

# Reading Material

*For Departmental Use Only.*

## NREGA

- Synopsis of the Presentation shown in the National Level Monitors Workshop Held in 07th May, 2008
- News Clippings on CAG's Audit Report on NREGA



**Regional Training Institute, Kolkata**  
**Indian Audit and Accounts Department**  
**June 2009**



**Synopsis of the Presentation shown in the National Level  
Monitors Workshop Held in 07th May, 2008**

**National Rural Employment Guarantee Act:**

An Act to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of Guaranteed wage employment in every financial year to every household.

**National Overview**

**TOTAL DISTRICT:** 604

**Phase I NREGA(200) :** (commenced 2.02.06)

**Phase II NREGA(130) :** (extended on 1.4.07)

**Phase III NREGA(272) :** (notified on 28.9.07)

**Performance 2007-08 (Provisional)**

**Employment Provided:** 3.3 Crores HH (House Hold)

**Persondays :**141.62 Crores

**Average Persondays to a HH**

**Phase-I :** 47 Days

**Phase-II :**33 Days

**SC & ST:** 57%

**Women:** 43%

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**Works Taken up:**17.76 Lakhs

**Water Conservation & Irrigation Facilities :**64%

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**Wage Rates range:** Rs. 50- Rs. 125

**Central Release:** 12610.39 Crores

**Total Expenditure:** 15678.86 Crores (82% of Total Availability)

## **NREGA: Salient Features**

### **Right based Framework**

- Adult members of a rural household are willing to do unskilled manual work may apply for registration to the local Gram Panchayat, in writing, or orally
- Job Card guarantees right to work

### **Time bound Guarantee**

- Guarantee of providing employment within 15 days of written application for work or date of employment sought whichever is later
- If employment is not provided within 15 days, daily unemployment allowance, in cash has to be paid. Liability of payment of unemployment allowance is of the States

### **Labour Intensive Works**

- 60:40 wage and material ratio has to be maintained.
- Permissible works as per Schedule I
- Contractors and machinery are prohibited

### **Decentralized Planning**

- The shelf of projects has to be prepared by Gram Sabha
- At least 50% of works have to be allotted to Gram Panchayats for execution
- Principal role of Panchayat Raj Institutions [PRIs] in planning, monitoring and implementation.

### **Employment and Wage Payment**

- Work provided within 5 km radius of the village or else extra wages of 10% are payable
- Wages are to be paid according to minimum wages
- Payment of wage through Bank and Post Office Accounts
- Disbursement of wages has to be done on weekly basis and not beyond a fortnight

### **Women empowerment**

- At least one-third of beneficiaries should be women

### **Work site facilities**

- Crèche, drinking water, first aid and shade provided at worksites

### **Transparency & Accountability**

- Proactive Disclosure
- Social Audits
- Information through RTI
- Grievance redressal mechanisms put in place for ensuring a responsive implementation process

### **Funding**

The Central Government bears the costs on the following items

- The entire cost of wages of unskilled manual workers.
- 75% of the cost of material and wages of skilled and semi-skilled workers.
- Some administrative expenses

The State Governments bear the costs on the following items:

- 25% of the cost of material and wages of skilled and semi-skilled workers.
- Other administrative costs
- Unemployment Allowance payable in case the state government cannot provide wage employment on time.

### **NREGA Process**

#### **Registration: Application and Verification**

##### **Application for Registration**

- Unit of Entitlement is the Household.
- Registration application made to local Gram Panchayat.
- Application may be in a form prescribed or a plain paper or orally
- Prescribed form is free of cost and easily available at GP

##### **Verification of the Registration Application**

- The Gram Panchayat will verify the application on the basis of:
  - Local domicile

- All household members applying for registration are adult

**After verification, the house hold will be registered**

- Unit of Registration: Household (HH)
- The names of adult members applying will be noted Registration Register
- -No discrimination is made in registration in terms of caste, creed, gender
- -Single Women living alone may register independently
- -NREGA is not confined to BPL families

**Job Card**

**Issuance**

- Job Card is basic legal document valid for five years.
- Issued to a registered household as a whole within 15 days of application
- Enables registered household to demand guaranteed employment
- Household Job Card will have photograph, name and details of each registered adult member of the household on it
- Cost of Job Card including photograph will be borne by the programme
- Job Cards issued will be entered in a Job Card register in the Gram Panchayat
- Custody of Job Cards with the registered household

**Format**

- Must have space for entering vital data that must be regularly entered that includes:
  - Unique registration number
  - Date of registration
  - Days of employment demanded
  - Days worked
  - Amount paid
  - Bank/ Post Office Account Number

### **Planning of Works**

- Planning of works to allocate employment within guaranteed time
- Permissible Works
- Works selected from the list of permissible works under Schedule I of the Act include:
  - Water Conservation
  - Drought Proofing( including plantation and afforestation)
  - Flood Protection
  - Land Development
  - Minor Irrigation, horticulture and land development on the land of SC/ST/ -BPL/IAY and Land reform beneficiaries
  - Rural connectivity
- Labour Intensive Works
  - 60:40 ratio between wages and materials to be maintained
  - May be maintained at the district level

### **Planning: Process and Execution**

#### **Decentralised, Participatory Process: PRIs principal role**

- **Gram Sabhas** initiate planning process & recommend works
- **Gram Panchayat** consolidate recommendations of Gram Sabha into Village Development Plans & forwards to Intermediate Panchayat level
- **Intermediate Panchayat:** Programme Officer consolidates Gram Panchayat Plans into Block Plans with addition of works for approval of Intermediate Panchayat
- **District Panchayat:** District Programme Coordinator consolidates Block Proposals and proposals received from other implementing agencies for inclusion in the shelf of projects to be approved by the District Panchayat
- **Lists** of approved works displayed in Gram Panchayat

### **Execution of Work :Implementing Agencies**

- No fixed % allocation of works but at least 50 % of the works have to be allotted to Gram Panchayats
- Other Implementing Agencies include:

- Other Panchayati Raj Institutions (PRIs)- Block Panchayat, District Panchayat
- Line departments (PWD, Forest Dept.), NGOs, SHGs
- Contractors and machinery are prohibited
- Role of Other Implementation Agencies: to provide technical support for estimation, measurement and supervision
- Work will still be executed by Job Card holders
- Muster Rolls will be maintained by the executing agency

### **Demand for Work & Acknowledgement**

#### **Application for Employment**

- Household with Job Card has the right to submit a written application for employment to the Gram Panchayat
- Any member may apply: More than one member of a family may apply at the same time (subject to 100 day family entitlement)
- Applicant may chose and state the time and duration when employment is sought
- Application must be for a minimum of 15 days of employment

#### **Issue of Dated Receipt**

- Employment application will be entered in an Employment Register in the Gram Panchayat
- The Gram Panchayat has to issue a Dated Receipt of the written application for employment

### **Employment and Unemployment Allowance**

#### **Allocation of Employment**

- Employment within 15 days of work application or date from which employment is sought, which ever is later
- If applicant does not report for work no unemployment allowance payable
- Can reapply
- Employment within 5 km radius of village (10% of the wage rate as extra wages paid if distance more than 5 km)



- Intimation of work provided has to be sent in writing & through public notice at the Village Panchayat office

### **Payment of Unemployment Allowance**

- If employment is not provided within 15 days, daily unemployment allowance, in cash has to be paid.
- States will pay the Unemployment Allowance at their own cost

## **Measurement and Payment of wages**

### **Work Measurement**

- Schedule of rural rates based on work time and motion studies for labour intensive works are formulated for measurement of work out turn.
- Regular measurement and supervision of works done by qualified technical personnel on time.
- Measurement recorded in authenticated measurement books
- Measurement details should be read out to workers

### **Wage Payment**

- Statutory minimum wage for agricultural labourers in the state, unless the Central Government “notifies” a minimum wage not less than Rs. 60/day
- Wages paid weekly, or in any case not later than a fortnight
- Wages paid through Post/ Bank accounts of wage earners, but may be paid in cash and in front of the community.
- Joint account of adult households registered should be opened
- Wages paid must be entered in the Job Cards

## **Worksite Management**

### **Mandatory Worksite Facilities**

- Drinking water
- Shade
- Medical aid
- Creche if more than five children below age 6 are present

Note: These facilities are to be provided by the implementing agency

### **At the worksite**

- Citizen Information Boards with details of works, persondays, funds
- Only job card holders allowed to work
- Minors should not be employed
- Muster Roll to be available at the worksite
- No machinery allowed
- Supervision of the worksite: by Mate or Gram Rozgar Sahayek or any other

### **Records, Reports & Review**

#### **Key Documents and Records**

##### **Principal Documents**

- Application forms for registration
- Job Cards
- Application Form for employment
- Muster Rolls with unique number

##### **Key Registers**

- Registration
- Issue of Job Cards
- Employment Register
- Assets Register
- Finance Register
- Complaints Register
- Printed documents must be distributed to the GP, Block and District levels
- All printed documents under NREGA will have the words National Rural Employment Guarantee Scheme, on top, followed by the name of the state
- These documents are the basis of NREGA Data Base and Reports
- Their Formats are compatible with electronic processing

### **Muster Rolls**

- **Numbered Muster rolls** will be issued for each sanctioned work by Programme Officer (this is a check on false muster rolls)
- **Muster rolls** will be maintained on the work site by the executing agency
- **Muster roll must mention Job Card numbers of workers** (this is a check on false names and contractors)
- **Muster roll** will mention: days worked, quantum of work done, amount paid
- **Muster rolls** should be read out on the work site during measurement and wage payment to prevent bogus records
- Entries of the muster roll must be correspondingly recorded in the job cards of the workers
- If Line departments are identified as implementing agencies, they will have to be trained in undertaking labour intensive works and the maintenance of muster rolls for each work.

### **Review & Reports**

#### **Regular Review**

- Once a Fortnight on a fixed day at Block by PO with Gram Rozgar Sahayak
- Once a month on a fixed day at District by DPC with POs
- Once a month on a fixed day at State with DPCs
- Objective: Collect and discuss information on NREGA & problem solving

#### **Monthly Progress Reports**

- Employment demanded and provided
- Persondays generated
- Financial status
- Works

#### **Online MIS Reports**

### **Transparency**

#### **Social Audit, Monitoring and Grievance Redressal Systems**

## **Transparency**

### **Proactive Disclosure**

- Key information in local language at GP level
- Muster rolls to be read out Gram Panchayat Office.
- Web-enabled MIS [www.nrega.nic.in](http://www.nrega.nic.in)

### **Social Audit**

- Scrutinizing & verifying authenticity all records and procedures of a programme, & expenditure incurred
- The Implementing agency /Gram Panchayat must provide all necessary documents
- Should be both concurrent (of live works) and Post completion
- Social Audit by Gram Sabha of all works in a Gram Panchayat
- PO and DPC to facilitate through resource support: planning, training, ensuring access to records, follow –up

### **Monitoring Mechanisms**

- Monitors for internal and external monitoring must be identified & trained at the State/ District and Block levels
- 100% verification of works at the Block level, 10 % at the District and 2% at the State level has to be ensured.
- Local vigilance and monitoring committees to be set up and trained
- Data Analysis and timely remedial measures
- Follow up on feed back

### **Grievance Redressal Mechanism**

- Grievance Redressal Mechanism set up at each level
- Complaints Register maintained at GP and block level
- PO responsible for disposing complaints within 15 days at Block level
- DPC must review on Monthly basis at District level
- Toll free Help Line

**Systems****Personnel, Training and Communication****Additional full time dedicated personnel & key Functional areas**

Level	Personnel to be deployed	Key Functional Areas
GP	1 Gram Rozgar Sahayak for each GP	
Block	1 Programme Officer for each Block	Programme management
	Technical assistants pooled to service GPs	Works
	Computer Assistants	IT , MIS
	Accountant	Finance
District	District Programme Coordinator	Programme management
	Manager, Technical assistants	Works
	Manager, Computer Assistants	IT , MIS
Works	Accounts Manager & Assistants	Finance
	Training Coordinator	Training
	Coordinator	Social Audit, Grievance redressal

**Training****Key functionaries to be trained:**

- GP level: GP members, Panchayat Secretary, Gram Rozgar Sahayak, Mates, Vigilance and Monitoring Committee
- Block Level: IP members, Programme Officers, Engineers, Computer Personnel and Accounts Personnel
- District Level: ZP members, Line Departments, Engineers, Computer Personnel, Accounts Personnel

**Inputs for training:**

- Training Calendar and modules need to be drawn up

- Materials: Act & National NREGA Guidelines in local language
- Handbook, Manuals, Films: on different components/for different target groups

**Impact Assessment:**

- Concurrent assessment of the impact of the training programme to ensure that all key responsible agencies
- Understand the provisions of the Act,
- Their respective roles in it
- Have the skills to implement it
- Reiterative Cycles of training using the feedback

**Building Awareness: Information, Education and Communication (IEC)**

**Key Target Groups:**

- Local work force engaged in manual labour
- Poor rural households
- SC/ST/women/ minorities
- Remote habitations
- Preparation of IEC Plan and Communication material

**Information Dissemination :**One day orientation of all Sarpanches, Introductory Gram Sabhas, Rozgar Diwas, media (electronic, print), local cultural forms- puppetry, folk theater and music, Citizen Information Board

**Outcome Assessment**

- Every Gram Panchayat must give a certificate that it has convened a Gram Sabha in each village and acquainted the local community with NREGA provisions
- Concurrent assessment of the effectiveness of IEC activities must be done and any deficiencies that come to light, must be removed

## **NREGA and Other Schemes**

### **SGRY, NFFWP and Convergence**

#### **Completion of SGRY /NFFWP Works**

##### **Phase I Districts**

- All SGRY and NFFWP Projects had been closed by 30th June 06
- All unspent resources under SGRY should have been transferred to NREGA
- Only one account maintained for NREGA after 30th June'06

##### **Phase II Districts**

- Cut off date for Phase II Districts 31st August 2007
- All SGRY and NFFWP Projects had been closed by 31st August 2007
- All unspent resources under SGRY should have been transferred to NREGA
- Only one account to be maintained for NREGA

##### **Phase III Districts**

- Cut off date for Phase II Districts 31st March 2008
- All SGRY and NFFWP Projects had been closed by 31st March 2008
- All unspent resources under SGRY should have been transferred to NREGA
- Only one account to be maintained for NREGA

#### **Convergence/Dovetailing**

- Convergence with Social Sector Programmes (Literacy and Health missions) and Centrally Sponsored Schemes
- Convergence of the NREGA funds with funds from other sources for creation of assets permissible but not vice versa
- All convergence within parameters of NREGA- labour intensive works, no contractors or machinery
- NREGA funds must not be used as a substitute for Departmental Plan funds of different agencies

#### **Quick Checklist**

##### **Check Points for NREGA**

##### **Demand Process:**

- Registration and Job Card

- Wage seekers able to register freely and easily for job cards
- Time gap between registration and issue of Job Card
- Job Cards made free of cost including photographs
- No minors registered on Job Cards
- Job cards have photograph of all adult household members registered
- Custody of Job cards with the wage earners

### **Application for Employment**

- Application for employment to be submitted
- Dated receipts issued in return by Gram Panchayat
- Work allotted in 15 days

### **Planning**

- Gram Sabhas convened to select and prioritize works
- Choice of works according to preference of local people
- Shelf of Works at GP level
- Perspective Plans, Annual Plan, Labour Budget prepared at Block/District level

### **Shelf of Projects**

- Approved shelf of projects of at least five works with TS/AS
- Only Permissible works allowed
- What works are given priority
- Quality and usefulness of works
- List of approved works on public display in Gram Panchayat

### **Execution of Work**

- 50% of works allotted to GPs for execution
- Other Implementing Agencies: supervision, muster rolls and job cards maintained, accounts opened, reporting and reviewing

### **Fidelity of Muster rolls**

- Numbered muster rolls maintained on worksites
- Muster rolls to contain Labourers' job card number days worked, quantum of work done and wages paid



- No names of fictitious/non workers on muster roll
- No names of non-job card holders/unregistered households on muster roll
- Numbers of days worked recorded in muster roll the same as the actual number of days worked 33

### **Worksite Management**

- No workers without job cards to work at worksites
- No subletting of job cards allowed
- No contractors and machinery
- Measurement of works done on time within a fortnight
- Works in progress being technically supervised regularly
- Adequate work site facilities available

### **Wage Payment**

- Notified wage and actual wages paid per day per labourer
- Workers earning the full task rate notified in SOR, task rate equal to the minimum wages
- Equal task rates for men and women
- Wages paid within 15 days
- Muster roll read out when wages are paid
- Wages paid through bank and post office accounts

### **Records**

- Muster Roll entries match with the job cards
- Work completed is recorded in the Asset Register
- Job Card updated

### **Staff and Training**

- Gram Rozgar Sewak for each GP, Programme Officer for Block, DPC for districts
- Technical Assistant( junior engineer) 4-5 for a group of Gram Panchayats
- Accountants, Data Entry Operators
- Status of trainings: Gram Rozgar Sahayek, Panchayat Secretary, Sarpanches,

- Ward members and Vigilance Monitoring Committee Members

### **Monitoring**

- Works been inspected by block(100%)/ district(10%)/ State (2%)
- VMC to monitor & certify works completion
- Muster rolls to be verified

### **Social Audit**

- Social audit of all works been done (incl. works under implementation agencies)
- Involvement of Gram Sabhas and the workers

### **Grievance Redressal**

- Complaints register available at GP level
- Timely disposal of Complaints

### **Awareness Generation through Information Education Communication**

- Sarpanch/ward members aware of the key provisions and procedures of the Act
- Sarpanches/ Ward members attended Block orientation Conventions
- Introductory Gram Sabhas held on NREGA
- Wage Seekers are aware of the key provisions and procedures of the Act

### ***Instructions to fill the Check List***

- Tick the appropriate box
- Please write where specification is required.

### **How to fill**

- Visit at least two Blocks, two villages per Block, two worksites per block
- Select block on the basis of performance. One Good performing block and one worst performing block

### **How to use**

- Structure inspection format for DPC, PO and others.
- Quick feed back for problems.

## ***Expected feedback from NLM (National Level Monitoring) Reports***

### **An NLM report should have**

- District wise report
- Findings during field visits inspections
- Substantive information on implementation processes, systems, beneficiary awareness and feedback, best practices and innovations observed
- Specific details of any variation of records and irregularities

### **NLM should avoid**

- Inconsistent findings
- Insufficient /inadequate information to support the observations esp. when reporting irregularities

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*Source: [nrega.nic.in/conf.asp](http://nrega.nic.in/conf.asp)*

## NEWS CLIPPINGS ON CAG'S AUDIT REPORT ON NREGA

**The Hindu 29.10.2008**

**NREGA being diluted: CAG**

Vinay Kumar

*Source: [www.hindu.com/2008/10/29/stories/2008102955211200.htm](http://www.hindu.com/2008/10/29/stories/2008102955211200.htm)*

**NEW DELHI:** The Comptroller and Auditor-General of India has criticised dilution of the scheme under the National Rural Employment Guarantee Act due to poor record maintenance, delayed payment of wages and non-payment of unemployment allowance.

Enacted by the United Progressive Alliance government the NREG scheme was launched to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year.

In its performance audit report on implementation of the NREGA the CAG noted that of the Rs.12,074 crore funds, including the States' share of Rs.813 crore up to March 2007, the State governments could utilise Rs.8,823 crore.

It held that the NREGA being a Central law, the Ministry of Rural Development should accept the overall responsibility for coordinating and monitoring its administration and ensuring economical, efficient and effective utilisation of funds provided by the Union government. The Act initially came into force in 200 districts from February 2, 2006.

According to the Ministry, 3.81 crore households had registered under the Act. Of these, 2.12 crore households had demanded employment and 2.10 crore households were provided employment during 2006-07. The report noted that there were several cases of delayed payment of wages, for which no compensation was paid.

"While there was inadequate assurance that all demands for work were being captured, there were also instances of non-payment of unemployment allowance which became due to employment-seekers even where the records indicated that employment was not provided within 15 days from date of demand. However, no one was fined for violation of the Act," the report observed.

It noted that poor record maintenance further diluted the purpose of the Act, systems for financial management and tracking were deficient, as monthly squaring and reconciliation of accounts at different levels to maintain financial accountability and transparency were not being done.

**Times of India 26.3.09**

**CAG review had found major gaps in NREGA functioning**

26 Mar 2009, 0345 hrs IST, Pradeep Thakur, TNN

*Source: [timesofindia.indiatimes.com/India/CAG-review-had-found-major-gaps-in-NREGA-functioning-/articleshow/4315928.cms](http://timesofindia.indiatimes.com/India/CAG-review-had-found-major-gaps-in-NREGA-functioning-/articleshow/4315928.cms)*

**NEW DELHI:** The Congress manifesto claims to have provided work to "many lakh" people under NREGS and promises to further widen the scheme but a review done by the Comptroller and Auditor General (CAG) had found that there was no data on the number of people who demanded jobs and who actually benefitted. The CAG review said in as many as 70% of the villages checked, there were no proper records available on number of households who demanded jobs and the actual number of people who benefited from the job guarantee scheme.

The survey was initiated in 2006 and completed late last year. It was done at the request of the rural development ministry to ascertain the success of its NREGA scheme. In 26 states, 558 village panchayats were identified for the survey spread over 68 districts and 141 blocks. Surprisingly, the report said in many cases, it found that jobs were allocated on "verbal basis" and no documentation was available with the village body.

The rules provide that before demanding employment under NREGA, households have to register themselves, and get a job card. A door-to-door survey may be undertaken to identify persons while photographs of adult applicants should be attached to the job cards after an introductory gram sabha meeting is convened at the commencement of the programme. However, the fact-finding revealed that in 340 villages in 24 states, no such meetings were conducted, neither was there any documentary evidence available in this regard. No door-to-door survey was conducted in these villages to identify persons.

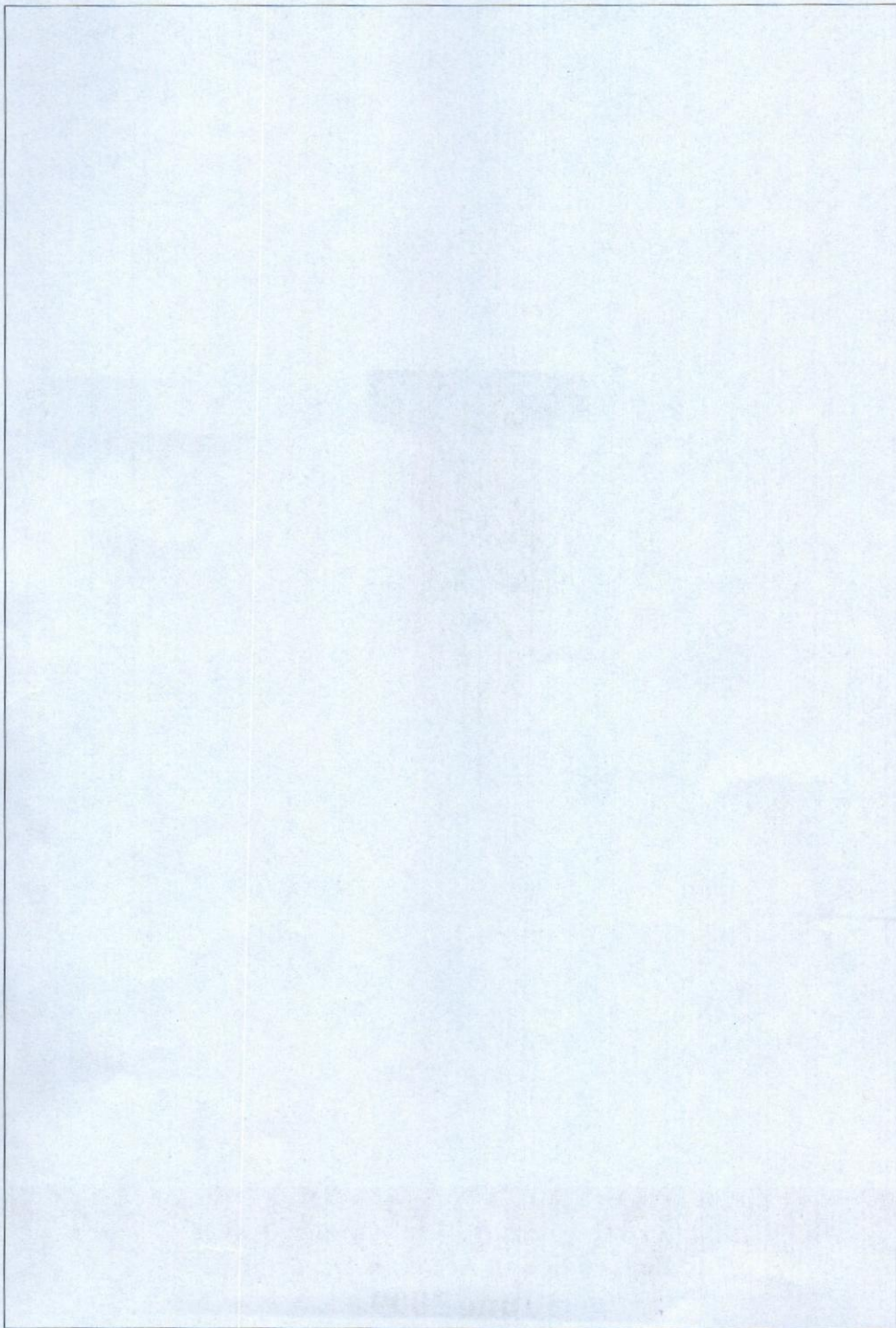
To prevent any leakages, the government had launched a drive to allocate unique identity numbers to job applicants. However, out of 558 gram panchayats checked, it was found that in 331 of them, unique identity

numbers were not allotted.

In one of the poorest corners of the country, Kalahandi in Orissa, the survey found that 670 household in 16 villages were not registered despite submitting applications on the ground that their names did not feature in the 2002 BPL survey list.

A similar survey conducted by CAG in 2007 on the effectiveness of the Centre's Public Distribution System, through which it gives subsidised foodgrains to poor, revealed that 40% of beneficiaries were kept away from the scheme by denying them ration cards and 99% of those who availed the benefits reported they had not received food grains regularly.

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