities, three from PRIs and one each from workers' organisation and disadvantaged groups) for a term of one year and shall be eligible for re-appointment for another term.

The non-official members were nominated on 14 January 2021. However, after the expiry of the tenure, the non-official members were neither re-appointed nor new members were appointed. The posts of non-official members remained vacant since 15 January 2022.

Thus, this inaction reduced the envisaged monitoring and steering of the scheme at the highest level to a perfunctory exercise, thereby weakening the accountability of the executive to the Legislature.

The State Government stated (May 2025) that non-appointment of non-officials of the State Council was due to non-conduct of Panchayat election. The reply of the State Government is not acceptable as except the members from PRIs all other members were to be selected from among SCs or STs or OBCs or Minorities, workers' organisation and disadvantaged groups, which is not contingent upon conduct of Panchayat elections.

The fact remained that irregular meetings of the SEGC, absence of Annual Reports and prolonged non-appointment of non-official members compromised the oversight, monitoring and advisory functions needed to be discharged by the SEGC envisaged under the Act. This reduced transparency and accountability in the implementation of the scheme at the State level.

2.2.10.5 Non-preparation of Annual Reports

As per Paragraph 13.11.4 of the Operational Guidelines, the DPC, the PO and the GP implementing the Scheme shall prepare annually a report containing the facts and figures, achievements relating to the implementation of the Scheme within their jurisdiction and a copy of the report shall be made available to the public on demand.

Audit observed that no Annual Reports were prepared by the sampled DPCs, POs and the GPs during the period 2019-2024. The non-preparation of the Annual Reports resulted in the public not being made aware of the status of implementation of the Scheme.

The State Government stated (May 2025) that Annual Reports for the Department were prepared. However, the State Government had taken note of the preparation of the Annual Reports for the MGNREGS exclusively. The State Government also added that the Department should ensure that the Annual Reports would be prepared by the DPCs, POs and GPs and the copies would be made available to the public on demand.

2.2.10.6 Ombudsman

2.2.10.6.1 Vacancy in the office of Ombudsman

As per Paragraph 30 of Schedule I of the Act, there shall be an Ombudsman for each district for receiving grievances, enquiring into and passing awards as per guidelines issued.

However, it was observed that during the period April 2019 to March 2022, the State Government did not appoint Ombudsman in two[30] sampled districts. The Ombudsman for the two districts were appointed on 28 March 2022 for two years.

The State Government stated (May 2025) that the posts were lying vacant due to expiry of tenure of the former Ombudsperson. At present, the Ombudspersons were appointed. However, the State Government did not furnish the supporting document for appointment.

2.2.10.6.2 Performance of Ombudsman

As per Paragraph 2.2.14 of the Guidelines of Ombudsman, output of an Ombudsman may be quantified among other things on the percentage of disposal of complaints. Further, yearly review of the functioning of Ombudsman shall be made at the level of the Chief Secretary and its minutes shall be placed before the SEGC.

During the period 2019-2024, out of 154[31] complaints received by the Ombudsman in the sampled districts, no data on disposal of the complaints was available. Moreover, during the period 2019-2024, the yearly review of the functioning of Ombudsman was also not carried out.

During beneficiary survey of 242 workers, 230 workers (96 *per cent*) did not have the knowledge of the Ombudsman. Due to vacant posts of the Ombudsman and lack of awareness of public, the arrangement for lodging complaints to an independent authority and reporting the legal action against erring officials could not be ensured.

The State Government stated (May 2025) that as pointed out by the audit, necessary action shall be taken up to conduct yearly review meeting on the functioning of the Ombudsman at the level of the Chief Secretary and its minutes shall be placed before the SEGC. However, the reply is silent about the creation of awareness of the active JCHs of the existence and duties and powers of Ombudsman through IEC activity.

2.2.10.7 Disposal of Complaints

As per Paragraph 10.3.9 of the Operational Guidelines, a complaint register should be maintained at GP, Block and District level in which complaints were to be entered and issue dated and numbered acknowledgement to the complainants. The complaints were to be disposed of within seven days of their receipt and monitoring of disposal was to be done at next higher level every month.

Scrutiny of records revealed that none of the three sampled districts maintained complaint register. Out of six sampled blocks, the complaint registers were not

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[30] Imphal East and Imphal West
[31] Imphal East-07; Imphal West-09 and Bishnupur-138

maintained in five blocks and in the remaining one block,[32] complaint register was maintained.

Thus, no assurance could be drawn on the correctness of scheme implementation for delivery of the scheme benefits without an acceptable grievances' redressal mechanism in place.

Further as per the data available at MIS, there were 118[33] complaints lodged against the GPs, POs, ZPs and DPCs. However, only four (3.39 *per cent*) complaints were disposed and 114[34] (96.61 *per cent*) complaints were pending for disposal as on the date of audit (December 2024).

The State Government stated (May 2025) that instructions were given to the districts to maintain Complaints Register. The State Government would reiterate to all the districts to record all forms of complaints under MGNREGA in the Complaint Register and take necessary action accordingly.

2.2.10.8 Lack of popularization of JANMANREGA app

To create citizen awareness, the MoRD launched (June 2017) 'JANMANREGA' - a Citizen Centric Mobile Application which allows locating already geotagged MGNREGS assets and two photographs using an android mobile phone. Citizens can use it to locate the assets and provide feedback about assets that have been created under the Scheme.

The MoRD requested states to popularise the app through its mention in Job Cards, Citizen Information Boards (CIBs), wall writings and Websites.

Audit noticed that the state did not take up any action to popularise the app through its mention in Job Cards, CIBs, wall writings and website of the office/ department. As per the information available in the MIS there were only 624 users registered for the app in the State against 6.85 lakh active workers. The inaction of the State led to lack of information flow and improvement of quality of public services.

The State Government stated (May 2025) that instruction would be given to all the districts to popularise the JANMANREGA App through appropriate medium.

2.2.10.9 Non-disclosure of mandatory information

As per Paragraph 10.5 of the Annual Master Circular, State Governments are required to ensure proactive disclosure of information and records to all common people and stakeholders using a 'Janata Information System' consisting of disclosures at the worksites, through Citizen Information Board (CIB), GP Notice Boards and the MGNREGA website.

During the JPV, out of 192 sampled works visited, 121 (63.02 *per cent*) works did not have CIB at the worksite. Further, Panchayat office of all the 24 sampled

[32] Imphal East-one Block.
[33] As per MIS, as of November 2024, 118 complaints.
[34] Two were forwarded and intermediate reply given.

GPs did not disclose information in the Notice Boards of the GPs.

The State Government stated (May 2025) that it would reiterate to all the districts to mandatorily install CIBs/GP Notice Boards and the MGNREGA website for all details of all works implemented under MGNREGA for information to all concerned.

2.2.10.10 Non-communication of pay/ wage slip

Paragraph 7.15.1 of the Operational Guidelines provided that individual pay/wage slips were to be communicated to each worker wherein the details of weekly wage payments like work ID, wage rate, number of days worked, amounts earned by the workers during the week *etc*., were recorded, to increase transparency in the implementation of the Scheme. Individual pay-slips shall be generated through NREGASoft along with pay orders.

However, in reply to audit queries, the sampled GPs stated that the wage slips were not distributed to workers in any of the sampled GPs. Non-distribution of wage slip indicated lack of transparency in the implementation of the Scheme.

The State Government stated (May 2025) that it would instruct all the districts to mandatorily generate wage slips along with pay orders at the time of execution of works to ensure transparency in the implementation of the MGNREGA.

2.2.10.11 Social Audit

As per Paragraph 13.1 of the Operational Guidelines, an innovative feature of the Mahatma Gandhi NREGA is that it 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.

2.2.10.11.1 Non-receipt of Central fund

As per Paragraph 10.1.6 of the Annual Master Circular, from the States' entitlement of six *per cent* towards administrative expenditure, up to 0.5 *per cent* shall be earmarked for State's Social Audit. The funds for the Social Audit Unit (SAU) will be released from the Ministry to the SAU's independent bank account. The 1st tranche shall apply within the first month of the financial year and 2nd tranche shall be released to SAU after utilisation of 60 *per cent* (75 *per cent* since 2021-22) of the total available funds subject to the submission of prescribed documents.

The Manipur Social Audit Agency (MSAA) did not receive central fund during 2019-2023. During 2023-24, only 1st tranche amounting ₹94.86 lakh was received by the MSAA from the State Government. The administration of the SAU was carried out by utilising ₹62 lakh (February 2022) from the SEGF, Manipur.

The reason for non-receipt of Central fund was due to inability to utilise 60 *per cent* of the available funds, delay in mapping of MSAA's account under

SNA in PFMS, delay in recovery of misappropriated amount *etc*. Non-receipt of fund affects the effective functioning of the MSAA.

The State Government stated (May 2025) that the MSAA did not receive central fund as it could not utilise 75 *per cent* of the then available fund and also due to some technical issues during SNA mapping. The issue has been resolved and the MSAA has started receiving central fund since 2023-24.

2.2.10.11.2 Shortfall in conducting social audit

As per Paragraph 13.1.1 of the Operational Guideline, social audit is to be conducted in every GP at least once in six months, involving a mandatory review of all aspects.

Audit noticed that the MSAA prepared an annual plan against the prescribed six monthly social audit, which was a deviation from the Operational Guidelines. The shortfall in the conduct of social audit during the period 2019-2024 for the State and sampled GPs are given in the **Tables 2.2.17** and **2.2.18**.

Table 2.2.17: Shortfall in conducting social audit during 2019-2024 for the State

Year	Total GPs in the State	No. of Social Audit to be conducted	No. of GPs planned for Social Audit	Social Audit conducted	Shortfall in Social Audit *vis-à-vis* actual requirement	Shortfall in Social Audit *vis-à-vis* planned *(percentage)*
1	*2*	*3*	*4*	*5*	*6 (3 – 5)*	*7 (4 – 5)*
2019–20	3,150	6,300	404	315	5,985 *(95.00)*	89 *(22.03)*
2020–21	3,150	6,300	402	337	5,963 *(94.65)*	65 *(16.17)*
2021–22	3,150	6,300	497	477	5,823 *(92.43)*	20 *(4.02)*
2022–23	3,150	6,300	1,558	1,403	4,897 *(77.73)*	155 *(9.95)*
2023–24	3,150	6,300	1,279	82	6,218 *(98.70)*	1,197 *(93.59)*
Total			**4,140**	**2,614**	**28,886 *(91.70)***	**1,526 *(36.86)***

Source: Data furnished by MSAA

Table 2.2.18: Shortfall in conducting social audit in sampled 24 GPs during 2019-2024

Year	Total GPs	No. of Social Audit planned	Social Audit conducted	Shortfall in Social Audit	Percentage
2019-20	24	22	22	0	0
2020-21	24	24	17	7	29
2021-22	24	16	16	0	0
2022-23	24	0	0	0	0
2023-24	24	11	7	4	36
Total	**120**	**73**	**62**	**11**	**15**

Source: Data furnished by MSAA

Thus, in the State, GPs ranging between 4.02 and 93.59 *per cent* remained unaudited during 2019-2024 against the number of GPs planned by the MSAA. However, the shortfall ranged from 77.73 to 98.70 *per cent* against required number of social audits to be conducted as per Operational Guidelines. Further, no social audit was conducted even once in all the sampled districts during the year 2022-23. In the sampled GPs, shortfall in conduct of social audit occurred only in 2020-21 (29 *per cent*) and 2023-24 (36 *per cent*).

Thus, non-conduct of social audit did not ensure public accountability in the implementation of the Scheme.

The State Government while accepting the audit observation stated (May 2025) that inadequate staff was the major reason behind the shortfall in conducting social audit.

2.2.10.11.3 Shortage of staff for social audit

As per Paragraph 10.1.4 of the Annual Master Circular, independent Social Audit Unit (SAU) should be equipped with sufficient staff to ensure smooth functioning. These shall include a full-time Director, an Accounts in-Charge, and staff dedicated for conduct of social audit, monitoring, IT, capacity building and documentation. SAU shall also appoint adequate number of State, District and Block Resource Persons (BRPs).

As per Annexure 31 of the Operational Guidelines, a fully functional SAU would have a Social Audit Consultant, Joint/Deputy Directors and Assistant Director each for Social Audit, Administration, Finance, MIS, Monitoring and Evaluation.

However, the State Government did not appoint full time Director but was given to a senior official of the State Government as additional charge. Further, there are no Social Audit Consultant, Deputy/ Joint Directors and Assistant Directors for Administration, Finance, MIS, Monitoring and Evaluation required for efficient functioning of the SAU. The status of manpower requirement, sanctioned post, persons-in-position and shortfall are shown in **Table 2.2.19**.

Table 2.2.19: Shortage of staff and Resource Person for MSAA

Resource Persons/Staff	Minimum requirement	Sanctioned post	Person in position	Short-fall	Shortfall percentage
Director	1	1	1	0	*0*
Social Audit Consultant	1	0	0	1	*100*
Joint Director, Social Audit	1	0	0	1	*100*
Dy. Director, Admin & Finance	1	0	0	1	*100*
Dy. Director, MIS, Monitoring & Evaluation	1	0	0	1	*100*
Asst. Director (Admin., Finance, MIS, Monitoring, Evaluation)	5 (one each)	0	0	5	*100*
State Team Monitors	7	2	1	6	*85.71*
District Resource Persons	16	9	9	7	*43.75*
Block Resource Persons	140	0	0	140	*100*
Village Resource Persons	12,600	0	0*	12,600	*100*
Accounts-in-charge	1	0	1	0	*0*
Monitoring	1	0	0	1	*100*
IT	1	0	0	1	*100*
Capacity building	1	0	0	1	*100*

**since 2022-23*

Due to lack of sufficient staff and Resource Persons, the mandated function of the social audit was affected.

The State Government stated (May 2025) that it is in the process of taking up necessary action to cope up with the shortage of required manpower and recruitment will be done soon.

2.2.10.11.4 Pendency in settlement of Social Audit Observations and follow up mechanism

As per the Auditing Standard of Social Audit, the state government in consultation with the SAU, has to establish a follow-up mechanism to monitor and ensure that management actions have been effectively implemented on the findings of the social audit. The SAU should pursue the objections reported in social audit reports and state government should promptly fix responsibility as well as take action against errant officials.

The status of social audit observations raised and settled during the period 2019-2024 in the State and the sampled GPs are shown in **Tables 2.2.20** and **2.2.21**.

Table 2.2.20: Social audit observations pendency status in State

Year	Social audit observations raised	Social audit observations settled	Outstanding Social audit observations	*Percentage*
2019-20	1,149	844	305	*26.5*
2020-21	2,589	2,583	6	*0.23*
2021-22	2,672	2,565	107	*4*
2022-23	4,416	3,623	793	*17.96*
2023-24	289	46	243	*84.08*
Total	**11,115**	**9,661**	**1,454**	***13.08***

Source: Data furnished by MSAA

Table 2.2.21: Social audit observations pendency status in the sampled 24 GPs

No. of GPs	Social Audit observation raised	Social Audit observations settled	Outstanding Social audit observations	Percentage	Since when the social audit observation was pending
24	410	354	56	13	2019-20

Source: Data furnished by MSAA.

It can be seen from the above table that in the State against 11,115 social audit observations raised during 2019-2024, corrective measures had been taken on 9,661 observations. The outstanding observations ranged from 0.23 to 84 *per cent*. In the sampled GPs, out of 410 social audit observation raised, 354 observations were settled and 56 (13 *per cent*) observations were pending since 2019-20.

The State Government stated (May 2025) that follow up are being initiated and all the concerned DPCs and POs have been strictly instructed to take immediate necessary action.

2.2.10.11.5 Non-conducting of Concurrent social audit

As per Paragraph 10.1.12 of the Annual Master Circular, a concurrent social audit shall be done for all works every month. For this purpose, every Gram Sabha will select a Village Monitoring Committee (VMC) consisting of five MGNREGA workers. The VMC shall conduct a concurrent social audit of all active works of the GP and will monitor whether due norms are being complied with at the worksite. The VMC shall submit its report to the PO.

Audit scrutiny revealed that neither the VMC was formed in any sampled block nor the concurrent social audit was conducted in the sampled GPs.

The State Government stated (May 2025) that necessary actions will be taken up for compliance.

2.2.10.11.6 Other irregularities noticed under Social Audit

- The social audit reports should be prepared in local language by the Social Audit Unit (SAU). However, the social audit reports were not prepared in local language but in English language.
- The Governing Body of the MSAA though constituted in August 2016 and requires meeting at least once in a quarter, no meeting of the Governing Body was held till the date of audit
- During the period 2019-2024 the MSAA did not prepare Annual Budget and Annual Report though required (as per auditing standard of MoRD).
- As per Audit of Schemes Rules, 2011, a summary of findings of social audits conducted during a financial year was to be submitted to the Comptroller and Auditor General of India. However, the MSAA did not submit the summary to CAG during the period 2019-2024.

The State Government stated (May 2025) that social audit reports will be prepared in local language and necessary steps will be initiated for convening Governing Body meeting regularly. MSAA would prepare Annual Budget and Annual Reports would be submitted to the CAG as per requirement.

2.2.10.12 Mandatory records and their maintenance

Chapter 10 of the Operational Guidelines describes the mandatory records required to be maintained. GoI issued instruction for proper maintenance of records for the effective implementation of any scheme and provided simplified formats of seven Registers. These registers are designed with a view 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. Registers II and III were required to be maintained manually and remaining registers are to be maintained partially manually and partially printed and pasted from MIS itself.

Scrutiny of records of sampled six blocks and 24 sampled GPs revealed the following lapses in the maintenance of the records.

i. All the 24 sampled GPs and six Blocks did not maintain files for proceeding and forwarding of Annual Plans to the DPCs.

ii. All the sampled GPs did not maintain Register II and III manually as required. They were maintained by downloading from the MIS.

iii. All the 24 sampled GPs did not maintain case files in the manner prescribed by the Operational Guidelines.

iv. All the six sampled Blocks did not maintain e-Muster Roll issue registers.

The State Government stated (May 2025) that instructions were issued to maintain proper records as per the Operational Guidelines. However, districts would be reminded to mandatorily maintain all records as required by the Operational Guidelines.

2.2.10.13 Non-adherance to the provisions of the guidelines

The following provisions of the Operational Guidelines were not adhered to:

- ***Non-constitution of Vigilance Cell***: Paragraph 13.6 of the Operational Guidelines provides for setting up of a three-tier vigilance (state, district and local level) mechanism. However, no vigilance cell was constituted at the state level and at any level of sampled districts and GPs during 2019-2024 to proactively detect irregularities and to follow up detected irregularities and malfeasance, including those identified during social audit, and ensure that the guilty are punished and recoveries of misspent funds duly made.
- ***Non-Appointment of State and District Quality Monitors*****:** No State Quality Monitor (SQM)/ District Quality Monitor (DQM) were appointed in violation of Paragraphs 7.12.1, 14.8 and 14.10.4 of Annual Master Circular. As such, evaluation of works executed could not be affected properly.
- As per Paragraph 13.12.1 of the Operational Guidelines, Citizens' Charter shall cover all aspects of the duties of Panchayats and officials. It should lay down the minimum service levels mandated by these provisions on the Panchayats and the officers concerned. Audit noticed that no Citizens' Charter had been developed till date. As a result, MGNREGS in Manipur had been implemented so far without any mandated duties of PRIs and Government officials. Hence, the main stakeholders of the scheme remained unaware of the duties and function of the MGNREGA functionaries.

The State Government while accepting the audit observation stated (May 2025) that it has noted for necessary action.

2.2.10.14 Conclusion

The envisaged monitoring and grievance redressal mechanism was practically non-functional. The SEGC could not ensure envisaged monitoring and steering of the Scheme due to non-performance of prescribed duties. There were shortcomings in number of social audits carried out and settlements of objections raised in Social Audit Reports. There was no proper assessment of manpower requirement and gaps between men-in-position and sanctioned strength of various key field level posts.

2.2.10.15 Recommendations

(i) ***The SEGC may hold bi-annual meeting regularly, appoint its non-official members and perform its duties as prescribed.***

(ii) ***The Department may formulate Rules to determine appropriate grievance redressal mechanism at the Block and District level for dealing with any complaints.***

(iii) ***The Department may monitor proper functioning of Ombudsman and disseminate awareness on the duties and functions of Ombudsman to the beneficiaries.***

(iv) ***The Department may appoint regular Director of MSAA and other staff and Resource Persons on priority.***

(v) ***Adequate meeting of the Governing Body of the MSAA should be held for proper monitoring of the performance of the MSAA.***

(vi) ***The Department should reassess the manpower requirement and ensure that adequate number of staff with requisite skills are provided.***

(vii) ***The Department may take up steps to constitute Vigilance Cell, appoint State and District Quality Monitor and prepare Citizens' Charter.***

SOCIAL WELFARE DEPARTMENT

2.3 "Integrated Child Development Services (ICDS) Scheme"

A Performance Audit of Integrated Child Development Services (ICDS) covering the implementation of the programme during the period 2018-19 to 2023-24 was conducted during July 2023 to September 2024. This Performance Audit brought out the following significant findings.

Highlights

The Department prepared Annual Project Implementation Plans (APIP) annually and submitted them to Government of India (GoI) to get funding for the programme (GoI funded 90 per cent of approved APIP outlays for the North-East region), however, the Department did not prepare long term plans for the scheme. There was also no district or project level plan during the period 2018-19 to 2023-24.

(Paragraph 2.3.7.1)

The State Empowered Programme Committee, the highest body for planning, supervision and monitoring the implementation of ICDS in the State which was supposed to meet once every month, did not meet even once during the period 2018-2024. There were neither district ICDS Mission nor block ICDS Mission Committee in any of the sampled districts to get together and operationalise ICDS Mission Mode to take decisions on child development issues.

(Paragraph 2.3.7.2)

The State Convergence Committee met once during 2018-24 against the requirement of once in each quarter. Further, the District and Block Convergence Committee did not meet at all during the period 2018-19 to 2023-24. There were no district and block convergence action plans during the period 2018-19 to 2023-24 indicating that the Committees were non-functional.

(Paragraph 2.3.7.4)

The Department did not lift 3,000 MT of rice for the fourth quarter of 2019-20 meant for Supplementary Nutrition Programme of 3,77,140 beneficiaries (children 6 months to 6 years: 3,22,186 and pregnant and lactating mother: 54,954).

(Paragraph 2.3.8.3)

Anganwadi Centre (AWC) buildings were in dilapidated conditions and not fit to effectively function as AWCs. There were no basic facilities such as proper buildings, toilets, drinking water facilities, space for indoor and outdoor activities of children.

(Paragraph 2.3.8.8)

Medicine kits were not available in 100 AWCs, the facts were confirmed from the Joint Physical Verification (JPV) (January 2024). Non-availability of medicine kits for controlling common ailments like fever, cold, cough, worm infestation, etc. including medicines and basic equipment for first-aid would result in exposure of young beneficiaries under the scheme to the vulnerability of common ailments.

(Paragraph 2.3.8.9)

There was delay in release of fund by the Government of Manipur to the implementing agencies for more than three years resulting in delay in completion of the 936 AWCs.

(Paragraph 2.3.8.12)

The GoI provided funds for construction of toilets and drinking water facilities for the AWCs with the objective of achieving total sanitation and cleanliness by 02 October 2019, however, the Department could not achieve the objective as of March 2024.

(Paragraph 2.3.8.13)

As of March 2024, out of 38 CDPOs, only 30 of them had received job related training while 33 of them had received induction training. Also, out of 377 Supervisors, only 53 of them had received the requisite job related training, leaving a backlog of 324. Only 56 Supervisors had received induction training.

(Paragraph 2.3.8.19.2)

There were shortfalls in the visit of senior functionaries in the 13 sampled ICDS projects by the supervisors to the Anganwadi Centres ranging from 11 to 45 per cent, while shortfall in respect of Child Development Project Officers (CDPOs) ranged from 64 to 78 per cent.

(Paragraph 2.3.8.21)

2.3.1 Introduction

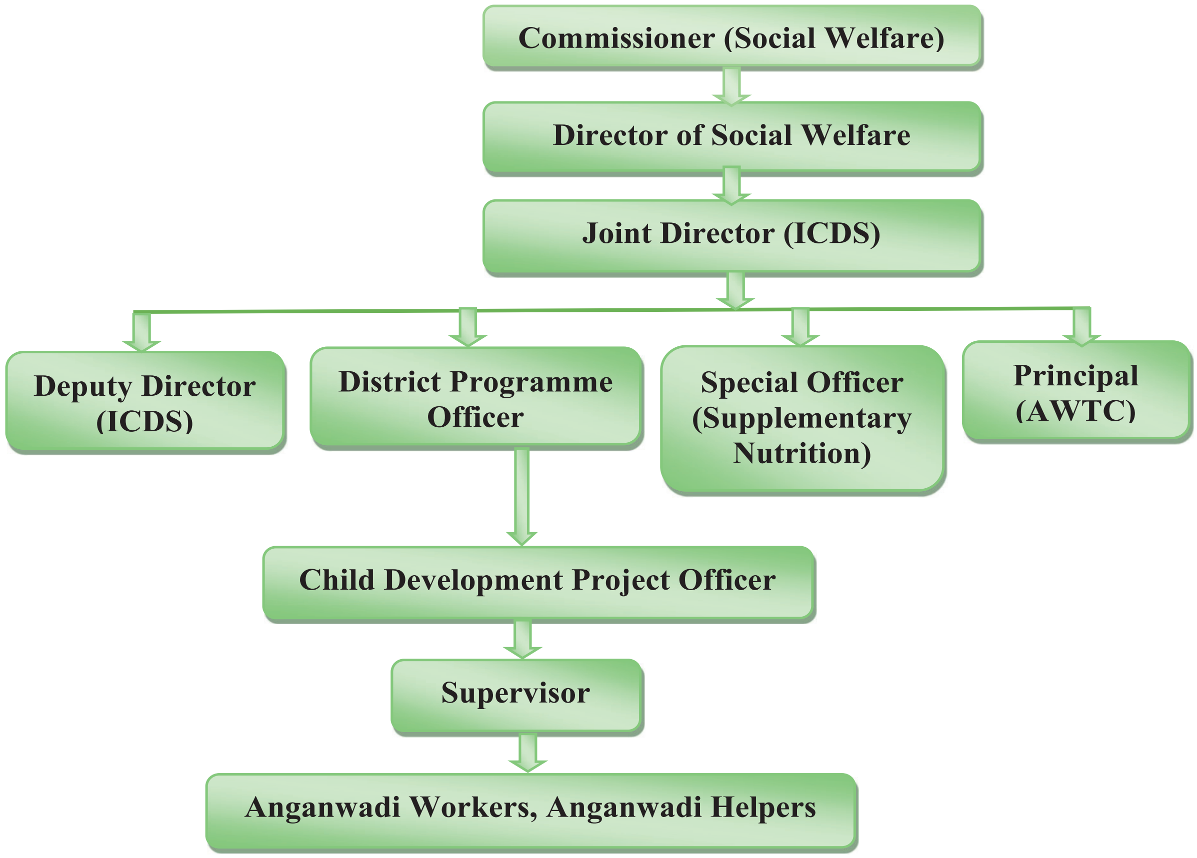
Integrated Child Development Services (ICDS) Scheme is one of the largest and unique programmes of the Government of India (GoI), launched in 1975 for childhood care and development. The scheme was launched in the same year in the State of Manipur. The scheme aims to help children and nursing mothers to respond to the challenge of providing pre-school and non-formal education on one hand and break the vicious cycle of malnutrition, morbidity, reduced learning capacity and mortality on the other. The beneficiaries under the scheme are children in the age group of zero to six years, pregnant women and lactating mothers and adolescent girls in the age group of 14 to 18 years. In November 2017, GoI renamed the ICDS as 'Anganwadi Services' and restructured it into 'Umbrella ICDS'. In March 2018, POSHAN Abhiyaan (erstwhile National Nutrition Mission) was launched to achieve improvement in the nutritional status of beneficiaries in a time bound manner. In August 2022, POSHAN Abhiyan and ICDS were re-structured as 'Saksham Anganwadi and Poshan 2.0' (hereinafter called Poshan 2.0) for implementation during the 15th Finance Commission period 2021-22 to 2025-26.

The package of services provided as part of the programme comprised, *inter-alia* (i) Supplementary Nutrition Programme (SNP), (ii) Immunisation, (iii) Health Check-up, (iv) Referral Services, (v) Non-formal Pre-school Education (PSE) and (vi) Nutrition and Health Education (NHED).

2.3.2 Organisational set-up

The Social Welfare Department (Department) is responsible for the implementation of ICDS in the State. The Department implements three components of the programme *viz*., SNP, PSE and NHED, while the other three components are implemented in coordination with the Department of Consumer Affairs, Food and Public Distribution and Health and Family Welfare Department (health check-up and referral services and immunisation). At the apex level, the Commissioner of the Department and the Director of Social Welfare are responsible for policy, planning, coordination and implementation of the programme. At the district level, the ICDS scheme is led by a District Programme Officer. Each district operates the program through a defined cluster of Anganwadi Centres (AWCs) referred to as the ICDS Projects. Each Project is managed by a Child Development Project Officer (CDPO). The CDPO is assisted by Supervisors who are responsible for review and reporting of information for about 25 AWCs. Each AWC has a dedicated Anganwadi Worker (AWW) and Anganwadi Helper (AWH). The organisational chart of the Department is given in **Chart 2.3.1**.

Chart 2.3.1: Organogram of the Social Welfare Department



Source: Departmental records

2.3.3 Audit objectives

Performance audit was taken up with the objective to ascertain whether:

- Planning for identification and coverage of beneficiaries was comprehensive, the activities envisaged under various interventions were designed to meet the scheme objectives and inter-sectoral monitoring mechanism was robust;
- The available physical, human and financial resources were optimally utilised and convergence with other related programmes was ensured to maximise the benefit of ICDS;
- Effective awareness was created among the targeted beneficiaries under ICDS scheme; and
- The delivery of services through ICDS was effective, efficient and economic in achieving the desired outcomes.

2.3.4 Audit criteria

Audit findings were benchmarked against the following sources of criteria:

- Scheme guidelines-'ICDS Mission - the broad Framework for Implementation', Operational Guidelines of Convergent Action Plan and instructions issued by GoI;
- National Food Security Act, 2013;

- General Financial Rules 2017;
- Instructions issued by Government of Manipur (GoM); and
- Monitoring mechanism instituted by GoI and GoM including reports of National/ State level monitors.

2.3.5 Scope, Sample and Audit Methodology

The Performance audit of ICDS was conducted during July 2023 to September 2024 and covered the implementation of the programme during the period 2018-19 to 2023-24. Audit methodology involved examination of the records in the Directorate of Social Welfare Department at the apex level, one Anganwadi Training Centre (AWTC), five out of sixteen District Programme Officers, 15 Child Development Project Officers (CDPOs) out of 43 Child Development Project Officers (CDPOs) and 100 Anganwadi Centres (AWCs) out of 11,510 AWCs in the State. There are sixteen districts in the State. Districts and projects were selected for audit by using Probability Proportional to Size Without Replacement (PPSWOR) sampling method and AWCs were selected through Simple Random Sampling method.

The Department authenticated the findings of the joint physical inspection of infrastructure conducted by audit along with the departmental representatives during November 2023 to January 2024. Audit objectives, criteria, scope and methodology were discussed in an Entry Conference held on 07 July 2023 with the Director, Social Welfare and Joint Secretary, Department of Social Welfare before commencement of Audit. Significant findings were discussed in an Exit Conference (February 2025) with the Commissioner, Social Welfare Department and other representatives of the Department. The responses of the Department have been incorporated in the report appropriately.

2.3.6 Acknowledgment

Audit acknowledges the cooperation and assistance extended by the authorities of the Department of Social Welfare during the conduct of the Performance Audit.

Audit findings

The audit findings of the Performance Audit are discussed in the succeeding paragraphs.

2.3.7 Audit Objective: Whether Planning for identification and coverage of beneficiaries was comprehensive, the activities envisaged under various interventions were designed to meet the scheme objectives and inter-sectoral monitoring mechanism was robust?

Planning

2.3.7.1 Planning process

As per Paragraph 6 of the ICDS Broad Framework for Implementation, the State and District plans would be formulated on the premise that the community can plan its children's needs and there would be greater requirement for developing capacities in communities to do so.

The State needs to prepare long term plan for the scheme as well as an Annual Plan that would be based on resource availability and prioritisation exercise. At the State level, the Department of Social Welfare needs to ensure that the core teams at the District and Block levels are carefully identified and are committed to the task of achieving the vision of ICDS. By aggregating Block and Local level information, District ICDS Annual Plan and District ICDS five-year plan were to be developed.

As required under Paragraph 7.7 of the ICDS broad framework, the State prepared Annual Project Implementation Plans (APIPs) annually and submitted them to GoI to get funding for the programme (GoI funded 90 *per cent* of approved APIP outlays for the North-East region). However, the Department did not prepare long term plans for the scheme. There were also no district or project level plans during the period 2018-19 to 2023-24.

Thus, the State APIP did not demonstrate a bottom up, decentralised and participatory approach to incorporate the roles of ICDS and Health functionaries in planning though they are required to work in a convergence mode. Further, there was nothing on record to demonstrate convergence with local Government institutions (Manipur Hill Areas District Councils and District and Village Panchayats, *etc*.)

The Department stated (March 2025) that the Department prepared APIPs before the beginning of a financial year. Ministry of Women and Child Development focuses on the annual project implementation plan for release of fund. The Department appreciated the observation and further stated that the capacity building programmes of block and district level offices would be taken up for preparation of annual and long term plan.

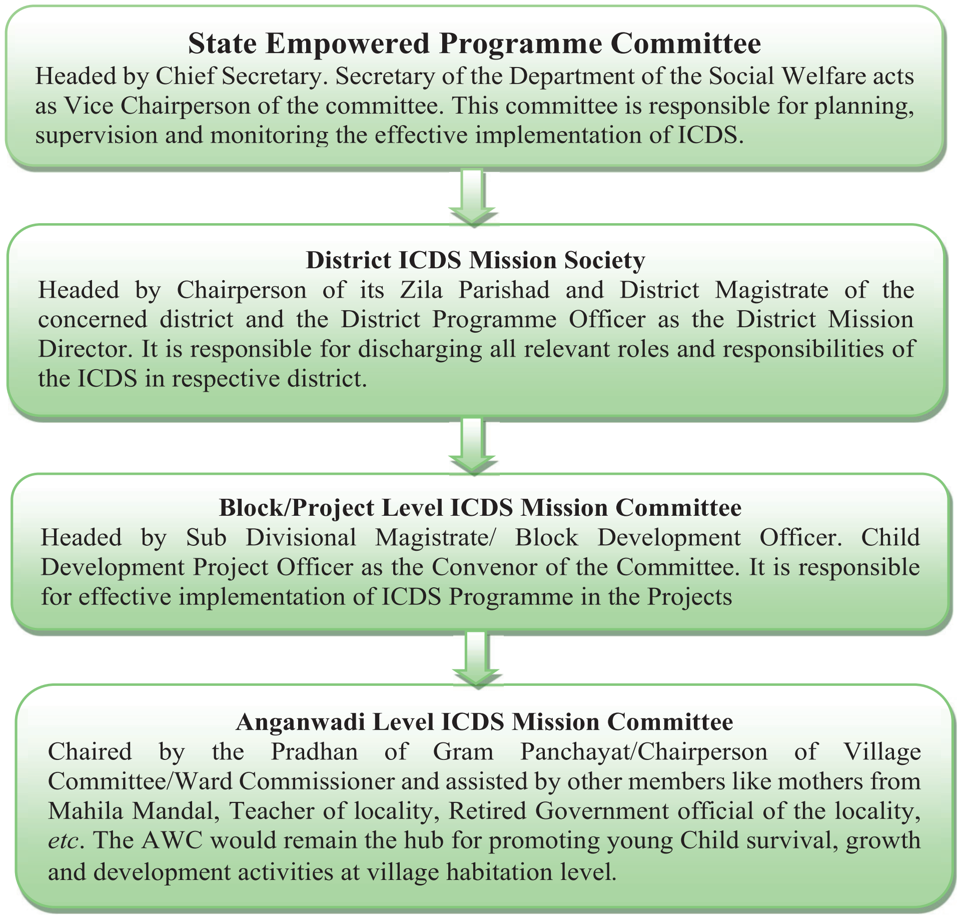
2.3.7.2 Lack of Institutional framework

Institutional framework and processes established for interactions among the various nodal authorities and stakeholders are of critical relevance for the success of a policy or program. ICDS has well planned administrative and organisational set up under the aegis of the Ministry of Women and Child

Development with structured programme implementation and monitoring mechanisms at State, District, Block, Sector and Village level. To ensure timely and smooth implementation as well as effective monitoring of the scheme, it is essential to create institutional mechanisms at state, district and block level.

The administrative structure to implement the programme is depicted in **Chart 2.3.2.**

Chart 2.3.2: Administrative structure of programme implementation



Source: Departmental records

Audit noticed deficiencies in functioning of the Institutional mechanisms as discussed in the following paragraphs.

- The State Empowered Programme Committee is the highest body for planning, supervising and monitoring the effective implementation of ICDS at the State level. The State Empowered Committee was reconstituted in May 2015. The Committee was supposed to meet once every month. However, the Empowered Programme Committee did not meet even once during the period 2018-2024.

- Every district would have a district ICDS Mission headed by the Chairperson of its Zilla Parishad. The district ICDS Mission would provide a platform where the three arms of governance, Zilla Parishad/ Urban Local Bodies, District Child Development Administration and

District Programme Manager or ICDS Mission Sector would get together to operationalise ICDS Mission Mode. They would discuss and take decisions on child development issues of the district. Audit noticed that there was no district ICDS Mission in any of the sampled districts.

- At the project level, each block within a district would have a Block ICDS Mission Committee that would be headed by the Chairperson of the concerned Panchayat Samiti. The Block Development Officer would act as the co-chairperson and the CDPO as the convener. Other members of the Committee may include public representatives such as MLAs and Members of the Panchayat. The Committee would meet once every month. Audit noticed that there was no Block ICDS Mission Committee in any of the test checked projects.

Thus, there was lack of institutional framework in planning and implementation of the scheme.

The Department stated (March 2025) that meetings of the State Empowered Committee had been held annually till 2022. Meetings could not be held for 2023-24 and 2024-25 in view of the unrest and conflicts that had prevailed since May 2023. Further, a meeting of the State Level Steering Committee was held in February 2025.

However, no monthly meetings of the State Empowered Committee were held as required for monitoring and effective implementation of the scheme.

2.3.7.3 Convergence of services

Paragraph 2.2.1(iii) of the Broad framework envisages an integrated delivery of a multiplicity of services which are handled by different departments at different levels. Three of the six services under ICDS namely immunization, health check-up and referral services are delivered through public health infrastructure under the Department of Health and Family Welfare.

The convergence among various departments and programmes for delivery of ICDS requires constitution of coordination committees at the State, District, Block and Village levels to review the progress of the ICDS scheme. Under State Level Coordination Committee, joint meetings of the State Nodal Department with National Health Mission functionaries were required to be held in every quarter to discuss about different health aspects of ICDS and to gather inputs on immunization and other health concerns of the ICDS from State on regular basis.

Test check of records for the period 2018-2024 revealed that the convergence among various programmes/ departments at the State and lower level was inadequate as discussed in **Paragraphs 2.3.7.4 and 2.3.7.5**.

The Department had assured (March 2025) that considering the importance of holding convergence action plan committee meetings for successful implementation of the scheme, such meeting would be conducted in future. The fact, however, remained that the inadequate convergence among various departments and programmes at the State and lower levels during 2018-2024 compromised the effectiveness of ICDS service delivery.

2.3.7.4 Convergence Action Plans Committee

As per Paragraph 1.2 of the Operational Guidelines of Convergent Action Plan, a key pillar of the POSHAN *Abhiyan* is convergence of all nutrition related schemes on the target population. These include programmes such as the Anganwadi Services, Pradhan Mantri Matru Vandana Yojana, scheme for Adolescence Girls, Janani Suraksha Yojana, National Health Mission (NHM), Anaemia Mukt Bharat, Indradhanush, Swachh Bharat Mission, Public Distribution System, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), drinking water and toilets with Panchayati Raj Institutions and Urban Local Bodies. Poshan Abhiyan brings about convergence of nutrition action related schemes by identifying and bringing under one framework key nutrition related interventions, indicators and targets to be monitored and achieved by relevant line Ministries/ Departments implementing the scheme. The state should constitute Convergence Action Plan Committee at State, District and Block level to facilitate the operationalisation of the framework. These committees are responsible for carrying out all works related to convergence such as plan development, periodic review, work coordination, monitoring and evaluation, identifying the gaps and suggesting measures to fill the gaps.

The Department had constituted (June 2018) the State, District and Block Convergence Action Plan Committees as required. The State Convergence Committee was mandated to meet at least once in every quarter. The State Convergence Committee had met only once in October 2019 after its constitution. Thereafter, there had been no meetings of the Committee as of March 2024. Further, the District and Block Convergence Committee had not met even once during the period 2018-19 to 2023-24. It was also noticed that there had been no district and block convergence action plans during the period 2018-19 to 2023-24. Thus, the Convergence Committees at district and block level had remained non-functional.

During the meeting of the State Convergence Committee (October 2019) the Director of Social Welfare had deliberated on the convergence actions to be taken up by various departments focussing on strengthening of AWC infrastructure such as construction of AWC buildings, drinking water and toilet facilities. It had also focussed on reduction of malnourishment and anaemia as a common platform for convergence. However, there had been no report on the progress of proposed actions in the meeting. Audit also observed lack of toilet and drinking water facilities and other infrastructures in the test checked AWCs as discussed in the succeeding paragraphs.

The Department stated (March 2025) that no convergence committee meeting had been held due to covid 19 and unrest in the State since May 2023. The

Department assured that given the importance of convergence action plan committee meeting the same would be conducted in future. However, the reply was not acceptable as the Department did not convene the mandated quarterly meetings even during the period prior to COVID-19 and unrest (*i.e.*, 2018-19 to 2019-20). This indicated lack of seriousness and ineffective monitoring of the convergence mechanism, resulting in non-preparation and non-implementation of district and block level convergence action plans.

2.3.7.5 Convergence for construction of Anganwadi Centre

Paragraph 4.4 of the Framework (2012) and Paragraph 3.16 of Saksham Anganwadi Poshan 2.0 envisages convergence framework for ICDS scheme related sectoral programmes such as National Rural Drinking Water Programme (NRDWP), Sarva Shiksha Abhiyan (SSA), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Member of Parliament Local Area Development Scheme (MPLADS), Member of Legislative Assembly Local Area Development Scheme (MLALADS) in planning, funding and delivery of services.

As of March 2024, there were 8,358 AWCs running in rented buildings, 159 AWCs in community buildings and 2,993 AWCs in own/ Government buildings. However, there had been no plan for construction of AWC building from the funds under different schemes in convergence with the concerned departments.

The Department stated (March 2025) that the DPCs had been instructed in March 2024 to take up a supplementary shelf of projects and that once included in the shelf of projects, the construction would be taken up on ground.

The fact, however, remained that there had been no convergence for construction of AWCs during 2018-2024. Audit noticed that the AWCs were in dilapidated condition as discussed at **Paragraph 2.3.8.8**. With convergence with other schemes, the infrastructure of the AWCs could have been improved.

2.3.7.6 Non-sharing of data for planning

Paragraph 4.4 of the framework for convergence envisages formation of one common Village Health Sanitation and Nutrition Committee (VHSNC) as the institutional mechanism for convergence at village level with AWCs; preparation of Child Development Plan at Village, Block and District levels based on joint household surveys and village micro-planning exercises involving AWWs, ASHAs, community/ women's groups, VHSNCs and Panchayati Raj Institutions (PRIs); appraisal of District ICDS Mission Plans to ensure multi-sectoral interventions for young child health, growth and development. On review, audit had noticed that there had been no institutional mechanism for data sharing and cross-validation of data amongst the functionaries of ICDS (AWWs) and NHM (ASHAs, ANMs). Further, CDPOs and Medical Officers (MOs) had not undertaken joint inspections of AWCs.

There had been no joint convergence action plans for districts and blocks in the State.

The Department stated (March 2025) that a Standard Operating Procedure (SOP) would be designed in consultation with the Health Department for data sharing, cross validation of data and for joint inspection of AWCs.

The reply confirmed that the Department did not put in place such a system and did not prepare joint convergence action plans during the audit period, despite the requirement for coordinated service delivery. This indicated weak convergence, inadequate monitoring and ineffective coordination between ICDS and NHM functionaries, which adversely impacted delivery of services at the grassroots level.

2.3.7.7 Shortfall in AADHAAR seeding of beneficiaries

Ministry of Women and Child Development issued (November 2021) instructions to all the States to carry out updating AADHAAR seeding of beneficiaries' data of ICDS in Poshan Tracker by 15 December 2021. Future allocation of fund under Supplementary Nutrition Programme and foodgrains under Wheat Based Nutrition Programme (WBNP) was to be made on the basis of this data only.

Audit had noticed that out of 2,80,007 eligible beneficiaries[35], as of 31 March 2024, 2,66,127 beneficiaries had been verified, thereby resulting in a shortfall of 13,880 (five *per cent*) beneficiaries in verification of AADHAAR. Thus, as allocation of fund had been based on AADHAAR seeded beneficiaries, the scheme had not fully covered all the eligible beneficiaries.

The Department stated (March 2025) that all efforts would continue to make up the shortfall in AADHAAR verification of beneficiaries during home visits by AWWs and Supervisors.

The reply was not acceptable as the shortfall had persisted throughout the audit period despite the Department being aware of its impact on fund allocation. This indicated inadequate planning and ineffective monitoring of AADHAAR seeding by the Department. Thus, eligible beneficiaries had been deprived of full benefits under the scheme due to incomplete verification.

2.3.7.8 Early Childhood Care and Education (ECCE)

Paragraph 3.15 of Saksham Anganwadi Poshan 2.0 envisages Early Childhood Care and Education (ECCE) covers provision for pre-school learning material for cognitive, emotional, social and intellectual development of the child. The aim of Early Childhood Care and Education is to facilitate optimum development of the child's full potential and lay the foundation for all round development and lifelong learning. The programme at the early childhood stage helps to ensure opportunities for holistic learning and growth. The status of

[35] Records of the poshan tracker

delivery of early childhood care and development during 2018-2024 is discussed in the succeeding paragraphs.

2.3.7.8.1 Coverage of beneficiaries under Pre-school Education

The scheme mandates enrolment of all eligible children of the age group of three to six years for non-formal pre-school education for at least 21 days in a month. However, the Department had not been able to provide non-formal pre-school education to all eligible beneficiaries enrolled, as shown in **Table 2.3.1**.

Table 2.3.1: Details of coverage of beneficiaries under Pre-school education

Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
No. of children eligible for pre-school education in the State	1,95,427	1,83,272	1,74,751	1,88,512	1,75,740	1,72,673
No. of children enrolled in the State for pre-school education *(per cent)*	1,83,596 *(93.95)*	1,72,933 *(94.36)*	1,74,057 *(99.60)*	1,87,582 *(99.51)*	1,46,169 *(83.17)*	1,59,719 *(92.50)*
Shortfall *(per cent)*	11,831 *(6.05)*	10,339 *(5.64)*	694 *(0.40)*	930 *(0.49)*	29,571 *(16.83)*	12,954 (7.50)
No. of children eligible for pre-school education in the sampled Project	65,213	70,456	70,526	69,503	69,359	63,484
No. of children enrolled in the sampled projects in the State for pre-school education (*per cent*)	64,661 *(99.15)*	70,330 *(99.82)*	70,435 *(99.87)*	69,449 *(99.92)*	69,216 *(99.79)*	63,053 *(99.32)*
No. of eligible children in the sampled projects who were not provided pre-school education for at least 21 days in a month	747	5,238	4,939	2,450	1,245	725

Source: Departmental records

During the period 2018-19 to 2023-24, achievement for enrolment in pre-school education ranged from 83.17 to 99.60 *per cent* in the State and it had ranged from 99.15 to 99.92 *per cent* in the sampled projects. Shortfall in coverage of enrolment of children for pre-school education had ranged between 0.40 to 16.83 *per cent* in the State. In the sampled projects, there had also been shortfall in coverage of eligible children for pre-school education for at least 21 days in a month.

The Department attributed (March 2025) the reasons to irregular attendance by the children and non-recording of attendance on the Poshan tracker. In this regard, a review meeting with all CDPOs and DPOs had been convened at the level of the Commissioner (SW) and strict instructions had been issued to ensure that ECCE was provided to eligible beneficiaries and to ensure reporting of the same in the Poshan tracker.

The reply of the Department is not acceptable as the shortfall had persisted throughout the audit period despite the Department being aware of the issue and its impact on service delivery. This indicated weak monitoring, ineffective use of the Poshan Tracker and poor follow-up of instructions issued by the higher authorities. Thus, despite high enrolment figures, the Department did not adequately ensure regular pre-school education for all eligible children, compromising the objectives of Early Childhood Care and Education (ECCE) under ICDS.

2.3.7.8.2 Monitoring and evaluation of the programme

ICDS Scheme envisages multiple tier monitoring system at the State, District, Project/ Block and Anganwadi levels through monitoring committees called State Level Monitoring and Review Committee (SLMRC), District Level Monitoring and Review Committee (DLMRC), Block Level Monitoring Committee (BLMC) and Anganwadi Level Monitoring and Support Committee (ALMSC). These Committees were to monitor the overall progress in implementation of the programme including coverage of beneficiaries, regularity in supply and quality of supplementary nutrition, performance of pre-school education provided at AWCs. However, such committees had not been in place in the State. Thus, there had been no multiple tier monitoring system at various levels to monitor overall progress in implementation of the scheme.

The Department stated (March 2025) that the programme had continued to be monitored by CDPOs, DPOs and District administration. Further, in line with the Saksham Anganwadi and Poshan 2.0 guidelines, the District Nutrition Committees had been constituted.

The reply of the Department on continuous monitoring of the scheme is not acceptable as the mandated multi-tier monitoring mechanism had not been established and the monitoring that had been claimed by the Department lacked proper documentation and evidence. Thus, in the absence of a functional multi-tier monitoring system, the Department did not put in place effective oversight of the implementation of the ICDS Scheme, which adversely impacted service delivery and achievement of the scheme's objectives.

2.3.7.8.3 Non-preparation of action plan

The Department is mandated to prepare district-wise action plan in advance for the monitoring and supervision visits by the officials at various levels for every six months. For joint visits along with the Health officials, an advance plan is required to be prepared in consultation with the Health Department, aligned with their monitoring visits.

Audit had observed that the Department of Social Welfare had not prepared district-wise action plan to visit officials at various levels to monitor and supervise the implementation of the schemes.

While admitting the audit observation, the Department stated (March 2025) that the district-wise action plans for regular monitoring had not been prepared. The Department also added that district-wise programme had mostly been monitored through the Poshan tracker and that District Nutrition Committees, which were the nodal point in the districts, had now been constituted for effective monitoring of the programme.

The reply of the Department is not acceptable as reliance solely on the Poshan Tracker did not substitute for on-field supervision. The constitution of District Nutrition Committees after the audit period did not address the gaps in monitoring that existed between 2018-2024. Thus, the Department did not put in place structured and effective monitoring of scheme implementation at the district and field levels, which compromised oversight and accountability.

2.3.7.8.4 Status of fund utilisation

Fund under ICDS is allocated under two heads, *viz.* Anganwadi Services (General) or ICDS General and the Supplementary Nutrition Programme (SNP) to the State. As per Paragraph 7.7 of the Broad Framework, release of fund under the scheme would be based on State APIPs. Every year there would be two instalments. The release of first instalment to the State would be processed after the receipt of the APIP on a lump sum basis. The second instalment would be based on the adequate utilisation of first instalment. The position of funds received, expenditure and unspent balance is shown in **Table 2.3.2**.

Table 2.3.2: Fund received and utilised for ICDS scheme for the period 2018-19 to 2023-24

(₹ in crore)

Sl. No.	Financial Year	Allocation of Fund in APIP	Total Fund Available	Total Fund Utilised	Un-utilised Fund
1	2018-19	50.89	96.55	50.65	45.90
2	2019-20	99.60	99.04	48.50	50.54
3	2020-21	87.72	161.30	74.09	87.21
4	2021-22	91.02	179.10	137.07	42.04
5	2022-23	85.89	69.98	59.29	10.70
6	2023-24	81.81	100.57	54.53	46.05

Source: Departmental records

It can be seen from **Table 2.3.2** that there were persistent unutilised funds during the period 2018-2024, indicating that the Department had not fully utilised the allocated funds during those years.

The State APIP did not demonstrate a bottom up, decentralised and participatory approach to incorporate the roles of ICDS and Health functionaries in planning, even though they were required to work in a convergence mode. The convergence, though well-intended, suffered from poor planning. There had been a lack of a multi-tier monitoring system at various levels to monitor the overall progress of the implementation of the scheme.

2.3.8 Audit Objective: *Whether the available physical, human and financial resources were optimally utilised and convergence with other related programmes was ensured to maximise the benefit of ICDS?*

Scheme Implementation

2.3.8.1 Nutritional status of children

Nutritional status affects every aspect of a child's health, including normal growth and development, and response to serious illness. Malnutrition may originate from the deficiency or absence of any nutrient.

The moderate underweight children are measured as percentage of children aged 0-59 months who are below minus two standard deviations from median weight for age of the World Health Organisation Child Growth Standards. The severe underweight children are measured as percentage of children aged 0-59 months who are below minus three standard deviations for median weight for age of World Health Organisation Child Growth Standards. The year-wise nutritional status of children in the State during 2018-19 to 2023-24 is shown in **Table 2.3.3**.

Table 2.3.3: Nutritional status of children

Year	No. of children weighed	Moderate Acute Malnutrition (*Percentage*)	Severe Acute Malnutrition (*Percentage*)
2018-19	3,07,942	4,011 *(1.30)*	0
2019-20	3,47,909	4,075 *(1.17)*	0
2020-21	3,08,677	4,809 *(1.56)*	0
2021-22	3,38,004	2,610 *(0.77)*	0
2022-23	3,25,152	1,777 *(0.55)*	0
2023-24	2,58,700	1,262 *(0.49)*	619 *(0.24)*

Source: Departmental records

It can be seen from **Table 2.3.3** that the percentage of Moderate Acute Malnutrition (MAM) children ranged between 0.49 (2023-24) to 1.56 (2020-21) *per cent* and there was no occurrence of Severe Acute Malnutrition (SAM) children in the State during the period 2018-19 to 2022-23. However, during the year 2023-24, 619 severe malnourished children were identified by the Department.

Similarly, in the 13 sampled projects, there were MAM and SAM children during 2018-19 to 2023-24 as shown in **Table 2.3.4**.

Table 2.3.4: Nutritional status of children of sampled Projects

Sl. No.	Year	Total number of children weighed	MAM (Percentage)	SAM (Percentage)
1	2018-19	1,05,247	376 *(0.36)*	24 *(0.02)*
2	2019-20	1,09,418	481 *(0.44)*	21 *(0.02)*
3	2020-21	1,06,792	107 *(0.10)*	27 *(0.03)*
4	2021-22	1,00,181	164 *(0.16)*	24 *(0.02)*
5	2022-23	1,05,373	516 *(0.49)*	207 *(0.20)*
6	2023-24	94,865	754 *(0.79)*	224 *(0.24)*

Source: Departmental records

As can be seen from **Table 2.3.4**, percentage of MAM and SAM children increased from 2021-22 to 2023-24 in the 13 sampled Projects. The number of malnourished children in the test-checked projects implied that their health status had not been properly monitored. Thus, the possibility of all malnourished children getting additional food under SNP, health check-ups and referrals to the health centres could not be ascertained. Due to non-maintenance of proper records, early detection of severely malnourished children through the intervention of health services remained unaccomplished.

Further, during the years 2018-2023, the Department reported that there were no SAM children in the State, while occurrence of SAM children was observed in the sampled projects. Thus, the data maintained by the Department had not been reliable. Reasons for the variation had been called for and the reply of the Department was awaited (September 2025).

While accepting the audit observation the Department stated (March 2025) that after the introduction of Poshan Tracker, weight and height of all beneficiaries enrolled in Poshan tracker were to be measured monthly. However, due to deficiencies in regular measurement and timely upload of information in the Poshan tracker, mis-reporting of MAM and SAM cases in Poshan tracker had occurred.

The fact remained that regular monitoring of weight and height of the children, as mandated, had not been carried out, reflecting a significant lapse in implementation and monitoring mechanisms.

2.3.8.2 Supplementary Nutrition Programme

Supplementary Nutrition Programme (SNP) is an important component of ICDS to bridge the protein-energy gap between the recommended dietary allowance and average dietary intake of children, pregnant women and lactating mothers. ICDS programme envisaged Supplementary Nutrition for Pregnant and Lactating Mother (PLM), Children (six months to six years old) and Adolescent Girls (AG). The audit findings are discussed in subsequent paragraphs.

The coverage of beneficiaries under the programme is detailed in the following **Table 2.3.5**.

Table 2.3.5: Coverage of beneficiaries under Supplementary Nutrition

Category of beneficiaries	Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Children (6 months to 6 years old)	Eligible	3,74,450	3,46,949	3,42,503	3,58,313	3,12,142	2,90,287
	Enrolled	3,58,891	3,22,186	3,18,073	3,46,269	2,52,291	2,55,105
	Coverage	3,58,891	3,22,186	3,18,073	3,46,269	2,52,291	2,55,105
	Shortfall (per cent)	15,559 *(4)*	24,763 *(7)*	24,430 *(7)*	12,044 *(3)*	59,851 *(19)*	35,182 *(12)*
Pregnant and Lactating Mother	Eligible	65,999	54,954	53,318	56,554	56,078	19,447
	Enrolled	65,999	54,954	53,318	56,554	32,242	17,556
	coverage	65,999	54,954	53,318	56,554	32,242	17,556
	Shortfall (per cent)	*0*	*0*	*0*	*0*	23,836 *(43)*	1,891 *(10)*
Adolescent Girls	Eligible	4,056	3,384	3,075	3,075	56,471	50,696
	Enrolled	4,056	3,384	3,075	3,075	56,471	50,696
	Coverage	4,056	3,384	3,075	3,075	41,261	41,080
	Shortfall (per cent)	*0*	*0*	*0*	*0*	15,210 *(27)*	9,616 *(19)*

Source: Departmental records

From **Table 2.3.5**, it appears that there was shortfall in coverage of 03 (2021-22) to 19 (2022-23) *per cent* in respect of children. In respect of pregnant and lactating women the coverage was 100 *per cent* up to 2021-22, however, there was shortfall of 43 and 10 *per cent* during 2022-23 and 2023-24 respectively. In respect of adolescent girls, the coverage of beneficiaries was 100 *per cent* up to 2021-22 and there was shortfall of coverage of 27 and 19 *per cent* during 2022-23 and 2023-24 respectively.

Position of eligible, coverage and shortfall in coverage of supplementary nutrition in the sampled projects is depicted in **Table 2.3.6**.

Table 2.3.6: Details of coverage of beneficiaries in sampled projects

Category of beneficiaries	Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Children (6 months to 6 years old)	Eligible	1,19,933	1,28,553	1,28,320	1,24,953	1,20,158	1,03,350
	Enrolled	1,19,185	1,28,303	1,28,057	1,24,817	1,19,889	1,02,814
	Coverage	1,19,180	1,28,288	1,28,048	1,24,812	1,19,735	1,02,485
	Shortfall	*753*	*265*	*272*	*141*	*423*	*865*
Pregnant and Lactating Mother	Eligible	19,158	19,978	22,376	21,138	15,031	8,851
	Enrolled	19,132	19,944	22,330	21,102	14,901	8,446
	Coverage	19,125	19,937	22,325	21,098	14,795	8,409
	Shortfall	*33*	*41*	*51*	*40*	*236*	*442*
Adolescent Girls	Eligible	10,008	10,145	9,973	17,061	23,523	20,676
	Enrolled	9,970	10,021	9,943	17,049	23,369	20,416
	Coverage	9,963	10,013	9,936	17,044	23,360	20,408
	Shortfall	*45*	*132*	*37*	*17*	*163*	*268*

Source: Departmental records

As is evident from the **Table 2.3.6**, almost all the eligible beneficiaries had been enrolled and covered in respect of the sampled projects. However, information on the number of adolescent girls during 2018-2022 was not reliable, as the number of beneficiaries in the sampled projects exceeded the total number of beneficiaries in the State during these years. Reasons for the variation had been called for and the reply of the Department is awaited (September 2025).

The Department stated (March 2025) that prior to 2022-23, the scheme for Adolescent Girls had covered only out of School Girls in the age group of 11 to

14 years. The discrepancies observed by audit were attributed by the Department to the inclusion of adolescent girls in both the 11 to 14 years and 14 to 18 years age groups and it furnished revised information on the number of adolescent girls in the sampled projects.

The reply of the department is not acceptable as the audit observations were based on the information furnished by the Department for the sampled projects at the time of audit. Hence, the data furnished by the Department was not reliable.

Further, in the Health Management Information System (HMIS) report of the Health Department, GoM, discrepancies were observed in the number of pregnant women and lactating mothers identified for SNP under ICDS. As per HMIS reports, the number of pregnant women during 2018-2024 ranged from 45,641 to 59,589. Out of the six years' period, in four years 2018-2022, the number of pregnant women recorded in HMIS was lower than the beneficiaries identified by the Directorate of Social Welfare. However, in 2022-23 and 2023-24, HMIS reported 58,173 and 59,589 pregnant women respectively, whereas the Directorate identified only 56,078 and 19,447 beneficiaries. This highlighted a gap between the information in HMIS and the Directorate of Social Welfare. As such, not all pregnant and lactating women eligible for SNP had been identified by the Department during 2022-23 and 2023-24.

The Department stated (March 2025) that during 2023-24 it could not enrol all new beneficiaries as the state was facing a widespread internet ban due to unrest in Manipur since 03 May 2023, which resulted in reduction in the number of beneficiaries. The fact remained that reliable identification and enrolment of all eligible adolescent girls, pregnant women, and lactating mothers had not been ensured, reflecting lapses in monitoring, data management, and implementation of the scheme.

2.3.8.3 Non-lifting of WBNP rice

Wheat Based Nutrition Programme (WBNP) was started in January 1986. Under the scheme, foodgrains (wheat/ rice) are annually allocated from Central Reserve to the Ministry at BPL rates by the Department of Food and Public Distribution. These are subsequently allocated to the States for use in Supplementary Nutrition Programme. The purpose is to reduce the procurement cost of the Supplementary nutrition and ensure the availability of more foodgrains for the beneficiaries.

Government of India allocated (September 2019) 3,000 MT of rice each for third and fourth quarters of 2019-20 under the WBNP and National Food Security (NFS) Act at the subsidised price of ₹Three per Kg. The Directorate of Social Welfare deposited (27 December 2019) ₹1.80 crore to the FCI for 6,000 MTs of rice at the rate of ₹Three per kg. The Directorate requested (13 March 2020) for issue of release order to the FCI along with project wise allocation. The validity period for lifting of un-lifted quantity of 3,000 MT of rice for the fourth quarter of 2019-20 was extended up to 27 March 2020. However, the Directorate could not lift the quantity of rice within the validity date due to lock down to prevent COVID 19.

Further, the Directorate requested (28 March 2020) the FCI to extend the validity period up to 30 April 2020. However, there was no record of any extension granted by the FCI. Thus, the Department did not lift 3,000 MT of rice for the fourth quarter of 2019-20 meant for SNP for 3,77,140 enrolled beneficiaries during 2019-20, including 3,22,186 children (six months to six years) and 54,954 pregnant and lactating mothers.

The Department stated (March 2025) that the FCI Regional office, Manipur had extended the validity period for lifting of the rice upto 27 March 2020, the order of which was received by the Department on 06 March 2020. The GoM announced a total lockdown with effect from 23 March 2020.

The reply of the Department is not acceptable as the allocation of rice was made in September 2019 and the requisite amount was deposited with the FCI in December 2019. However, the Department did not lift the allocated rice till 22 March 2020 *i.e.* before the lockdown was imposed. Thus, the non-lifting of rice was due to inaction on the part of the Department and not because of the COVID-19 lockdown.

The non-lifting of 3,000 MT of rice adversely affected the implementation of the SNP for 3,77,140 beneficiaries. The Department's delay compromised the objective of ensuring timely availability of subsidized foodgrains for the intended beneficiaries.

2.3.8.4 Distribution of WBNP rice

Supplementary nutrition was to be served for a minimum of 300 days in a calendar year *i.e.* on an average of 25 days in a month, with respect to morning snacks, hot cooked meals and take home ration. In respect of rice, 100 gram per day were to be provided to children and Pregnant and Lactating Mother. During 2018-19 to 2023-24, the quantity of rice required to meet the minimum standard, the quantity of rice distributed to 43 projects and details of rice provision to the beneficiaries are shown in **Table 2.3.7**.

Table 2.3.7: Details in provision of WBNP rice in the State

Year	No. of beneficiary		Recommended Quantity of rice per day (in gram)	Total requirement for 300 days (in kg)			Provision of rice to beneficiaries (kg)	Shortage in provision of rice in days
	Children	PLM*		Children	PLM	Total		
2018-19	3,58,891	65,999	100	1,07,66,730	19,79,970	1,27,46,700	1,97,87,000	Nil
2019-20	3,22,186	54,954	100	96,65,580	16,48,620	1,13,14,200	1,30,00,000	Nil
2020-21	3,18,073	53,318	100	95,42,190	15,99,540	1,11,41,730	1,36,22,530	Nil
2021-22	3,46,269	56,554	100	1,03,88,070	16,96,620	1,20,84,690	1,23,83,000	Nil
2022-23	2,52,291	32,242	100	75,68,730	9,67,260	85,35,990	96,72,000	Nil
2023-24	2,55,105	17,556	100	76,53,150	5,26,680	81,79,830	87,52,400	Nil

Source: Departmental records

* *PLM: Pregnant and Lactating Mother*

As can be seen from **Table 2.3.7**, the Department provided sufficient provision of WBNP rice during 2018-19 to 2023-24 under SNP.

Details of provision of WBNP rice in respect of 13 Sampled Projects during 2018-19 to 2023-24 are depicted in **Table 2.3.8**.

Table 2.3.8: **Details in provision of WBNP rice in sampled projects**

Year	No of beneficiary (furnished by dept)		Recommended Quantity of rice per day (in gram)	Total requirement for 300 days (in kg)			Provision of rice to beneficiaries (kg)	Shortfall (-) in provision of rice in days
	Children	PLM		Children	PLM	Total		
2018-19	1,19,180	19,125	100	35,75,400	5,73,750	41,49,150	74,97,913	Nil
2019-20	1,28,288	19,937	100	38,48,640	5,98,110	44,46,750	51,46,758	Nil
2020-21	1,28,048	22,325	100	38,41,440	6,69,750	45,11,190	55,05,900	Nil
2021-22	1,24,812	21,098	100	37,44,360	6,32,940	43,77,300	49,70,500	Nil
2022-23	1,19,735	14,795	100	35,92,050	4,43,850	40,35,900	37,96,500	-18
2023-24	1,02,485	8,409	100	30,74,550	2,52,270	33,26,820	34,81,971	Nil

Source: Departmental records

As can be seen from **Table 2.3.8,** there was shortfall in 2022-23 for 18 days.

2.3.8.5 Scheme for Adolescent Girls

The Ministry of Women and Child Development issued (August 2018) Administrative guidelines for implementation of the scheme for Adolescent Girls (SAGs). As per the guidelines, a special intervention is provided for out of school adolescent girls in the age group of 11-14 years using the ICDS infrastructure with an aim of breaking the inter-generational life-cycle of nutritional and gender disadvantage and providing a supportive environment for self-development. However, under POSHAN 2.0 the scheme for Adolescent Girls was revised (August 2022) and the targeted beneficiaries were revised to Adolescent Girls in the age group of 14-18 years instead of out of school girls in the age group of 11-14 years.

The audit findings on the implementation are discussed in the succeeding paragraphs.

2.3.8.5.1 Non-lifting of rice for adolescent girls

As per the information available on the website of the Ministry of Women and Child Development, GoI, on the allocation of food grains under the scheme for adolescent girls, the details of allocations of rice made for the State of Manipur during the period 2018-2024, are given in **Table 2.3.9**.

Table 2.3.9: Details of allocation of rice for adolescent girls

Year	Date of allocation by the Ministry	Relevant quarters	Quantity in MT
2018-19	19-06-2018	1st Quarter of 2018-19	15.21
	04-07-2018	2nd Quarter of 2018-19	45.63
	26-10-2018	3rd Quarter of 2018-19	45.63

Year	Date of allocation by the Ministry	Relevant quarters	Quantity in MT
2019-20	20-03-2019	1st Quarter of 2019-20	48.01
		2nd Quarter of 2019-20	48.01
	02-01-2020	3rd Quarter of 2019-20	64.00
		4th Quarter of 2019-20	
2020-21	18-05-2020	1st Quarter of 2020-21	38.90
		2nd Quarter of 2020-21	38.90
2022-23	12-12-2022	3rd and 4th Quarter of 2022-23	673.88
2023-24	09-08-2023	2nd and 3rd Quarter of 2023-24	631
	05-02-2024	4th Quarter of 2023-24	304
Total			**1,953.17**

Source: Ministry's website and Departmental records

Audit observed that the Directorate did not lift rice during 2018-19 and 2020-21, (the allocation for the year 2021-22 was neither available on the website nor in the records of the Directorate). The Directorate lifted the quantity allocated for the third and fourth quarters for the year 2022-23 and the second, third and fourth quarters of 2023-24 only.

As per the records, adolescent girls were provided rice during 2019-20, 2022-23 and 2023-24 only throughout the six year period. During the year 2018-19, the Directorate released (March 2019) ₹95.30 lakh to 30 out of 43 ICDS projects for providing supplementary nutrition to 3,344 beneficiaries. In 13 test checked projects, it was noticed that the adolescent girls were provided Supplementary nutrition without rice during 2018-19.

The non-lifting of rice by the Directorate during multiple years resulted in adolescent girls not receiving the full entitlement of supplementary nutrition under the scheme. This adversely affected the intended nutritional support and implementation of the programme in 13 sampled projects during 2018-19.

2.3.8.5.2 Shortage of supplementary nutrition

Supplementary nutrition shall be served for a minimum of 300 days in a calendar year *i.e.* on an average 25 days in a month with respect to Morning snacks, hot cooked meals and take home ration. In respect of rice, adolescent girls were to be provided 100 gram per day per adolescent girl of 14 to 18 years. During 2019-20, 2022-23 and 2023-24, the Directorate provided 1673.03 MT of rice to the adolescent girls under 43 ICDS projects. The rice provided by the Directorate was far below the requisite quantity as shown in **Table 2.3.10**.

Table 2.3.10: Details of shortage of supplementary nutrition for adolescent girls

Year	Number of adolescent girls covered	Requisite quantity of rice for the year (in MT)	Actual quantity provided (in MT)	Shortage (in MT)
2019-20	3,384	101.52	64.00	37.52 (37 *per cent*)
2022-23	41,261	1,237.83	673.88	563.95 (46 *per cent)*
2023-24	41,080	1,232.40	935.15	297.25 (24 *per cent)*
Total	**85,725**	**2,571.75**	**1,673.03**	**898.72**

Source: Departmental records

It is evident from **Table 2.3.10**, there was shortage in provision of rice for the adolescent girls by 898.72 MT (34.95 *per cent*) for the year 2019-20, 2022-23 and 2023-24 *i.e.* during the years in which rice was provided to adolescent girls.

2.3.8.5.3 Diet Diversity

As per Paragraph 3.4 of Saksham Anganwadi, Nutrition should aim at providing quality protein and essential micronutrients. Local dietary inputs and fresh produce such as green vegetables, fruits, medicinal plants and herbs, fortified rice was to be actively encouraged in prescription of meals to be served to different categories of beneficiaries under the Scheme to promote health, wellness and immunity and to manage anaemia. The beneficiaries were to be provided nuts and oilseeds in order to provide energy, protein as well as fats. The food items for Take Home Ration (not raw ration) and Hot Cooked Meals (HCM) were specific to the States and shall include locally grown/ available wholesome fruits and vegetables. Food ingredients used in Supplementary Nutrition shall comprise cereals, pulses (coarse grains), nuts and some fat to increase the energy content.

In the 13 test checked projects, Audit observed that during the period 2018-19 to 2023-24, beneficiaries were provided take home ration and hot cooked meals comprising rice, edible oil, cereals and pulses. In Manipur, vegetables and fruits such as cabbage, cauliflower, beans, mangoes, guava and pineapples *etc*., are available. However, locally grown/ available wholesome fruits and vegetables and nuts were not provided to the beneficiaries. Thus, the State could not provide the benefits of diet diversity to the beneficiaries under the scheme.

The Department stated (March 2025) that it was unable to provide wholesome fruits and nuts as these are costly. However, Anganwadi workers and helpers included locally available vegetables while preparing Hot cooked meals.

The reply of the Department is not acceptable as there was no record for procurement of locally available vegetables by the Anganwadi workers.

The non-provision of locally available fruits, vegetables and nuts deprived beneficiaries of the intended diet diversity under the scheme. This limited the nutritional adequacy of supplementary nutrition provided through the programme.

2.3.8.5.4 Absence of Nutri Garden

As per Paragraph 3.12 of POSHAN 2.0, POSHAN Vatikas can meet the important dietary diversity gap. POSHAN Vatikas (kitchen gardens and nutri-gardens) shall be set up at or near Anganwadi Centres, wherever possible and in Government led schools and Gram Panchayat lands where benefits can easily be provided to women and children.

In test check of 100 AWCs, audit observed that none of the AWCs practiced cultivation of vegetable, fruits, important herbs, *etc.* within their jurisdiction. It was also observed that the hot cooked meal did not comprise dietary inputs such as fresh green vegetables *etc*. There was no record of provision of fresh vegetables and fruits to the beneficiaries. Thus, the State had not taken steps to establish gardens that could serve as demonstration activity sites for children and promote healthy eating habits.

The Department stated (March 2025) that noting the value of POSHAN Vatikas at or near AWCs, more attention would be paid to maximise the POSHAN Vatikas by proposing in the APIP as per scheme guidelines with the allocation of funds to the AWCs. Thus, The absence of gardens and fresh dietary inputs in AWCs limited opportunities for children to experience healthy eating habits, undermining the objectives of the SNP and demonstration activities for nutrition education.

2.3.8.6 Absence of testing of food provided in AWC for quality

The scheme prescribed mandatory laboratory checks of the food materials being used for providing Supplementary Nutrition in order to ensure that the food material contain the required nutrition component. States should ensure that the quality of Supplementary Nutrition – Take Home Ration and Hot Cooked Meal- are being provided with reference to the norms of food safety as well as nutrient composition. Supplementary Nutrition must conform to prescribed standards laid down under the Food Safety and Standards Act, 2006 and regulations made there under to ensure consistent quality and nutritive value per serving. Quality testing was to be done through Food Safety and Standards Authority of India (FSSAI) owned or authorised laboratories. State Government needs to carry out periodic checks and get Supplementary Nutrition tested through the FSSAI owned/ registered/ empanelled/ accredited laboratories for adhering to food quality standards and testing in consultation with FSSAI.

Under the scheme, AWCs distributed Daliya sweet, Upma kheer, khichidi rice and pulse-based milk and hot cooked meals to children aged three to six years. It was observed that the food provided to children was never tested during the period from 2018-19 to 2023-24 to ensure its quality and nutritive value or compliance with the standards prescribed under the Food Safety and Standards Act, 2006. As a result, the Department could not ensure that children received food of standard quality and adequate nutritive valued under the SNP.

While accepting the audit observation, the Department stated (March 2025) that testing of food was not conducted regularly and that it would take steps to ensure the food was tested periodically in future. Thus, the intended objective of providing safe and nutritionally adequate food to children in AWCs remained unachieved during the period under review.

2.3.8.7 Inadequate PSE kits and activity books

As per the Guidelines for provision of Pre-School Education (PSE) Kits for AWCs, the non-formal PSE under the scheme is a crucial component of ICDS. It aims at the holistic development of young children. The PSE is imparted through a play-based and activity-based approach. To make AWCs child friendly centres, the AWCs should be equipped with locally appropriate play material aids. (PSE kit including activity books shall be provided each year for all Anganwadi Centres in the State. Any preschool care and education centre should have adequate and varied supply of play equipment and materials which are developmentally and age appropriate) PSE Kit shall be provided to all operational AWC at the rate of ₹3,000 per AWC and ₹1,500 per mini AWC per annum (*w.e.f.* August 2022 the rates were revised as ₹5,000 per AWC/ mini AWC once in five years)

Audit observed that the Directorate procured PSE kits for ₹2.41 crore during 2018-19 and activity books in 2019-20 for ₹78.58 lakh (1.50 lakh copies) for all 11,510 AWCs. Thereafter, no procurement of PSE kits and activity books took place. In respect of PSE kits, the number of items to be procured was 26, based on the requirement for the AWCs. Out of the 26 items delivered by the firm, the Department found that two items *i.e*. Super block and Plastic ball did not conform to the samples submitted by the firm at the time of technical bid and were rejected. However, the Department did not procure the two items *viz*., super block and plastic ball, identified as required for the ECCE, as of March 2024.

Thus, inadequacies in play material aids in AWCs defeated the objective of making AWCs child friendly centres.

In 100 test-checked AWCs, Audit observed that PSE kits were not adequate and activity books were exhausted.

The Department stated (March 2025) that due to paucity of fund PSE kits and activity books could not be procured on annual basis and that a tender for the two items *i.e.* Super Block and Plastic Ball would be floated at the earliest. However, this does not mitigate the fact that during the period under review, AWCs were not adequately equipped with PSE kits and activity books, compromising the objective of providing child-friendly learning environments.

2.3.8.8 Infrastructure of Anganwadi Centres

An Anganwadi Centre is the focal point for delivery of ICDS services. In order to discharge the function effectively, the AWCs require basic infrastructure. As per the norms, AWCs must have a separate sitting room for children/ women, separate kitchen, store for storing food items, child friendly toilets, separate space for children to play (indoor and outdoor activities) and safe drinking water facilities.

During Joint Physical Verification (November 2023-January 2024) of 100 sampled AWCs, audit observed that in majority of the cases, the AWC buildings were in dilapidated conditions and not fit to effectively function as AWCs. There were no basic facilities such as proper building, toilets, drinking water facilities, space for indoor and outdoor activities of children, as shown in photographs grouped under **Photograph 2.3.1**.

Photograph 2.3.1

Phoijing Makha Awang Leikai, Bishnupur without basic facilities

Konthoujam Mamang ST, Imphal West without toilet facilities

Thanga Heisnam Leikai, Bishnupur without toilet facilities

Takhellambam Konjil Mayai Leikai, Imphal West without toilet facilities

Results of the JPV are summarised below.

- Each AWC was to be equipped with Growth Monitoring Devices (GMDs) comprising of Stadiometer[36], Infantometer[37] and Weighing Scale for Infant and Mother and Child. Use of growth monitoring devices would enable to accurately record height and weight of children, identification of SAM/ MAM children, treatment protocols for malnourished children in the community level, conditions under which to refer children for medical help or to Nutritional Rehabilitation Centres, active monitoring of SAM children. In 100 test-checked AWCs, it was observed that GMDs were not working in three AWCs and only weighing scale was not working in 51 AWCs.
- AWWs were also equipped with smart phones for uploading basic information in Poshan tracker on real time basis. Of 100 AWWs, smart phones were not in working condition in respect of 23 AWWs.
- Toilets facility was not available in 97 AWCs out of 100 test-checked AWCs. In two AWCs, though toilets were in place, the same were in dilapidated condition and not fit for use.
- AWCs should have an adequate supply of potable water with appropriate facilities for its storage, distribution for processing and cooking food. However, of 100 test-checked AWCs, drinking water facilities was not available in 94 AWCs.

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36 Equipment used for measuring human height.

37 An Infantometer is used to measure an infant's length. It's a length and height measurement device.

- In all the test checked AWCs, separate spaces for cooking (kitchen) as well as space for storage of food items were not available.
- Electricity was not available in 98 out of 100 test-checked AWCs.
- In all the test checked AWCs, there were no LPG connections for cooking of food.
- White boards/ Black boards were not available in 74 AWCs.
- The Early Childhood Care and Education (ECCE) classroom arrangement must be flexible, which can be adjusted to lesson plans and activities, such as large groups for singing, story-telling and smaller groups for activities like drawing, blocks and for individual play. It should also have learning/ activity 'corners', such as creative corner, book corner, game corner, so that the children can play according to their interests and choose their activity. The outdoor environment plays an equally important role in the development of children as it provides a space for play, exploration and social interactions. It is mandatory that all children must have the opportunity to engage in daily outdoor physical activity. However, separate space for indoor and outdoor activities of children was not present in 99 test-checked AWCs.
- It is essential to display children's art work and projects on the wall. This helps children to remember the activities in which they participated and fosters their self-esteem, as they feel their work is valued. However, there was no display of children's artwork and projects in any of the test checked AWCs.
- The Sanitary block required for waste disposal was absent in 100 AWCs (100 *per cent*).

Inadequate infrastructural support to AWCs and absence of toilets and drinking water in the AWCs put the young children and pregnant and lactating mothers in unhygienic condition and fraught with risk of being contaminated with various diseases. The infrastructural deficiencies at the AWCs were adversely affecting the quality of services rendered by them. As a result, the Department could not achieve the goal of repositioning the AWC as a "vibrant focal centre" under ICDS mission mode to become the first village outpost for health, nutrition and early learning.

The Department stated (March 2025) that the Directorate had issued instruction to the Sectors to provide basic amenities.

However, mere issuance of instructions did not translate into tangible improvements on the ground and the infrastructural gaps continued to compromise the achievement of the objectives of the scheme. The persistent lack of basic infrastructure in AWCs compromised the delivery of health, nutrition and early learning services, highlighting the need for timely provision and maintenance of essential facilities to ensure a safe and child-friendly environment.

2.3.8.9 Medicine kit

Medicine kit includes medicines and other items for common ailments. It is a first aid kit for use in AWCs. As per Paragraph 7.6 of the Framework, medicine kit is to be provided to the AWCs annually.

Audit observed that the Directorate procured 11,510 medicine kits during 2021-22 and issued to the AWCs. The AWCs did not receive medicine kits during the period 2018-19 to 2020-21 and 2022-23 to 2023-24. The State did not procure medicine kits on an annual basis, which had a direct bearing on their availability at the AWCs.

During JPV (January 2024) of 100 AWCs, Audit observed that no medicine kits were available in these AWCs. Non-availability of medicine kits for controlling common ailments like fever, cold, cough, worm infestation, *etc.* including medicines and basic equipment for first aid would result in exposure of young beneficiaries under the scheme to the vulnerability of common ailments.

The Department attributed (March 2025) the reason for inadequate provision of medicine kits to the non-availability of adequate funds. The Department also added that sufficient funds had been allocated for procurement of medicine kits and the procurement of medicine kits for the year 2024-25 was under process.

However, this did not address the fact that children and beneficiaries were deprived of essential medicines during the period under review, affecting the delivery of health services at AWCs. The delay in providing medicine kits compromised the health and well-being of children and beneficiaries, highlighting the need for timely allocation and utilisation of funds to ensure uninterrupted medical support at AWCs.

2.3.8.10 Uniforms for AWW/AWH

AWW and AWH are the community based frontline workers of the ICDS. They are the central figure at the AWCs due to their continuous contact with the village people especially women and children they contact with. With a view to recognise their role and give them an identity under the ICDS scheme, GoI decided (2009-10) to provide uniform to these workers. The uniform would comprise two sets of sarees/ local dress at the rate of ₹400 each per year.

Audit observed that during the years 2018-19 to 2023-24, the AWWs/ AWHs were provided uniforms during 2020-21 (April 2021) only. The AWWs/ AWHs were not provided uniforms annually.

The Department attributed (March 2025) the reason for inadequate provision of uniforms to non-availability of adequate funds. The Department also added that sufficient funds had been allocated for procurement of uniforms and the procurement of uniforms for the year 2024-25 was under process.

However, this did not mitigate the fact that the AWWs/ AWHs were deprived of uniforms for several years during the period under review, affecting uniformity, visibility and service delivery at AWCs. Thus, the non-provision of uniforms annually to the AWWs/ AWHs reduced the impact and efficacy of their professional identity and the standards prescribed under the scheme, highlighting the need for timely allocation and procurement to ensure compliance with guidelines.

2.3.8.11 Construction of Model Anganwadi Centres

The objective of converting existing AWCs into model AWCs was to provide child-friendly toilets, wash basins, safe drinking water facilities, play toys, child-friendly furniture, brightly coloured walls, LPG connections and other amenities so as to facilitate joyful learning for children and encourage their attendance at the AWCs.

The State Level Sanctioning Committee (SLSC), in its meeting held in March 2020 accorded approval of ₹1.68 crore for the construction of 16 model AWCs, one in each district. Similarly, in its meeting held in January 2021, the Committee accorded approval for the construction of another 16 model Anganwadi Centres, one in each district under the innovation component of Poshan Abhiyan. Thus, the Committee had agreed to the proposal for construction of 32 model AWCs, two in each district. The GoM accorded administrative approval and expenditure sanction for ₹3.28 crore and the fund was deposited to Technical Promotional (TP) Cell, Registrar of Cooperative Societies (RCS), Manipur, as detailed in the **Table 2.3.11**.

Table 2.3.11: Details of fund transferred to Work Agencies

(₹ in lakh)

Date of sanction	Amount	No. of unit	Unit cost	Amount deposited to TP Cell	Deposited to
5 March 2021	160.00	16	10.00	149.74	EE, TP Cell, Hill I RCS
7 January 2022	168.32	16	10.52	168.32	EE, TP Cell, Valley I RCS
Total	**328.32**	**32**	**-**	**318.06**	**-**

Source: Departmental records

Audit observed that construction of two Model AWCs *viz*. Chakpikarong (Lower Tampi) and Ukhrul (Lungchong Meiphai, Tuinem) was not commenced as of August 2022 due to land issue. However, current status of the construction was not on record of the Directorate.

Further, during JPV (November 2023- January 2024) of the four model AWCs in sampled districts *viz*. Bishnupur and Imphal West districts with the departmental authority, Audit observed the following:

(i) Model AWC at Bishnupur ward no.5

- The model AWC had been constructed in the premises of a private individual at Ward No. 5 Bishnupur. The AWC was not functioning in the Model AWC as the land owner had not allowed entry of the officials and children into the premises. Also, the land owner had not permitted installation of play equipment around the newly constructed Model AWC.

- Another Model AWC was functioning in the residential building of the AWW. Although play equipment had been installed but toilet, wash basin, LPG connection and drinking water facilities were not available. The weighing machine was found to be not working properly.
- In respect of the Model AWC at Bishnupur Ward No.7, audit noticed that drinking water facility, wash basin, electric connection, LPG connections *etc*. were not available. The weighing machine was also found to be not working properly.

Thus, the objective of converting the existing AWC to model AWC with basic infrastructure had not been fully achieved.

The Department stated (March 2025) that the land donor and the incumbent AWW had some personal issues due to which functioning of the AWC had been disturbed. The Department further stated that the Directorate had initiated corrective measures and the land donation deed had been signed between the land owner and the CDPO, Bishnupur.

Thus, the fact remained that the Model AWC Centre at Ward No. 5, Bishnupur was not functioning in the newly constructed building despite these measures.

2.3.8.12 Delay in construction of AWCs

The GoI sanctioned (31 May 2016) ₹20.25 crore as Grants-in-Aid during 2016-17 for construction of 1,000 AWC buildings under phase VI. As per the Ministry's instruction, the State Government was required to ensure that the funds so released were utilised within the current financial year or within six months from the date of release of funds. Accordingly, the State Government should have utilised the funds within the financial year 2016-17. However, the GoM accorded (July 2020) administrative approval and expenditure sanction for ₹19.35 crore being 1st instalment of Central share for construction of 956 AWC buildings. The Directorate of Social Welfare transferred the sanctioned amount to the concerned districts in August 2020. However, funds for construction of 44 AWCs building could not be released to the concerned districts due to non-availability of land for construction of the buildings. Thus, there was a delay in release of funds by GoM to the implementing agencies for more than three years. This had resulted in delay in completion of the AWCs and many AWCs continued functioning in rented premises.

The Directorate also drew (March 2021) ₹2.05 crore being the State share for construction of AWC buildings. Further, the GoM accorded (30 March 2022) administrative approval and expenditure sanction for ₹89.10 lakh. The Directorate of Social Welfare drew the amount in March 2022 being the first instalment for construction of the 44 left out AWC buildings. On scrutiny of reports on construction of AWC buildings, Audit observed that as of March 2024 construction of 64 AWC buildings had been completed out of 956. The details of District-wise construction status of AWCs are given in ***Appendix 2.13***.

Audit further observed that there was no report on the status of construction of 44 Anganwadi Centre buildings for which first instalment was released in March 2022. Thus, altogether 936 Anganwadi centre buildings remained incomplete as of March 2024 after incurrence of an aggregate expenditure of ₹22.30 crore.

The Department stated (March 2025) that due to non-finalisation of guidelines for construction of AWC in time, the Directorate of Social Welfare released the fund only in 2020. The Ministry did not release the balance fund which had caused delay in completion of the AWC buildings.

The Department also stated (March 2025) that the construction of AWC buildings were entrusted to DRDAs in 2020. The Ministry had refused to release 50 *per cent* of the fund due to closure of the scheme. Out of 1000 AWCs, fund for 44 AWCs was released in 2022, but these 44 AWCs remained incomplete.

The reply of the Department is not acceptable as the Department did not ensure timely utilisation of funds sanctioned in 2016-17 and did not effectively monitor the progress of construction works. As a result, the objective of constructing AWC buildings under Phase VI could not be achieved even after incurring an expenditure of ₹22.30 crore.

2.3.8.13 Delay in construction of Anganwadi Toilets and drinking water facilities

For construction of toilets in AWCs and provision of drinking water in the AWCs, GoI released ₹9.18 crore during the years 2017-18 to 2019-20 with the unit cost of ₹12,000 for toilet and ₹10,000 for drinking water facilities respectively as shown in **Table 2.3.12**.

Table 2.3.12: Details of funds received

(₹ in lakh)

Year	No. of AWCs where toilets to be constructed	Fund released	No. of AWCs for drinking water	Fund released	Total fund released
2017-18	973	105.09	439	39.51	144.60
2018-19	5,796	625.97	439	39.51	665.48
2019-20	698	75.38	361	32.49	107.87
Total	**7,467**	**806.44**	**1239**	**111.51**	**917.95**

Source: Departmental records

The amount sanctioned for construction of 973 toilets *i.e.* ₹1.05[38] crore had been deposited (January 2022) to Technical and Promotion (TP) Cell Valley I. Further, ₹39.51 lakh sanctioned by the GoI during 2017-18 had been disbursed (July 2020) to 439 AWCs for providing drinking water facilities at the rate of ₹9,000 per unit. The Directorate had also released ₹7.18 crore ***(Appendix 2.14)*** to TP Cell (Valley II), Health and Family Welfare (August 2022) for construction of toilets and drinking water facilities.

Subsequently, the unit cost for construction of toilets approved during 2017-18 to 2019-20 had been revised (September 2022) by the GoI from ₹12,000 to

[38] Deposited ₹97.38 lakh after deduction of ₹7.70 lakh as labour cess and agency charges

₹36,000. Thus, after revision of unit cost, an amount of ₹16.13 crore[39] had been released (March 2023) by the Ministry for completion of the project. The Directorate of Social Welfare released ₹13.06 crore (September 2023) to TP Cell for construction of toilets. Audit observed that the toilets remained under construction as of June 2024.

The funds provided by the Ministry was under the 'Swachh Action Plan' with the objective of achieving total sanitation and cleanliness by 02 October 2019, which could not be achieved as of March 2024. Also, AWCs had been deprived of basic infrastructure facilities due to non-completion of works.

The Department stated (March 2025) that the works were in good progress and nearing completion. The fact, however, remained that the AWCs continued to be deprived of basic sanitation and drinking water facilities despite availability of funds.

2.3.8.14 Idle stock of smart phone

As per Paragraph 4.2.3.2 of administrative guidelines on National Nutrition Mission, all AWWs will be equipped with a smart phone for capture of data and Lady Supervisors with a tablet. These devices were to be procured at State/ UT level and pre-loaded with the application software.

Rule 144 of General Financial Rules states that while making public procurement, the specifications in terms of quality, type *etc*., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The rule *ibid* also provides that care should be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.

The Directorate of Social Welfare worked out the total requirement of smartphone to 12,549 as detailed in **Table 2.3.13**.

Table 2.3.13: Details of requirement of smartphones

No. of post for Supervisor sanctioned	AWCs	District Coordinator	Block Coordinator	Actual no. of mobile required	Add 5 per cent of actual no. of mobile required	No. of mobile to be procured
391	11,510	13	38	11,952	597	12,549

Source: Departmental records

It was observed that as of March 2024, the Directorate had procured 12,549 smartphones out of which 11,518 were distributed to the AWWs. Of these, replacement of 33 smartphones was made due to technical defect in the devices already issued to AWWs. Thus, there remained a stock of 1,031 (including 33 defective devices, which were replaced with new devices). The smartphones were procured at the rates of ₹9,434 (9,949 Nos.) and ₹7,200 (2,600 Nos). Thus, there was an idle stock of smartphones valuing ₹96.10[40] lakh with the Directorate. It was further observed that the Directorate

39 (90 *per cent* of ₹24000 x 7,467 Nos.) = ₹16.13 crore

40 (₹9,434 x 979) + (₹7,200 x 52) = ₹96.10 lakh

did not issue the smartphones to the Lady Supervisors, District Coordinators and Block Coordinators. Procurement in excess of actual requirement raised concerns regarding the expenditure made on these smartphones, which were at risk of becoming obsolete in a rapidly evolving technological environment.

Moreover, as per the terms and conditions, the smartphones carried a one-year replacement guarantee from the Original Equipment Manufacturer (OEM). During July 2022 to January 2023, 33 defective smartphones were returned by AWWs, however, the Directorate did not record or initiate replacement claims with the supplier.

The Department stated (March 2025) that the requirement of smartphones had been projected by including an additional five *per cent* of total requirement in accordance with the scheme guidelines. The Department further stated that 377 smart phones had been distributed to the supervisors and 13 to AWWs of newly allocated AWCs in Particularly Vulnerable Tribal Groups (PVTG) areas of Mao Maram under Senapati Block. While 23 smartphones were reserved for the PVTG areas in Kangpokpi Block. The defective smartphones had been sent for repairing to the service centre and instructions were issued to the concerned officials to prevent recurrence of such lapses.

The reply of the Department regarding projection of five *per cent* extra smartphones was not acceptable, as the scheme guidelines (Shaksam Anganwadi and Poshan 2.0) did not provide for purchase of additional smartphones. The retention of a significant idle stock and non-utilisation of the OEM replacement guarantee indicate lapses in inventory management and adherence to supplier terms.

Thus, the procurement and management of smartphones were not aligned with actual requirement, resulting in idle stock and potential obsolescence. The absence of proper inventory control, untimely utilisation of warranty provisions and non-issuance of devices to all eligible personnel indicated ineffective and uneconomical use of resources.

2.3.8.15 Immunisation

Sub-Health Centre is responsible for carrying out immunisation of infants and two doses of Tetanus to pregnant women as per the National Immunisation Schedule (NIS) and Vitamin A and booster doses to the children would also be given on “Village Health Nutrition Days (VHND)” organised at the AWCs. Children between the age group of 0-1 year administered with different doses of vaccines started from BCG to first dose of Vitamin A as per NIS are considered as fully immunised. Audit, however, observed that the Department could not ensure full immunisation of children of the age group 0-1 year. The shortfall of immunisation ranged between 10 and 27 *per cent* during the years 2018-2024, as shown in **Table 2.3.14**.

Table 2.3.14: Status of immunisation of children

Year	Total number of children (0 to 1 year old)	Number of fully immunised children	Shortfall *(per cent)*
2018-19	42,020	34,977	7,043 *(17)*
2019-20	45,210	37,816	7,394 *(16)*
2020-21	44,530	33,616	10,914 *(25)*
2021-22	42,800	31,228	11,572 *(27)*
2022-23	42,946	33,688	9,258 *(22)*
2023-24	39,866	35,928	3,938 *(10)*

Source: Health Management Information System (HMIS)

Thus, the programme did not fully achieve its intended objective of providing full immunisation to eligible children.

The Department stated (March 2025) that necessary corrective action would be taken up in liaison with Health Department and the reasons for shortfall would be verified and necessary corrective measures would be taken up.

The reply of the Department was not adequate, as reliance on future liaison without documented accountability or timelines indicated weak programme supervision. Thus, the shortfall in ensuring full immunisation of children reflected deficiencies in programme implementation and monitoring at Sub-Health Centres and AWCs. The absence of coordination with the Health Department and lack of regular monitoring of immunisation coverage reflected non-initiation of prompt corrective measures as necessary to achieve the objectives of the National Immunisation Schedule.

2.3.8.16 Health Check up

Health check-up of children, pregnant and lactating mothers were to be provided by ANM and PHC staff at the AWCs. Audit observed that there was shortfall in antenatal care (ANC) to pregnant women and post-partum care to lactating mothers as detailed in **Table 2.3.15**.

Table 2.3.15: Shortfall in antenatal and post-natal care

Year	No. of pregnant women registered for ANC	No. of pregnant women receiving the prescribed ANC	Percentage of pregnant women receiving ANC	Total number of reported deliveries	No. of women getting post-partum check up	*Percentage* of women getting post-partum check up
2018-19	57,301	29,030	*51*	38,028	22,009	*58*
2019-20	55,346	30,525	*55*	39,373	20,439	*52*
2020-21	45,641	16,922	*37*	31,125	13,975	*45*
2021-22	47,058	16,564	*35*	29,322	10,089	*34*
2022-23	58,173	29,640	*51*	34,902	9,016	*26*
2023-24	59,589	36,922	*62*	33,285	6,963	*21*

Source: Health Management Information System (HMIS)

It can be seen from **Table 2.3.15** that the coverage of ANC to pregnant mothers ranged from 35 to 62 *per cent*, while post-partum care for mothers ranged between 21 and 58 *per cent*. Shortfalls in ANC to pregnant mothers and post-partum care to mothers could adversely affect the health of mothers and their infants.

The Department stated (March 2025) that Health Department had been requested (March 2025) to take up regular health check-up in AWCs.

The reply of the Department was not satisfactory, as requesting the Health Department does not fully address the existing shortfall in coverage. There was no evidence of systematic monitoring or follow-up to ensure that pregnant and post-partum mothers actually received the required care. Thus, inadequate provision of antenatal and post-partum care indicated gaps in programme implementation and monitoring. The absence of coordination with the Health Department, lack of regular monitoring of service delivery and non-initiation of timely corrective measures hindered the improvements in maternal health outcomes.

2.3.8.17 Care and Nutrition Counselling

Care and Nutrition Counselling is one of the core services for pregnant women and lactating mothers. This includes monitoring and promotion of infant and young child feeding promotion counselling, maternal care and counselling nutrition and health and hygiene education.

There was no substantial improvement in achieving the objective of development of nutritional and health status of children in the age-group 0 – 6 years and pregnant women, as shown in **Table 2.3.16**.

Table 2.3.16: Nutritional and Health Status of Children

Year	Number of newborns weighed at birth	Number of newborns having weight less than 2.5 kg (*per cent*)	Number of pregnant women receiving the prescribed ANC	Number having Hb<11 (*per cent*)	Number having severe anaemia Hb<7
2018-19	37,258	1,567 *(4.21)*	29,030	7,315 *(25.20)*	80
2019-20	39,168	1,566 *(3.99)*	30,525	7,418 *(24.30)*	69
2020-21	30,485	1,304 *(4.27)*	16,922	3,828 *(22.62)*	227
2021-22	29,019	1,515 *(5.22)*	16,564	4,708 *(28.42)*	146
2022-23	34,523	1,527 *(4.42)*	29,640	4,582 *(15.46)*	140
2023-24	33,167	1,854 *(5.59)*	36,922	3,219 *(8.72)*	92

Source: Health Management Information System (HMIS)

As can be seen from **Table 2.3.16**, the trend of low birth weight of newborn babies ranged between four to six *per cent* and anaemic pregnant women was in a reducing trend during 2020-21 to 2023-24.

2.3.8.18 Human Resource Management

The ICDS functionaries are the most crucial component of the program to ensure effective coverage and smooth delivery of the key services. Much of the implementation and convergence process depends on these frontline workers. Therefore, it is important to understand the problems of these human resources (HR), and the suggestions they have to make to improve the ICDS system.

The Broad Framework (2012) of ICDS suggested that all States must have a comprehensive Human Resource (HR) Policy with focus on development of effective and transparent appointment and selection policies, strengthening the human resources, capacity development to ensure professional and child development services, welfare of the ICDS functionaries*, etc.*

The audit findings on human resource management are discussed in the succeeding paragraphs

2.3.8.18.1 Vacancies in field functionaries

It was observed that there were vacancies in the cadre of field functionaries as of February 2025. The position of sanctioned post and persons-in-position of field functionaries as of February 2025 is depicted in **Table 2.3.17**.

Table 2.3.17: Details of Categories of Post

Category of post	Sanctioned Strength	Persons-in-position	Vacancy
CDPO	43	38	5
Supervisor	391	377	14
AW Worker	11,552	11,164	388
AW Helper	11,552	9,727	1,825

Source: Departmental records

In the project level, there was vacancy of five CDPOs while there were 377 supervisors against the sanction of 391 thereby resulting in a vacancy of 14 supervisors. Further, there were also shortages of AWWs and AWHs. This would lead to overburdening of the existing field functionaries. This is a concern for the efficiency and effective implementation of the scheme.

While accepting the audit observation the Department assured (March 2025) that the vacancies would be filled up at the earliest.

The vacancies of key functionaries at the project level, including CDPOs, supervisors, AWWs, and AWHs, have resulted in an increased workload for the existing staff, potentially affecting the efficiency and effectiveness of scheme implementation. Prompt filling of these vacancies, as assured by the Department, is essential to ensure proper monitoring and delivery of services under the scheme.

2.3.8.18.2 Delay in payment of honorarium

The AWWs/ AWHs[41] are offered honorarium for delivery of key ICDS services. Timely release of dues/ honorarium is very important to ensure that functionaries do not have to pay from their own pocket and are not demoralised by the delays.

Audit observed that honorarium to AWWs/ AWHs were often delayed by months. There were instances where these functionaries had not been paid honorarium for more than 20 months. Delay in payment of honorarium ranged from 01 to 20 months during 2018-19 to 2023-24 ***(Appendix 2.15)***. Delay in payment of honorarium may demotivate the field functionaries from effectively implementing the scheme.

[41] Worker (Main): ₹5,500; Worker (Mini): ₹4,500; Helper: ₹3,100.

The Department stated (March 2025) that there was delay in payment of honorarium for ICDS functionaries before 2022. However, payment of honorarium had been made from the State Plan and hence delay had been minimised.

2.3.8.19 Capacity Building

Training and capacity building is the most crucial element in the ICDS scheme, as the achievement of the programme goals largely depends upon the effectiveness of frontline workers in improving service delivery under the programme.

The audit findings on capacity building are discussed in the succeeding paragraphs

2.3.8.19.1 Training needs assessment

The Directorate is responsible for identifying the training requirements of the frontline workers through a Training Needs Assessment (TNA) to ensure effective capacity building at all levels. The Directorate prepared TNA till 2019-20 in the form of State Training Action Plan and submitted to the Ministry (May 2019) and thereafter no TNA was prepared for the periods 2020-21 to 2023-24. Non-identification of training requirements hampers the implementation of the scheme and adversely affect the efficiency of field functionaries.

The Department stated (March 2025) that there was a liability of ₹77.67 lakh to be reimbursed to four Anganwadi Training Centres (AWTC) for conducting trainings during 2018-19 as funds were not released by the Ministry. Trainings had not been conducted since April 2019 for want of funds. Due to non-availability of funds for conducting trainings, TNA were also not done.

The reply of the Department is not acceptable as training needs analysis is mandatory and conduct of training on regular basis is necessary for implementation of the scheme.

2.3.8.19.2 Shortfall in capacity building of ICDS functionaries

As per Ministry's guidelines, training to Anganwadi services functionaries would be imparted at Government run AWTCs/ Middle Level Training Centres or National Institute of Public Cooperation and Child Development only. Induction training (one week's duration) would be imparted to newly recruited/ promoted CDPOs/ Supervisors/ AWWs within a period of one year of their recruitment/ promotion. Training to instructors (not more than one week's duration) wherever necessary would be done at National Institute of Public Cooperation and Child Development or Government run Training Institute.

In the State, there are four AWTCs, one is run by the Department of Social Welfare and the remaining three[42] by Non-Governmental Organisations (NGOs). The State Training Action Plan for the year 2019-20 was submitted (May 2019) through MIS portal of ICDS Training programme. Audit observed that no training had been conducted in the training centres since 2018-19.

Job and Refresher training of AWWs were conducted during 2017-18 (covering 275 Anganwadi Workers) and thereafter no trainings had been conducted as of March 2024.

As of March 2024, out of 38 CDPOs, 30 (79 *per cent*) of them had received job training while 33 of them had received induction training. Also, out of 377 Supervisors, only 53 of them had received requisite job training with a backlog of 324 (86 *per cent*). Only 56 (15 *per cent*) Supervisors had received induction training. There was also backlog in providing job training to AWWs and AWHs. Shortfall in job training of AWW and AWH comprised of 25 and 44 *per cent*. A major chunk of the AWWs/ AWHs had not received induction training.

The shortfall in imparting requisite training would impede capacity building of the functionaries thereby resulting in an adverse impact in the successful implementation of the scheme.

The Department stated (March 2025) that conducting training at AWTC run by NGOs were allowed upto March 2020 by the Ministry. Proposal for setting up of one Middle Level Training Centre and two additional AWTCs to cope up the shortfall in training has been sent to the Ministry.

2.3.8.20 Non-supervision of construction of AWC buildings

As per Paragraph 1 of the guidelines on the construction of Anganwadi Centre (AWC) building (July 2021), the Directorate of Social Welfare shall be the nodal office for implementation of scheme for construction of AWC building. The Directorate is responsible for planning, supervision, co-ordination, monitoring and evaluation. The State level authorities should inspect at least three *per cent* of the total works sanctioned in the State and the District level authorities under the Social Welfare Department should inspect at least 25 *per cent* of the works sanctioned in the district.

Audit noticed that there were no records for carrying out physical inspection of works at both the State and District levels. As of March 2024, construction of 64 out of 1,000 Anganwadi Centres had been completed as discussed in **Paragraph 2.3.8.12**. However, there was no report on the status of construction of 936 Anganwadi Centre buildings for which first instalment has been released. Thus, altogether 936 Anganwadi centre buildings remained incomplete as of March 2024 after incurring an aggregate expenditure of ₹22.30 crore.

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[42] (i) Manipur State Council for Child Welfare Anganwadi Training Centre, Moirangkhom Bazar (AWTC I); (ii) Manipur State Council for Child Welfare (AWTC II); (iii) M/s Association of Professional Social Workers (AWTC III).

The Department had not furnished any specific reply on the audit observation (September 2025).

2.3.8.21 Lack of supervision at district and project level

Scheme guidelines envisaged that officials at all levels (State to Project) would physically visit Blocks/ AWCs at a prescribed frequency to assess the functioning of AWCs on following key parameters, delivery of services, quality of services, infrastructural issues, and community participation (PRIs, SHG, women group). Audit observed that during 2018-2024, there was a shortfall in visits of senior functionaries in the 13 sampled Projects as shown in **Table 2.3.18**.

Table 2.3.18: Details of visits to AWCs by the CDPO and Supervisors in the 13 sampled Projects

Sl. No.	Particulars		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1	Number of AWCs visited by the Supervisors during the year	Target	23,094	23,094	23,094	23,094	24,354	25,644
		Achievement	24,571	19,902	12,765	16,625	26,963	22,771
		Shortfall (*per cent*)	Nil	3,192(*14*)	10,329(*45*)	6,469(*28*)	Nil	2,873(*11*)
2	Number of AWCs visited by the CDPO during the year	Target	3,849	3,849	3,849	3,849	4,059	4,274
		Achievement	1,372	1,324	887	845	1,293	1,050
		Shortfall (*per cent*)	2,477 (*64*)	2,525 (*66*)	2,962 (*77*)	3,004 (*78*)	2,766 (*68*)	3,224 (*75*)
3	Number of AWCs jointly visited by CDPO with Medical Officer during the year	Target	540	540	540	600	660	720
		Achievement	374	338	201	387	556	521
		Shortfall (*per cent*)	166 (*31*)	202 (*37*)	339 (*63*)	213 (*36*)	104 (*16*)	199 (*28*)

Source: Departmental records

As depicted in **Table 2.3.18** shortfall in visit during 2018-2024 by the supervisors to the AWCs ranged from 11 to 45 *per cent,* while shortfall in respect of visit of CDPOs ranged from 64 to 78 *per cent*. There was also shortfall in joint visit of Medical Officers and the CDPOs which ranged from 16 to 63 *per cent.*

The Department while accepting the audit observation stated (March 2025) that the Department would coordinate to ensure regular visits of AWCs by Supervisors, CDPOs and MOs and a direction had been issued (February 2025) in this regard.

2.3.9 *Audit objective: Whether effective* awareness *was created among the targeted beneficiaries under ICDS scheme?*

2.3.9.1 Non-conduct of Information, Education and Communication (IEC) Activities

IEC strategy aims to create awareness and disseminate information regarding the benefits available under the various nutrition and health related government schemes and to guide the citizens on how to access them. This is in order to encourage the communities to focus on promotive and preventive healthcare. These activities would be carried out through Print Media, Television, All India Radio and Social Media Campaigns.

Audit observed that in the Annual Programme Implementation Plan (APIP) for the years 2018-19 to 2022-23 there was no proposal for conduct of IEC activities. Proposal for IEC activities was incorporated in the APIP 2023-24 for implementation in all the 16 districts of the State. However, there was no record for conduct of IEC activities in any of the 13 sampled CDPOs.

The Department did not furnish any reply (September 2025).

2.3.9.2 Community based events

The community-based events are envisaged as a platform for disseminating essential messages and to counsel pregnant women and lactating mothers on appropriate health and nutrition behaviours and healthy practices. It provides an opportunity of face-to-face interaction between the beneficiaries, community representatives and facilitators. It further provides a forum wherein community support can be mobilised to motivate and enable the pregnant woman and mother to practice the behaviours being recommended. Community based events are required to be organised twice per month. For this, AWCs are entitled an amount of ₹250 per event to meet the incidental and other cost.

In 100 test-checked AWCs, Audit observed that Community Based Events (CBEs) were regularly organised by the AWWs. However, funds to meet the costs of these events were not released regularly and AWCs received payments only once during 2018-19 to 2023-24. Thus, the AWWs had to bear the expenditure from their own sources, leading to an increased burden on them.

The Department stated (March 2025) that the organisation of CBEs was depended on the release of funds by the Central and State Governments and events were conducted only when funds are released.

The non-availability of timely funds for CBEs places an undue financial burden on AWWs, which may affect their motivation and the effective conduct of community activities. Non-release of funds on a regular and timely basis hampers support to AWWs and adversely affects the effective conduct and impact of CBEs.

2.3.9.3 Social audit

Social audit is conducted by the intended beneficiaries and stakeholders, and therefore, assumes high policy relevance in monitoring of welfare programs. Social audit enhances public vigilance and accountability in implementation of scheme. Scheme Guidelines provides for undertaking of social audit of the implementation of ICDS scheme by the stakeholders such as Poshan Panchayats, Mothers' Groups and Village Health Sanitation and Nutrition Committees. The stakeholders would obtain direct feedback from the beneficiaries. Audit observed that there was no system of social audit in the implementation of ICDS scheme in the State. Thus, the advantages of social audit for improvement in service delivery and challenges in implementation of the scheme as well as feedback of the beneficiaries could not be achieved.

The Department stated (March 2025) that the Department obtained feedback informally from those who availed the services under the scheme. However, a mechanism for social audit had not yet been put in place.

2.3.9.4 Shortfall in Village Health Sanitation and Nutrition Day (VHSND)

As per Paragraph 3.5.7.2 of the Administrative Guidelines for implementation of National Nutrition Mission, VHSND is a platform where the programmes are expected to converge and can be used for achieving effective integration of the field machinery of relevant Departments. VHSND is mandated in every village once every month where participation of Health and Nutrition functionaries (ASHA, ANM, AWW and AWH) along with sanitation and PRI workers should be ensured. The Voluntary Organisations, Self Help Groups and cluster federation are also required to attend the organisation of the VHSND. On this day, services like registration of all pregnant women, Anti Natal Care, weighing and recording of all children, vaccination, counselling are provided and various issues related to malnutrition, health and sanitation *etc*., are discussed. Field workers *viz*., AWW, ANM and ASHA can orient and generate awareness amongst the members on health and nutrition related issues. Hence, organisation of VHSND is indispensable at the village level.

From the data of the Health Management Information System (HMIS), National Health Mission (NHM), Manipur, Audit noticed that in the AWC level the State was mandated to organise 8,28,720[43] VHSND in the State during 2018-2024. However, only 1,12,054 (14 *per cent*) VHSNDs were organised during the period thereby resulting in shortfall of 86 *per cent* in organisation of VHSND at the AWC level.

Further, in the five test checked districts, mandated target and the position of observation of VHSND is as depicted in **Table 2.3.19**.

Table 2.3.19: Target and achievement in organisation of VHSND in AWCs in sampled districts

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Target in sampled districts	63,924	63,924	63,924	63,924	63,924	63,924	3,83,544
Achievement	10,873	11,576	6,413	7,169	14,929	6,921	57,881
Shortfall	53,051	52,348	57,511	56,755	48,995	57,003	3,25,663
Percentage of shortfall	*83*	*82*	*90*	*89*	*77*	*89*	*85*

Source: HMIS, NHM, Manipur

[43] 11,510 AWCs x 12 months x 6 years

Organisation of VHSND in the sampled districts was dismal. Shortfall ranged from 77 to 90 *per cent* during the period 2018-2024.

Therefore, the objectives of dissemination of awareness on nutrition and regular health check-up of mother and child on health and nutrition were not fulfilled.

The Department stated (March 2025) that the field functionaries had been instructed to coordinate with ANMs and ASHAs for regular conduct of VHSND.

2.3.10 Audit objective: Whether the delivery of services through ICDS was effective, efficient and economic in achieving the desired outcomes?

Outcome of the programme

The National Family Health Survey (NFHS) is a large-scale, multi-round survey providing information on fertility, infant and child mortality, the practice of family planning, maternal and child health, reproductive health, nutrition, anaemia, and utilisation and quality of health and family planning services in India.

2.3.10.1 Status of stunting, wasting, underweight children and malnutrition among women

Audit observed that as per the report of the NFHS, the State of Manipur was below All India average rate of stunting, wasting, underweight children and malnutrition among women. The percentage of wasting children increased from 6.8 to 9.9 from 2015-16 to 2020-2021 and also there was increase in underweight children in respect of the State. The position of the State in nutritional status in comparison with All India position is depicted in **Table 2.3.20**.

Table 2.3.20: Status of stunting, wasting, underweight and malnutrition

(Figures in per cent)

Category of Nutritional status		NFHS-4 (2015-16)	NFHS-5 (2019-21)
Stunting*	India	*38.4*	*35.5*
	Manipur	*28.9*	*23.4*
Wasting**	India	*21*	*19.3*
	Manipur	*6.8*	*9.9*
Underweight***	India	*35.7*	*32.1*
	Manipur	*13.8*	*13.3*
Malnutrition among women (19 to 49 years) *i.e. BMI<18.5 kg/m2*	India	*22.9*	*18.7*
	Manipur	*8.8*	*7.2*

Source: NFHS, MoH&FW

*Stunting: A child is considered stunted if their height-for-age is less than -2 standard deviations (SD) from the median of the WHO Child growth standards.

**Wasting: A child is considered wasted if their weight-for-height is less than -2 SD from the median of the WHO Child growth standards.

***Underweight: A child is considered underweight if their weight-for-age is less than -2 SD from the median of the WHO Child growth standards.

2.3.10.2 Increase in infant mortality rate

Infant Mortality Rate (IMR) is defined as number of deaths of children in the age 0-1 years per 1000 live births. One of the indicators of achievement of ICDS scheme is reduction in infant mortality rate. From the report of National Family Health Survey (NFHS) of the Ministry of Health and Family Welfare, Government of India, the infant mortality rate in the State was on increasing trend as shown in **Table 2.3.21**.

Table 2.3.21: Trend of Infant Mortality Rate (IMR) in Manipur

	NFHS-4 (2015-16)	NFHS-5 (2019-21)
India	40.70	35.20
Manipur	21.70	25.00

Source: NFHS, MoH&FW

**NFHS-6 (2022-24) has not been released.*

The IMR of All India Average was in decreasing trend from 2015-16 to 2019-20 *i.e.* 5.5 (-13.51 *per cent*). Though the IMR of the State is less than All India Average, the rate is in increasing trend, with an increase by 3.3 (15.21 *per cent*) from 2015-16 to 2019-20.

The Department stated (March 2025) that concerted action would be taken for implementation of ICDS scheme to achieve the intended outcome. All infant mortality cases will be examined to study various possible factors responsible.

2.3.10.3 Increase in prevalence of Anaemia

Anaemia is a condition that is marked by low levels of haemoglobin in the blood. One of the indicators of achievement of ICDS scheme is reduction in prevalence of anaemia. From the report of NFHS of the Ministry of Health and Family Welfare, Government of India, the prevalence of anaemic women in the State was on increasing trend as shown in **Table 2.3.22:**

Table 2.3.22: Prevalence of anaemia in women (15-49 years) in Manipur

	NFHS-4 (2015-16) (Percentage)	NFHS-5 (2019-21) (Percentage)
India	53.1	57
Manipur	26.4	29.4

Source: NFHS, MoH&FW

The Department stated (March 2025) that IFA tablets are administered to pregnant women by Health Department under the National Health Mission. However, better coordination would be made with Health Department for reduction in prevalence of anaemia.

2.3.10.4 Utilisation of ICDS services

The scheme is implemented through a network of community-level Anganwadi centres (AWCs).

Status of utilisation of ICDS services from AWCs by the beneficiaries in respect of All India average, North-Eastern States average and the state of Manipur as per NFHS-4 and NHFS-5 is given in **Table 2.3.23**.

Table 2.3.23: Status of utilisation of ICDS services by the beneficiaries

		NFHS 4 (2015-16)			NFHS 5 (2019-21)			*Percentage* increase (+) decrease (-) (NFHS 4)		*Percentage* increase (+) decrease (-) (NFHS 5)	
		AI*	NE**	Manipur	AI	NE	Manipur	AI vs Manipur	NE vs Manipur	AI vs Manipur	NE vs Manipur
Percentage of children age 0-71 months who received any service		53.6	46.31	28.5	67.5	58.26	42	25.1	17.81	25.5	16.26
Percentage of children under age 6 years who received:	Food supplements	48.1	45.43	27.9	62.1	56.51	40.9	20.2	17.53	21.2	15.61
	Immunizations	39.8	18.69	4.2	53.2	27.54	16.3	35.6	14.49	36.9	11.24
	Health check-ups	39.7	27.80	2.7	56.5	37.78	10.1	37	25.10	46.4	27.68
	ECCE/ preschool	38.2	33.38	9.2	51	39.09	15.5	29	24.18	35.5	23.59
	Weighed	43.3	31.14	2.3	59.7	42.44	8.70	41	28.84	51.0	33.54
Percentage whose mothers received counselling from an AWC after child was weighed		64.1	43.03	14.2	82.1	54.48	58.7	49.9	28.83	23.4	-4.23

Source: National Family Health Survey, Ministry of Health and Family Welfare, GoI
**AI: All India average; **NE: North Eastern States average.*

As evident from **Table 2.3.23**, in Manipur 42 *per cent* of children under age 0 to 71 months received one or more services from an AWC as per NFHS Report for the year 2019-2021 as against all India average of 67.5 and 58.26 *per cent* of North-Eastern States. The provision of food supplements service used in the State was 40.9 as against all India average of 62.10 and 56.51 *per cent* in North-Eastern States. Further, the State is far behind in utilisation of ICDS services in respect of immunization, health check-ups, ECCE/ pre-school and weighted as compared to all India average and average of North-Eastern States as per report of the NFHS-5 (2019-21).

Thus, utilisation of all ICDS services by the beneficiaries in respect of the State of Manipur was below the All India average and North Eastern average. The State was doing well in respect of counselling of mothers in comparison with North-Eastern states average as per report of the NFHS-5.

The Department stated (March 2025) that it had taken steps to increase the number of beneficiaries enrolled under the scheme to an optimum level through its field functionaries. Also, necessary IEC activities had been taken up to spread awareness about the scheme amongst the intended beneficiaries.

2.3.11 Conclusion

The Performance Audit of Integrated Child Development Services (ICDS) revealed that there was no long-term plan for implementation of the scheme. Planning was done at the Directorate level. There was no district and project level planning. Convergence action plan though prepared could not be materialised indicating complete lack of convergence services with relevant departments. Coverage of beneficiaries under supplementary nutrition in respect of children was appreciable. However, coverage in respect of Pregnant and Lactating Mother (PLM) and adolescent girls in 2022-23 was low.

Audit noticed shortfall in provision of supplementary nutrition to the beneficiaries during the entire period covered in audit. Adolescent girls were deprived the benefits of rice during 2018-19 and 2021-22. There was no adoption of diet diversity in order to promote health, wellness and immunity to the beneficiaries. Also, the Anganwadi Centres did not practice nutri-garden. Food provided to the children were never tested in laboratory to ensure that the food contain the required nutrition component. Medicine kits were not available in any of the test-checked Anganwadi Centres (AWCs) and uniforms were not provided annually to Anganwadi Workers (AWW)/ Anganwadi Helpers (AWH). Construction of 936 AWCs remained incomplete as on 31 March 2024 due to non-release of fund on time. During 2018-19 to 2023-24 there was shortfall in immunisation of children between 0-1 year old. Shortfall was also noticed in Antenatal Care (ANC) to pregnant mothers and Post-partum care to mothers. Audit noticed shortfall in coverage of enrolled children for pre-school education which ranged between 0.40 to 16.83 *per cent* in the State during 2018-19 to 2023-24.

The basic infrastructure facilities such as toilet, drinking water facilities were not available in 97 *per cent* of the AWCs out of 100 test checked AWCs. Buildings of the AWCs were in dilapidated conditions and not fit to run as AWCs. AWWs in the sampled AWCs did not receive fund for conduct of Community Based Events (CBEs) in the Anganwadi Centres thereby causing overburden to the AWCs. The percentage of wasting children increased from 6.8 to 9.9 from 2015-16 to 2019-2021 and increasing trend was also noticed in underweight children, Infant Mortality Rate (IMR) and anaemic women in the State. There was shortfall in training of the field functionaries. Supervision at District and project level to assess the functioning of AWCs was not sufficient.

2.3.12 Recommendation

The Government may consider the following recommendations:

- ***The Department should make all the institutional mechanisms under the scheme to participate fully in the planning process. The Department should also ensure that the requisite number of meetings of the State Empowered Committee are held for proper planning, supervision and monitoring for the effectiveness of the ICDS Scheme in the State.***
- ***Convergence Action Plan should be materialised in order to accomplish the benefits of convergence of services.***
- ***The Department should provide adequate nutrition to all the eligible beneficiaries. The Department should also innovate and diversify the supplementary nutrition component with introduction of diverse food such as fruits, fresh vegetables, eggs, dry fruits etc.***
- ***Medicine kits should be provided to all AWCs on regular basis to arrest exposure of young beneficiaries to the vulnerability of common ailments.***

- ***Priority should be given to complete the construction of the Anganwadi Centres and toilets and providing the drinking water facilities.***
- ***Reasons for increasing trends of wasting children, underweight children, infant mortality rate (IMR) and anaemic women in the State should be examined and appropriate steps taken.***
- ***Regular training should be provided to Anganwadi services' functionaries.***
- ***Supervision of district and project level functionaries should be strengthened as per prescribed standard to enhance delivery of services, quality of services and infrastructure issues.***

COMPLIANCE AUDIT

MINORITY AFFAIRS DEPARTMENT

2.4 Irregular inflation of DPR and excess payment

Adoption of incorrect quantity on an item of work by MOBEDS in 12 projects led to inflation of cost in the contract agreements by ₹2.08 crore. This together with recording of incorrect quantity during execution resulted in excess payment to the tune of ₹0.98 crore.

Rule 21 of General Financial Rules (GFR) 2017 stipulates that every officer incurring or authorising expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Scrutiny of the records of the office of the Manipur Minorities and Other Backward Classes Economic Development Society (MOBEDS) during August 2023 revealed that the Empowered Committee (EC) of Pradhan Mantri Jan Vikas Karyakaram (PMJVK) in its meeting held on 23 March 2021, had approved 13 projects. The approved projects comprised construction of 50-bedded boys' and girls' hostel in 10 schools & in one college and infrastructure development of one college (details in ***Appendix 2.16***). These projects were to be executed by the Minority Affairs Department, GoM at a cost of ₹73.21 crore[44]. The funds were to be released in two instalments with MOBEDS[45] as the project implementing agency. MOBEDS awarded the aforesaid approved projects to various contractors empanelled under it in November 2021 through e-tendering.

[44] To be shared between the centre and the state in the ratio of 90:10
[45] Manipur Minority & OBC Economic Development Society

Out of its share of ₹65.89 crore, the Centre released ₹32.94 crore (June 2021) as first instalment[46] to the State Government, which was subsequently released (April 2022) to MOBEDS.

Audit scrutiny (August 2023) of the Detailed Project Reports (DPRs) of the 13 projects revealed that the DPRs were framed based on Manipur Schedule of Rates (MSR) 2017. Further scrutiny of the DPRs revealed that 12 out of 13 projects *inter alia* included an item of work under brick work component namely, "*Extra for half brick masonry in superstructure above plinth (floor one level) to floor two level*" at the rate of ₹44.40 per sqm for lifting the bricks, which is only applicable to brick work on or above floor one level. As such, it is not applicable to brick work at ground floor level as it does not entail lifting of bricks above ground floor.

As per detailed measurement of the DPR, the item *"Half brick masonry in superstructure"* at the rate applicable as per Manipur Schedule of Rates, subject to analysis of rate of each work, was to be executed for quantity of 5,802.67 square metres (sqm) for ground floor and 5,327.99 sqm for 1st floor. Further, for the 1st floor, the item "*Extra for half brick masonry in superstructure above plinth (floor one level) to floor two level*" was to be added at the rate of ₹44.40 for lifting the bricks. Thus, brick work for both ground and 1st floor should have been 11,130.66 sqm (5,327.99 sqm + 5,802.67 sqm) amounting to ₹1.75 crore.

However, audit scrutiny of the DPRs and Agreement revealed that MOBEDS had incorrectly framed the abstract of cost of DPR by adopting excess quantity for both the ground and first floor as follows:

a. The cost for the item *"Half brick masonry in superstructure above plinth"* for ground floor works were framed by taking a total quantity of 11,130.66 square metres instead of 5,802.67 sqm.

b. The cost for the item *"Half brick masonry in superstructure above plinth"* including "*Extra for half brick masonry in superstructure above plinth (floor one level) to floor two level*" for 1st Floor were framed by taking a total quantity of 11,130.66 sqm instead of 5,327.99 sqm.

This resulted in inflation of the cost of work in the DPR and consequently in the Agreement by ₹2.08 crore as follows (Details are shown in ***Appendix 2.17***).

(₹ in crore)

Work to be executed in	As per Audit		As per MOBEDS		Excess	
Floor	**Quantity (sqm)**	**Cost of work**	**Quantity**	**Cost of work**	**Quantity**	**Cost of work**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6=4-2)**	**(7=5-3)**
Ground	5802.67	0.90	11130.66	1.42	5327.99	0.52
First	5327.99	0.85	11130.66	2.09	5802.67	1.24
Total	**11130.66**	**1.75**	**-**	**3.51**	**-**	**1.76**
Add 12 *per cent* GST						0.21
Add 1 *per cent* LC						0.02
Add 3 *per cent* Contingency						0.05
Add 2 *per cent* Third Party Monitoring/ Consultancy						0.04
Total Excess Amount						**2.08**

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On further scrutiny of relevant MBs and RA bill payments, it was observed that, as of August 2025, expenditure to the tune of ₹18.98 crore had been incurred on execution of the 12 projects. Preparation of the RA bills were also made by adopting the incorrect rate for the above mentioned item of work. Thus, MOBEDS made excess payment of ₹97.66 lakh ***(Appendix 2.18)*** to the contractors as detailed below:

(₹ in crore)

Work executed in Floor	Executed work as per MBs		Payment made by MOBEDS		Excess in	
	Quantity (sqm)	Cost of work	Quantity	Cost of work	Quantity	Cost of work
Ground	2952.78	0.46	5640.77	0.87	2687.99	0.41
First	2687.99	0.42	5640.77	0.90	2952.78	0.48
Total	**5640.77**	**0.88**		**1.77**		**0.89**
Add 10 *per cent* GST released to the contractor						0.09
Total excess amount paid to contractor						**0.98**

Thus, due to adoption of incorrect quantity for above mentioned item of work, MOBEDS inflated the cost of the 12 projects by ₹2.08 crore in DPR and made excess payment of ₹0.98 crore to contractor.

While accepting the Audit observation, the State Government stated that (June 2025) the excess payment due to incorrect rate analysis in DPR would be adjusted from balance value of work/ security deposit.

The Department's reply (June 2025) that excess payments will be adjusted against balance work/security deposits is not tenable, as it merely addresses recovery without fixing the systemic weaknesses. The issue arose from adoption of incorrect DPR quantities and inadequate verification mechanisms, which were not addressed in the reply. Without accountability and strengthened DPR vetting processes, similar lapses could recur in future projects, undermining financial propriety and efficient use of PMJVK funds.

Recommendations:

The State Government may-

- ***take steps to adjust/ recover the excess payment of ₹0.98 crore from the contractors and safeguard the remaining project funds.***
- ***introduce a robust verification mechanism for preparation of DPR and rate analysis to prevent recurrence of such lapses.***
- ***fix responsibility on the officials concerned for non-exercise of the vigilance required under GFR, 2017.***