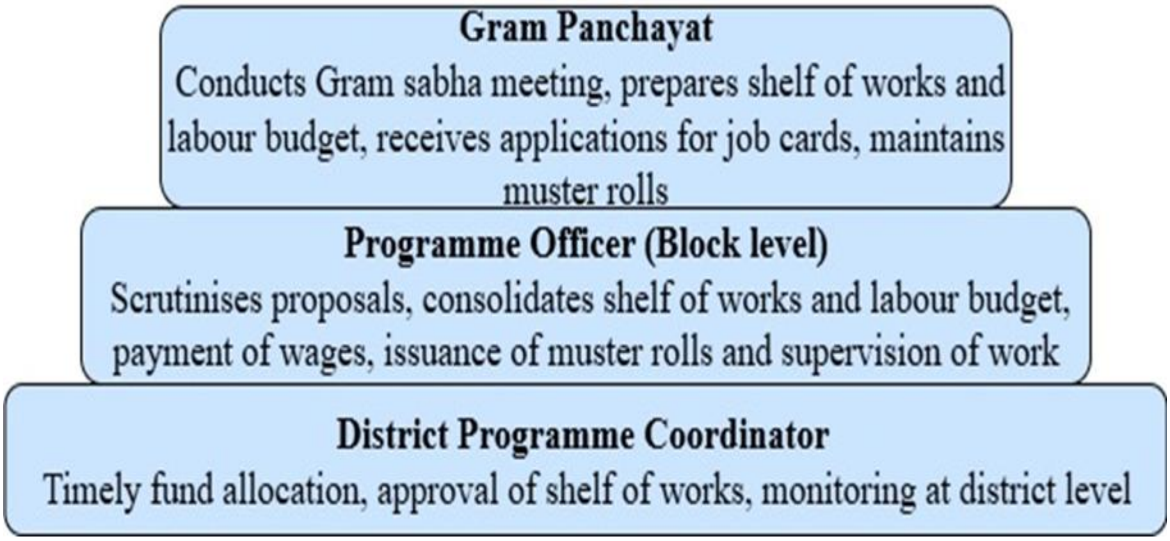
Inspection Report on Data-led Hybrid Audit on the execution of works under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

Failure of the Rural Development Department and *Gram Panchayats* in exercising adequate planning, financial and technical controls, and post-completion monitoring of works executed under MGNREGS resulted in disproportionate procurement of materials for works that were never executed on the ground, prolonged non-completion of a large number of sanctioned works despite substantial expenditure.

1.1 Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), enacted in 2005 and renamed in 2009, guarantees 100 days of wage employment annually, to rural households willing to undertake unskilled manual work. The Government of Himachal Pradesh enhanced this guarantee to 120 days from 2018-19 through a notification dated 19 April 2018. The Scheme is implemented through registration of households, planning and execution of works, procurement of materials, wage payments, and mechanisms for transparency and accountability. The Rural Development Department is the nodal department for implementation of the Scheme, while *Gram Panchayats* are responsible for execution and maintenance of records under the supervision of Programme Officers and District Programme Coordinators.

Figure 1: Roles and responsibilities of various stakeholders under MGNREGS



1.1.1 Year-wise Funds released by the Central and State Governments and expenditure incurred during 2022-23 to 2024-25:

The detail of funds released and expended is as given in Table 1 below:

Table-1 Details of funds released and expended during 2022-23 to 2024-25

Amount in lakhs

Financial year	Budget outlay for material (Centre)	Budget outlay for material (State)	Total budget outlay for material (Centre and State)	Expenditure on Material (Centre and State) (C:S-75:25)	Budget outlay (state) for admin, addl 20 days, wage top up)	Expenditure (admin, addl 20 days, wage top up)	Expenditure (unskilled wages) 100 percent by central govt	Total expenditure (material, admin, additional 20 days, top up and unskilled wages)
2022-23	29,500	9,000	38,500	57,236.15	5,000	6,857.29	64,958.30	1,29,051.74
2023-24	36,000	9,000	45,000	45,046.10	5,000	9,585.98	73,689.02	1,28,321.10
2024-25	47,800	10,000	57,800	45,749.50	6,078	19,955.25	87,386.59	1,53,091.34
Total	**1,13,300**	**28,000**	**1,41,300**	**1,48,031.75**	**16,078**	**36,398.52**	**2,26,033.91**	**4,10,464.18**

The average expenditure per completed work during the three years from 2022-23 to 2024-25, is as shown in table 2 below:

Table-2 to show the average expenditure per completed work

Year	Completed Works as per NregaSoft R6.1	Expenditure on Completed Works (₹ in Lakh)	Average Expenditure per Completed Work as per NregaSoft R6.1(₹)
2022-23	1,07,636	1,18,625	₹ 1,10,209
2023-24	80,736	1,14,890	₹ 1,42,303
2024-25	1,61,195	1,25,876	₹ 78,089
Total	**3,49,567**	**3,59,391**	**₹ 1,02,810**

1.1.2 Audit scope

A data-led hybrid audit of works executed under MGNREGA during 2017-18 to 2023-24 was conducted through analytical scrutiny of data available on *NREGASoft* and *Geo-MGNREGA* portals, followed by joint physical verification of selected works. The audit focused on identifying anomalies such as disproportionate expenditure, procurement of material in works generating negligible man-days, non-execution of works, and other irregularities such as anomalies in bills, vendor concentration, job cards etc.

1.1.3 Audit criteria

Audit findings were benchmarked against the criteria sourced from the following:

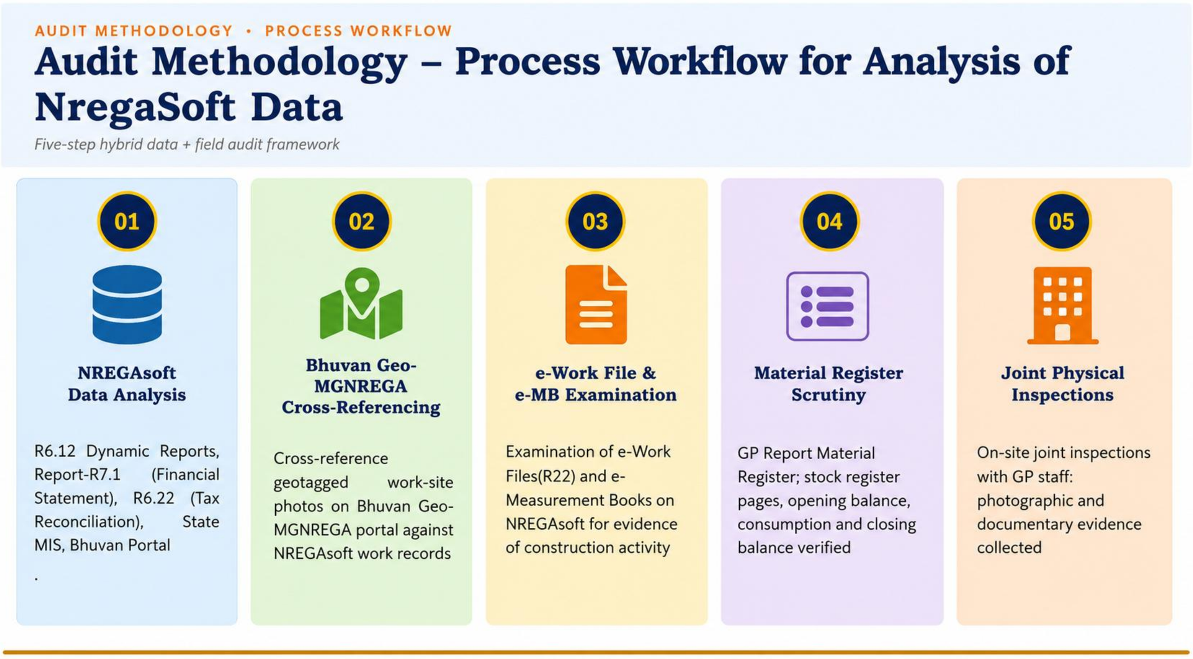
- Mahatma Gandhi National Rural Employment Guarantee Act, 2005 and Himachal Pradesh Rural Employment Guarantee Scheme (as notified by GoHP).
- MGNREGA Operational Guidelines 2013, amendments thereto, and Rules issued under the Act and Master Circulars issued by the Ministry of Rural Development, Government of India (GoI).
- Government Orders, circulars and instructions, guidelines, financial rules, etc., issued by GoI and GoHP.
- CGST Act 2017

1.1.4 Audit methodology: -

The audit adopted a five-step hybrid methodology combining data analytics with field verification.

- Analysis of NREGASoft MIS reports (R6.12, R7.1, R6.22) and State MIS/Bhuvan data.
- Cross-verification of Bhuvan Geo-MGNREGA geotagged photographs with NREGASoft records.
- Scrutiny of e-Work Files and e-Measurement Books.
- Verification of Gram Panchayat e-Material Registers.
- Joint physical inspection of selected works with photographic and documentary evidence.

Figure 2: Audit methodology — process workflow for analysis of NREGASoft data



1.1.5 Red Flag identification

Using this methodology, audit identified seven red flags as detailed in **Table 3**:

Table 3: Summary of red flags identified

Red flag	Red flag description	Data source	Districts
RF-1	Negligible man days generated and high expenditure on material procurement.	NREGASoft R6.12	Kangra, Mandi, Bilaspur, Shimla, Sirmaur
RF-2	Same bill number issued by same vendor, different GPs (2–5 GPs)	NREGASoft R 6.22, R7.1	Chamba, Mandi
RF-3	Same bill no. repeated within same work Code (>₹1 Lakh)	NREGASoft R 7.1	Chamba, Mandi
RF-4	Vendor concentration ≥90% or >₹1 Crore supply per GP	NREGASoft R 6.22	Chamba, Mandi
RF-5	Duplicate work names with different work codes in same GP	NREGASoft R 6.12	Chamba, Mandi

Red flag	Red flag description	Data source	Districts
RF-6	Employment recorded for workers aged 90+ Years	State MIS Employment Report (FY 25-26)	Chamba, Mandi
RF-7	Same household head name — different Job Card IDs	State MIS Alert Report (FY 25-26)	Chamba, Mandi

RF-1 Negligible man-days generated and high expenditure on material procurement

Audit methodology:

Audit analysed the NREGASoft Dynamic Works Report (R6.12) to identify ongoing works where material expenditure was disproportionately high while generation of employment was negligible (1-33 man-days).

Scrutiny of Report R6.12 revealed that 27,213 ongoing works involving a cumulative sanctioned amount of ₹624.78 crore were under execution in Himachal Pradesh during the period 2021-22 to 2023-24. The year-wise position of ongoing MGNREGA works in the State is shown in **Table 4**.

Table 4: Year-wise position of ongoing MGNREGA works (2021-22 to 2023-24)

Financial Year	Number of ongoing works	Sanctioned amount (₹ in lakh)
2021-22	1,217	4931.45
2022-23	3,369	10,537.81
2023-24	22,624	42,425.06
Total	**27,21**0	**57894.32**

Table 5: District-wise analysis of ongoing works - top five districts by number of works during 2021-22 to 2023-24

Name of the District	No of ongoing works	Sanctioned amount (₹ lakh)	Percentage of the ongoing works
Bilaspur	2,618	3,988.66	10.9
Chamba	3,960	14,843.39	16.5
Kangra	3,136	7,053.56	13.1
Mandi	5,908	12,797.92	24.6
Shimla	2,553	3,475.11	10.6
Total	**18,175**	**42,158.64**	**66.8**

Based on the above, ongoing works were selected for physical verification while considering the criteria, where: (a) expenditure on material procurement was high; (b) expenditure on wages was disproportionately low; and/or (c) financial progress was nil or negligible after material procurement. Two sub-categories were identified within the sample:

Table 6: Sub-categories of sampled works by man-days generated

Sub-category	Man-days generated	No. of works
Category I	0 to 5	110
Category II	6 to 33	41
Total	**0 to 33**	**151**

Accordingly, 151 ongoing works executed in 53 *Gram Panchayats* across 15 Development Blocks[1] in five Districts[2] were selected for detailed audit scrutiny. The selected works represented cases with higher inherent risk and were subjected to further examination through scrutiny of records, field verification and analysis of physical and financial progress.

In addition, supplementary data analysis for delay-related findings was carried out in four Development Blocks - Basantpur and Narkanda (District Shimla) and Paonta Sahib and Pachhad (District Sirmaur).

1.2 Audit finding (RF-1)

1.2.1 Unjustified procurement of materials resulting in nil benefit to households and undue favour to vendors, involving expenditure of ₹156.96 lakh.

As per Para No. 14.2 of the MGNREGA Operational Guidelines, 2013, the objective of MGNREGA is to create durable assets and strengthen the livelihood resource base of the rural poor. Further, Rule 91 of the Himachal Pradesh Financial Rules (HPFR), 2009 provides that every authorised officer shall be responsible and accountable to bring efficiency, economy and transparency in matters relating to public procurement, and that purchases shall not be made in excess of requirement so as to avoid inventory carrying costs. Additionally, Para No. 7.1.7(o) of the Annual Master Circular, 2021 stipulates that procured material should be stored properly and the quantity entered in a stock register, with material consumed and material remaining also recorded in the stock register.

During physical inspection of 151 sampled works, audit noticed that expenditure of ₹156.96 lakh on procurement of materials and ₹0.95 lakh on payment of wages was incurred on 112 works after generation of only 456 man-days of employment (95 works with one to five man-days and 17 works with six to 33 man-days). Physical inspection revealed that these works had not been executed at the work sites. This resulted in undue favour to the vendors in the shape of payment of Government money for procurement of material that was not likely to be used for execution of the works, and no benefit could be provided to households through creation of assets.

1.2.2 Works not started on site despite generation of only one to five man-days

Desk review and scrutiny of records available in the NREGASoft reports, together with the geo-tagging status of works on the Geo-MGNREGA Portal, revealed that, out of 151 sampled works, zero to five person-days had been generated in respect of 110 works. Physical inspection further disclosed that 95 of these 110 works had not commenced, despite procurement of materials valued at ₹137.94 lakh and generation of 221 person-days involving wage expenditure of ₹0.49 lakh. These works remained unstarted even after the lapse of two to seven years from the dates of their sanction.

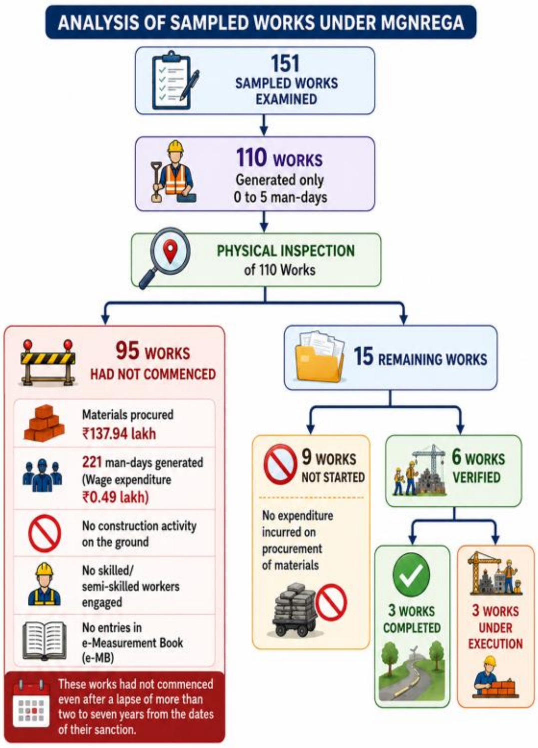
No progress in the execution of these 95 works was evident. The e-Work Files showed that no skilled or semi-skilled workers had been engaged for construction activities, while the e-Measurement Books (e-MBs) contained no entries relating to construction. The generation of

[1] Ghumarwin, Bilaspur Sadar, Jhandhutta, Sri Naina Devi, Balh, Gohar, Mandi Sadar, Bali Chowki, Indora, Nurpur, Pragpur, Basantpur, Kupvi, Paonta Sahib, Pachhad

[2] Bilaspur, Kangra, Mandi, Shimla, Sirmaur

only zero to five person-days in each work further corroborated that execution had not commenced on the ground

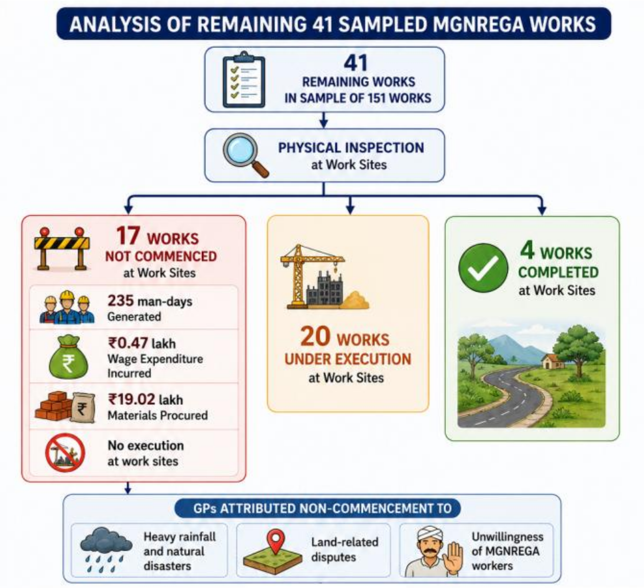
Of the remaining 15 works, nine had not commenced at the work sites and no expenditure had been incurred on procurement of materials. Of the remaining six works, three had been completed and three were under execution at the time of physical inspection.



Scrutiny of the Material Register (Register VII) available in the Gram Panchayat Reports on NREGASoft further revealed that, in respect of the above works, essential stock accounting details—such as the page number of the stock register entry and the opening and closing stock balances—had not been recorded. This indicated deficiencies in stock accounting and material management. Consequently, payments for procurement of materials were made without any recorded evidence of their receipt into stock or utilisation in the execution of the works.

1.2.3 Works not started on the work sites despite generation of six to 33 man-days

Similarly, out of the remaining 41 works in the sample of 151 works, 17 works were found to have not commenced at the work sites despite the generation of 216 man-days. In these works, wage expenditure of ₹0.47 lakh was incurred and materials worth ₹19.02 lakh were procured. Further, physical inspection revealed that out of the 41 works, 20 works were under execution at the work sites, while four works were found completed.



Thus, physical inspection confirmed that the works had not been executed at the respective work sites, and that the procured materials had apparently not been utilised for their intended purpose. The GPs attributed the non-commencement of these works to heavy rainfall and natural disasters, land-related disputes, and the unwillingness of MGNREGA workers to undertake the works.

The reasons furnished by the GPs are not acceptable, as disproportionate procurement of materials was undertaken despite only meagre expenditure on wages, and the works have remained non-started for periods ranging from two to seven years. Further, land-related disputes should have been resolved before administrative approval of the works. In such cases, expenditure on procurement of materials should not have been incurred where land-related impediments existed.

Further, the GPs did not specify the period during which the reported disaster or heavy rainfall occurred. Even if such conditions had occurred and the work is not expected to commence in the near future, there was no justification for incurring expenditure on procurement of materials. Moreover, in cases where works could not be taken up due to such constraints, the amounts paid for materials should have been recovered from the vendors.

Hence, reporting of these works as ongoing on NREGASoft was factually incorrect. As a result, the intended employment and livelihood benefits could not be provided to rural households, thereby defeating the objectives of MGNREGA.

This also led to unfruitful expenditure on wages/material procurement payment, and the possibility of misappropriation of MGNREGA funds on procurement of material could not be ruled out in audit.

Illustrative Case

Procurement of materials worth ₹8.24 lakh was undertaken by showing generation of only one man-day of work at the site (Work No. 1308001021/RC/8000188207 — construction of interlocking block/tiles road in Gram Panchayat Goda Gagal, Block Balh, District Mandi). However, physical inspection of the work site and verification of the geotagged photographs revealed that no work had been executed at the site. The photographs obtained during physical inspection and through geotagging are given below:

	
Geotagging before start of the work on 30 December 2023	**Physical inspection status as on 08 January2026**

Thus, the above fraudulent practice of making payments to vendors for procurement of materials through issuance of unskilled Muster Rolls for generation of a meagre number of man-days, despite no work having commenced at the sites, indicates that the Muster Rolls were issued merely to facilitate material procurement. This also resulted in undue favour being extended to the vendors, procurement of materials without any actual requirement, and violation of the provisions of the HPFR, 2009.

Overview of other red flags identified

For examination of other red flags (RF2 to RF7), Chamba and Mandi districts were selected on the basis of risk indicators identified in the data, such as high concentration of suspected duplicate works, anomalies in invoices/bills, significant vendor concentration, and repeated use of the same bill number within a single work code, indicating the possibility of irregular procurement and payment practices.

RF-2 — Same bill number issued by one vendor to different *Gram Panchayats*.

Risk: *A unique bill number is a vendor's identifier for a specific supply/service transaction. The same bill number appearing across multiple GPs in the same FY strongly indicates GST evasion or fraudulent multiple drawal - one physical bill used to draw payments from several GPs.*

Source and scope: Analysis was based on NREGASoft Report R6.22 (Tax Reconciliation Statement) covering Balh Chowki and Dharampur blocks of Mandi district, and Tissa and Salooni blocks of Chamba district.

Data analysis: Vendor-wise bill data for all GPs were analysed using Bill Number, Vendor Name/TIN, GP Code, FY, and Bill Amount. Cases where the same vendor used the same bill number across 2–5 GPs within the same FY were flagged as suspected bill reuse. The analysis identified suspected bill-reuse groups involving various vendors across various GPs.

Audit observed duplication of 39 invoice numbers across 79 bill instances amounting to ₹15.35 lakh in Bali Chowki and Dharampur blocks, with the same invoice numbers being used by the same vendor for supplies to multiple *Gram Panchayats* in the same financial year.

1.3 Audit finding (RF-2)

1.3.1 Irregular acceptance of duplicate bill number of tax invoices issued by vendors to multiple *Gram Panchayats*

As per Section 31 and Section 37 of the CGST Act, 2017 read with Rule 46 b of the CGST Rules, 2017, every registered supplier is required to issue a valid tax invoice containing a **unique** serial number and disclose the same in Form GSTR-1. Further, the General Financial Rules/Himachal Pradesh Financial Rules require that payments from public funds be made only against complete, valid, and verifiable invoices. Accordingly, expenditure incurred from government funds must be supported by genuine GST-compliant invoices capable of independent verification.

Audit scrutiny of NREGASoft Report R6.22 (Tax Reconciliation) for FYs 2023-24 and 2024-25 relating to material procurement under MGNREGA in Dharampur and Bali Chowki blocks of district Mandi revealed that four vendors had issued invoices with duplicate invoice numbers in violation of Section 31 of the CGST Act, 2017 read with Rule 46(b) of the CGST Rules, 2017. Audit noticed that 39 invoice numbers were duplicated across 79 bill instances involving ₹15.35 lakh, with the same invoice numbers being used for supplies to different *Gram Panchayats*. Despite the invoices not complying with the mandatory requirement of maintaining a unique and consecutive invoice series, payments were released by the concerned *Gram Panchayats*/Programme Officers without verification, thereby weakening the audit trail and affecting independent verification of transactions. Further, since every invoice is required to be reported in Form GSTR-1 under Section 37 of the CGST Act, 2017, the duplication of invoice numbers raises the possibility that one or more transactions may not have been correctly reported, indicating a potential risk of tax evasion. However, as Audit did not verify the vendors' GST returns, the actual GST compliance of these transactions could not be vouchsafed and requires examination by the Department in coordination with the GST authorities. (**Annexure II**)

Table 7: Details of invoices not complying with Rule 46 of the CGST Rules, 2017

Sl. No.	Vendor Name	Block	GST/TIN No.	No. of GPs Billed	No. of Bills Duplicated	Total Bill Instances	Total Amount Involved (₹ in lakh)
1	Rajesh Thakur	Dharampur	02AHZPT7270K2ZH	3	19	38	7.85
2	Om Chandbhag Singh	Dharampur	02CAKPC3440C1ZJ	2	16	32	4.53
3	M/s Govind Ram & Co.	Bali Chowki	02AGFPL0342K1ZT	5	3	7	2.06
4	Krishan Kumar	Bali Chowki	02FPXPK0728G1ZR	2	1	2	0.90
Total				**12**	**39**	**79**	**15.35**

In reply of Audit enquiry, BDO Dharampur stated (May 2026) that facts and figures will be verified from original records. Issue of duplicate bills –by the vendors will be examined, including the role of concerned GP officials. GST compliance of concerned vendors will be verified from GSTR-1 and GSTR-3B returns. Matter will be referred to GST authorities, if required for further verification. Necessary steps will be taken to strengthen internal controls to prevent recurrence.

1.4 Status of Other Red Flags

RF-3 — Same bill number repeated within the same work code (bill amount > ₹ 1 Lakh)

Risk: *Same bill number appearing multiple times within the same work code in one GP indicates either exact duplicate payment to the same vendor (Type-A), or split billing where different vendors share the same bill number for the same work (Type-B).*

Red Flag 4 (Vendor concentration — one vendor controls ≥90% of GP supply or supplies > ₹ 1 crore

Risk: *Monopolistic control by a single vendor over a GP's procurement indicates possible bid rigging, conflict of interest, and violation of open procurement norms under GFR 2017.*

Red flag 5— Duplicate work names with different work codes within the same Gram Panchayat

Risk: *Works with identical or near-identical names sanctioned under different work codes within the same GP indicate possible ghost works, splitting to avoid approval thresholds, or fictitious work entries to absorb funds.*

Red flag 6— Employment recorded for job card holders aged 90 years and above

Risk: *Job card holders recorded as having demanded and performed work at extreme old age (90+ years), including one person recorded at age 99, pointing to fabricated beneficiary entries or misuse of elderly persons' job cards to generate fraudulent wage payments.*
Red Flag 7 — Same name of household head with different job card IDs
Risk: *Multiple job card IDs registered under the same household head name may indicate duplicate job card creation, enabling a single household to draw wages under more than one job card — resulting in fraudulent wage payments and inflated beneficiary counts.*

Table 8: Status of Data Extraction and Audit Findings — Red Flags 3 to 7

Red flag	Process of data extraction	Status / Audit finding
Red Flag 3: Same bill number repeated within the same work code (bill amount > ₹1 lakh)	▪ **Geographic scope:** Mandi and Chamba Districts ▪ **Filter applied:** GP code + work code + bill number; identified bill numbers appearing more than once within the same GP ▪ **Threshold applied:** Bill amount greater than ₹1,00,000 — 33 entries flagged across seven GPs in Chamba and Mandi	During physical verification of bills, it was observed that the vendor had issued a single consolidated bill covering multiple items; however, in the NREGASoft data, the same bill was reflected as split into multiple entries. In response to the audit enquiry, the department stated that where a bill contains two or more items, entries are recorded item-wise in NREGASoft for payment purposes, and therefore, there is no duplication, as only a single bill was actually issued by the vendor, hence, no audit comment arises.
Red Flag 4: Vendor concentration - one vendor controls ≥90 *per cent* of GP supply, or supplies >₹1crore	▪ **Geographic scope:** Mandi and Chamba Districts ▪ **Data extraction criteria:** Vendor amount ÷ total GP procurement × 100 ▪ **Filter applied:** 90 *per cent* or more of total GP supply value, along with highest supply amount to GP.	During verification of records in the *Gram Panchayats*, it was observed that the procurement of materials was carried out in a transparent and competitive manner by inviting quotations through publication in newspapers, in accordance with the prescribed Panchayati Raj guidelines. The process ensured adequate publicity and opportunity for participation by eligible vendors. All prescribed codal formalities were duly complied with prior to the finalization of the vendor; hence, no audit comment arises.
Red Flag 5: Duplicate work names with different work codes within the same Gram Panchayat	▪ **Geographic scope:** Chamba and Mandi Districts ▪ **Data extraction:** R.6.12 (Dynamic Report) - provides flexible work-level data extraction ▪ **Filter applied:** Identical or near-identical work names with different work codes. Total 30 works verified.	During physical verification of works, it was observed that the two works were sanctioned to beneficiaries having identical names; however, they were found to be different individuals with distinct identities. Audit cross-verified the details with the e-Parivar register, DPR and MB of the Gram Panchayat, which confirmed that the works were sanctioned to two separate persons for distinct works. Hence, no duplication was established.
Red Flag 6: Employment recorded for job card holders aged 90 years and above	▪ **Geographic scope:** Chamba and Mandi Districts ▪ **Filter applied:** From the age-wise employment report, selected all job card holders with recorded age of 90 years and above.	It was observed that MGNREGA workers recorded as aged 90 years and above are alive and reportedly engaged in work. However, discrepancies were noticed in the age recorded in NREGASoft. Audit cross-verified the details with the e-Parivar register and found that while the individuals are indeed alive, their actual ages differ from those recorded in the MIS — indicating data-entry inaccuracies rather than fraudulent beneficiary entries.

Red flag	Process of data extraction	Status / Audit finding
Red Flag 7: Same name of household head with different job card IDs	▪ **Geographic scope:** Mandi and Chamba Districts ▪ **Data extraction:** Alert report — job cards with different numbers but the same head-of-household name ▪ **Filter applied:** Identical head-of-household name across multiple job card IDs within the same GP ▪ **Output:** Cross-verified and identified across 6 GPs (Red Flag 6 dataset). Total 20 cases verified with e-Parivar register along with the other cases which were verified with Job card register.	During scrutiny of the Job Card Register of the *Gram Panchayats*, it was observed that multiple households had identical names. However, further verification with the e-Parivar register revealed that these individuals belonged to different families, as their fathers' names and other identifying details were distinct. Accordingly, the cases represent genuine namesakes and do not indicate duplication.

Suggested improvements in NREGASoft for addressing Red Flags 3 to 7

The Department may take up with the Ministry of Rural Development/NIC the following limited modifications in NREGASoft:

1. **Capture invoice details at invoice level with separate item-wise entries below it (RF-3).**

To prevent a single legitimate invoice from being mistaken for multiple bills simply because its items are entered separately, NREGASoft may allow the vendor GSTIN, invoice number, invoice date and total invoice value to be entered once, with individual material items recorded as line items under that same invoice; the system may additionally flag an alert wherever the same invoice number–GSTIN–financial year combination appears against more than one invoice/payment record.

Further, based on inputs received from stakeholders such as the Gram Rojgar Sahayak, while entering item-wise details of a single vendor bill, each line item should carry a distinct sub-bill number (e.g., 45/1, 45/2, etc.) to preserve traceability to the original bill. The remarks/narration field should record the corresponding item and parent bill details (e.g., "Item X of Bill No. 45 dated __"). Prior to FTO generation, the sum of all item-wise entries should be reconciled with the original bill amount, with this reconciliation duly recorded in the remarks column.

2. **Build contextual checks into vendor-concentration alerts (RF-4).**

Where procurement from a single vendor exceeds a prescribed percentage/value, NREGASoft may require recording of basic procurement details such as the mode of procurement, the date of invitation of quotations/tender, and the number of quotations received. The system should flag high vendor concentration for supervisory review, rather than treating concentration by itself as indicative of irregular procurement. Further, based on inputs received from stakeholders such as the Gram Rojgar Sahayak, NREGASoft's procurement module should also provide for all quotations received (not merely the selected one) to be entered/uploaded, where available, so that the comparative basis of vendor selection is visible in the system record itself, and not confined to the physical file.

3. **Use additional identifiers while detecting duplicate works (RF-5).**

Duplicate-work alerts should not be generated solely on the basis of similarity of work/beneficiary names. The portal may additionally compare the GP, beneficiary/household identifier, work location, asset category and geo-coordinates before flagging a possible duplicate, thereby reducing false alerts arising from different beneficiaries having identical names.

Further, based on inputs received from stakeholders such as the Gram Rojgar Sahayak, the available search/duplicate-check facility in NREGASoft should be utilised before creation of a new work code to identify similarly named works within the same Gram Panchayat, and adequate distinguishing details should be incorporated at the entry stage itself to prevent duplication and facilitate effective monitoring.

4. **Introduce basic validation of beneficiary demographic particulars (RF-6 and RF-7).**

Age/date of birth and household particulars recorded in NREGASoft may be periodically validated against the available State family/household database, such as e-Parivar. Where an unusually high age is recorded, or the same name of household head appears against multiple job cards, the system may seek verification using additional identifiers such as family/household ID, father's/spouse's name and other available demographic particulars before generating an exception.

1.5 Inordinate delay in completion of MGNREGA works

Paragraph 7.10 of the MGNREGA Master Circular 2018-19 lays adequate emphasis on timely completion of works and stipulates that no implementing agency should have any work remaining incomplete beyond one financial year after the year in which it was proposed. Scrutiny of NREGASoft data Report R6.12 (Dynamic works report) (August–October 2025) pertaining to Development Blocks Basantpur and Narkanda (District Shimla), and Paonta Sahib and Pachhad (District Sirmaur), revealed that 644 works sanctioned during the period 2017-18 to 2023-24, with an estimated cost of ₹1,014.06 lakh, remained incomplete as of July 2025 despite incurrence of expenditure of ₹580.95 lakh.
The details of works which were not completed within the prescribed time are given in **Table 9**:

Table 9: Details of MGNREGA works not completed within the prescribed time

Sr. No.	Block	District	Year of Sanction	No. of Works	Sanctioned Cost (₹ lakh)	Expenditure Incurred (₹ lakh)	Delay (in Days)
1	Paonta Sahib	Sirmaur	2017-18 to 2022-23	100	323.49	184.08	562 to 2,389
2	Pachhad	Sirmaur	2017-18 to 2022-23	22	37.32	21.56	562 to 2,389
3	Narkanda	Shimla	2018-19 to 2023-24	148	186.83	84.22	365 to 2,190

4	Basantpur	Shimla	2021-22 to 2023-24	374	466.42	291.09	141 to 1,200
Total				**644**	**1014.06**	**580.95**	**141 to 2389**

The delay in completion of the works, ranging from 141 to 2,389 days, indicates deficiencies in planning, execution and monitoring. Consequently, the intended benefits of the works were not realised in a timely manner, adversely affecting both asset creation and generation of wage employment for rural households. BDOs Narkanda, Basantpur, Pachhad and Paonta Sahib admitted the facts and stated that the works could not be completed in time due to delay in material payment, dispute/ court case during execution, non-lifting of cement by *Gram Panchayats*, and beneficiaries not interested in completing the works. They further stated that directions have been issued for completion of pending works on priority.

The reply was not acceptable, as the sanctioned works were required to be completed within one financial year after the year in which the works were proposed. The delays clearly indicate deficient planning and weaknesses in monitoring at the Block and District levels. The reasons cited, such as delays in material payment and technical issues, are not tenable, as ensuring timely financial management, material procurement and technical approvals is an integral responsibility of the Rural Development Department.

1.6 Conclusion

Conclusion

Audit found that material expenditure of ₹156.96 lakh was incurred on 112 works that had either not commenced or showed negligible progress, despite very low generation of man-days. Further, 644 works remained incomplete for periods ranging from 141 to 2,389 days after expenditure of ₹580.95 lakh. These findings indicated deficiencies in planning, execution, material management and monitoring, resulting in non-creation or delayed creation of intended assets and employment benefits under MGNREGS.

1.7 Recommendations

The Department may consider:

1. **Introducing a simple monthly exception review of stalled works** using existing NREGASoft reports, covering works where material expenditure has been incurred but man-days generated and physical progress are negligible. Such cases may be reviewed by the concerned Programme Officer/ BDO and further material procurement withheld until commencement/ progress of the work is verified.
2. **Making material procurement conditional upon a basic pre-procurement verification** by the Gram Panchayat/ technical functionary that the site is available and dispute-free, the work has actually commenced, and the relevant entries in the Material Register/ stock records have been made. This would help prevent procurement of material for works that are unlikely to be executed.
3. **Instituting a simple invoice-duplication check before payment**, using the vendor GSTIN, invoice number and financial year. Duplicate invoice numbers noticed within the same Gram Panchayat or across Gram Panchayats of a Block may be kept on hold for verification before payment is released.

4. **Reviewing works pending beyond the prescribed period on a quarterly basis** from the existing NREGASoft pending-works report. Each such work may be assigned a specific course of action—completion within a fixed period, resolution of the identified impediment, or closure as permissible under the Scheme—with responsibility fixed at the Block level for follow-up.