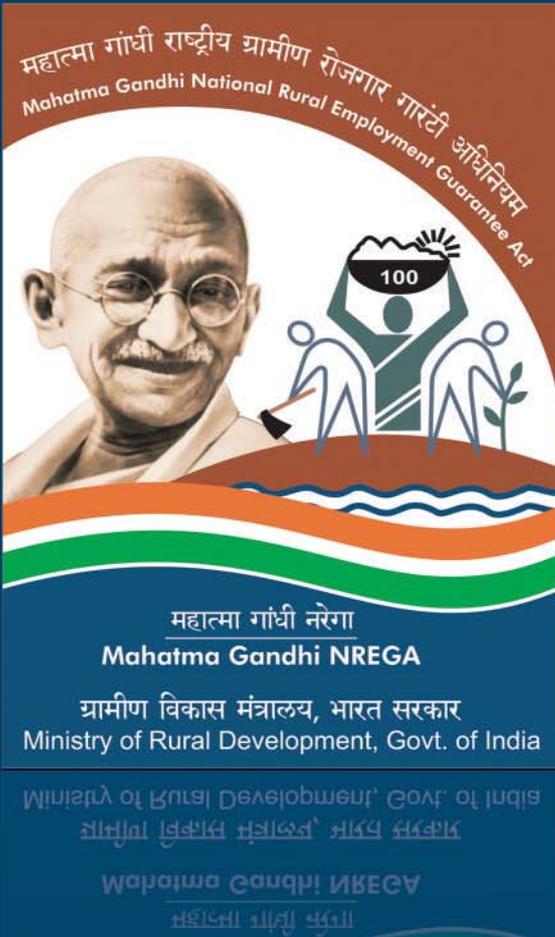




सत्यमेव जयते



Report of the Comptroller and Auditor General of India

on

Performance Audit of Mahatma Gandhi National Rural Employment Guarantee Scheme



Union Government (Civil)
Ministry of Rural Development

Report No. 6 of 2013
(Performance Audit)



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Preface

This Report of the Comptroller and Auditor General of India containing the results of performance audit of the implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been prepared for submission to the President of India under Article 151 of the Constitution.

The performance audit covered the period from April 2007 to March 2012. Field audit of the relevant records of the Ministry of Rural Development, state governments and district, block and panchayat level offices was conducted between February to September 2012.



Man in white shirt

Men and child sitting on the bank

Woman in white and yellow sari carrying a basket

Woman in brown headscarf

Woman in yellow and red floral sari

Woman in light green sari holding a shovel

Man in white shirt and grey vest sitting on the bank

Person in yellow and brown clothing bent over

Executive Summary

The Mahatma Gandhi National Rural Employment Guarantee Act, (MGNREGA) was enacted with the objective of enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year, to every household whose adult members volunteer to do unskilled manual work. The Act initially came into force in 200 districts with effect from 2 February 2006 and was expanded to cover all the rural districts by 1 April 2008.

This is the second performance audit of the Scheme. The first performance audit was undertaken in 2007-08. The period of coverage of the first audit was February 2006 to March 2007. The present performance audit of the implementation of MGNREGA was taken up in response to a request from the Ministry of Rural Development and covers the period from April 2007 to March 2012. Implementation of the Scheme was checked in 3,848 gram panchayats in 28 states and four union territories.

The important findings of the performance audit are given below:

- Analysis of data related to the performance of the Scheme showed that there has been significant decline in per rural household employment generation in the last two years. The per rural household employment, declined from 54 days in 2009-10 to 43 days in 2011-12. There was also a substantial decline in the proportion of works completed in 2011-12. It was also seen that Bihar, Maharashtra and Uttar Pradesh, which together account for 46 *per cent* of the rural poor, utilised only about 20 *per cent* of the Central Scheme funds. This indicated that the correlation between poverty levels and implementation of MGNREGA was not very high.
- As per section 16(3) of the Act, gram panchayats were required to prepare the annual development plan on the basis of recommendations of the gram sabha. In 1,201 GPs (31 *per cent* of all test checked GPs) in 11 states and one UT, annual plans were either not prepared, or were prepared in an incomplete manner.
- In 14 states and one UT, 129.22 lakh works amounting to ₹ 1,26,961.11 crore were approved in the annual plans. But only 38.65 lakh works (30 *per cent* of planned works) amounting to ₹ 27,792.13 crore were completed during the audit period, indicating significant inefficiencies in implementation of annual plans.

- In terms of the MGNREGA, the states were to notify schemes and rules for its implementation. However, it was seen that despite passage of seven years, after the Act came into force, state governments of Haryana, Maharashtra, Punjab, Rajasthan and Uttar Pradesh (five states) did not formulate rules, as of March 2012.
- Audit observed that Information, Education and Communication (IEC) plans were not formulated in 12 states and two UTs. Shortfalls in utilization of IEC funds were also noticed. In a demand driven scheme like MGNREGS, awareness of beneficiary rights would be a critical factor in its success. The low level of IEC activities would have an adverse effect on the awareness levels of the beneficiaries and would, in turn, hamper the beneficiaries from fully realizing their rights.
- Governments of four states (Arunachal Pradesh, Kerala, Manipur and Tamil Nadu) had not appointed dedicated Gram Rozgar Sahayaks. Further, persistent and widespread shortages of Gram Rozgar Sahayaks as against the requirements were noticed in the case of nine states (Assam, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Punjab, Uttar Pradesh and Uttarakhand). The shortages ranged from 20 to 93 *per cent*.
- The Ministry relaxed all conditionalities and released a sum of ₹ 1,960.45 crore in March 2011 to the states, contravening norms of financial accountability. An amount of ₹ 4,072.99 crore was released by the Ministry between 2008-12 to states for use in the subsequent financial year, in contravention of budgetary provisions and General Financial Rules. Also, excess funds of ₹ 2,374.86 crore were released by the Ministry to six states, either due to wrong calculation or without taking note of the balances available with the states.
- Job cards were not issued to 12,455 households in six states. Photographs on job cards represent an important control against fraud and misrepresentation. Photographs on 4.33 lakh job cards were not found pasted in seven states. Non payment/under payment of wages of ₹ 36.97 crore was noticed in 14 states. There were several cases of delayed payment of wages for which no compensation was paid.
- Schedule I of the Act prescribes that the material component of the work should not exceed 40 *per cent* of the total work cost. In 12 states and one UT, cases of the material cost exceeding the prescribed ratio were noticed. The material cost exceeded the prescribed level by ₹ 1,594.37 crore in the test checked cases.
- In the test checked districts of 25 states/UTs, 1,02,100 inadmissible works amounting to ₹ 2,252.43 crore were undertaken. These inadmissible works included construction of earthen/*kutcha* roads, cement concrete roads, construction of raised platforms for cattle and other animals, construction of bathing *ghats*, etc. Works amounting to ₹ 4,070.76 crore were incomplete despite passage of significant time, rendering the expenditure unfruitful.
- In 10 states and four UTs, Governments had not constituted Social Audit Units to facilitate the social audit forums. In 11 states and one UT, it was seen that significantly fewer social audits from prescribed norms were conducted.

- Monitoring at the Central level was unsatisfactory. The Central Council could not fulfil its statutory mandate of establishing a central evaluation and monitoring system even after six years of its existence. The only monitoring activity carried out was in the form of 13 *ad-hoc* field visits to six states by the Council members. No follow up action was taken on these visits by the Council.
- Deficiencies, relating to both non-maintenance and incorrect maintenance of prescribed basic records, were noticed in 18 to 54 *per cent* of the all test checked GPs, for various types of records. Widespread deficiencies in the maintenance of records restricted the process of proper verification of the outputs and outcomes of the Scheme.
- There were substantial differences between the data uploaded in the MIS and actual records maintained/information available with Directorate/DPC. Apart from the erroneous entries made in the database, a number of cases were noticed where the states were not entering data on a regular basis. Hence, the MIS data on physical and financial performance of the Scheme was not reliable. In addition, the MIS suffered from faulty programming logic and missing validation controls. Cases of data manipulation, without any reference to basic records and without any apparent basis, were also noticed.

Summary of Recommendations

- *The widespread shortage of staff at all levels, adversely affects the implementation of the Scheme. The staff position should be closely monitored by the Ministry and shortfall on this account should be taken up with the state governments.*
- *MGNREGS, being a demand driven programme, requires the beneficiaries to be aware of their rights. However, the shortfall in IEC expenditure and non-formulation of IEC plans indicated gaps in the creation of awareness among beneficiaries. IEC activities need to be stepped up for better beneficiary awareness.*
- *Monthly squaring of accounts is an important control over utilization of funds. Progress of monthly squaring of accounts should be checked during release of funds by the Ministry.*
- *In the interest of uniformity and for easier consolidation of accounts, the Ministry may consider developing a model format of accounts.*
- *Ministry of Rural Development should invariably ensure compliance with required rules and prescribed guidelines for transparency in release of funds.*
- *Non-payment of unemployment allowance and non-maintenance of essential records were noticed by Audit across all states. A possible reason for non-payment of unemployment allowance could be the non-sharing of unemployment allowance by Central Government and the perceived burden on the state exchequer. In order to safeguard the interests of the beneficiaries, the Ministry may consider partial reimbursement of unemployment allowance. Further, strict action may be taken*

against erring officials when any case of non-payment of unemployment allowance is noticed.

- *The Ministry may monitor the maintenance of the prescribed wage material ratio strictly. State governments may be asked to make good, the amounts spent in excess of 60:40 ratio.*
- *The absence of physical records and their incorrect maintenance at the GP level makes verification of the achievements of the Scheme an extremely difficult task; it also increases the risk of mis-appropriation of funds. Record maintenance at GP level needs to be streamlined. Record maintenance should be monitored closely at all levels and fund release should be linked to proper maintenance of records.*
- *The CEGC and the Ministry need to ensure intensive monitoring of the Scheme for its proper implementation. They need to design a system for verification and audit of work.*
- *The Ministry or CEGC may consider undertaking a national level, comprehensive, independent evaluation of the Scheme.*
- *The Ministry should examine and reconcile the deficiencies in software design and make necessary changes to the NREGASoft. There is a need to put in place stricter controls for data modification after authentication and closure of data entry.*

Mahatma Gandhi National Rural Employment Guarantee Scheme – An Overview

1.1 Introduction

The Eleventh Five Year Plan document estimated that India had more than 30 crore people below the poverty line. It also noted that the number of poor had barely declined over the last three decades and also that the absolute number of poor had actually increased in some of the larger states like Bihar (including Jharkhand), Madhya Pradesh (including Chhattisgarh), Maharashtra, Rajasthan and Uttar Pradesh.

Table 1: Percentage of People Below Poverty Line in India (1973-2004)

Years	Rural	Urban	Combined
1973	56.4	49.0	54.9
1983	45.7	40.8	44.5
1993	37.3	32.3	36.0
2004	28.3	25.7	27.5

Source: Eleventh Five Year Plan 2007-12 Volume III

The Eleventh Five Year Plan document recognised that poverty would be reduced through rapid growth, increase in employment opportunities and directly targeted poverty-reduction programmes. It also recognised the fact that Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) would be one of the main planks of rapid poverty reduction during the Eleventh Five Year Plan period.

Employment generation programmes had always been important Government interventions in India for reducing poverty. These programmes provided short-term employment on public works to unskilled workers. They were based on the premise that in areas with high unemployment rates and under employment, such programmes can prevent poverty from worsening, especially during lean periods of seasonal unemployment. Durable assets created by these programmes were also expected to have the potential to generate second-round employment benefits as the requisite infrastructure had been developed.

Employment generation programmes had always been a staple of planning initiatives, both at the Central and the state level, though it was only with the introduction of Jawahar Rojagar Yojana in

1989 that the outreach of these programmes increased. The expansion in both the size and number of such programmes ultimately culminated in the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

MGNREGA was notified on 7 September 2005. The objective of MGNREGA was enhancement of livelihood security of households in rural areas of the country by providing at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer for unskilled manual work. Creation of durable assets and strengthening the livelihood resource base of the rural poor were other important objectives of the Scheme.

Through MGNREGA, the Government was committed to providing employment to every rural family which demands such work and whose adult members volunteer to do such work. Such work was to be provided at the minimum wage rate and, as far as possible, within a radius of five kilometer of the village where the applicant resided. Failure to provide such wage employment within 15 days of the receipt of the application entitled the applicant to receive unemployment allowance.

The principal implementing agencies under the Act were the gram panchayats (GPs). MGNREGA also emphasized community participation in planning, implementation, social audit and transparency. Another important feature of MGNREGA was that it placed a complete ban on the use of contractors. It also laid emphasis on labour-intensive works for water conservation, drought and flood-proofing as priority works under MGNREGA.

1.2 Coverage of MGNREGS

Starting with 200 districts across the country in Phase-I during 2006–07, MGNREGS was extended to an additional 130 districts in Phase-II during 2007–08. From 1 April 2008 onwards MGNREGS covered the whole of rural India.

As a district was notified under the Act (i.e., it was covered under MGNREGS), two existing schemes, namely, Sampoorna Grameen Rozgar Yojana (SGRY) and the National Food for Work Programme (NFFWP) were automatically merged in MGNREGS. Hence, SGRY and NFFWP fully ceased to exist with effect from 1 April 2008, after MGNREGS covered all the districts.

1.3 Funding Pattern

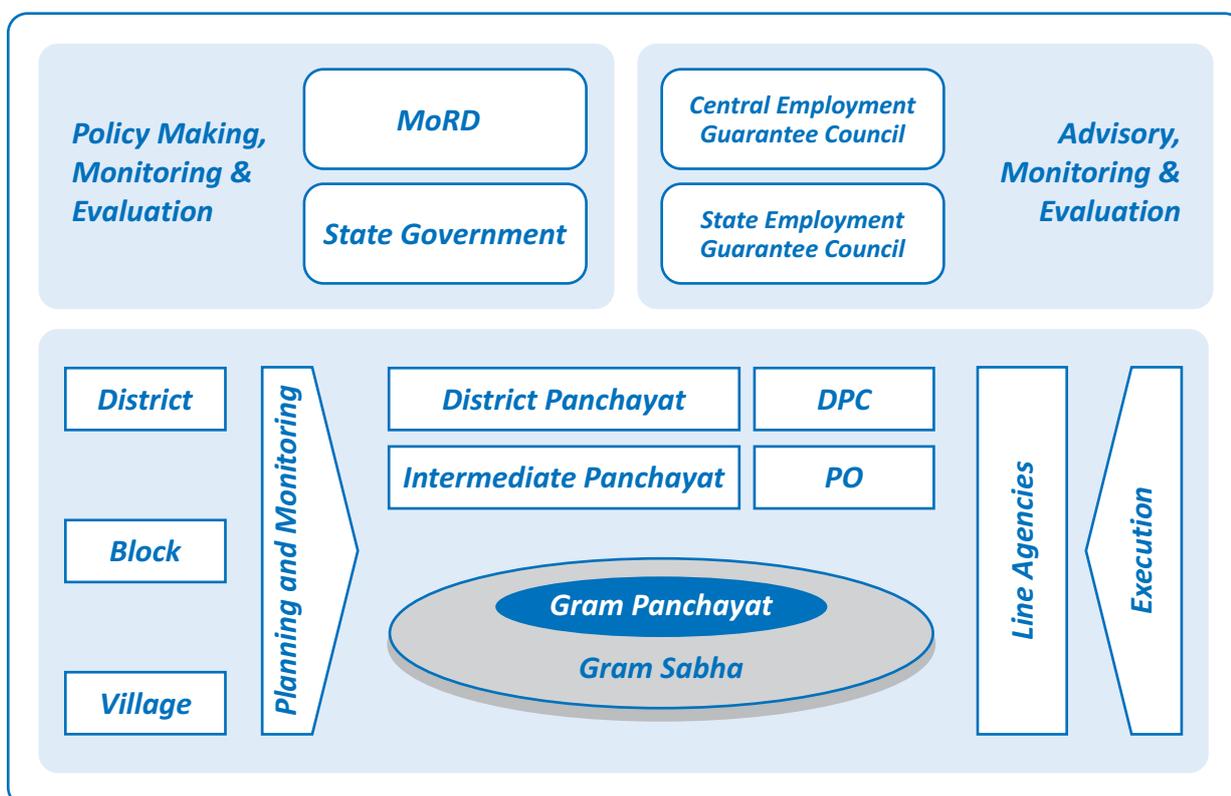
The bulk of the expenditure for implementation of the Scheme was borne by Central Government in the form of grants-in-aid. The funding pattern of the Scheme is depicted in **Table-2**:

Table-2: Funding Pattern

Component	Central Share	State Share
Wages for unskilled labour	100 per cent	-
Wages for skilled and semi-skilled labour and cost of material	75 per cent	25 per cent
Other components	Administrative expenses as may be determined by the Central Government.	Unemployment allowance payable in case wage employment was not provided within 15 days of application.
Employment Guarantee Councils	Administrative expenses of the Central Employment Guarantee Council.	Administrative expenses of the State Employment Guarantee Council.

1.4 Organisational Setup

The nodal Ministry in the Government of India (GoI) for MGNREGS was the Ministry of Rural Development (MoRD). **Chart-1** depicts the role of the various authorities at the Central and State level in planning, execution and monitoring of the Scheme.

Chart-1: Organisational structure of MGNREGS

1.5 Financial Outlay and Physical Performance

A summary of expenditure reported on MGNREGS along with some performance parameters during the period 2007-08 to 2011-12 is given below:

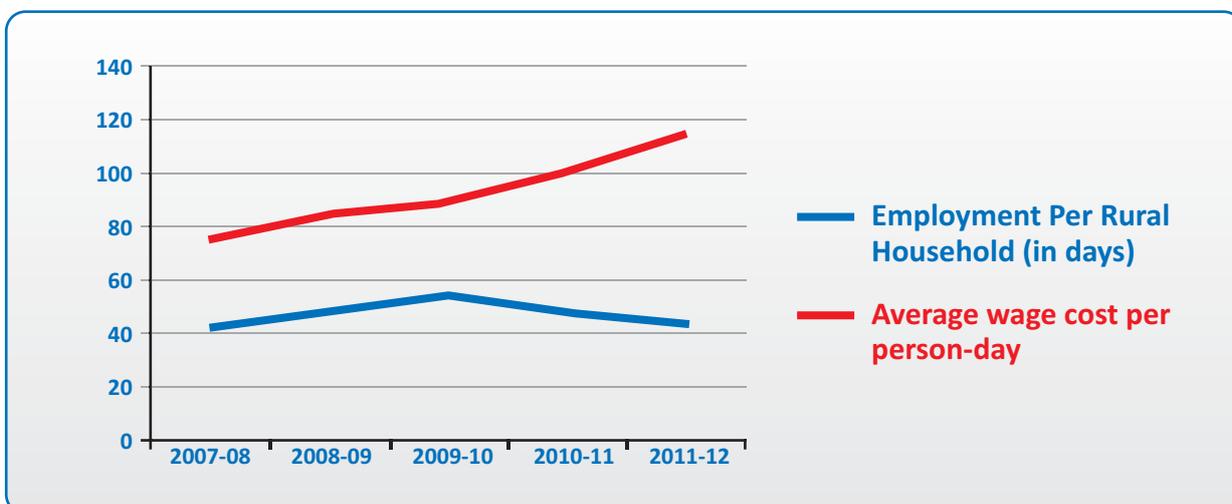
Table-3: Performance Parameters of MGNREGS

	2007-08	2008-09	2009-10	2010-11	2011-12
Expenditure on MGNREGS					
Total expenditure (₹ in crore)	15,856.89	27,250.10	37,905.23	39,377.27	38,034.70
Average expenditure per District (₹ in crore)	48.05	44.31	61.24	63.61	49.35
Average expenditure per personday (in ₹)	110	126	134	153	176
Average wage cost per personday (in ₹)	75	84	90	100	115
Persondays of employment generated					
Total (in crore)	143.59	216.32	283.59	257.15	216.34
Per rural household (in days)	42	48	54	47	43

Source: Information provided by Central Employment Guarantee Council

The above table shows that expenditure on the Scheme in the last three years had not increased significantly; rather it declined in 2011-12. The chart below also indicates that even though the average wage cost or wages paid was rising, the benefits to a rural household was negated by the decline in employment provided per household.

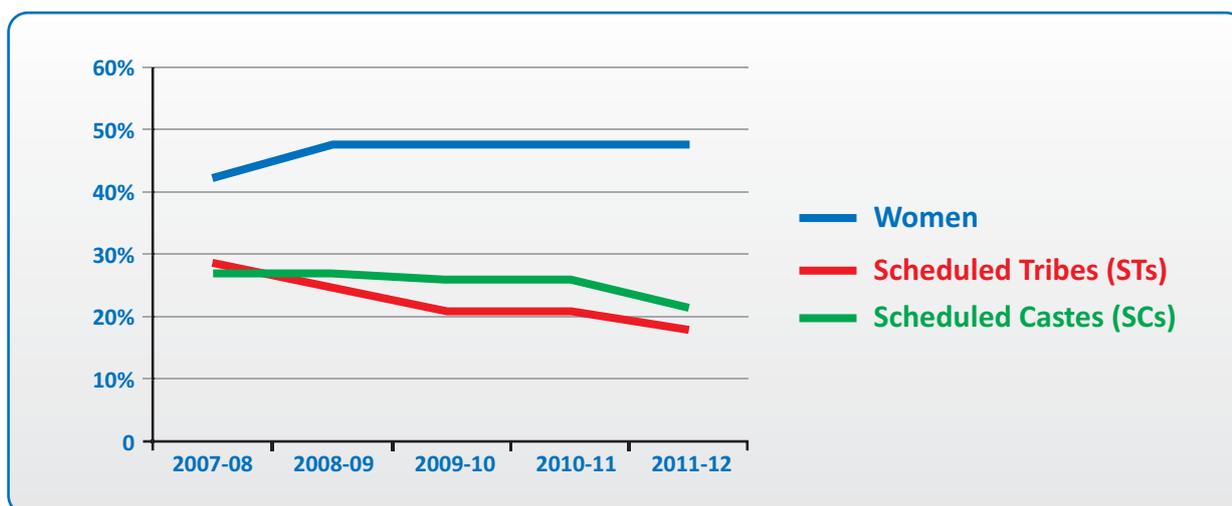
Chart-2: Average wages (in ₹) and employment per household



Source: Information Provided by Central Employment Guarantee Council

The chart below shows the share of Scheduled Castes (SCs), Scheduled Tribes (STs) and women in the employment provided under the Scheme. As per the data, women were fairly represented at around 48 *per cent* during the last three years. However, the share of both SCs and STs showed a declining trend, with the share of STs declining from 29 *per cent* in 2007-08 to 19 *per cent* in 2011-12.

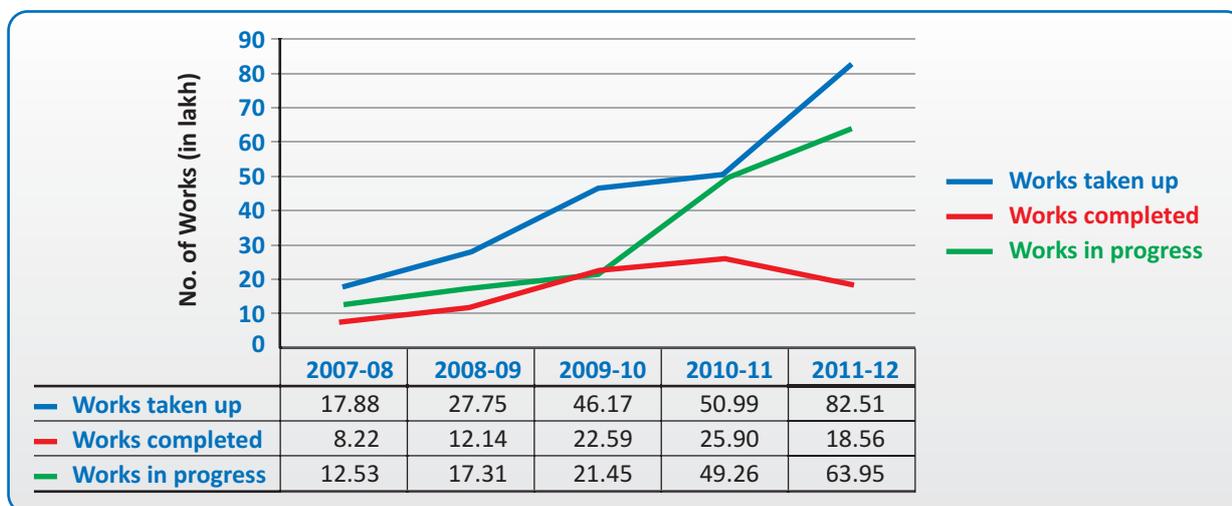
Chart-3: Share of SC, ST and Women in Employment Generation



Source: Information provided by Central Employment Guarantee Council

An analysis of the works taken up under the Scheme shows that while the number of works taken up increased steadily, the number of works completed declined by 28 *per cent* in 2011-12 with reference to the previous year and stood at 22.5 *per cent* of the total works undertaken in 2011-12. The decline in per household employment generation and in the completion of works indicates a disturbing trend in achieving the primary objective of the Scheme i.e., providing livelihood security and creation of assets.

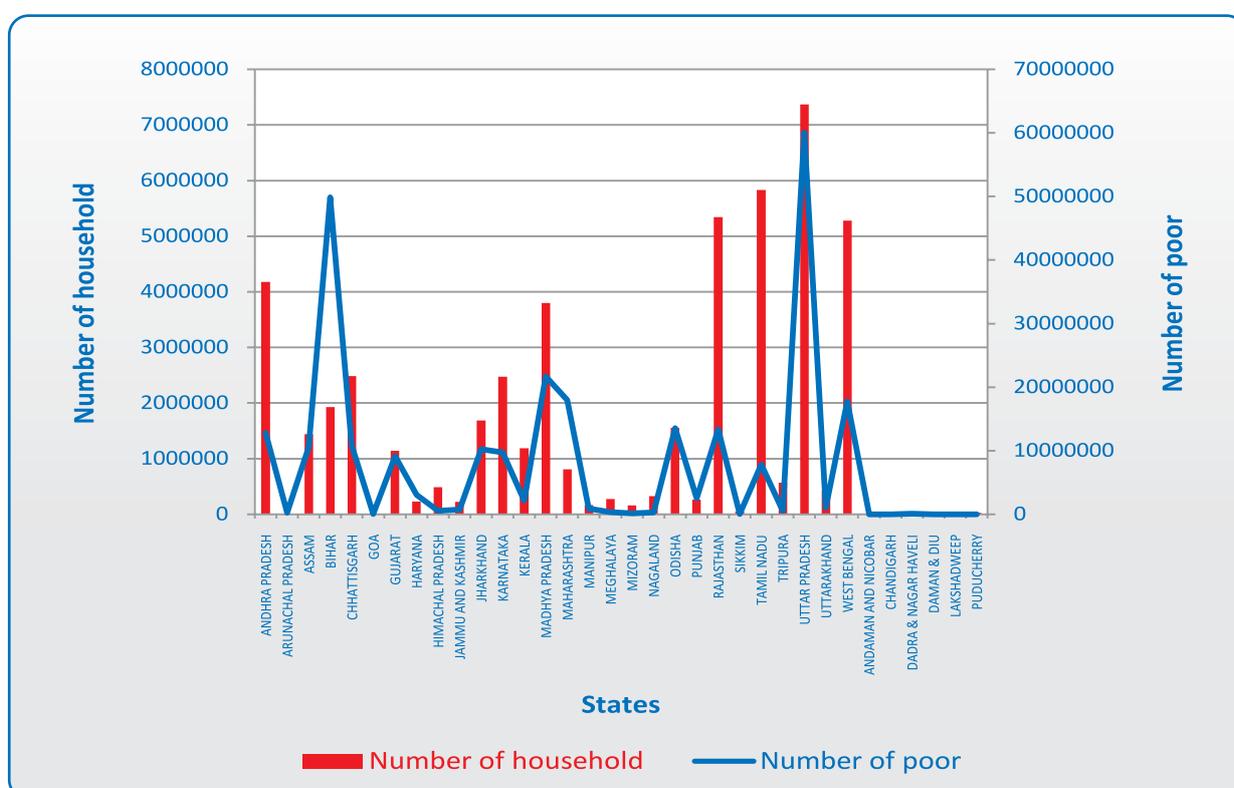
Chart-4: Works taken up under MGNREGS



Source: Information provided by Central Employment Guarantee Council

As noted, MGNREGS was the main plank of the Eleventh Five Year Plan for poverty eradication. The graph below correlates the state rural poverty figures (2009-10) with the average number of households provided employment (during 2009-10, 2010-11 and 2011-12). At an aggregate level there appeared to be a correlation between the number of rural poor in a state and the number of households given employment under MGNREGS. There were, however, some notable exceptions to this. States like Andhra Pradesh, Chhattisgarh, Rajasthan, Tamil Nadu and West Bengal seem to have made greater utilisation of MGNREGS as compared to the poverty levels in these states. At the same time states like Bihar, Maharashtra, Odisha and Uttar Pradesh seem to be relative laggards in utilization of MGNREGS funds when compared to their poverty levels.

Chart-5: Poverty Levels and Average Annual Number of Households Provided Employment in States



Source: Planning Commission data on poverty and NREGASoft for employment data

Analysis of state-wise releases made by the Ministry showed that four states (Andhra Pradesh, Madhya Pradesh, Rajasthan and Uttar Pradesh) accounted for 50 per cent of the total expenditure made under the Scheme. It was also seen that three states, viz. Bihar, Maharashtra and Uttar Pradesh accounted for 46 per cent of the rural poor but utilized about 20 per cent of the funds and consequently only 20 per cent of total households were provided employment under the Scheme. This indicates that there was little correlation between poverty level in a state and the implementation of MGNREGS. State-wise details are given in **Annex-1A**.

Audit Approach, Previous Performance Audit Findings and Organisation of Current Audit Findings

2.1 Audit Approach

2.1.1 Audit Methodology

The Ministry of Rural Development (the Ministry) made a request for audit of the Scheme in November 2011. Considering the importance, financial outlay and impact of the Scheme, a performance audit was conducted. After preparation of audit guidelines, the performance audit commenced with an entry conference with the Ministry on 1 May 2012, where the audit methodology, scope, objectives and criteria were discussed.

In order to assess the economy, efficiency and effectiveness of processes related to the implementation of MGNREGS, the audit procedure included inspection of various records, procedures and also physical inspection of selected works at the gram panchayat (GP) level. A beneficiary survey was also conducted with the help of a structured questionnaire designed to capture the perception of the beneficiaries about the Scheme. The audit was conducted at the block, district and state level and also at the Ministry of Rural Development. After the conclusion of audit and the consolidation and analysis of audit findings, an exit conference was held with the team of the Ministry headed by Minister of Rural Development on 24 December 2012, in which the draft audit findings and recommendations were discussed. In addition, exit conferences were also held with the state governments, where the state-specific findings were discussed.

2.1.2 Audit Objectives

Performance audit was undertaken to ascertain whether:

- Structural mechanisms were put in place and adequate capacity building measures were taken by the Central and state governments for implementation of the Act;
- Procedures for preparing perspective and annual plan at different levels for estimating the likely demand for work, and preparing shelf of projects, were adequate and effective;
- Funds were released, accounted for and utilised by the Central and state governments in compliance with the provisions of the Act and other extant rules;
- Process of registration of households, allotment of job cards, and allocation of employment in compliance with the Act and rules was effective;

- Primary objective of ensuring the livelihood security was provided by giving 100 days of annual employment to households in rural areas on demand and wages as declared, were paid;
- MGNREGS works were efficiently and effectively executed in a time-bound manner and in compliance with the Act and Rules, and durable assets were created, maintained and accounted for;
- Convergence of the Scheme with other rural development programmes as envisaged was effectively achieved in enhancing the employment opportunities under MGNREGS;
- All required records at various levels were properly maintained and MGNREGS MIS data was accurate, reliable and timely;
- Transparency was maintained by involving all stakeholders in various stages of its implementation; and
- Effective mechanism at Centre and state level existed to assess the impact of MGNREGS on individual households, local labour market, migration cycle and efficacy of assets created.

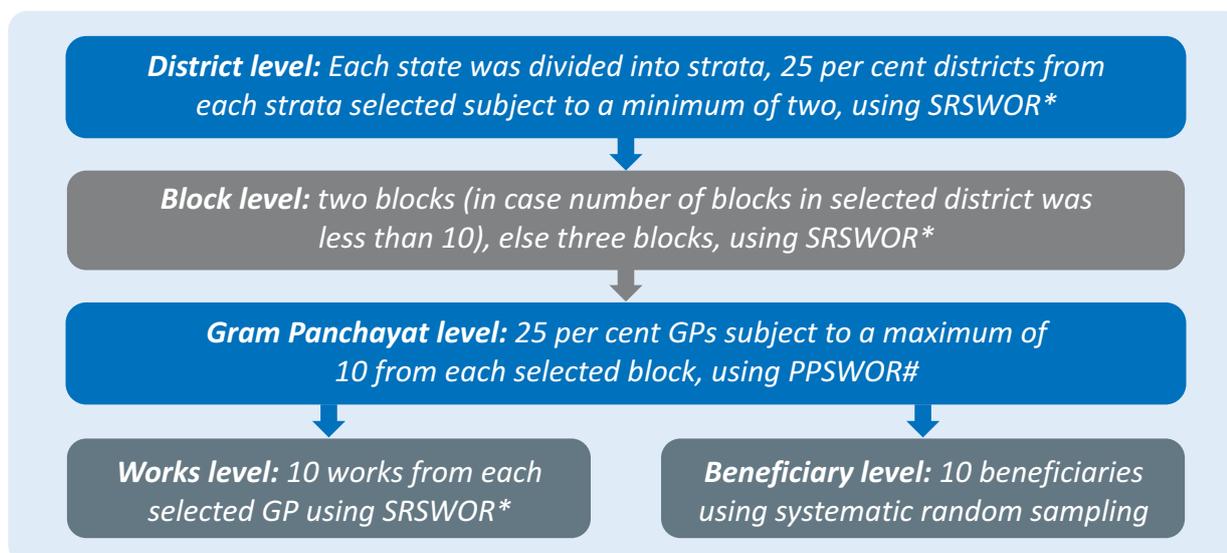
2.1.3 Audit Criteria

The main sources of audit criteria for the performance audit were:

- National Rural Employment Guarantee Act-2005 (the Act) and amendments thereto;
- Operational Guidelines 2006 and 2008 issued by Ministry of Rural Development, GoI;
- The National Employment Guarantee (Central Council) Rules, 2006;
- The National Employment Guarantee Fund Rules, 2006;
- The Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules, 2011;
- Circulars issued by MoRD regarding the Scheme;
- Guidelines/checklist for internal monitoring by states;
- Scheme Rules, Schedule of Rates and performance indicators framed by state governments/UTs; and
- General Financial Rules (GFRs), 2005.

2.1.4 Audit Scope and Sample

The performance audit covered activities under the Scheme from 2007-08 to 2011-12 in 28 states and four Union Territories. The sample was selected using stratified multi stage sampling design i.e., selection was at district, block, gram panchayat (GP), works and beneficiary level. The sampling plan used is shown in **Chart-6** below.

Chart-6 : Sampling Plan

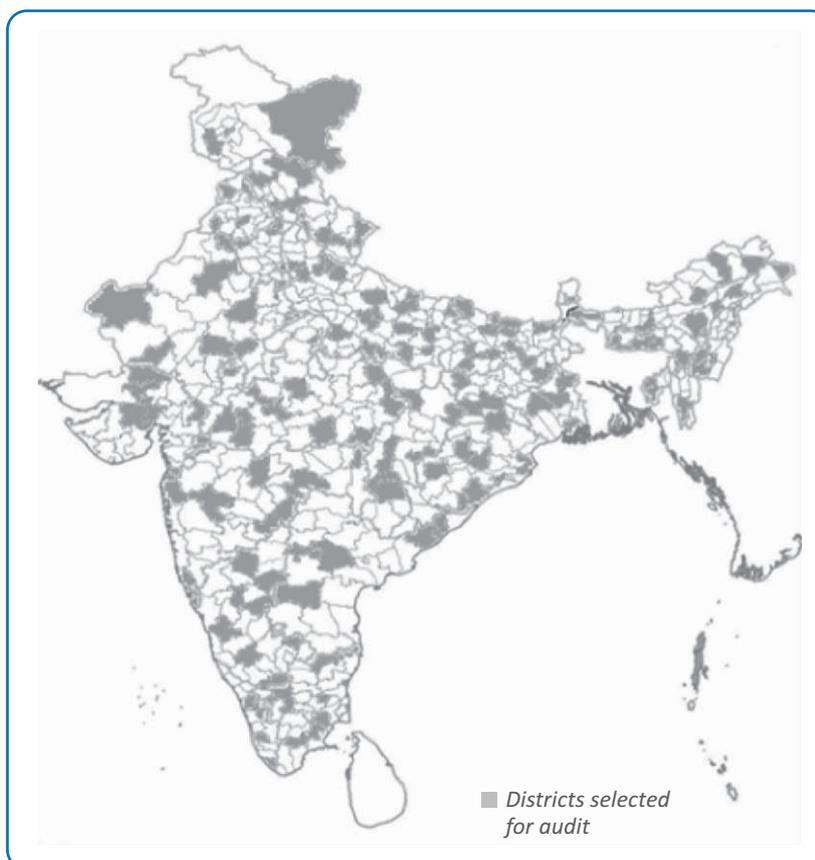
*SRSWOR: Simple Random Sampling Without Replacement

PPSWOR: Probability Proportional to Size Without Replacement

As a result of the sampling plan, the total sample size was as follows:

- 28 states and four Union Territories;
- 182 districts;
- 458 blocks within the selected districts; and,
- 3,848 GPs¹ in the selected blocks.

Details of the sample selected are given in **Annexes-2A and 2B**. The coverage of the districts is depicted in the map below. The districts shaded in gray were selected under the sample plan.

Map : 1 Selected districts under sample plan

¹ Village development board (VDB) in Nagaland, village council (VC) in Mizoram, village development panchayat (VDP) in Lakshadweep, are equivalent to gram panchayat (GP) in other states/UTs

2.2 Previous Audit Findings

Performance audit of MGNREGS for the period February 2006 to March 2007 was conducted in 2007-08 and the findings reported to Parliament through Report No. PA 11 of 2008 (Union Government - Performance Appraisal). The main findings were as follows:

- According to the Ministry's figures, 3.81 crore households had registered under the Act. Out of these, while 2.12 crore households had demanded employment, 2.10 crore households were provided employment during 2006-07. However, the Ministry's figures cannot be said to be very reliable or verifiable, as the record maintenance particularly at the GP level, was poor. There was a high probability of only partial capture of the demand for work.
- The applications for work were to be submitted primarily at the gram panchayat, though the applications for work could also be submitted to the Programme Officer of the block. Besides, 50 *per cent* of the works were to be allotted to GP. It was therefore crucial to maintain proper records of employment demanded, employment provided, number of days of employment generated, entitlement for employment allowance, etc. It was noticed that the maintenance of basic records at the GP and block levels was poor, as a result of which the authenticity of the figures of employment demanded, employment provided, number of days of employment generated, entitlement for employment allowance, etc. could not be verified in audit. Significant deficiencies were also noticed in maintenance of muster rolls.
- Photographs on job cards represent an important control against fraud and misrepresentation. There were significant delays in affixing photographs on the job cards.
- As the applications for demand for work were not documented or dated, and dated receipts for such applications were not issued in most cases, the eligibility of rural households for unemployment allowance, in these cases, was unverifiable.
- There were several cases of delayed payment of wages, for which no compensation was paid. There were also instances of non-payment of unemployment allowance which became due to the employment seekers.
- Deficiencies were noticed in the set up of implementing machinery, particularly at the block and GP levels like non-appointment of full-time Programme Officers and non-appointment of Gram Rozgar Sewaks. This insufficiency of manpower, particularly at GP level, had adverse impact on the maintenance of records at GP level, which made it difficult to verify compliance with the legal guarantee of 100 days of employment on demand.
- There were deficiencies in the planning process, particularly in the preparation of five years district perspective plans (DPPs).
- Most states had not prepared district-wise Schedule of Rates and had adopted the Schedule of Rates of PWD/Rural Development Department, which may not necessarily

ensure minimum wages for seven hours of work by labourers of weaker build like women in difficult geomorphological conditions.

- The systems for financial management and tracking were deficient, with significant cases of failure to conduct monthly squaring and reconciliation of accounts. Several instances of diversion and misutilisation of funds and non-rendering of utilisation certificates and expenditure details were noticed.
- The status of inspection of works at the state, district and block levels was poor, and most states had not designated State and District Quality Monitors. Also, in most cases, gram sabha was not held twice a year to conduct Social Audit Forums.

2.3 Action taken reported by the Central and State Governments on the Observations/Recommendations as reported (February 2011) by Ministry of Rural Development to the Public Accounts Committee based on the findings of the CAG's Performance Audit Report:

- All state governments had constituted State Employment Guarantee Council (SEGC) and formulated State Rural Employment Guarantee Scheme as per provisions of MGNREGA.
- The Ministry constituted different working groups to recommend measures to strengthen implementation of the Scheme. The deficiencies brought out by Audit would be taken care of by these working groups. On submission of the reports by the working groups Ministry would take necessary follow up action and wherever considered necessary appropriate amendments in the Act as well as Operational Guidelines would be made.
- Government of India had approved enhancement of administrative expenses from four to six *per cent* of the annual cost of implementing MGNREGA. The state governments had also been advised to utilize enhanced administrative expenses in a way that responds to the needs of the districts.
- State governments had been allowed to engage staff on contractual basis as per the requirements.
- Format for National Level Monitors (NLMs) monitoring had also been prescribed and updated regularly to capture all relevant statutory information as per feedback received from different sources.
- The Ministry had also taken up the issue of strengthening Information, Education and Communication (IEC) activities through All India Radio.

- Working Group on Wages would look into issues related to non-payment of minimum prescribed wages under the Act. Appropriate steps would be taken by the Ministry on receipt of recommendations of the group.
- The Ministry had taken up the issue of inadequate staff with both Department of Posts (DoP) and Department of Financial Services (DFS). The Planning Commission had sanctioned funds to DoP to strengthen its infrastructure including engaging staff in rural post offices to cope with the increased quantum of work regarding disbursement of wages to the workers under MGNREGA.
- Ministry had permitted state governments to explore the possibility of engaging business correspondents in inaccessible areas where outreach of post offices and banks was not available.
- Regarding per account payment to Department of Posts, pursuant to the Ministry's initiative, Ministry of Finance had effected changes in Post Office Saving Accounts (Second Amendment) Rules, 2008 and accordingly no deposit was required for opening of single/joint account of the workers of MGNREGS.
- Appropriate measures would be taken to amend the Operational Guidelines on receipt of recommendations of the working groups regarding measurement of work.
- NLM Division in the Ministry would be advised to ensure that National Level Monitors cross verify Monthly Progress Reports (MPRs) furnished by Programme Officers along with documents furnished by GPs to POs during their visits.
- Conducting of social audit as per the statutory provisions was prescribed as one of the conditions before release of funds to the state governments on the basis of projections outlined in the labour budget. Financial Rules, 2009 would also include conducting of social audit as per the statutory provisions as one of the conditions for release of Central funds to the state governments/union territories.
- Ministry had also instructed state governments/UTs to set up the office of Ombudsman to effectively and expeditiously deal with grievances. Progress in this regard was being regularly monitored.
- As part of transparency and accountability, Ministry had selected 61 eminent citizens for independent monitoring of the Mahatma Gandhi NREGA.
- The states would once again be advised to conduct prescribed level of inspections as well as constitute vigilance monitoring committee wherever it was not constituted.
- In addition, National Level Monitors would also be asked to ascertain compliance with the prescribed level of inspection by the state governments.
- The Ministry would conduct a study of best and good practices in states to explore the possibilities of their replication in the states/UTs. These would be shared with states and posted on NREGA website.

- The Ministry would conduct comprehensive review to examine reasons for wide variation in implementation in consultation with states and take appropriate corrective/remedial measures.
- The Ministry in consultation with Ministry of Finance had extended the benefits of the Janashree Bima Yojana to the MGNREGS workers and states had been advised to take necessary action to cover workers under the Janashree Bima Yojana.
- The Ministry would examine the recommendation of the Committee to suitably enhance the *ex gratia* amount and effect necessary amendment in the MGNREGA.

2.4 Organisation of Current Audit findings

The audit issues have been analysed from a nation-wide perspective and only brief, summarized information on findings in different states are provided. Audit findings are reported in 14 different chapters. Chapters 1 and 2 of this Report give a brief overview, and the audit methodology adopted to arrive at the audit findings. In chapter 3 we have narrated the audit findings related to planning aspects of the Scheme. Chapter 4 details the lapses in capacity building under the Scheme and chapter 5 brings out irregularities in financial management of the Scheme. Chapter 6 highlights the lacunae in processes relating to issue and maintenance of job cards and chapter 7 gives the picture under the employment generation objective. Chapter 8 deals with the lapses observed in execution of works taken up by the states under the Scheme. Chapter 9 covers the convergence aspects of the Scheme. Chapter 10 deals with the lapses in maintenance of records and chapter 11 highlights the lapses in the monitoring and evaluation of the Scheme. A separate chapter 12 has been devoted to findings related to the IT audit of NREGASoft/MIS. Chapter 13 relates to the findings of the interviews with the beneficiaries. Chapter 14 outlines the conclusions of the performance audit. State-specific highlights are given in **Annex-13**. In this annex summary of findings pertaining to a particular state have been presented for all 28 states and four UTs.

2.5 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the Ministry, state governments, implementing departments and their officials, Panchayati Raj officials, Central Employment Guarantee Council and State Employment Guarantee Councils at various stages during conduct of the performance audit.



3.1 Introduction

The obligation to provide employment within 15 days of receipt of application necessitates advance planning. The basic aim of the planning process is to ensure that the district is prepared well in advance to offer productive employment on demand (para 4.1.1 of Operational Guidelines). To adequately match the demand for work, prior assessment of the quantum of work likely to be demanded as well the timing of this demand is required. The Act and the Operational Guidelines require the implementing agencies to draw up two types of plans – the development plan {section 16(3)}, which is an annual work plan, and the perspective plan (para 4.5.1 of Operational Guidelines), which attempts to integrate work priorities with the long term strategy of poverty alleviation through employment generation and sustained development.

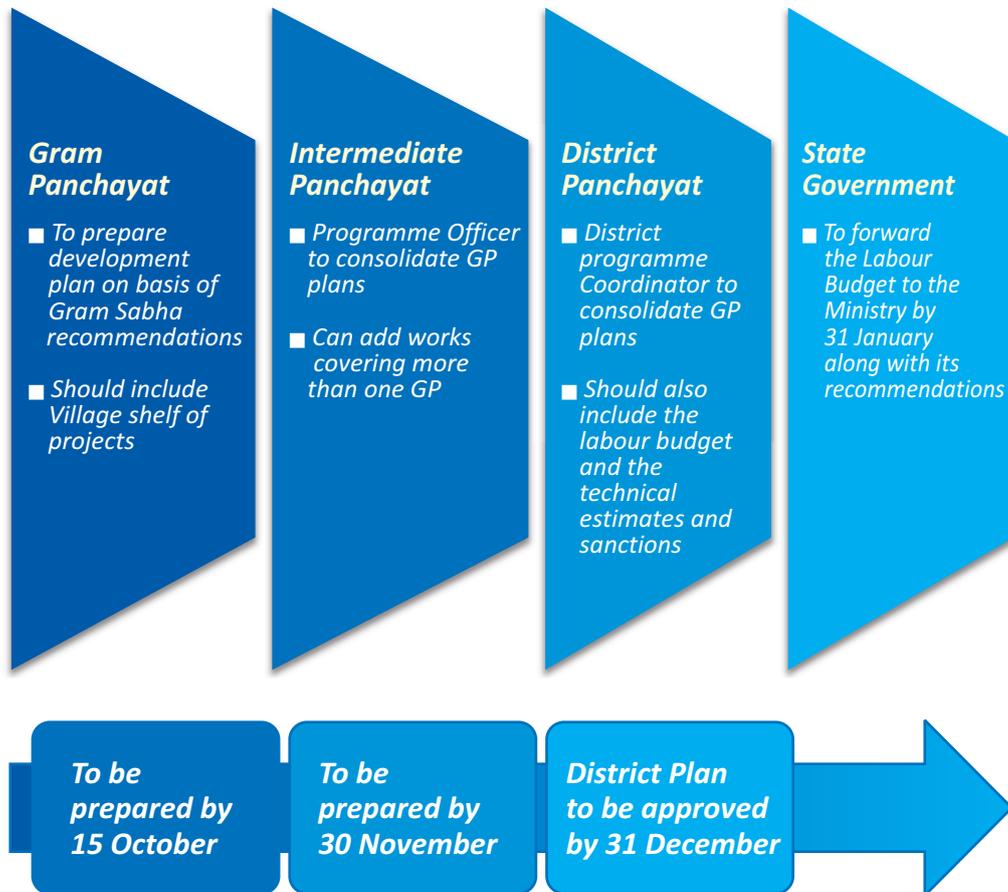
3.2 Annual Work Plan /Development Plan

The annual work plan/development plan identifies the activities to be taken up in a year. The development plan is supposed to comprise four components:

- Assessment of labour demand;
- Identification of works to meet the estimated labour demand for work;
- Estimated cost of works and wages; and
- Benefits expected in terms of employment generation and assets creation.

As the primary responsibility of implementation of the Scheme is with the gram panchayat, it is also the primary unit in the process of planning. An intermediate consolidation of all the plans prepared by the gram panchayat is to be carried out at block level; these were to be then consolidated into the district plan/labour budget and sent to the Ministry through the respective state government. The labour budget submitted by the states/UTs is a vital tool for assessing the employment generation and forms the basis for fund allocation to the states/UTs during the ensuing financial year. The Operational Guidelines prescribe a detailed schedule for preparation of the annual plan, which is summarised below:

Chart-7: Process of Preparation of Annual Plans



3.2.1 Gram Sabha Meeting

As indicated in **Chart-7** above, the first step in the planning process pertains to the gram sabhas. As per para 4.4.5 of the Operational Guidelines, meeting of gram sabhas should be held on 2 October each year for identification of implementable works during the following financial year, in order of priority. The responsibility for ensuring timely schedule of meetings vests with the Programme Officer. Audit observed that the meetings of gram sabha were not held in 231 GPs (six *per cent* of all test checked GPs) in three states and one UT viz. Karnataka, Punjab, West Bengal and Lakshadweep for identification and recommendations of works at the GP level (**Annex-3A**). This indicated that in these cases the plans prepared did not incorporate the needs of the local community.

3.2.2 Non-Preparation of Plan at GP Level

Under section 16(3) of the Act, gram panchayat is required to prepare the development plan on the basis of recommendations of the gram sabha. Audit observed that in 1,201 GPs (31 *per cent*) in 11 states and one UT out of 3,848 test checked GPs of 28 states and four UTs, annual plans were either not prepared, or were prepared in an incomplete manner. The shortcomings were noticed in Andhra Pradesh, Arunachal Pradesh, Goa, Gujarat, Jharkhand, Maharashtra, Meghalaya, Nagaland, Punjab, Sikkim, Tamil Nadu and Puducherry. The details are given in **Annex-3A**.

Further, plans were not prepared in any of the test checked GPs of three of the above mentioned states viz. Andhra Pradesh, Goa and Gujarat. The absence of the annual work plan would make it difficult to meet the demand for employment within the legally mandated 15 days. Besides, it could also result in execution of non-priority works for local community.

The Ministry in its reply stated (November 2012) that states were being asked to submit comments on the audit observation.

3.2.3 District Annual Plan/Labour Budget

District panchayat is required to consolidate the block level plan and prepare labour budget for forwarding it to the state government for approval. It was observed that the district annual plans were not prepared in 49 districts (26 per cent of all test checked districts) in nine states and one UT viz. Andhra Pradesh, Arunachal Pradesh, Assam, Goa, Gujarat, Sikkim, Tamil Nadu, Uttar Pradesh, West Bengal and Dadra & Nagar Haveli. These cases are detailed in **Annex-3A**.

3.2.4 Shelf of Projects

Shelf of projects is an important component of the development plan (para 4.2.1 of Operational Guidelines), as an adequate number of such planned works were necessary to ensure that works could be taken up as soon as any demand for work was placed before the GP. It was observed that the development plan in 41 districts (22 per cent of all test checked districts) in eight states and two UTs viz. Arunachal Pradesh, Goa, Gujarat, Kerala, Punjab, Tamil Nadu, Uttar Pradesh, West Bengal, Dadra & Nagar Haveli and Puducherry did not contain the block-wise shelf of projects. The absence of the shelf of projects is fraught with the risk of selection of works under the Scheme in an ad-hoc manner or the risk of delays in commencement of works. An associated problem due to the absence of the shelf of projects was observed in Punjab where 52 GPs in blocks Bhunga and Talwara (Hoshiarpur district) returned ₹ 36.42 lakh during April 2008 to October 2010 as they could not utilize the grant released in 2007-08 to 2010-11 for want of shelf of projects. The state-wise details are given in **Annex-3A**.

3.2.5 Non-inclusion of the Projected Employment Generation in the Annual Plan

Under para 4.3(iii) of the Operational Guidelines, the estimated benefits in terms of employment generated measurable in persondays was to be the guiding principle for preparing the annual plan. This was necessary to ensure that the plan was able to meet the estimated labour demand.

Audit observed that in 58 districts (31 per cent of all test checked districts) in nine states and one UT viz. Arunachal Pradesh, Assam, Bihar, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Odisha, Tamil Nadu and Puducherry, the projected employment generation was not included in the plan. Further, the district plans in 12 districts (6.5 per cent of all test checked districts) in five states viz. Assam, Haryana, Nagaland, Punjab and Tamil Nadu did not indicate the total cost for each project in violation of para 4.2.2(iii) of the Operational Guidelines. The details are given in **Annex-3A**.

3.2.6 Fifty per cent of Works by GPs

A minimum of 50 per cent of the works in terms of cost were to be executed by the GP (section 16(5) of the Act). It was observed that the district plans in 10 districts of four states viz. Bihar, Haryana, Maharashtra and Punjab did not envisage execution of 50 per cent of works by the GPs. This lapse at the planning stage itself would be difficult to control at the execution stage. The state-wise details are given in **Annex-3B**.

3.2.7 Other Discrepancies in the Planning Process

Enduring outcomes like area irrigated, village connectivity, etc. were to be part of the district plans (para 4.3(iii c) of the Operational Guidelines). These were not incorporated in case of 87 districts (48 per cent of all test checked districts) in 13 states viz. Arunachal Pradesh, Assam, Bihar, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Nagaland, Odisha, Rajasthan, Uttar Pradesh and Uttarakhand (**Annex-3B**). Further, unique work codes were to be allotted to each planned work. In 58 districts (32 per cent of all test checked districts) in 10 states and one UT viz. Assam, Bihar, Jharkhand, Kerala, Maharashtra, Mizoram, Nagaland, Rajasthan, Tamil Nadu, Uttarakhand and Lakshadweep, these were not allotted. Further, in 67 districts (37 per cent of all test checked districts) of nine states i.e. Assam, Bihar, Jharkhand, Kerala, Maharashtra, Nagaland, Rajasthan, Uttar Pradesh and West Bengal, crop pattern data was not used in plans. These cases are detailed in **Annex-3B**.

3.2.8 Delay in Preparation of Plan

The Operational Guidelines note that the sequence of approvals laid down under the Act necessitates time bound coordination between different levels, so that the spirit and intent of the Act was maintained. It further notes that it is legally imperative that there are no delays in the approval of plan at any level. It also prescribes the time schedule as shown in **Chart 7** above. However, there were persistent delays in submission of the annual plans as shown in the **Table-4** below:

Table 4: Delay in submission of Annual Plans/Labour Budgets

Annual Plan submission	Target date (every year)	Delay noticed in	Delay range (in months)	States where records/dates not produced to Audit
Gram Panchayat to Block	15 October	197 GPs in 5 states	1 to 21	9 ¹
Block to District Programme Co-ordinator	30 November	47 blocks in 8 states	1 to 12	9 ²
District to State Government	31 December	36 districts in 9 states	10 days to 11 months	4 ³
State to the MoRD	31 January	8 states	23 days to 10 months	2 ⁴

¹ Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Karnataka, Maharashtra, Odisha, Uttar Pradesh, Uttarakhand.

² Bihar, Chhattisgarh, Karnataka, Goa, Himachal Pradesh, Kerala, Maharashtra, Odisha, Uttar Pradesh.

³ Chhattisgarh, Himachal Pradesh, Karnataka, Odisha.

⁴ Gujarat, Karnataka.

The details of the delay are given in the **Annex-3C (i-iv)**. The delays were of 187 days (average) by 197 gram panchayats in five states where records were provided. In the remaining states/UTs also, where records were not produced to Audit or undated plan was submitted, no assurance could be derived regarding timely submission of plan.

3.2.9 Other Irregularities in Labour Budget

Audit noticed state specific irregularities relating to preparation and submission of the labour budget as detailed below:

- Arunachal Pradesh did not submit labour budget for the year 2008-09.
- Three states *viz.* Arunachal Pradesh, Goa and West Bengal did not submit labour budget in the prescribed format.
- Nine districts⁵ in three states *viz.* Arunachal Pradesh, Nagaland and West Bengal did not submit the annual plans to the State Employment Guarantee Council within the scheduled date i.e., by 31 December of each year.
- Three districts⁶ of Madhya Pradesh did not submit their labour budgets to the state government.
- In Odisha, GPs were not involved in preparation of labour budget.
- In Andhra Pradesh, labour budget was finalised at the state level based on MIS data and was not prepared at district level.
- In Puducherry, the projected number of MGNREGS households was more than the total households in the UT, thus indicating that the labour budget was prepared on unrealistic basis.

The Ministry stated that states were being asked to submit comments on these issues. The Ministry also stated that it had repeatedly emphasized the need to follow the prescribed procedure for preparation of shelf of projects and labour budget at the panchayat level. This was to be kept ready in advance for the next financial year. On 24 August 2012, the Ministry issued a frame work for planning of works under MGNREGS to enable completion of the consolidation process of labour budgets for all GPs in a state and submission of the same to the Central Government by 31 December.

3.3 Shortfall in Actual Execution of the Labour Budget

The effectiveness of the planning process has to be measured against the actual execution of the planned labour budgets. Audit observed large shortfall/variations between the planned employment generation, as shown in the labour budgets of states/UTs and actual generation of

⁵ Anjaw, Lower Dibang Valley, Papumpare, West Siang, Dimapur, Mon, Tuensang, South 24 Pargana, Vardhman

⁶ Ashoknagar, Balaghat, Datiya

employment. In 13 states and one UT viz. Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttarakhand and Dadra & Nagar Haveli, the shortfall in actual employment generation *vis-a-vis* the projected employment ranged from 2 to 100 *per cent* in respect of annual plans for the period covered in audit. The details are given in the table below:

Table-5: Variations in actual execution of the planned Labour Budgets of States/ UTs

<i>Shortfall in actual employment generation against the planned employment</i>		
Sl. No.	State/UT	Range of shortfall in <i>per cent</i>
1	Bihar	27 to 98
2	Chhattisgarh	9 to 31
3	Gujarat	2 to 62
4	Haryana	55 to 62
5	Himachal Pradesh	13 to 41
6	Jharkhand	40 to 59
7	Madhya Pradesh	27 to 94
8	Maharashtra	30 to 100
9	Rajasthan	13 to 50
10	Sikkim	46 to 65
11	Tamil Nadu	17 to 59
12	Tripura	2 to 37
13	Uttarakhand	23 to 61
14	Dadra & Nagar Haveli	42 to 96

The Ministry replied that MGNREGS was a demand based Scheme and the labour budget was prepared on the basis of projection of labour demand in a given period which could change due to various reasons like rainfall, other employment opportunities in rural areas, etc. The basic objective of the Act was to provide employment to rural people whenever there was a demand. The shortfall in demand and actual projection was inevitable in rural India where demand of employment varies due to monsoon and other reasons.

The reasons for shortfall in employment generation are not justifiable as monsoon is a regular phenomenon and plans could have been prepared accordingly. In those states where the quantum of shortfall was large, it indicated a systemic weakness in the planning process.

3.4 Works Executed Outside the Annual Plan

Audit observed that in 25 test checked districts in eight states 4,907 works amounting ₹ 158.83 crore were executed outside the annual plans. The details of these works are given in **Annex-3D**. The selection of works beyond those mentioned in the annual plans indicated deficiencies in the planning process.

3.5 Shortfall in Execution of Works in Annual Plans

Audit observed that in 14 states and one UT 129.22 lakh works amounting to ₹ 1,26,961.11 crore were approved in annual plans but only 38.65 lakh works (30 *per cent* of planned works) amounting to ₹ 27,792.13 crore were completed during the audit period. The details are shown in the **Annex-3E**.

Case Study: Deviations from approved works

Jammu & Kashmir:

In seven blocks of three districts (Poonch, Rajouri and Udhampur) there was wide variation between the planned works and the actual works undertaken. 2,950 works with an estimated cost of ₹ 2,779.32 lakh included in the annual action plans (AAP) for the years 2007-12 were not taken up for execution. The reason for not taking up these approved works was attributed to non-allotment of sufficient funds. The reasons put forth by the Block Development Officers (BDOs) were not substantiated by records as significant closing balances were available with the BDOs at the close of the respective years. The BDOs had taken up 785 works which were not a part of AAP.

Nagaland:

- It was observed that 810 works amounting to ₹ 114.56 crore were reported as completed against the 772 projects planned for ₹ 130.59 crore. However, none of the seven test checked blocks executed the planned works.
- Out of 99 afforestation and plantation works planned at a cost of ₹ 8.17 crore to be executed during 2007-12, only 32 works (32 *per cent*) worth ₹ 7.15 crore could be completed in 54 test checked Gps.
- Only 25 projects (21 *per cent*) were executed at a cost of ₹ 3.45 crore out of 119 projects planned for land development worth ₹ 15.70 crore.

The Ministry stated that the annual plan was prepared based on the projection of demand, which may be on the higher side, to take into account all potential employment seekers. The shelf of projects prepared on the basis of annual plan does not suggest that all the projects need to be either taken up or completed in a financial year. Demand for MGNREGS work was dependent upon several factors including availability of alternative employment opportunities. Therefore (a) not all work included in the annual plan were commenced, and (b) not all the works that were started got completed in a financial year. Ministry had issued guidelines to improve the work completion rate. Work completion rate was reviewed regularly in the Performance Review Committee Meetings and in regional review meetings with the states. Area Officers visiting the GPs and blocks were requested to focus on incomplete works and take up this issue with executing authorities.

The fact that only 30 *per cent* of the planned works taken up under the Scheme were completed indicates deficient planning.

3.6 Preparation of District Perspective Plan

The Operational Guidelines stipulated preparation of a five year district perspective plan (DPP) to facilitate advance planning and provide a development perspective for the district (para 4.5.2 of Operational Guidelines). The aim was to identify the types of MGNREGS works that should be encouraged in the district, and the potential linkages between these works and long-term employment generation. State Employment Guarantee Councils (SEGCs) were to decide on the 'preferred works' to be implemented under MGNREGS, and recommend works for submission to the Central Government.

Audit observed that the DPP was not prepared in 84 districts (46 *per cent* of all test checked districts) in 17 states and three UTs. Non-preparation of DPP adversely affected the continuity of the planning process at the district level. Further, the Ministry released ₹ 7.60 crore to these 84 districts for the preparation of DPPs, but only ₹ 94.59 lakh was utilised. Details are given in **Annex-3F**.

The Ministry stated that it had requested the state government to provide reasons for not preparing DPP in a timely manner.

Further, in 42 districts (23 *per cent* of all test checked districts) in 13 states *viz.* Assam, Bihar, Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra, Manipur, Punjab, Rajasthan, Tripura, Uttarakhand and West Bengal the DPPs were prepared but the required approvals of the SEGC were not obtained. Further, the Ministry released ₹ 3.40 crore to these districts out of which only ₹ 2.14 crore was spent for the preparation of DPP. The details are given in the **Annex-3G**.

The Ministry stated that the Act did not prescribe any approval from the SEGC for district perspective plan.

The reply did not recognise the fact that the SEGC was given a central role in the implementation of the Act, at the state level. SEGC was also responsible for monitoring the implementation of Scheme as per section 12 of the Act and all important activities relating to Scheme implementation were to be done through SEGC at the state level.

Case Study: District Perspective Plan in Nagaland

In three districts (Dimapur, Mon and Tuensang) of Nagaland, the agency involved in preparation of district perspective plan did not conduct any survey of the villages to identify the local needs. The district perspective plan therefore did not include all relevant data pertaining to local needs. In Mon district, a sum of ₹ 23.02 lakh was paid to the contracted agency without approval of the district authority. The perspective plans were also not uploaded in the state website. The agency completed the process of perspective plan by March 2009.

4.1 Introduction

A key pre-requisite for proper implementation of any scheme is to ensure that adequate capacities exist at all levels. For a large Scheme like MGNREGS, that requires gram panchayats to carry out most of the implementation activities, capacities at the lower levels are even more important. This fact has been recognised in the Act and the Operational Guidelines. Capacity building activities consist of promulgating the necessary rules, setting up the required administrative structures, manning these structures adequately and ensuring that the personnel are adequately trained for proper implementation of the Scheme.

Several shortcomings were noticed during audit of the Scheme. These included:

- States not formulating rules for implementation of the Scheme;
- Councils not being constituted for effective monitoring of the Scheme, and;
- Deployment of insufficient manpower, and not investing enough effort and resources towards training.

These are discussed below.

4.2 State Government Rules

Under section 32 (1) of the Act, the state governments have powers to make rules for carrying out the provisions of the Act. The rules, inter alia, may determine the arrangements for proper implementation of the Scheme, for ensuring transparency and accountability, terms and conditions of payment of unemployment allowance, setting up the state councils, the grievance redressal mechanism, and manner of maintaining books of accounts.

These rules were to be formulated within one year from the implementation of the Act i.e., by February 2007. Audit scrutiny revealed that the state governments of Haryana, Maharashtra, Punjab, Rajasthan and Uttar Pradesh (five states) did not formulate rules for carrying out the provisions of the Act as of March 2012. Further, in Arunachal Pradesh, Himachal Pradesh, Kerala, Mizoram and Sikkim (five states) rules were notified with a delay ranging from seven months to four years. The state-wise position is detailed in **Annex-4A**. Karnataka, Mizoram, Nagaland and Sikkim (four states) had formulated rules but they did not incorporate all provisions as required under the Act.

Formulation of such rules was crucial for effective implementation of the Scheme. In the absence of a defined framework, the implementing agencies at GP, block and district levels would be working arbitrarily and without proper guidance. They would find it difficult to respond in a time bound manner to demands for employment and also to plan for creation of sustainable assets.

The Ministry stated that the states had been repeatedly advised to formulate unemployment allowance rules, establish a suitable mechanism for effective grievance redressal and set up the state councils. States had also been requested to follow the relevant provisions of the Act for proper implementation of the Scheme.

4.3 Constitution and Functioning of Employment Guarantee Councils

Under section 10 and 12 of the Act, Employment Guarantee Councils were to be set up both by the Central and state governments. The major functions of these councils included monitoring, evaluating implementation of the Scheme, advising the respective governments on all matters concerning the Scheme, etc. The functioning of the Central Employment Guarantee Council (CEGC) is discussed in Chapter 11 of this Report.

In terms of section 12 of the Act, each state was to set up a State Employment Guarantee Council (SEGC) within one year of enactment of the Act. Audit noted that the governments of Chhattisgarh, Goa, Gujarat, Haryana, Mizoram, Nagaland, Uttarakhand, West Bengal and Andaman & Nicobar Islands (eight states and one UT) had constituted the Council with delays ranging between one and four years. Dadra & Nagar Haveli had not constituted the Council (September 2012).

The state governments are required to designate an officer, not below the rank of a commissioner as member secretary of SEGC. The member secretary would be responsible for all the activities related to the Scheme. However, the governments of Assam, Karnataka and Uttar Pradesh (three states) had not designated an officer as member secretary (March 2012). Further, the SEGCs of Maharashtra, Nagaland and West Bengal (three states) had not initiated any measures to devise the system of grievance redressal, social audit or take any other public accountability/transparency measures as required under the Act. Thus, there were deficiencies both in the formation and in the support extended to the councils.

The working of the councils in relation to monitoring is discussed in Chapter-11.

Case Study- SEGC in Uttar Pradesh

The SEGC in Uttar Pradesh was constituted on 31 May 2006. However, 15 non-official members were nominated in the SEGC only on 15 January 2008, a year and a half after its constitution. The SEGC rules did not prescribe the number of meetings to be held or quorum for the meeting. Audit noted that SEGC met only once or twice in a year. The SEGC, thus, was functioning in an unstructured manner.

The delays in the constitution of the SEGCs and the other lapses noticed indicated significant gaps in the working of the councils from what was envisaged in the Act.

The Ministry replied that section 12(1) of MGNREG Act provides for constitution of State Employment Guarantee Council by each state for the purpose of regular monitoring and reviewing implementation of the Act at the state level. Though the Act did not prescribe any time-frame for constitution of state council and number of meetings to be held within a fixed time frame, keeping in view the importance of role of SEGCs, the Ministry had constantly taken up these issues. For specific issues related to states, the states were being requested by the Ministry for compliance with audit observations.

The reply of the Ministry was not convincing as section 4 of the Act provides that, for the implementation of the Act, each state should make a Scheme within one year of enactment of MGNREG Act having the minimum features given in paragraph 4 of Schedule I of the Act which includes the role of state council also.

4.4 Personnel Support

The Act recognises the crucial role of adequate manpower support for implementation of the Scheme. The Act not only requires the state government to designate a Programme Coordinator and Programme Officer at the district and block level respectively, but also makes it mandatory for the state government to make available to these officials necessary staff and technical support as required for the effective implementation of the Scheme. In addition, the Operational Guidelines (para 3.1.1) also suggest appointment of one Gram Rozgar Sahayak (GRS) in each GP. The functions of these officials are outlined in the table below:

Table 6

Functionary	Functions
District Programme Coordinator (DPC)	DPC was responsible for ensuring proper Scheme implementation at the district level. He/she is also responsible for information dissemination, training, consolidation of the block plan, release and utilization of funds, monitoring of works and submission of monthly progress report, etc.
Programme Officer (PO)	PO was responsible for the implementation of the Scheme at the block level and for consolidation of the GP plan, monitoring and supervision, disposal of complaints, ensuring that social audits are conducted by GP, payment of unemployment allowance, etc.
Gram Rozgar Sahayak	Maintaining all documents at GP level, overseeing the process of registration, distribution of job cards, providing dated receipts against job applications, overseeing job applications, allocation of work, payment of wages and unemployment allowances, ensuring that the requisite gram sabha meetings and social audits are held, etc.

Audit scrutiny revealed that full-time dedicated POs were not appointed in two states and one UT viz. Manipur, Uttar Pradesh and Lakshadweep and in Bihar, 161 posts of the POs out of 207 posts in 15 test checked districts were vacant. The Operational Guidelines stipulate that if a full time Programme Officer was not appointed, then the Programme Officer should be supported by an Assistant Programme Officer. However, in Manipur and Rajasthan, posts of nine and 159 Assistant Programme Officers were vacant in four and eight of the test checked districts respectively. State government of Uttar Pradesh appointed APOs with a view to assist regular PO at a monthly remuneration of ₹ 20,000, but they were posted in offices other than block offices. Thus, ₹ 15.17 crore were incurred as inadmissible expenditure in the state, of which ₹ 1.43 crore pertained to 37 APOs posted in 14 test checked districts.

At village level, the Gram Rozgar Sahayak(GRS) was required to assist the gram panchayat in the implementation of the Scheme. Gram Rozgar Sahayaks assume particular importance in view of the fact that gram panchayats are the focus of the Scheme. The cost of GRS was the first charge on the administrative expense under MGNREGS. Audit observed that the governments of Arunachal Pradesh, Kerala, Manipur and Tamil Nadu (four states) had not appointed dedicated Gram Rozgar Sahayaks. Further, persistent and widespread shortages were noticed in the case of nine states ranging from 20 to 93 *per cent*. These are outlined in the table below:

Table – 7: Shortage of Gram Rozgar Sahayaks

Sl. No.	State/UT	Required	Actual	Shortage	Percentage of shortage
1	Assam	243	136	107	44
2	Gujarat*	13,715	5,371	8,344	61
3	Haryana	202	54	148	73
4	Himachal Pradesh*	3,243	1,055	2,188	67
5	Jammu & Kashmir*	4,131	889	3,242	78
6	Madhya Pradesh*	23,336	6,438	16,898	72
7	Punjab*	12,776	772	12,004	93
8	Uttar Pradesh	15,145	12,050	3,095	20
9	Uttarakhand*	1,811	648	1,163	64

***Data is for the entire state, in other cases it is for the test checked GPs.**

The Ministry replied that state government should make available to the District Programme Coordinator and the Programme Officer necessary staff and technical support as may be necessary for the effective implementation of the Scheme. The Ministry issued advisories to the state government to enable them to assess the staffing requirement and to deploy adequate staff at various levels for MGNREGS. The Ministry further stated that it suggested broad administrative frameworks with state governments being afforded some flexibility to decide for themselves. Keeping in view the challenges in implementation of MGNREGS, permissible administrative expenditure limit was also enhanced from four to six *per cent* for deployment of dedicated staff.

According to the conditions required for release of second tranche, Ministry was to ensure adequate staffing in accordance with the GoI instructions. But the shortages indicated that the Ministry failed to do so. The absence of essential functionaries like Programme Officer and Gram Rozgar Sahayak would have an adverse effect on the implementation of MGNREGS.

4.5 Technical Support

The Act recognised creation of durable assets as an important objective of the Scheme. The main implementing agency under MGNREGS was the gram panchayat which did not have any dedicated technical resource for supporting the planning and execution of works required for creation of such assets. Therefore, the Operational Guidelines required the state governments to constitute panels of accredited engineers at the district and block levels to assist with estimation and measurement of works. The suggested model for administrative expenses also included a technical assistant for every 10 gram panchayats. Further, state governments were required to ensure Technical Resource Support Systems at the state and district levels to help in the process of planning, designing, monitoring, evaluation and to improve the quality and cost effectiveness of the Scheme (para 13.3 of the Operational Guidelines).

Audit observed that Arunachal Pradesh, Bihar, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Rajasthan, Tripura and West Bengal (16 states) had not constituted the panels of accredited engineers. In Assam, it was observed that engineers having no technical knowledge were appointed as accredited engineer, but subsequently retrenched. Details are given in **Annex-4B**.

Further, Assam, Bihar, Haryana, Karnataka, Meghalaya, Mizoram, Nagaland Sikkim, Uttar Pradesh, and West Bengal (10 states) had not set up Technical Resource systems at the state and district levels. In Maharashtra, Technical Resource Support System did not exist in three districts i.e., Ahmednagar, Bhandara and Nanded. Details are given in **Annex-4C**.

Audit noted that full time regular Technical Assistants were not engaged in Arunachal Pradesh, while in eight other states viz: Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Jammu & Kashmir, Madhya Pradesh, Punjab and Uttar Pradesh there was a shortage of technical assistants. In Odisha, additional work of other schemes was given to technical support and in Maharashtra additional charge was given to the Junior Engineer for technical supervision. Details are given in **Annex 4D**. Absence of dedicated support personnel for discharging the mandated functions would have an adverse impact on the quality of the Scheme delivery.

The Ministry stated that Operational Guidelines suggested that states could constitute panels of accredited engineers and set up technical resource support group. The Operational Guidelines also suggested training of all key agencies in discharging their responsibilities, but this advice was intended to suggest ways in which states could strengthen their own technical resources and train their personnel, if required. To address the issue of the shortage of technical personnel in the blocks and gram panchayats, the states were permitted to deploy two engineers per 6,000 population of rural households. In the North-Eastern states and hilly states like Jammu & Kashmir,

Himachal Pradesh and Uttarakhand, deployment of two engineers per 3,000 rural households was permitted. The audit report needed to take this fact into account that these were merely suggested arrangements and the states had the flexibility to adopt/adapt them.

The fact remains that the technical support for proper implementation of the Scheme was inadequate. The absence of adequate technical support would have adverse impact in the planning and execution of works.

4.6 Training

Training of personnel engaged in the implementation of the Scheme is essential to ensure that they discharge their duties as envisaged in the Act. For this purpose, all states were to designate an institute specifically for training of MGNREGS functionaries. The Operational Guidelines provide that all the key agencies were required to be trained for discharging their responsibilities in effective manner. A training calendar was to be made and training modules calibrated in content and process according to the needs of different stakeholders.

Audit observed that the training institutes were not designated in one state and a UT (West Bengal and ANI). In 11 states (Arunachal Pradesh, Assam, Chhattisgarh, Jharkhand, Karnataka, Meghalaya, Nagaland, Odisha, Sikkim, Tripura and Uttar Pradesh) inadequate training was imparted to the key functionaries. Training calendar and training modules were not prepared in two states (Jammu & Kashmir and Uttarakhand).

Further, it was seen that in three states and one UT substantial funds meant for training remained un-utilised as of March 2012, as detailed in **Table 8**.

Table – 8: Unutilized training funds

Name of the State/UT	Period of release	Funds released (₹ in lakh)	Unspent amount (₹ in lakh)
Punjab	2007-08	57.50	38.05
Rajasthan	2007-09	636.99	155.43
Uttar Pradesh	2010-11	994	736.58
Dadra & Nagar Haveli	2007-08	5.00	0.95

Further, in the case of Dadra & Nagar Haveli funds of ₹ 4.05 lakh were diverted on stationery, printing and videography.

Thus, this important tool for effective capacity building was inadequately used.

Four states (Goa, Haryana, Rajasthan and Uttar Pradesh) spent ₹ 1.97 crore on training programme of 28,343 employees at GP, block and district levels. However, training was imparted

to 21,994 employees. Thus, there was shortfall in imparting training to the key stakeholders. Details are given in **Annex-4E**.

The Ministry stated that training of functionaries engaged in the implementation of MGNREGS was one of the permissible activities. States in collaboration with State Institute for Rural Development (SIRD) prepare training calendar and modules for training of functionaries. Central Government from time to time provides financial support to SIRD for training of MGNREGS functionaries of state, districts, block and GP level.

However, despite the efforts outlined by the Ministry, training was not being provided to the functionaries as envisaged in the Operational Guidelines.

4.7 Information, Education and Communication (IEC) activities

MGNREGS is envisioned as a demand driven employment generation programme. Thus, awareness of potential beneficiaries and other stakeholders is key to ensuring that they are able to articulate their demand and claim their entitlements. The Operational Guidelines provide for the state governments drawing up an IEC plan and taking up an intensive IEC exercise. This exercise should target workers, rural households, PRIs and pay special attention to deprived areas and marginalized communities.

Audit observed that IEC plans were not formulated in Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Karnataka, Madhya Pradesh, Manipur, Odisha, Punjab, Rajasthan, Uttar Pradesh, West Bengal, Dadra & Nagar Haveli and Lakshadweep (12 states and two UTs).

Further, it was also seen that 32 districts of seven states and four UTs had received ₹ 2.57 crore from the Ministry for IEC activities. However, only ₹ 1.59 crore was incurred on these activities as of March 2012 as detailed in **Annex-4F**.

Case Study: Uttar Pradesh

In Balarampur district, payment of ₹ 9.77 lakh was made to a contractor for slogan painting at 2,819 places. On verification by Junior Engineer, slogan painting was found at 546 places only which was worth ₹ 1.89 lakh. However, payment was made to the contractor on the ground that due to passage of time and rain, the written slogans would have been washed away. The payment of ₹ 7.88 lakh against 2,273 unverified slogan paintings was therefore irregular. In Lucknow, payment of ₹ 46.50 lakh was made for purchase of 1.50 lakh calendars at the rate of ₹ 31 per calendar without adopting the required purchase procedure. Further, only 30,000 calendars were supplied by the vendor resulting in excess payment of ₹ 37.20 lakh.

The Ministry stated that it had undertaken various initiatives for IEC for generating awareness such as engagement of Nehru Yuva Kendra (NYK) to generate awareness among the workers, prepared FAQs, prepared workers' book in pictorial form, developed TV/Radio spots, developed training films, organized MGNREGA Sammelan to disseminate good practices, facilitated state governments to organize Rozgar Mela, etc. The Ministry also engaged State Institutes of Rural Development/ National Institute of Rural Development for awareness generation and training of workers, encouraged the state governments to go in for wall writing and pamphlets in local languages to disseminate information on workers' rights. Regular newspaper advertisements, railways tickets, trade fair tickets were also used as medium of communication. The Ministry was also reviewing IEC initiatives carried out by districts and states.

The fact remains that several states had not formulated IEC plans and the level of expenditure on IEC activities was quite low.

To implement the Scheme effectively, it is necessary to develop required capacities and to have enough people with requisite skill sets at each level. The shortcomings noticed during audit indicated that consistent efforts were required to build capacities of Scheme functionaries at each level. The Ministry may undertake suitable initiatives to strengthen the existing capacity for better implementation of the Scheme.

Recommendations:

- ***The widespread shortage of staff at all levels, adversely affects the implementation of the Scheme. The staff position should be closely monitored by the Ministry and shortfall on this account should be taken up with the state governments.***
- ***MGNREGS, being a demand driven programme, requires the beneficiaries to be aware of their rights. However, the shortfall in IEC expenditure and non-formulation of IEC plans indicated gaps in the creation of awareness among beneficiaries. IEC activities need to be stepped up for better beneficiary awareness.***

5.1 Introduction

Section 22 of the Act lays down the funding pattern of the Scheme which is summarized in the table below:

Table-9: Funding Pattern

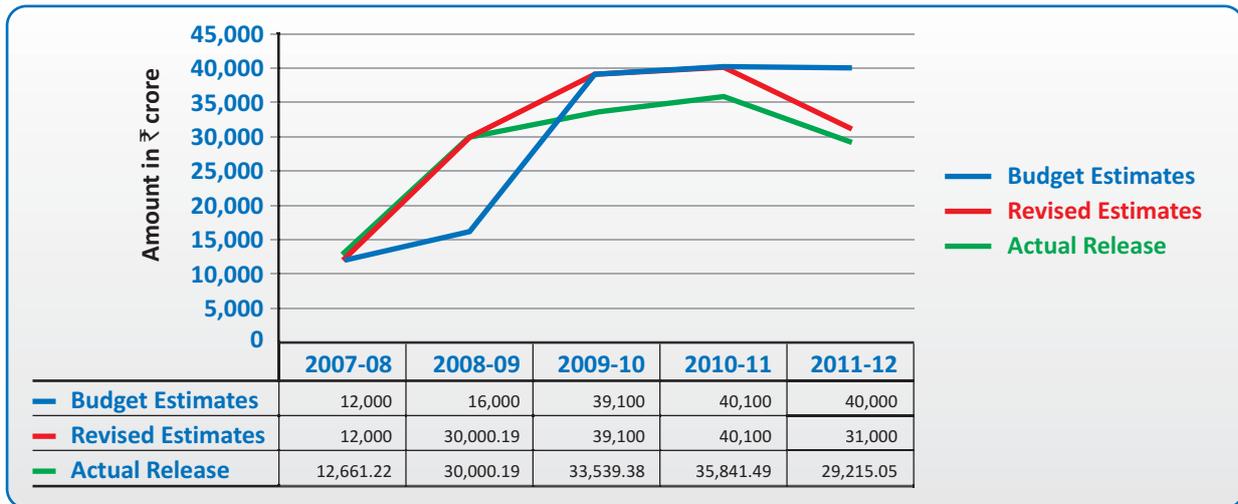
Central Share	State Share
Entire cost of wages for unskilled workers	-
75 per cent of the cost of material and wages for skilled and semi-skilled workers.	25 per cent of the cost of material and wages for skilled and semi-skilled workers.
Administrative expenses as may be determined by the Central Government including <i>inter alia</i> , the salary and allowances of Programme Officers and their support staff and work site facilities.	Unemployment allowance payable in case the state government cannot provide employment within 15 days of application.
Administrative expenses of the Central Employment Guarantee Council	Administrative expenses of the State Employment Guarantee Council.

Under section 21(1) of the Act the state government may, by notification, establish a fund to be called the State Employment Guarantee Fund (SEGF) for the purposes of the implementation of the Scheme. Central grants are released to State Employment Guarantee Fund or to districts (in case of states where such funds were not established). This fund was to be expended and administered as a revolving fund, with rules that govern and ensure its utilization according to the purpose of the Act. Grant from the Central Government and corresponding due from state share were to be credited to the state fund. According to the Operational Guidelines, it was the responsibility of the state government to establish State Employment Guarantee Fund.

5.2 Financial Position under the Scheme

The position of the Budget Estimates, Revised Estimates and Actual Expenditure by the Ministry for the period of audit was as shown in **Chart-8**.

Chart-8: Budget and Releases



Source: Ministry of Rural Development

As can be seen from the chart above, for the last three years there had been a consistent overestimation of the budgetary estimates of the expenditure to be made under MGNREGS. Further, the gap between the budget estimate and the actual expenditure had been increasing. In the year 2011-12, the actual expenditure was only 73 per cent of the budget estimate.

Operational Guidelines (para 8.4.1) stipulate release of Central funds to states in two tranches. In case of non-SEGF states, funds are released to MGNREGS account maintained in a district through concerned Chief Executive Officer of District Rural Development Agency. In case of states where SEGF has been established, funds are released to bank account of this fund maintained at state level from which funds are further released to districts in that state. The first tranche is proportional to the percentage of persondays projected for the first six months of the year (up to September) in the labour budget. However, it was not to exceed 50 per cent of the total amount approved in the labour budget.

The labour budget was to be submitted by state government to GoI latest by 31 January each year projecting the funds requirement for the succeeding financial year. After utilizing 60 per cent of the funds earlier released, the state government could apply to the Ministry for the next installment. Quantum of the subsequent release was based on the past performance in respect of persondays generated and funds utilised.

During audit it was observed that funds were released to states/districts in more than two tranches. States/districts had approached the Ministry for funds whenever their funds utilization reached 60 per cent of funds available with them. MGNREGS being a demand based Scheme, the funds were released in more than two tranches in order to meet the states' demand.

5.3 Unauthorised Release of Funds to States

The Operational Guidelines (paras 8.4.2, 8.4.3 and 8.4.4) along with the instructions issued (May 2010) by the Secretary, Rural Development stipulate conditions for the release of funds to the

states/UTs in two tranches. The first tranche was to be proportional to the percentage of persondays projected for the first six months of the year (up to September) in the labour budget. However, it was not to exceed 50 *per cent* of the total amount approved in the labour budget. After utilizing 60 *per cent* of the funds earlier released, the state governments were to apply to the Ministry of Rural Development for the next instalment (second tranche) out of the National Employment Guarantee Fund. The conditions for releases of tranches are given in the box below:

(A) Conditions for release of first tranche include:

- District wise opening balance as on 1 April of the financial year, and district wise and month wise projections of the labour demand and fund requirement are to be considered.
- A certificate or the copy of the zila parishad's approval indicating the fulfilment of statutory provisions that have been taken care of while preparing the labour budget should be provided.
- Audit Report (AR) for the previous year should be provided.
- Chartered Accountant to certify in the Audit Report itself that he/she had seen, verified and was satisfied that Utilization Certificates and the Audit Reports of the districts were in order and no deviation from the prescribed financial norms by any of the districts had been observed. He/she had also seen and verified Bank Reconciliation Statements of the districts. He/she was also to certify that block-wise and agency-wise expenditure had been verified and no advances were shown as expenditure. Interest accrued had been shown separately and included in the programme availability.

(B) Conditions for the release of second tranche:

- | | |
|------------------|--|
| Physical | <ul style="list-style-type: none"> ■ Actual performance reported in the MIS/Monthly Progress Reports, compared with labour budget projections are considered. |
| Financial | <ul style="list-style-type: none"> ■ At least 60 <i>per cent</i> utilization (including opening balance). ■ Conforms to the 60:40 wage material ratio in cost. Unskilled wage cost may be more than 60 <i>per cent</i> but material cost cannot exceed 40 <i>per cent</i>. ■ Centre is informed in advance about wage rate change as it impacts Central share. ■ Compliance with Ministry's instructions on Schedule of Rates as it impacts Central share. |

- | | |
|---|---|
| Administrative | <ul style="list-style-type: none"> ■ Staffing as per Government of India's instructions to be in place. ■ Monitoring and Vigilance: 100 <i>per cent</i>, 10 <i>per cent</i> and two <i>per cent</i> monitoring done at block/district/state levels and 100 <i>per cent</i> muster rolls to be verified. ■ MIS to be fully operational. Submission of authentic Monthly Progress Reports. |
| Transparency and public accountability | <ul style="list-style-type: none"> ■ Social audit of all works, timely disposal of complaints and action against wilful defaulters, accounts to be opened in post offices/banks for wage disbursement. |
| Other conditions | <ul style="list-style-type: none"> ■ Utilization Certificate up till 31 March of the previous year including opening balance as on 1 April of the current financial year to be submitted. ■ Certificate regarding release and receipt of the state share against the amount of the Central funds released so far, including copy of the order sanctioning the state share; and a certified copy of the bank statement indicating the credit of the state share. Submission of non-diversion and non-embezzlement certificate. ■ Any other condition indicated. |

As can be seen from the above box, the Ministry had prescribed detailed conditions for release of both the tranches. However, it was noted that the Ministry relaxed (February 2011) all conditions attached with the release of 2nd or subsequent tranche till 31 March 2011 except submission of UCs, reportedly in the better interest of the programme and to provide states some elbow time. The release for remaining two months (February and March) of the year 2011 was to be made on the basis of balance of projected labour budget. In addition to releasing the balance amount of the labour budget, the Ministry also decided to release an additional 10 *per cent* of the balance labour budget. This was done whether or not actual performance matched the labour budget projected up to the period of report.

It was seen that ₹ 1,960.45 crore was released during March 2011 alone. This included ₹ 161.84 crore towards additional 10 *per cent* released to Chhattisgarh (three districts ₹ 13.06 crore), Gujarat (₹ 27.94 crore), Madhya Pradesh (₹ 39.34 crore), Odisha (₹ 38.55 crore) and Uttar Pradesh (₹ 42.95 crore) without considering the past performance of these states and ensuring adherence to all the stipulated conditions for release.

The Operational Guidelines clearly state that the release of Central funds under the Scheme are to be based on states' proposals rather than on pre-determined allocations. Thus, the action of the Ministry to release funds in excess of the states' proposals by 10 *per cent*, without ensuring utilisation of previous tranche and checking on the past performance seemed inappropriate.

This also indicated that funds were released by the Ministry without considering the states' absorptive capacity.

The Ministry stated that it was decided to release additional 10 *per cent* to ensure sustainable float of funds with states towards meeting any eventuality and upsurge in the labour demand during the last quarter of 2010-11 and April 2011. Further, the release so made was well within the Budget Estimates/Revised Estimates and approved labour budget for states. There had not been any violation of GFRs as the relaxation was given to states on those conditions which were imposed by the Ministry itself.

The reply of the Ministry does not address the following issues:

- The action of the Ministry violated GFR 212(1) which requires submission of annual audited statement relating to grants-in-aid released during the previous year in case of release of grants-in-aid in excess of 50 *per cent* of the total amount sanctioned for the subsequent financial year.
- Evidence of any upsurge in labour demand or any demand for relaxation of conditionalities by the states was not available on record.
- The action of the Ministry resulted in accumulation of heavy unspent balances¹ with the states at the end of March 2011.

5.4 Release of Funds for subsequent financial year

The Ministry, in several cases, had released funds prematurely to different states/districts in a financial year for projected expenditure in the subsequent financial year. The release of the Central funds to the states/UTs without Parliamentary approval rendered the release of funds unauthorised. It was also noticed that such releases occurred at the end of the year as detailed in **Table-10**.

Table-10: Releases for Subsequent Years

(₹ in crore)

Funds released in the financial year	Funds released for utilization during financial year	Amount released	Date of release	States/Districts
2008-09	2009-10	871.08	30.03.2009	94 districts
2009-10	2010-11	1,201.91	31.03.2010	78 districts
2011-12	2012-13	2,000.00	15.03.2012	27 states
Total		4,072.99		

¹ Chhattisgarh (Bastar- ₹ 43.88 crore, Korla- ₹ 24.97 crore and Raipur- ₹ 61.45 crore), Gujarat- ₹ 429.74 crore, Madhya Pradesh - ₹ 1,894.25 crore, Odisha- ₹ 407.70 crore and Uttar Pradesh ₹ 1,882.22 crore,

Thus, the Ministry unauthorisedly released funds amounting to ₹ 4,072.99 crore to the states/UTs. Audit further noted that the release on the same pattern for the financial year 2010-11 was objected to by the Integrated Finance Division (IFD) of the Ministry. The IFD did not concur to the release at the end of the year to avoid adverse comments from C & AG and the Standing Committee on Demands for Grants. Consequently, funds were not released during 2010-11.

The Ministry stated that for meeting the increase in labour demand and to ensure sufficient float of funds with the states during March and April 2011, funds were released during March 2011. Further, unpaid bills arising out of MGNREGS implementation during the second fortnight of March in a financial year were generally settled during the 1st fortnight of April of the subsequent financial year. Therefore, a float of funds was a must during April to settle the unpaid bills carried over from the previous financial year. Further, it was added that extant policy approved a reasonable float of funds with the states and the money released during March 2011 was already voted upon, the release of funds aiming at maintaining balance with the state was not unauthorized release and moreover, the float of funds available with states at the beginning of the next financial year was treated as unspent balance and deducted from the total entitlement towards first installment.

The reply of the Ministry does not take into account the fact that the release of funds at the end of the financial year to meet next year's expenditure violates the provisions of GFRs and budgetary principles requiring approval of Parliament. Parliamentary approvals are meant for a specific year and do not allow carry forward of unspent balances to subsequent years.

5.5 Excess release of funds by the Ministry without adjusting the unspent balance

According to Rule 209(6) (iii) of GFRs, when recurring grants are sanctioned to the same organisation for the same purpose, unspent balance of previous grants should be taken into account while sanctioning the subsequent grant. The Operational Guidelines also require that any unspent balances from the previous releases be adjusted while making any new release.

It was observed that during the year 2010-11, the Ministry released ₹ 6,733.25 crore to nine states without taking into account the unspent balances of ₹ 10,104.71 crore as on 31 March 2010 with these states. The details are given in **Annex-5 A**.

Similarly, during 2011-12, the Ministry released ₹ 2,440 crore on 1 April 2011 to four states without taking into account the unspent balance of ₹ 3,758.91 crore as on 31 March 2011. This is shown in **Annex-5 B**.

Thus, the release of ₹ 9,173.25 crore during 2010-11 and 2011-12 made in violation of the provisions of the GFRs and the Operational Guidelines, was irregular.

The Ministry in its reply stated that the unspent balance figures considered by Audit were audited figures. Receipt of a consolidated and audited UC indicating unspent balances of a state in a given financial year were generally submitted on or after the month of October in a subsequent

financial year. It was also added that releases objected to by Audit were towards the first instalment which was released based on provisional figure of unspent balance as reported by states during the beginning of the financial year. Audited figures were considered during the next financial year while releasing second and subsequent tranches. The Ministry had considered unspent balance figures as endorsed by the state and released the first instalments accordingly. Further, the funds so released by the Ministry had been utilized for programme implementation and accordingly accounted for during the annual audits. Therefore, the release of Central share should not be treated as 'excess release'.

The records however, indicated that the Ministry had not considered even provisional figures of unspent balances of ₹ 7,748.10 crore and ₹ 3,737.42 crore at the close of financial years 2009-10 and 2010-11 respectively. **(Annexes- 5A and 5B).**

5.6 Excess Release of Funds by the Centre

As per the funding pattern of the Scheme, the quantum of Central share is clearly specified under section 22(1) the Act. Audit, however, observed that in case of six states *viz.* Andhra Pradesh, Gujarat, Himachal Pradesh, Madhya Pradesh, Rajasthan and West Bengal the Ministry released funds of ₹ 2,374.86 crore in excess of the Central share. Some of the reasons for excess release were - Central liability not being restricted to what was due, release for pending liabilities which had already been adjusted, non adjustment of unspent balance, understatement of closing balance and releasing funds twice for the same period. This indicated that the checks and balances in places were inadequate. The details are given in the **Annex-5C**.

The Ministry in its reply stated that there was no incorrect calculation in respect of West Bengal, Himachal Pradesh and Andhra Pradesh. In respect of Gujarat acceptance of pending liabilities as claims and release thereof in 2010-11 and 2011-12 was not to be treated as irregular. This was because pending liability occurred due to sudden rise in labour demand and payables thereof towards generating excess wage employment in a given period. Further, the expenditure was in the nature of committed liability for which bills were raised but settlements/payments were due. Hence, while calculating eligibility, this amount was deducted from the total unspent balance reported by the states/districts.

The reply of the Ministry was not correct because in the case of Andhra Pradesh the Central release was not restricted to its maximum liability. In the case of Himachal Pradesh, unspent balance with it was not adjusted while releasing funds and in the case of West Bengal, releases were made twice for the same period. In respect of Gujarat, pending liabilities in both the years were first adjusted by reducing these from funds available with the state, but then added back at the time of final release. This is also established from the fact that Gujarat had demanded only ₹ 350 crore against which the Ministry released ₹ 492.02 crore.

5.7 Other Irregularities- Irregular Claim of Expenditure by Karnataka

The state government of Karnataka (via email) requested (8 March 2011) the Ministry to release additional ₹ 461.22 crore to adjust pending liability of financial year 2009-10. The Ministry accepted pending liability of ₹ 461.22 crore and after adjustment released ₹ 400 crore on 21 March 2011.

Audit however, noted that no such liability for ₹ 461.22 crore was shown by the state government in the UC or annual accounts for the year 2009-10. The state government had in fact shown unspent balance of ₹ 821.87 crore at the close of 2009-10. Thus, Ministry had accepted irregular claim of pending liability of ₹ 461.22 crore without proper verification of documents.

It was also noted that Karnataka had a fund balance of ₹ 1,084.37 crore as on 10 March 2011. A significant proportion of this amount was related to releases from the Centre. As the available funds were in excess of what was being demanded as a pending liability, the reason for releasing the additional amount was unclear.

The Ministry in its reply stated that Central liability was based on the labour demand; the entitlements were estimated by assessing persondays generated during a given year and the eligible Central share. In case of short release of Central share in a given year, the same was to be released during the succeeding year to liquidate pending payments.

The reply was not relevant to the facts of the case as this did not explain the action of the Ministry in accepting an irregular claim.

5.8 Short Release of State Share

Examination of the records of state governments relating to release of funds disclosed that in seven states there was short release by state government of their shares amounting to ₹ 456.55 crore for 2007-12. The details of short release are given in the **Annex-5 D**. The shortfall in states' share adversely affects the total availability of funds for the implementation of the Scheme thereby reducing the quantum of works taken up and employment generation planned in the labour budgets of the states/UTs.

The Ministry in its reply stated that the due state share was assessed by examining UCs and audit reports submitted by the states and in case of any short release made by the states towards its share, letters were written to states for immediate compliance. It was also added that matter was discussed in labour budget meetings, regional review meetings and Performance Review Committee Meetings from time to time.

The reply of the Ministry is not pertinent as it is silent with regard to specific cases pointed out by Audit.

Case study: Short Release of State Share by Haryana

As per policy of the Government of India, difference in minimum wages notified by state government and the Gol was to be borne by the state government from its own resources. The minimum wages prescribed by state government of Haryana were higher than that of Gol. Therefore, the amount of ₹ 10.06 crore on account of difference in minimum wages for the period January 2009 to March 2010 was required to be paid by the state government. Audit, however, observed that the difference in amount was adjusted out of the Central share. The Ministry in its reply to the proposal of the state government clarified that the additional burden of higher labour rate would have to be borne by the state government. However, the funds amounting ₹ 10.06 crore were not adjusted by the Ministry from subsequent releases to the state.

5.9 Delay in Release of State Share

In terms of the Operational Guidelines (para 8.4.4), states' share was to be released within 15 days from the date of release of Central share by the Central Government. This provision was to ensure that funds were available with the implementing agency at the right time. Audit noted that in Andhra Pradesh, Arunachal Pradesh and Uttar Pradesh, the states' share was not released within the stipulated period of 15 days. Further, during tests check of records, it was seen that the release of states' share was delayed on a regular basis. The details of the delays noted in 13 additional states are mentioned in **Annex-5 E**.

The government of Punjab stated that the delay in release of state share was due to the receipt of Central share at the end of the year. The government of Himachal Pradesh stated that delay occurred due to the lengthy procedure of obtaining sanction for expenditure from the Finance Department. The replies were not convincing as better coordination at the state level could have ensured timely release of funds to implementing agencies.

The Ministry in its reply stated that for ensuring better and expeditious compliance on the matter, states were being instructed to adhere to the timelines given in the sanction orders.

5.10 Non-Creation of SEG Fund

Under section 21(1) of the Act the state government may, by notification, establish a fund called the State Employment Guarantee (SEG) Fund for the purpose of implementation of the Scheme. The amount standing to the credit of the state fund should be expended and administered as a revolving fund in such a manner and subject to such conditions and limitations as may be prescribed by the state government for the purpose of implementation of this Act. The Operational Guidelines also provide for establishing similar revolving funds at the district, block and gram panchayat levels.

As of 31 March 2012, in 14 states and four UTs viz., Arunachal Pradesh, Assam, Chhattisgarh, Goa, Haryana, Jammu & Kashmir, Kerala, Manipur, Mizoram, Meghalaya, Nagaland, Sikkim, Tripura, Uttarakhand, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Lakshadweep and Puducherry, creation of the SEG Fund was either not notified or was not operationalised.

Further, in Maharashtra SEG fund was operationalised only in March 2012. In Madhya Pradesh SEG Fund was notified in April 2009 but guidelines were not formulated for its operation.

In Odisha, Audit noticed that the state had created (June 2006) a corpus fund by investing ₹ 3.90 crore out of the Scheme fund released by GoI in the Post Offices defeating the very purpose of creating a revolving fund. In Uttar Pradesh, the fund was established with delay of 42 months in September 2009 and that too without the notification by the state government.

In Madhya Pradesh, Maharashtra and Nagaland, the revolving funds at district, block and gram panchayat levels were yet to be established. In Jharkhand, the revolving fund was established at district level, but the same was yet to be established at block and GP levels. In Punjab in three out of six selected districts, revolving funds at district, block and gram panchayat levels were yet to be established. In Uttar Pradesh, the state government issued orders (August 2009) to operate/maintain block level accounts of MGNREGS as revolving funds and funds were also released accordingly but Rules for operation and maintenance of these funds were not framed. Subsequently, from November 2009 it was decided that funds would be credited directly from state fund to GPs and therefore maintenance of the revolving fund was discontinued.

In the absence of the revolving fund in the states/UTs, the GoI directly released the Central funds for MGNREGS to the implementing agencies i.e., District Programme Coordinators at the district level. The release of funds directly to the district implementing authorities led to deficiencies in control and monitoring of expenditure by the authorities at state level.

The Ministry in its reply stated that under section 21 of the Act it was not imperative to establish a SEG Fund. To ensure smooth flow of funds and to have an effective fund management system at state level, the implementing states were being asked to constitute respective SEG Funds. Direct fund release to districts in case of non-SEG Fund states did not hamper proper monitoring or state's control of expenditure of the districts under MGNREGS.

The Ministry should take up the issue with the concerned state governments to expedite the operationalisation of these funds.

5.11 Non transfer of funds from SGRY and NFFWP

As per Operational Guidelines, erstwhile schemes of National Food for Work Programme (NFFWP) and Sampoorna Grameen Rozgar Yojana (SGRY) programmes were to be subsumed in MGNREGS. The balance funds in these schemes were also to be transferred to MGNREGS.

Scrutiny of records in test checked districts of seven states viz. Bihar, Chhattisgarh, Jharkhand, Odisha, Rajasthan, Uttar Pradesh and West Bengal, revealed that ₹ 110.22 crore were yet to be transferred from the schemes of NFFWP and SGRY to MGNREGS. This resulted in idling of funds

under non-functional schemes which could be utilized in MGNREGS. This also raises the possibility of mis-utilisation of these funds. Further, in two states viz. Madhya Pradesh and Rajasthan, ₹ 11.72 crore was transferred with delays ranging from 5 to 60 months. The details of non-transfer and delayed transfer are given in the **Annex-5 F**.

The Ministry stated that states were being instructed to submit latest position on the issues.

Case study: Irregular expenditure under SGRY funds

In 2007-08, in Kamrup (Rural) and Karbi Anglong districts of Assam, implementing agencies spent ₹ 31.07 lakh out of SGRY fund on inadmissible works like extension of staff quarters, lifting Mid-Day Meal rice, Godown rent and purchase of RCC spun pipe, etc. instead of transferring the unutilised balance to MGNREGS account.

5.12 Utilisation of Interest Income

Interest earned on the available funds is to be accounted for as receipt under the Scheme. Audit however, observed that in five states interest earned on the funds amounting to ₹ 1.26 crore were spent on non-permitted items or not accounted for in the cash books as receipt. The details are given in the **Annex-5 G**.

Audit further noted instances where funds were kept in current accounts, leading to loss of interest income. In the test checked districts of Jharkhand, ₹ 49.78 crore were kept in current accounts with different banks. Similar cases were noticed in Kerala (in two GPs, one each in Palakkad and Kottayam districts), Maharashtra (one block each in Sindhudurg and Nanded districts) and Mizoram (Lunglei-Hnathial and Lawngtlai-Sangau districts).

The Operational Guidelines provide that funds received from the Central and state government were not to be invested in fixed or term deposits. Contrary to this stipulation, in Belgaum ZP and Bangalore Rural ZP of Karnataka, funds amounting to ₹ 5.00 crore and ₹ 30 lakh, respectively, were invested in the form of term deposits.

The Ministry in its reply stated that states were being instructed to submit latest status on the issue.

5.13 Irregularities in management of Administrative Expenses

Under section 22 (1) (C) of the Act, such percentage of the total cost of the Scheme as determined by the Central Government was to be incurred for administrative expenses, which could include the salary and allowances of the Programme Officer and his supporting staff, etc. Further, the Ministry clarified (August 2006) that administrative expenses were to be incurred on wages of Programme Officer, his staff, assistance to GPs, expenses on stationery, mobility (excluding purchase of new vehicles), travel, computerization, training, IEC activities, monitoring, social

audits and audit related expenses and worksite facilities. Further, it was also clarified that the Central Government would meet the expenses only to the extent of prescribed ceiling (four *per cent* up to March 2009 and six *per cent* thereafter). The expenses over and above the ceiling were to be borne by the state government.

5.13.1 Excess Administrative Expense

Scrutiny of records revealed that in 24 districts (13 *per cent* of all test checked districts) of eight states and two UTs *viz.* Bihar, Jharkhand, Kerala, Maharashtra, Nagaland, Odisha, Rajasthan, Uttar Pradesh, Dadra & Nagar Haveli and Lakshadweep, administrative expenditure in excess of the prescribed percentage amounting ₹ 32.04 crore during 2007-12 was incurred as mentioned in the **Annex-5 H**.

5.13.2 Inadmissible expenditure

In Churachandpur, Imphal East and Tamenglong districts of Manipur, ₹ 5.85 crore was incurred on inadmissible works such as construction works at Deputy Commissioner office and residential bungalow, construction of training hall, etc. out of the fund earmarked for administrative expenses. In Durg district of Chhattisgarh, ₹ 4.92 lakh were incurred from administrative head for furnishing of District Collectorate, payment of mobile bills, etc. In Bolangir and Bhadrak districts of Odisha, inadmissible expenditure of ₹ 14.41 lakh was incurred during 2007-12 towards purchase of generator, furniture, spare parts, payment of telephone bills, repair of office jeep and purchase of levelling machine.

Further, in the three test checked DPCs of Dimapur, Mon and Tuensang in Nagaland, Audit noted that the expenditure charged to administrative expenses included inadmissible items such as purchase of vehicles, civil works and computers. The three DPCs incurred an expenditure of ₹ 2.21 crore for the purchase of 36 vehicles during 2007-12. The items such as purchase of vehicles and transfer of funds to SEGC were distinctly shown in approved annual accounts. However, the government of Nagaland and the Ministry did not take any corrective action by taking cognizance of the reported facts. This indicated failure of internal controls. Further, it was observed in the three test checked DPCs in Nagaland that an expenditure of ₹ 59 lakh for construction of new buildings was incurred though it was inadmissible in MGNREGS.

5.14 Expenditure on Inadmissible Items and Diversion of Funds

As per the Operational Guidelines (para 8.4.4), funds allocated for MGNREGS should not be diverted or used for other purposes. However, test check of records revealed that funds amounting ₹ 25.96 crore were incurred on inadmissible items in 12 states. These are mentioned in **Annex-5 I**.

Further, ₹ 135.02 crore in five states were diverted to purposes other than specified under the Scheme. State specific findings are detailed in the **Annex-5 J**.

The Ministry in its reply stated that states were being instructed to submit latest status on these issues and in case of any inadmissible administrative expenses, the states would be asked to recoup such amount to MGNREGS account.

Case Study: Diversion for State Scheme

To promote better participation of women, state government of Rajasthan launched Amrita Devi Bishnoi Yojana as an incentive scheme for women, who had completed 100 days in MGNREGS. The expenditure of ₹ 48.35 lakh incurred for this purpose was borne by the state government from the state share during 2008-09. Audit noted that MGNREGS had no provision to finance such state specific initiatives. Thus, the action of the state government amounted to diversion of funds.

5.15 Unaccounted Expenditure or Misappropriation of Funds

Audit also noted financial irregularities in the procedures for payment of wages or material. In eight states, there were cases of suspected misappropriation of funds as no supporting vouchers relating to payments were available on record. This had a financial implication of ₹ 128.23 crore. In addition clear misappropriation cases with a financial implication of ₹ 5.05 crore were observed in four states *viz.* Assam, Punjab, Rajasthan and Uttar Pradesh. In these cases either departmental inquiry had been instituted or the matters were *sub-judice*. The details of suspected misappropriation cases are given in the **Annex-5 K**.

The Ministry in its reply stated that states were being instructed to submit latest status on the issues and in case of any misappropriation of funds or unaccounted expenditure out of programme fund, the states would be asked to recoup such amount to MGNREGS account.

5.16 Monthly Squaring of Accounts

The Operational Guidelines (para 8.6) provide for the practice of 'Monthly Squaring' of accounts so that the risk of financial 'leakages' is reduced, and both transparency and accuracy in fund management are ensured. This consists of procedures for verifying that all the money released under MGNREGS is accounted for under the three heads *viz.* money held in bank accounts at various levels, advances to implementing or payment agencies and vouchers of actual expenses. Further, the details of the monthly squaring of accounts should be put on the website of MGNREGS for transparency.

Audit noted that the monthly squaring of accounts was not carried out uniformly in the test checked districts, blocks and gram panchayats of nine states *viz.* Bihar, Gujarat, Himachal Pradesh, Jharkhand, Kerala, Madhya Pradesh, Manipur, Sikkim and Uttar Pradesh. In the case of Uttar Pradesh it was observed that in 16 out of the 18 test checked districts, funds were not accounted for, on monthly basis as required under the Scheme. Sikkim had not yet introduced the system of reconciliation.

The Ministry in its reply stated that states were being instructed to submit latest status on the issue.

5.17 Prescribed Format of Accounts

As per the Act, the state government is authorized to prescribe format of accounts to be maintained at district, block and gram panchayat levels. Audit noted that no format of accounts was prescribed by the state governments of Assam, Haryana, Maharashtra, Tripura, Uttar Pradesh and Andaman & Nicobar Islands. In Maharashtra, the state government issued (April 2012) instructions to chartered accountants to formulate an accounting system to maintain uniformity in accounting formats, but had not yet prescribed any format of accounts.

MGNREGS, though implemented in different states, can be thought of as a single accounting entity. This is also important for ensuring consolidation and uniformity of the accounts prepared by the various implementing agencies. In such a scenario, the Ministry may take the lead and prepare a model set of accounts which can be adopted by all the states.

The Ministry in its reply stated that suggestions had been noted for implementation.

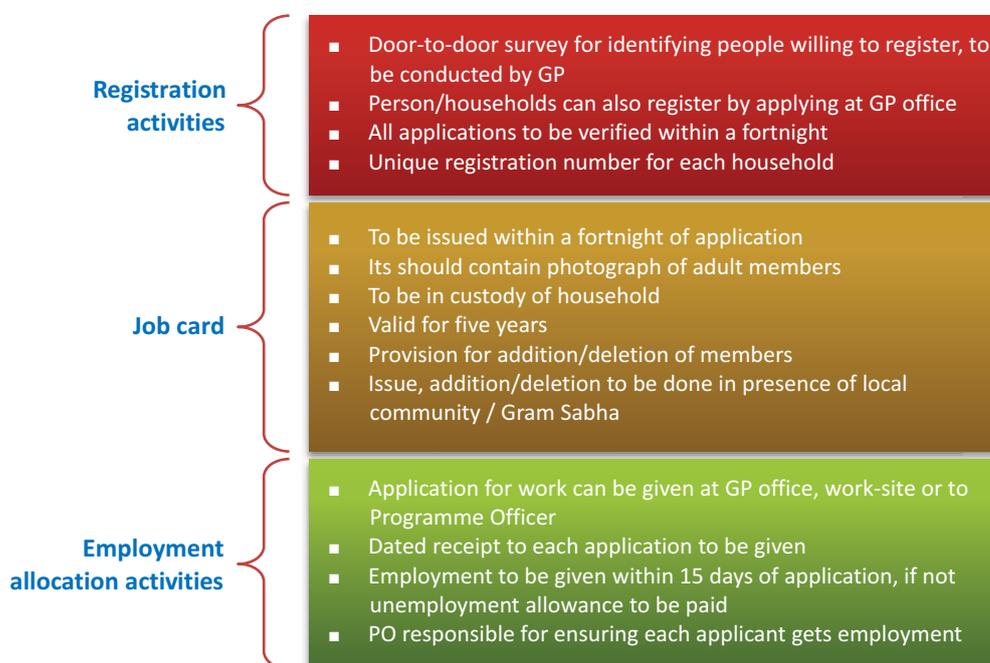
Recommendations:

- *Monthly squaring of accounts is an important control over utilization of funds. Progress of monthly squaring of accounts should be checked during release of funds by the Ministry.*
- *In the interest of uniformity and for easier consolidation of accounts, the Ministry may consider developing a model format of accounts.*
- *Ministry of Rural Development should invariably ensure compliance with required rules and prescribed guidelines for transparency in release of funds.*

6.1 Introduction

The first step in guaranteeing the beneficiary's right to 100 days of employment under the Scheme was ensuring registration of the household with the gram panchayat. Under paragraph 2 of Schedule II of the Act, it was the duty of the gram panchayat to register the household, after making suitable enquiries, and issue a job card. The application for registration could be given on plain paper to the GP or an individual could appear personally and make an oral request (para 5.2 of Operational Guidelines). The Operational Guidelines also require that the job cards be issued to beneficiaries within 15 days of receipt of application. The various activities related to the registration process, issue of the job card and employment allocation are outlined in **Chart-9**.

Chart-9: Registration Process, Job Card and Employment Allocation



6.2 Household Survey

Para 5.2.5 of the Operational Guidelines envisages that a door-to-door survey be undertaken to identify persons willing to register themselves under the Act. The survey was to be conducted by a team headed by the President of the gram panchayat and involving ward members, SC/ST and women residents, a village-level government functionary and the gram panchayat Secretary.

6.2.1 Door-to-Door Survey not Conducted

Audit noted that the door-to-door survey to identify persons willing to register was not conducted in 1,479 GPs (38.43 *per cent* of 3,848 test checked GPs) and in villages of seven districts in 16 states *viz.* Assam, Bihar, Chhattisgarh, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tripura and Uttar Pradesh. The state-wise details are given in the **Annex-6A**.

The Ministry stated that a door-to-door survey was needed when the programme was in its initial years of implementation. The Ministry also stated that various state governments had started other means for registration like help line, info kiosk, application from post office, school and anganwadi center, etc.

Audit however, noted that in a large percentage of the gram panchayats, the door-to-door survey was not conducted even at the initial stages of the Scheme. A door-to-door survey was necessary for wider communication to ensure that no potential beneficiary was left out.

6.2.2 Non-Update/Display of Registration List

The Operational Guidelines envisage that the registration list be annually updated to add eligible workers and delete ineligible workers due to death, migration, getting government employment, etc. The Operational Guidelines further require that the cancellation of ineligible registered household be made public and be read out in the gram sabha (paras 5.2.12 and 5.3.5).

In 219 GPs (5.69 *per cent* of all test checked GPs) in three states *viz.* Nagaland, Uttar Pradesh and West Bengal the registration list was not updated. In 763 GPs (19.82 *per cent* of all test checked GPs), three blocks and six districts in Assam, Nagaland, Odisha, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal (seven states) it was not made public. The practice of non-display of registration list was widespread in Assam, Odisha, Tripura and Uttar Pradesh. As a result, it could not be ascertained if all the potential beneficiaries were included in the registration list. The details are shown in the **Annex-6B**.

6.3 Issue of Job Cards

The Operational Guidelines envisage that the gram panchayats, after due verification, should issue a job card to the registered beneficiaries. Job cards were to be issued within a fortnight of the application for registration (para 5.3.2). Photographs of adult member applicants were to be attached to the job cards (para 5.3.3). Further, the job card was to contain information including the registration number, particulars of age and sex of all adult members of the family who are willing to work. The job card was to be in the custody of the household to whom it was issued (para 5.3.4). The timely issue of a well-designed job card was essential to ensure transparency and protect beneficiaries against fraud (para 5.3.1). The job card had a validity of five years and was to be updated as required. The irregularities noticed in this regard are discussed below:

6.3.1 Non-issue of Job Cards

It was seen that job cards were not issued in respect of 12,455 registered households in six GPs, seven blocks and 11 districts in Andhra Pradesh, Karnataka, Manipur, Odisha, Punjab and Uttar Pradesh (six states) out of the test checked units. The details are shown in **Table-11**. In the absence of job cards, the beneficiaries would not be able to demand their basic right to 100 days of employment.

Table-11 : Non-issue of Job Cards

Sl. No.	Name of State	No. of GPs/Blocks/Districts	No. of Regd. Household	No. of Job Card issued	No. of job cards not issued	Remarks
1	Andhra Pradesh	6 GPs	--	--	183	No record for issue of 183 job cards produced to audit.
2	Karnataka*	8 districts	14,21,470	14,17,340	4,130	Not issued during 2007-12.
3	Manipur	1 district (Emphal East)	75,574	70,656	4,918	Not issued during 2009-12.
4	Odisha	6 blocks	--	--	1,915	Pending since one to four years.
5	Punjab	1 district	--	--	11	Pending since one to two years.
6	Uttar Pradesh	1 district 1 block	1,05,369 12,062	1,05,318 10,815	51 1,247	--
Total					12,455	

* Figures as per MIS

Case Study: Non Segregation of Families

Andhra Pradesh:

Para 5.1.3 of Operational Guidelines stipulates that 'household' means a nuclear family comprising mother, father and their children and may include any person wholly or substantially dependent on the head of the family.

However, analysis of electronic data in respect of the three selected districts (Rangareddy, Nalgonda and Vizianagaram) revealed 58 households with 20 or more members and 1,962 households with 10 to 19 members. Clearly, in these cases, households had not been properly segregated into nuclear families, adversely affecting their statutory annual right to employment for at least 100 days per 'household'.

6.3.2 Multiple Job Cards

In four states it was noticed that multiple job cards were issued in the name of the same person. Issue of multiple job cards was noticed in 18,325 cases in 109 GPs and one district in Bihar, Jharkhand, Rajasthan and Uttar Pradesh. In Bihar instances of three or four job cards being issued to the same persons were also noticed. The details are given in the **Annex-6C**. These cases suggest possibility of misuse of funds and need to be investigated.

Case Study: Possible misuse of job cards

Assam:

In order to prevent any misuse of job cards, Operational Guidelines stipulate that the job cards should only be in the custody of the beneficiary. In the records of three GPs, 428 job cards were received by persons other than the households *i.e.*, by members/staff of respective gram panchayats. Possibility of misuse of job cards in such cases could not be ruled out.

6.3.3 Delay in issue of Job Cards

Job cards were to be issued within 15 days of application for registration. This was important to ensure that the beneficiary was able to demand and get employment in time. Delays in issue of job cards in 12,008 cases ranging from 2 days to 51 months were noticed in 28 GPs, one block and four districts in Assam, Jharkhand, Maharashtra, Odisha, Punjab, Rajasthan and Uttar Pradesh (seven states) out of test checked units. State-wise details are given in the **Annex-6D**.

6.3.4 Other discrepancies in Job Cards

Photographs of the applicants were not pasted on 4.33 lakh job cards in 143 GPs and 19 districts in Arunachal Pradesh, Assam, Bihar, Himachal Pradesh, Maharashtra, Manipur and Rajasthan (seven states). Out of this, a significant number was noticed in the case of Maharashtra where 3.83 lakh job cards were without photographs. In one GP and five districts in Arunachal Pradesh, Assam and Manipur (three states), joint photographs of adult members of households were not pasted on 391 job cards. Further, in 125 GPs and 13 districts in Bihar, Jharkhand, Uttarakhand, Uttar Pradesh and Dadra & Nagar Haveli (four states and one UT), photographs of the applicants were not pasted on job card registers in 8,717 cases. These cases are detailed in **Annex-6E**.

In 59 GPs and 13 districts in Bihar, Jharkhand and Rajasthan (three states), registration number/date of issue of job cards were not mentioned in 39,359 cases. In 190 GPs and four districts in Arunachal Pradesh, Assam, Himachal Pradesh, Jharkhand, Rajasthan, Uttarakhand and Dadra & Nagar Haveli (six states and one UT), signature of the member of household was not observed in respect of 22,302 job cards. Further, in 137 GPs and 17 districts in Arunachal Pradesh, Bihar, Himachal Pradesh, Uttarakhand and Dadra & Nagar Haveli (four states and one UT) out of test checked units, signature of the competent authority for issuing job card were not found in 5,002 cases. These cases are detailed in **Annex-6E**.

In one GP in Assam, job cards were not in the custody of households in 840 cases. Further, in 13 districts in Bihar, entry of payment made in other records did not tally with the entry in job cards in 523 cases. These cases are detailed in **Annex-6E**.

The job card was the basic document which the beneficiary could use to enforce his right to work guaranteed under the Act. However, the large scale and persistent deficiencies relating to job cards and their custody indicates lack of awareness and official apathy which adversely affected the implementation of the Scheme.

In response, the Ministry stated that the matters relating to delay in issue/non-issuance of job cards and pasting of photographs of applicants on job cards were regularly reviewed with the state governments during Performance Review Committee (PRC) meetings, regional review meetings and during the visit to the states by senior officers. The Ministry also stated that for specific issues pointed out in the audit report, states were instructed to submit comments on the audit observations.

6.4 Maintenance of records relating to Job Card and Employment

Para 9.1.1(iv) of Operational Guidelines envisages that job card application register was to be maintained by the gram panchyats/Programme Officer. In the register, the name of the applicant, date of receipt of application and the details of job cards issued were to be provided. Reasons for not issuing of the job card were also to be recorded.

The details of the members of the households who were issued job cards are given in a job card register which was to be maintained by the gram panchayat/Programme Officer (para 9.1.1(iv) of Operational Guidelines).

Further, para 5.2.10 of Operational Guidelines envisages that copies of the registration be sent to the Programme Officer for the purpose of reporting to the intermediate panchayat and district panchayat for further planning, tracking and recording. This should have been done immediately, so that the Programme Officer has a consolidated record of likely demand to organize resources accordingly.

Job card registers were not maintained or were incorrectly maintained in 1,374 GPs (35.71 *per cent* of all test checked GPs) and 94 blocks in Andhra Pradesh, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Nagaland, Odisha, Punjab, Sikkim, Tripura, Uttar Pradesh, West Bengal and Dadra & Nagar Haveli (15 states and one UT).

Job card application registers were not maintained/properly maintained in 1,769 GPs (45.97 *per cent* of all test checked GPs) and 204 blocks in Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Manipur, Meghalaya, Nagaland, Punjab, Sikkim, Tripura, Uttarakhand, Uttar Pradesh, West Bengal and Dadra & Nagar Haveli (20 states and one UT).

In the absence of these registers it was not possible to ascertain whether all the potential beneficiaries were able to apply for job cards and get them issued on time. Further, lists of

registration of job cards were not sent to PO in 442 GPs in Odisha, Uttar Pradesh and West Bengal (three states). In such a situation the PO would not be able to properly monitor the registration process. The details are given in **Annex-6F**.

The Ministry stated that it regularly reviewed the maintenance of records with the state governments during Performance Review Committee (PRC) meetings, Regional Review meetings and during the visit to the states by senior officers. The Ministry also stated that for specific issues pointed out in the audit report, states were being instructed to submit comments on the audit observations.

6.5 Employment Guarantee Day

Operational Guidelines envisage that in each gram panchayat, a particular day of the week ('employment guarantee day' or 'rozkgar diwas') should be earmarked for processing work applications and related activities such as disclosure of information, allocation of work, payment of wages and payment of unemployment allowances (para 12.2.1 of Operational Guidelines). The proceedings of the 'employment guarantee day' should be held in an open public space, with ample provision for proactive disclosure of information.

In 798 GPs (20.74 *per cent* of all test checked GPs) and eleven districts in Arunachal Pradesh, Maharashtra, Nagaland, Odisha, Tamil Nadu, Uttar Pradesh, West Bengal and Lakshadweep (seven states and one UT), a particular day of the week was not earmarked/organized as employment guarantee day as provided in Operational Guidelines. The details are given in **Annex-6G**.

The Ministry stated that it had repeatedly requested state governments to organize employment guarantee day. Some governments organized similar kind of events to process the work application like event at schools, camps at aganwadi centre, etc.

6.6 State specific findings

A state-wise summary of audit findings/irregularities in respect of registration and issue of job cards are as follows:

■ Arunachal Pradesh:

- Five hundred and twenty sampled job cards in selected districts revealed that there were 10 cases of registration of underage members i.e., below 18 years, 15 cases of job cards without the signature of the authorized officer in the employment record page, and seven cases of applicants' names missing from job cards though the names were uploaded to MIS.
- No oral requests for registration of job cards were entertained.

■ Assam:

- In two GPs (Achalpara and Barka Satgaon), records relating to issue of 623 (90+533) job cards were not available with concerned GPs.
- In one block under Chirang district, in two cases, the same job card number was issued to two different persons.
- Two job cards were issued to single household showing different names of villages.
- In two GPs under Borobazar block, in four cases, separate job cards were issued to husband and wife of the same household.

■ Himachal Pradesh:

- Minor beneficiaries i.e., persons below 18 years of age were enrolled/registered in 511 cases by 11 GPs under MGNREGS. As per the Act, employment was to be given only to adult members of the household.

■ Jharkhand:

- In Sitapahari GP of Pakur district, name of the same person was found in 18 job cards either as head of household or as a family member.
- In Rampur panchayat of Dumka district, two job cards were issued to one person (Head of family) and wages earned on both job cards were found credited to a single account of post office.
- In Arsankey GP of West Singhbhum district, two job cards were issued to a single household in three cases and wages of both job cards of each household were credited to a single account.

■ Karnataka:

- As per Monitoring Information System (MIS), 262 persons aged less than 18 years and 344 persons more than or equal to 90 years had been engaged on works in eight test checked districts during 2009-12 and wages of ₹ 3.62 lakh and ₹ 3.65 lakh respectively had been paid to them.
- MIS data of the eight sampled districts showed that out of 62.81 lakh registered individuals, 19.67 lakh individuals had been tagged for deletion and in 93 *per cent* of these cases, the reason for deletion was given as 'others'. In the absence of exact reasons for deletions, the possibility of these cards being issued fraudulently could not be ruled out. An amount of ₹ 156.10 crore had been paid to these individuals during 2008-09 to 2011-12 before these were tagged for deletion.
- There were delays in tagging the individuals for deletion after their identification. During this period of delay, 5,622 individuals had been employed and ₹ 50.55 lakh had been paid as wages. Another 204 individuals had been engaged even after tagging them for deletion and wages of ₹ 1.55 lakh were paid.

- As per MIS, in 14,574 cases job cards had been issued after the households had been tagged for deletion in eight test checked districts.

Case Study: Irregular Payment on Deleted Job Cards in Karnataka

Analysis of MIS data showed that during 2008-12, 92,889 job cards and 2,32,636 individuals had been permanently deleted in the eight test checked districts on grounds of wrong entries. However, as per the data available in the MIS, wages aggregating ₹ 5.27 crore had been disbursed in respect of permanently deleted cards and ₹ 0.22 crore in respect of deleted individuals till the date of deletion. Further, individual members who had been permanently deleted were subsequently engaged on various works during 2008-12 and wages aggregating ₹ 3.42 crore had been disbursed to them.

■ **Kerala:**

- In three GPs¹ in Malappuram district, 87 job cards were shown as issued but not handed over to beneficiaries.

■ **Odisha:**

- All BPL households were registered in a single day in one block in Kendrapara district i.e., on 24 January 2008. The instructions for registering all BPL households were issued by the state government in March 2006. The possibility of registration of unwilling households or households not requiring employment could not be ruled out.

■ **Puducherry:**

- A total number of 842 job card holders were reported to have died during the period under review, whereas no action was taken by the respective blocks to verify the registered households for deletion.

¹ Moorkanad, Nediyruppu and Keezhattur

7.1 Introduction

The primary purpose for enacting MGNREGA was to ensure livelihood security for all rural households. The Act guarantees 100 days of employment to every household whose adult members are willing to undertake manual unskilled labour. In the light of the guarantee of employment enshrined in the Act, it is imperative that:

- Timely employment is provided to whoever needs it.
- In case it is not possible to do so, unemployment allowance as provided for in the Act is given.
- Wages are paid in full and in time.
- There is adequate transparency in the processes involved.

7.2 Delay in Providing Employment and Unemployment Allowance

Under para 5.4 of Operational Guidelines any person having a job card can apply for work to gram panchayat (GP) in writing, upon which the GP would issue him a dated receipt. Further, section 7(1) of MGNREGA envisaged that if an applicant under the Scheme was not provided employment, within fifteen days of receipt of his application seeking employment or from the date on which the employment was sought in the case of an advance application, whichever was later, he would be entitled to a daily unemployment allowance. For this purpose, an Employment Register in prescribed proforma was required to be maintained by GP (para 9.1.1 (vi) of Operational Guidelines). Unemployment allowance was to be paid from state government funds. We observed a number of deficiencies in the process.

7.2.1 Non-payment of Unemployment Allowance

In 12 GPs, one block and six districts in Assam, Bihar, Chhattisgarh, Jharkhand, Kerala, Maharashtra and Punjab (seven states) out of test checked units, employment was not provided within 15 days from the date on which work was requested. The delay in providing employment ranged between 2 and 1,218 days in 47,687 cases as given in **Annex-7A**. However, unemployment allowance was not paid in these cases.

In response, the Ministry stated that the liability to pay unemployment allowance was that of the state government. The state governments had been reminded several times of their duties under the Act. The Ministry also stated that the matter would be forwarded to the respective state governments.

Case study: Avoidable payment of unemployment allowance

Uttar Pradesh:

In two blocks (Misrikh and Piswan) of Sitapur district, 860 workers demanded unemployment allowance on the ground that work was not provided to them despite written requests made during May 2007 to October 2007. The requests of the workers were rejected by the District Programme Coordinator (DPC) on the ground that the workers were provided work in another scheme running in the area. The workers' union submitted an appeal to the Commissioner for payment of unemployment allowance. During proceedings, DPC stated that the workers were offered work but they did not turn up. The DPC, however, failed to furnish any documentary evidence in support of this statement. The Commissioner, therefore, directed the DPC to pay unemployment allowance to the workers. Thus, avoidable payment of unemployment allowance of ₹ 14.99 lakh was made. It was also noticed that the payments were made by DPC from the balance of the MGNREGS fund, even though, payment of unemployment allowance was the liability of the state government.

The Ministry stated that the matter was being referred to the state government.

7.2.2 Non-maintenance/Poor maintenance of records

In 1,402 GPs (36.43 *per cent* of all test checked GPs) in Andhra Pradesh, Bihar, Gujarat, Haryana, Kerala, Mizoram, Tamil Nadu, Uttar Pradesh, West Bengal and Puducherry (nine states and one UT) and GPs of eight blocks of Meghalaya, dated receipt of applications for demand for work were not given.

In 2,068 GPs (53.74 *per cent* of all test checked GPs) and 149 blocks in Andhra Pradesh, Assam, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Odisha, Punjab, Uttarakhand, Uttar Pradesh, West Bengal, Dadra & Nagar Haveli and Puducherry (21 states and two UTs), employment registers were not maintained/not properly maintained, as required under para 9.1.1(iv) of Operational Guidelines.

The matter acquires significance as in the absence of proper maintenance of records, the entitlement of unemployment allowance could not be worked out, thus depriving the beneficiaries of their rights as per the Act. The lapse calls for fixing accountability on the erring officials. The state-wise details are given in the **Annex-7B**.

The Ministry stated that it had already started certification of accounts of gram panchayat by CA/CA firms and this would facilitate proper maintenance of records at the grass root level. The Ministry also stated that the details provided by Audit would be forwarded to the state governments for response and initiation of adequate and necessary corrective action.

7.2.3 Detailed State-wise findings

State specific findings/irregularities relating to payment of unemployment allowance are given below:

- **Bihar:**
 - In one test checked GP in (Madhubani district), 105 persons having job cards, applied for work but were not provided work. It was observed that works were executed in the GP after the date of their application for work, yet no unemployment allowance was paid to them.
- **Chhattisgarh:**
 - Employment was not provided to 373 households in test checked GPs during 2009-10 to 2011-12.
- **Gujarat:**
 - Online entries of employment demand were made by entering any date within 15 days before commencement of work. This was purportedly done to avoid the payment of unemployment allowance.
- **Haryana:**
 - Unemployment allowance was not paid in the state since the inception of the Scheme.
- **Uttar Pradesh:**
 - In 436 GPs (out of 460 test-checked GPs) of all the test-checked districts information on new applications for work were not conveyed to the PO regularly. As a result, the PO could not ensure that anyone who applied for works got employment within 15 days.
- **West Bengal:**
 - Unemployment allowance was due to 1,10,161 households which were not provided any work in test checked districts during 2007-12. However, against this only a sum of ₹ 83,007 was paid to 218 workers as unemployment allowance, and that too only during 2008-09 and 2009-10.

Thus, cases of non-payment of unemployment allowance in respect of 47,687 workers were noticed in seven states and essential records for confirmation of unemployment to be paid were not maintained in 21 states and two UTs.

7.3 Payment of Wages

As per para 7.1.1 of the Operational Guidelines every person working under MGNREGS was entitled to wages at the minimum wage rate fixed by the state government (or the competent authority concerned) for agricultural labourers under the Minimum Wages Act, 1948, unless the wages had been notified by the Central Government under section 6(1) of the Act. Wages were to be paid according to piece rate or daily rate. The Operational Guidelines further stipulate that:

- Workers were entitled to being paid on a weekly basis, and in any case within a fortnight of the date on which work was done (MGNREGA, section 3(3)). In case the payment of wages was not made within the period specified under the Scheme, the labourers were entitled to receive compensation under the provisions of the Payment of Wages Act, 1936 (paragraph 30 in Schedule II of the MGNREG Act). Compensation costs were to be borne by the state government.
- Paragraph 6 of Schedule-I of the Act prohibits labourers being paid less than the wage rate. The schedule of rates (SOR) of wages for unskilled labourers was to be so fixed that a person working for nine hours would normally earn a wage equal to the wage rate (paragraph 8 in Schedule I of the MGNREG Act). When wages were directly linked with the quantity of work, the wages were to be paid according to the schedule of rates fixed by the state government for different types of work every year in consultation with state council (paragraph 7 in Schedule I of the MGNREG Act).
- Measurements were to be recorded transparently, for verification by the concerned individuals on a daily basis.

7.3.1 Non-Payment of Wages

In 24 GPs, nine blocks, 15 districts and one line department in Andhra Pradesh, Bihar, Goa, Gujarat, Haryana, Jharkhand, Punjab, Uttar Pradesh and West Bengal (nine states) out of test checked units, workers were not paid wages of ₹ 9.59 crore, even after 15 days of completion of work. Details are given in **Annex-7C**.

Substantial sums pending for payment were noticed in the case of Bihar (₹ 1.18 crore), Haryana (₹ 2.07 crore), Punjab (₹ 1.18 crore) and West Bengal (₹ 5.04 crore). The reasons for non-payments were attributed to non-opening of bank account of the individual and non-availability of funds. This indicated systemic inefficiencies which need to be addressed.

The Ministry stated that it had issued a number of advisories regarding various measures to be initiated by the state government to check delays in payment. The Ministry had also encouraged the banking correspondent model for easing institutional bottlenecks in the opening of bank accounts for individuals. The Ministry also stated that funds were immediately released on completion of the prescribed requirements by the state government.

7.3.2 Non-issue of Wage Slips

Para 7.2.1 (xi) of Operational Guidelines provides that for every payment due to the workers, a wage slip in prescribed format (Annexure B-3 (i) of the Operational Guidelines) should be issued by the implementing agency to the workers recording the amount and the period for which the work was done. Amount was to be disbursed to the worker only on production of wage slip and the withdrawal slip by the worker or his authorized representative.

In 1,021 GPs (26.53 *per cent* of all test checked GPs), 27 blocks and 26 districts in Assam, Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Nagaland, Sikkim, Uttarakhand, West Bengal and Lakshadweep (14 states and one UT), no wage slips were issued to workers. Audit noted that the practice of non-issuing of wage slips was widespread in all 15 states/UT mentioned above.

As a result, Audit could not ascertain the authenticity of the payment made to the workers for the work done by them. This also rendered the entire payment process susceptible to leakages and misappropriation. The details are given in **Annex-7D**.

The Ministry stated that the cases highlighted by the Audit would be submitted to the respected state governments for corrective action.

Case Studies: Pending Liabilities

Karnataka:

As of March 2012, 1.36 lakh muster rolls for ₹ 415.91 crore remained unpaid. In addition 82,534 bills for supply of materials costing ₹ 238.59 crore were also not paid creating a total liability of ₹ 654.50 crore. The total expenditure of the state during 2008-09 to 2011-12 was ₹ 6,468.97 crore (₹ 4,092.88 crore on wages and ₹ 2,376.09 crore for material). In addition to these bills, muster rolls and supply bills to the tune of ₹ 332.72 crore for the year 2009-10, which had not been entered in NREGASoft so far, were also pending for payments as of March 2012.

The Ministry considered the matter serious and sought comments from the state government.

Bihar:

In six test checked districts, liability amounting to ₹ 79.54 crore was created on account of pending wage and materials bills. The delay from due date of payment ranged between one and four years.

The Ministry stated that the matter was being sent to the state government for investigation and for fixing accountability.

Uttarakhand:

In three test checked blocks (Dhauladevi, Dwarahat and Chakrata), liability amounting to ₹ 1.73 crore was created on account of pending wage and materials bills for the years 2010-11 and 2011-12. The state government stated that the liability was created due to shortage of funds.

Substantial delays in payment processes negated the very purpose of providing guaranteed employment under the Act.

7.3.3 Short Payment of Wages

Under no circumstances should labourers be paid less than the wage rate (paragraph 6 in Schedule I of the MGNREG Act). However, in 94 GPs, 14 blocks, 12 districts and one LD¹ in Assam, Bihar, Himachal Pradesh, Jharkhand, Karnataka, Manipur, Meghalaya, Tripura, Uttar Pradesh and West Bengal (10 states) out of test checked units, the workers were paid wages less than the minimum wage rate. The under payment of wages to the beneficiaries amounted to ₹ 27.38 crore. The details are given in **Annex-7E**. Substantial short payments were noticed in the case of Karnataka (₹ 23.71 crore) in respect of eight test checked districts. In the case of Tripura, state government stated (August 2012) that ₹ 34.50 lakh had already been released to BDO for payment of arrears of wages.

The Ministry stated that under section 6 of the MGNREGA, the payment to the workers would be as per notified wage rate for the area, which may vary with respect to the minimum wages notified in the area.

The fact remained that the wages were not paid by the state governments as per rates revised from time to time.

7.3.4 Non-payment of Compensation for Delay in Payment of Wages

In the event of any delay in wage payments, workers were entitled to compensation under the provisions of the Payment of Wages Act, 1936 (paragraph 30 in Schedule II of MGNREG Act). However, in 574 GPs (14.92 per cent of all test checked GPs), 72 blocks, 27 districts and six LDs in Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Kerala, Madhya Pradesh, Maharashtra, Nagaland, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttarakhand, Uttar Pradesh, West Bengal, Dadra & Nagar Haveli and Puducherry (21 states and two UTs), workers were not paid wages of ₹ 686.72 crore on time i.e., within a fortnight from the date on which the work was done. The details are given in **Annex-7F**. No compensation under the provisions indicated above was, however, paid to them.

The above cases raise serious concerns about effective implementation of provisions of the Act. There is a definite need to ensure payment of prescribed wages and any other entitlement due to all workers within prescribed time frame.

¹ line department

The Ministry stated that the matter of delay of wage payment underlined by Audit would be referred to the respective state governments for corrective action.

Case Study: Irregular Issue of Cheques amounting to ₹ 69.90 crore in favour of Sarpanch instead of banks/post offices.

Chhattisgarh:

Scrutiny of records in Narharpur Janpad Panchayat of Kanker district and Makdi, Bastar and Bakawand Janpad Panchayats of Bastar district revealed that accounts were opened in the name of job card holders in the banks/post offices. Wage payments were to be directly credited to their accounts. However, during 2009-12, the POs issued cheques aggregating ₹ 69.90 crore (₹ 35.49 crore in Narharpur, ₹ 11.59 crore in Makdi, ₹ 11.26 crore in Bastar and ₹ 11.56 crore in Bakawand) in favour of the Sarpanches for making payment of wages to the labourers engaged in MGNREGS.

These payments contravened the Scheme provisions and were therefore irregular. It could not be ascertained if the disbursed amount reached the targeted beneficiaries. The matter calls for further probe.

The Ministry stated that the matter was being sent to the state government for examination.

7.3.5 Irregular Cash Payment of Wages

Para 7.2.1 of the Operational Guidelines prescribe payment of wages through banks or post offices where individual accounts for each worker or joint accounts (one for each job card) were to be opened. Separate individual accounts for women members of the household were to be opened in the case of households headed by men. As per Gol instructions issued in September 2008, cash payments of wages to workers were not to be made after September 2008.

In 55 GPs and two districts in Andhra Pradesh, Bihar, Maharashtra, Manipur, Punjab and Rajasthan (six states) out of test checked units, payment of ₹ 16.75 crore was made in cash by the implementing agencies in violation of Gol instructions. Cash payment of wages poses the risk of leakage of Scheme funds and payment to fictitious workers. The details are given in **Annex-7G**.

The Ministry stated that it had issued a number of instructions for payment of wages through banks and post offices. The pace of financial inclusion under MGNREGS had surpassed the pace of institutional out reach of banks and post offices and in some areas the under capacity of these institutions to manage such a large number of beneficiary accounts was noticed. The Ministry further stated that this matter was being reviewed seriously in all Performance Review Committee meetings and in other fora as well.

Case study: Payment of Wages in Cash

Tamil Nadu:

Secretary, Rural Development and Panchayat Raj, government of Tamil Nadu (GoTN) communicated (December 2007) to the Gol his apprehensions about the payment of wages through banks. The reasons advanced were that the workers would have to commute long distances to get their wages from banks losing one day's wages and that the banks would adjust previous arrears from their dues.

State Employment Guarantee Council also directed (March 2008) the government of Tamil Nadu (GoTN) to continue the system of payment of wages in cash in the state.

In the Village Payment Committees, formed for the purpose of wage disbursement, majority of the members were persons who were responsible for implementing the Scheme, viz. President, Vice-President and Ward Member of Village Panchayats. As a result, the practice of making payments to the workers in cash was fraught with the risk of malpractices particularly since the wage disbursement agency and the Scheme implementing agency were the same.

Government of Tamil Nadu replied that from 2012-13 it had decided to dispense with the existing practice of disbursing wages to the workers in cash to curtail the scope of malpractices in wage payments and to separate the wage disbursement agency from the implementing agency. The wages were now being paid through banks on pilot basis in one GP in each block.

7.3.6 Detailed State-wise Findings

State specific findings relating to payment of wages are as follows:

■ Goa:

- Wages of ₹ 0.36 lakh in respect of 37 beneficiaries for August 2011 were paid after a delay of 40 days. The block office stated that they were not aware of any compensation to be paid for the delay.

■ Jharkhand:

- Wages amounting to ₹ 2.14 crore were paid through Large Area Multipurpose Society (LAMPS) in two blocks during the period 2009-12. The LAMPS deducted service charges at the rate of four to five *per cent* from the wages of labourers. This resulted in less payment of wages of ₹ 8.81 lakh to the labourers.
- In 11 GPs, wages of ₹ 1.30 lakh relating to 101 job card holders were credited to only 49 accounts of post office. Thus, the payments procedures need to be investigated to rule out irregular or fraudulent payments.

■ Kerala:

- In one GP, delay up to 71 days in payment of ₹ 12.00 lakh occurred due to delay in signing of cheques by the Panchayat Secretary. ₹ 6.00 lakh pertaining to the year 2011-12 was not paid up to May 2012 due to non-release of funds by block panchayat.
- In 45 cases of a GP, payment of ₹ 12.86 lakh was made without recording measurement of work done.

■ Manipur

- In 20 test checked GPs of Imphal East, ₹ 31.11 lakh were paid for holidays in respect of 78 works in contravention of the provisions of the Act.

■ Lakshadweep:

- In the test checked three GPs, there were delays ranging from 15 to 65 days in payment of wages.

7.3.7 Unauthorized Payment from Central Share

Under the Scheme, the cost of providing employment above 100 days was to be borne by the state governments. In one test checked GP and 16 districts of Kerala, Rajasthan, Tripura and Uttar Pradesh respectively, an expenditure of ₹ 24.48 crore towards 45.88 lakh persondays in excess of 100 days, was met out of the Central share. Details are given in **Table-12**.

Table-12: Unauthorised payment from Central share

Sl. No.	Name of State	No. of GPs/ Blocks/ Districts	No. of households	No. of excess persondays	Amount of Excess payment (₹ in lakh)
1	Kerala	1 GP	265	2,960	4.42
2	Rajasthan*	8 districts	1,72,866	33,84,000	1,196.58
3	Tripura*	4 districts	2,80,155	9,84,869	1,022.00
4	Uttar Pradesh	4 districts	85,884	2,15,762	224.94
Total		1 GP and 16 districts	5,39,170	45,87,591	2,447.94

* Figures as per MIS

Thus, the Scheme provisions were not complied with in these states.

The Ministry stated that the cases highlighted by Audit were being forwarded to the respective state governments for their comments and necessary compliance.

7.4 Deployment of Mates

For supervision of work and recording attendance at worksite, a mate may be designated for each work. Mates were to be selected through a fair, transparent and participatory process with adequate representation of women. An adequate number of mates were to be trained in each village, to ensure an adequate 'pool' of trained mates at all times. The ratio of mates to labourers at a given worksite was to be at least 1:50. Suitable norms in this regard were to be specified by the state governments in consultation with the State Employment Guarantee Council. Mates were to be rotated for work on a fortnightly basis when the muster was usually closed (para 6.4.4(i) of Operational Guidelines). The remuneration of the mates was to be included in the material component of the work. The following irregularities were noticed during audit:

- In 177 GPs and nine districts in Assam, Maharashtra, Mizoram and Uttarakhand (four states) out of test checked units, mates had not been engaged in test checked works. Mates had not been rotated in six GPs in Kerala out of the test-checked cases. Further, no training was given to mates in 10 GPs in West Bengal.
- In one GP and 11 blocks in Kerala and Rajasthan (two states) out of test checked units, wages to mates was classified under unskilled wages under labour component. As a result, wage material ratio was not worked out accurately.

Details of above cases are given in **Annex-7H**.

The Ministry stated that the cases of violation of the Operational Guidelines as pointed by Audit would be forwarded to the state governments for necessary corrective action.

7.5 Irregularities in Muster Rolls

Para 6.5.1 of Operational Guidelines provides that before commencing a work, the gram panchayat was to inform the Programme Officer, so that he could issue the required muster rolls. Each muster roll was to have a unique identity number and was to be certified by the Programme Officer. The muster roll would indicate the job card number, name of the worker and days worked. Workers attendance and the wages paid would be shown against each name with the signature/thumb impression of the worker. A number of irregularities were noticed in the maintenance of muster rolls as discussed in succeeding paragraphs.

7.5.1 Tampering of Muster Rolls (MRs)

Cutting, crossing out and overwriting in muster rolls were noticed in 200 GPs and five blocks in Andhra Pradesh, Bihar, Haryana, Jharkhand, Karnataka, Kerala, Manipur, Nagaland, Odisha and Uttar Pradesh (10 states) out of test checked units. The corrections were not attested. The related payments were therefore fraught with the risk of misappropriation of funds. State-wise details are given in **Annex-7I**.

The Ministry stated that the matter was being sent to the state governments for investigation.

Case Study: Irregularities in Muster Rolls

Uttarakhand:

In 899 works of 100 test-checked GPs, a total of 10,759 MRs were checked. In 1,110 cases cutting, in 771 cases overwriting and in 510 cases use of whitener fluid were noted. Such unverified changes in MRs render them unreliable. Further, in 17 cases job card numbers were not recorded and in 2,412 cases signatures/left thumb impressions of job card holders were absent. The related payments were therefore suspect.

The Ministry stated that the matter was being sent to the state government for necessary action.

Sample cases of tampering/overwriting/cutting in muster rolls



Dabara GP of Lesliganj block in Palamu district (Jharkhand)

राष्ट्रीय ग्रामीण रोजगार गारंटी अधिनियम (N. 200)
मास्टर रोल का प्रपत्र

नाम: सिद्ध दिनांक: 25/07-08
 पंचायत का नाम: सिद्ध
 गाँव का नाम: सिद्ध
 तहसील/ब्लॉक संख्या: 18-5-03
 जिला/मंडल की संख्या: 23-5-03

सीकर का नाम/सी/सि का नाम	सीकर का क्रमांक	संख्या/अवधि/विवरण	1	2	3	4	5	6	7	कुल दिनों का योग	दैनिक मूल रशि	कुल रशि	प्रकार का कार्य	विवरण का कार्य
सिद्ध	812	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	824	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	393	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	407	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	412	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	886	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	417	...	^	^	^	^	^	^	^	4	305	305		
सिद्ध	395	...	^	^	^	^	^	^	^	4	305	305		
सिद्ध	886	...	^	^	^	^	^	^	^	3	257	257		
सिद्ध	962	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	962	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	932	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	933	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	935	...	^	^	^	^	^	^	^	6	518	518		
सिद्ध	139	...	^	^	^	^	^	^	^	6	518	518		

दैनिक योग -

कुल मासिक -

मासिक भुगतान की राशि (रुपये)

कुल रशि

मासिक भुगतान की राशि (रुपये)

प्रमुख अधिकारी का हस्ताक्षर

Nagar GP of Sisai block in Gumla district (Jharkhand)

विकास प्रपत्र - अतिकरण, दुमका
 जिला ग्रामीण विकास मंडल रील
 दिनांक 10/11/13

क्र.सं.	नाम	पंचायत	ग्राम	वर्ग	व्यक्तिगत	संयुक्त	कुल	व्यक्तिगत	संयुक्त	कुल	व्यक्तिगत	संयुक्त	कुल
1
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अधिकारिता: ...
 दिनांक: 10/11/13

Shinghani GP of Jarmuni block in Dumka district (Jharkhand)

Report No. 6 of 2013

7.5.2 Payment of Wages through Suspected Muster Rolls

Numbered muster rolls (MRs) were to be maintained by the Programme Officer (PO). On receipt of intimation about commencement of work, MRs were to be issued to implementing agencies. It was the responsibility of the implementing agencies to ensure that only the MRs received from the PO were used in the works. In 25 GPs and four blocks in Bihar, Gujarat, Jharkhand, Odisha and Uttar Pradesh (five states), the implementing agencies utilized MRs which had not been issued by the PO or even used photocopies of MRs. Payments of wages of ₹ 25.01 lakh were made on such unauthorised muster rolls. State-wise details are given in the **Table-13**.

Table-13: Cases of Suspected Muster Rolls

Sl. No.	Name of State	No. of GPs/Blocks/Districts	No. of Muster Rolls	Amount (₹ in lakh)	Remarks
1	Bihar	6 GPs and 3 blocks	2,461	0.28 ²	MRs were used prior to the issue/ without issue/same MR used in two works
2	Gujarat	1 GP	7	1.99	MRs not issued by PO (photocopies of MRs used)
3	Jharkhand	9 GPs	250	9.20	Payment through un-authorized MRs. (without signature of PO)
		2 GPs	2	0.14	Two copies of same MR used.
4	Odisha	1 block	1	0.17	MRs not issued by the PO used.
5	Uttar Pradesh	7 Gps	201	13.51	MRs not signed by PO used.
Total		25 GPs & 4 blocks	2,922	25.01	

The Ministry stated that the matter was being sent to the state governments for investigation.

² Amount could be worked out in some MRs only.

Case Study: Suspected Misappropriation of Funds

Gujarat:

Scrutiny of muster rolls issue register at DRDA, Dahod revealed that the following muster rolls used at Fatepura taluka were actually issued to other talukas as shown below:

Name of Taluka to which MRs issued	Serial number of Muster Rolls		Payment made (₹ in crore)
	From	To	
Dhanpur	46001	56000	1.21
Dahod	101001	102500	0.40
	121001	123000	0.13
DevgadhBaria	56001	68000	0.85
Garbada	116001	118000	0.06
Zalod	78001	88000	0.94
Total			3.59

Examination of vouchers for the year 2009-10 disclosed that payment of ₹ 3.59 crore had been made to the workers engaged in Fatepura based on these muster rolls. Further, vouchers were not supported by muster rolls and only summary sheets mentioning muster roll numbers were attached. Thus, these payments were suspect.

The Ministry stated that the matter was being sent to the state government for investigation.

7.5.3 Suspected Misappropriation of Scheme Fund through engagement of ghost workers in the MRs

Operational Guidelines (para 6.4.4) provide that implementing agencies should ensure that job card holders who demanded work should be provided work. Only genuine workers should be engaged at the work site and payment be made to them.

In 15 GPs, four blocks and eight districts in Assam, Haryana, Jharkhand, Karnataka, Odisha, Punjab, Rajasthan and West Bengal (eight states) out of test checked units, it was noticed that 5,470 ghost workers were paid ₹ 50.10 lakh. These included cases in which the name of persons to whom payment was made, were not found in muster rolls or payments were made to persons not having job cards. The state-wise details are given in **Annex-7J**.

The Ministry stated that the matter was being sent to the state governments for proper investigation.

7.5.4 Engagement of Same Workers under different Muster Rolls for the Same Period

Operational Guidelines (para 6.5) provide that it was the responsibility of the implementing agency to ensure utmost sincerity and care while maintaining muster rolls at the work site. The labourers were to be engaged in the work for the period for which they demanded work. In 61 GPs, 10 blocks and two districts in Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Odisha, Punjab, West Bengal and Lakshadweep (12 states/UT), double engagement of 4,553 workers at different locations for the same period was noticed. This means that in all these cases the same person was engaged on two works on the same date. The details are given in **Annex-7K**.

The matter requires investigation and fixing of accountability.

The Ministry stated that the matter was being sent to the state governments for investigation.

7.5.5 Payment of Wages without Signature of Beneficiaries/Competent Authority

Under para 6.4.4(iii) of the Operational Guidelines, attendance of workers engaged in work was to be taken by the mate/supervisor at the work site and signature was to be taken at the end of the week in token of their acknowledgement of engagement. In 36 GPs, five blocks and one district in Andhra Pradesh, Jharkhand, Karnataka, Manipur, Odisha, Punjab and Uttar Pradesh (seven states), ₹ 1.12 crore were paid through muster rolls but signature or thumb impression was not taken in token of receipt of payments in 9,932 cases. In 43 GPs in Andhra Pradesh, Jharkhand and Tamil Nadu (three states), ₹ 86.23 lakh were paid through muster rolls but no signature of the competent authority/pass order/certified measurement of work for payment was found with the MRs for verification of payments. State-wise details are given in **Annex-7L**.

Genuineness of the payments, in cases of absence of proper signature/thumb impression on the attendance sheet of workers and payment made without pass orders from competent authority, could not be ascertained in audit.

The Ministry stated that the matter was being sent to the state governments for investigation.

7.5.6 Suspected Misappropriation of Wages

Cases of doubtful payment of wages were noticed in 33 GPs, three blocks and eight districts in Bihar, Gujarat, Himachal Pradesh, Karnataka, Punjab and Uttar Pradesh (six states). The total payment in these cases amounted to ₹ 12.31 crore as detailed in **Annex-7M**.

The suspect payments need to be appropriately investigated.

The Ministry stated that the matter was being sent to the state governments for investigation.

7.5.7 Requisite Details not entered in Muster Rolls

Para 6.5.1 of Operational Guidelines provides that the muster roll should indicate the job card number, name of the worker and days worked. Workers' attendance and the wages paid would be shown against each name with the signature/thumb impression of the worker.

In 317 GPs, four blocks and seven districts in Bihar, Himachal Pradesh, Jharkhand, Karnataka, Manipur, Punjab, Sikkim, Tamil Nadu and Lakshadweep (eight states and one UT) out of test checked units, it was observed that the MRs did not contain requisite details viz. the name of the person, job card number, days worked/absent, wages paid and unique identity number. The details are shown in **Annex-7N**.

The Ministry stated that the matter was being sent to the state governments for investigation and compliance.

7.5.8 Detailed State-wise Findings

State specific findings/irregularities relating to muster rolls are as follows:

- **Andhra Pradesh:**
 - In three districts, the same worker was shown in two muster rolls for overlapping periods and for different works. Further, the total number of days reported for both works were more than the physical number of days available in 40,829 entries.
- **Jharkhand:**
 - In one district, column for bank/post office account number of labourers was not printed on the muster roll used (series number 163126 to 163876).
 - In three GPs, persondays as mentioned in muster rolls did not tally with the persondays as measured by the junior engineer in measurement books.
- **Kerala:**
 - In one GP, signature of the same job card holder on different muster rolls did not match.
- **Maharashtra:**
 - In two blocks, five muster rolls received from PO were missing. Thirty seven MRs were reportedly damaged by termites. Muster roll forms having money value should have been accounted for and maintained properly to safeguard against damage and misuse.
- **Nagaland:**
 - Information like address, gender, total wages paid to the labourers were not indicated in the muster rolls in support of receipt of payment as well as attendance. In the absence of this, actual payment of wages to the entitled labourers could not be verified in audit. Further, although a committee comprising five members for verification of muster roll was set up (August 2007) at state level, no such verification was carried out in test checked GPs during 2007-12.

■ Punjab:

- In 14 GPs, measurement of works was not done before payment of wages to labourers. On this being pointed out, the POs stated that it was due to shortage of technical staff.
- In one GP, payment of muster rolls was made to two job card holders for 21 August 2007 whereas the work commenced from 22 August 2007.

■ Sikkim:

- In four blocks and eight GPs, entries in muster rolls were altered using whitener fluid and overwriting. It was observed in audit that the attendance of workers was not verified by any authorized official, certificate of the inspecting official was not recorded and measurement book was not cross referenced with the muster rolls.

■ Tamil Nadu:

- In one gram panchayat (Vembi) of Thimiri block, 46 bogus MRs were passed involving payment of ₹ 12.54 lakh. Attendance in these MRs was marked by one person only and signatures/ thumb impressions did not match with those in the job card registers of workers to whom payment were made. BDO, Thimiri failed to verify correctness of the muster rolls before passing these for payment. BDO, Thimiri block stated that action had been initiated to verify the facts.

■ Uttar Pradesh:

- In two test-checked GPs and one block, wages for 480 persondays in respect of 97 job card holders were fraudulently paid to workers who were present on two sites on same dates; paid twice for same work; paid to workers shown as absent in MR; and paid for more than the number of days the job card holders actually worked.

■ West Bengal:

- In three GPs, in eight cases it was observed that names, amount appearing in bank/post office advices did not match with those shown in muster rolls and employment register. In addition, in one district, wages of more than one household had been paid in a single account in 50 cases.

■ Lakshadweep:

- Muster roll issue register was not maintained and muster rolls used were not signed by POs in two GPs (Amini and Kavaratti). As such, the MRs used and all wage payments made by GPs based on these, were unauthorized. To mark attendance 'X' was recorded instead of signature of the workers. The particulars of job card numbers, wages paid, etc. were not recorded in many muster rolls and in almost all the cases test checked units, overwriting/erasures were noted.

- The muster rolls were issued by the PO after completion of the works and in some cases even after two months from the date of completion of the work. Hence, it was clear that the muster rolls were not maintained at the work site. The records of payments made based on these muster rolls were therefore unreliable.

Case Study: Non Verification of Expenditure of ₹ 25.97 crore

Haryana:

Additional Deputy Commissioner, Ambala released ₹ 25.97 crore during 2007-12 to the Divisional Forest Officer (DFO) Ambala for afforestation, development of herbal parks, etc. The relevant records were not produced to Audit. The DFO Ambala stated (June 2012) that the relevant records were damaged during rains. Therefore, the expenditure could not be vouchsafed in Audit. However, scrutiny of an inspection report submitted (March 2010) by the ADC Ambala to the state government disclosed serious irregularities as summarized below:

- Job cards were issued by the Forest Department itself. Two agencies (GP and Forest Department) issued job cards in the village. Under these circumstances, chances of issue of double job cards could not be ruled out.
- Muster rolls were issued by the Additional Deputy Commissioner, Ambala in gross violation of the Operational Guidelines.
- The works executed by the Forest Department were not recommended by any of the gram sabhas.
- Cash withdrawals of ₹ 8.50 crore were made by the Forest Department during October 2008 to March 2010.
- In four villages, expenditure of ₹ 23.83 lakh was shown on afforestation but ADC during inspection found that no plantation was done in those villages.
- In village Firozpur Kath and Abupur, earth work was found to have been done through mechanical means at a cost of ₹ 0.61 lakh (approximates) for which ₹ 10.43 lakh were booked in the cash book on account of muster rolls wages.
- An expenditure of ₹ 74.03 lakh was shown as incurred on development of three herbal parks at village Barara, Holi and Samlehri during 2008-10, but as per assessment reports submitted by the SDO (PR), the actual expenditure incurred was assessed as ₹ 11.98 lakh only.

It was noted that final action of the state government on the report was awaited.

The Ministry stated that the matter was being sent to the state government for appropriate action as per norms.

Recommendations:

Non-payment of unemployment allowance and non-maintenance of essential records were noticed by Audit across all states. A possible reason for non-payment of unemployment allowance could be the non-sharing of unemployment allowance by Central Government and the perceived burden on the state exchequer. In order to safeguard the interests of the beneficiaries, the Ministry may consider partial reimbursement of unemployment allowance. Further, strict action may be taken against erring officials when any case of non-payment of unemployment allowance is noticed.

8.1 Introduction

As mentioned earlier, two main objectives of the Act are to provide 100 days of wage employment to every household in need of it and to create durable assets to strengthen the livelihood resource base of the rural poor. In this context, the Act and the Operational Guidelines prescribe a number of conditions for the works to be taken up:

- The ratio of wage to material costs should not be less than 60:40 (Paragraph 9 in Schedule I of the Act);
- The list of priority-wise permissible works which can be taken up under MGNREGS should be as indicated in the Act (Paragraph 1B of the Schedule I to the Act);
- Use of contractors and machinery are not allowed (Paragraph 11 and 12 of the Schedule I to the Act);
- Allotment of at least 50 *per cent* of the works to GPs for execution (section 16 (5) of the Act); and
- Administrative and technical sanction for all works to be obtained in advance, by December of the previous year (Para 6.4.1 of the Operational Guidelines).

In the succeeding paragraphs audit findings related to the works executed under the Scheme are discussed.

8.2 Wage-Material Ratio

According to paragraph 9 in Schedule I of the Act, the cost of the material component of projects, including wages of skilled and semi-skilled workers, taken up under the Scheme shall not exceed 40 *per cent* of the project cost. Further, the Act defines 'project' as any work taken up under the Scheme for the purpose of providing employment to the applicants (Section 2- Definitions, of the Act). Essentially, each work taken up under MGNREGS should have an unskilled labour component of not less than 60 *per cent* of total cost of work.

The Ministry, however, failed to take adequate steps to ensure that this ratio was maintained at 'project' level by the implementing agencies. On the contrary the Ministry diluted this provision by stipulating in the Operational Guidelines (Para 6.2) that the required 60:40 ratio should be applied 'preferably at the gram panchayat, block and district levels'. This was in contravention to the provisions of the Act, according to which the ratio was to be maintained at the project or work level. As a result, a large number of works were taken up in violation of the 60:40 wage-material ratio.

Further, it was seen that in 649 GPs (16.87 per cent of all test checked GPs), 18 blocks and 38 districts in Andhra Pradesh, Assam, Bihar, Gujarat, Jharkhand, Madhya Pradesh, Punjab, Rajasthan, Sikkim, Tripura, Uttar Pradesh, Uttarakhand and Dadra & Nagar Haveli (12 states and one UT) the material cost exceeded the prescribed level by ₹ 1,594.37 crore. Details are given in **Annex-8A** and case study.

The excess expenditure on material cost was equivalent to short generation of at least 15.03 crore persondays in Andhra Pradesh, Assam, Jharkhand, Madhya Pradesh, Sikkim, Tripura and Uttarakhand (seven states) on this account. The state-wise details are given in **Annex-8A** and case study.

The Ministry stated that wage material ratio of 60:40 will now be considered at GP level through an amendment to the schedule carried out in May 2012. Further, MIS (NREGASoft) generated regular 'alerts' on violation of wage-material ratio for necessary action by the states. Furthermore, Ministry had taken a decision to engage CAs/CA firms to assist the state in assessing the state share based on accounts of State Employment Guarantee Fund and other records/documents. The states would have to bear additional liabilities (in addition to that mandated by Section 22 of the Act) for violation and incorrect calculation of wage-material ratio.

The Ministry further stated that paragraph 9 in Schedule 1 of the Act provides flexibility to aggregate the projects at any level for the purpose of calculating the wages of skilled and semi-skilled workers as well as materials. Hence, maintenance of 60:40 ratio between wages and material at gram panchayat level did not amount to a violation of the provisions of the Act or the Schedule. It was also clarified in para 6.2.2 of the Operational Guidelines that to ensure creation of sustainable assets and a holistic approach to planning, a project approach should be adopted for defining a work. This would enable subsuming a number of works as activities under an umbrella work or project. The project may be formulated with the block as a unit so that the Programme Officer may coordinate the activities under it at sub block levels. Inter block projects may also be formulated at the district level.

The reply of the Ministry was not in consonance with the provisions of the Act as paragraph 9 in Schedule I of the Act did not provide such flexibility. The Act clearly defines a project as 'any work taken up under the Scheme for the purpose of providing employment to the applicants' which was unambiguous. The principle of aggregation can only be applied in case of a project which serves many GPs, which was not the case here.

Case Study: Madhya Pradesh

Audit noted that the wage material ratio of 60:40 as stipulated in the Operational Guidelines was not maintained even at the district level. Out of the 13 test checked districts, the material cost exceeded the prescribed level by ₹ 69.40 crore in three districts (Balaghat, Dhar and Satna) during 2007-08, ₹ 93.61 crore in seven districts (Ashoknagar, Balaghat, Datia, Dhar, Indore, Satna and Shahpur) during 2008-09, ₹ 71.68 crore in ten districts (Ashoknagar, Balaghat, Chhindwara, Datia, Dhar, Indore, Satna, Sehore, Shahpur and Vidisha) during 2009-10, ₹ 63.25 crore in six districts (Balaghat, Dhar, Khargone, Satna, Sehore and Vidisha) during 2010-11 and ₹ 11.70 crore in three districts (Balaghat, Satna and Vidisha) during 2011-12. The violation of the prescribed wage-material was due to the execution of material intensive works like cement concrete roads, construction of wells, etc. The excess expenditure of ₹ 309.64 crore on material was equivalent to employment by 3.51 crore persondays.

8.3 Non Permissible Works

As per paragraph 1B in Schedule I of the Act, focus of MGNREGS was to be on eight categories of works, in order of priority as listed in box below. Further, para 6.1.2 of the Operational Guidelines provides that in order to undertake works outside the list mentioned in Schedule I of the Act, the state governments should make use of paragraph 1(ix) in Schedule I of the Act, whereby new categories of works may be added to the Schedule. For this, notification by the Central Government in consultation with the state government was required.

List of permissible works, in order of priority

1. Water conservation and water harvesting;
2. Drought proofing (including afforestation and tree plantation);
3. Irrigation canals including micro and minor irrigation works;
4. Provision of irrigation facility, horticulture, plantation and land development of land owned by households belonging to the SCs and STs or BPL families or to the beneficiaries of land reforms or Indira Awas Yojna, etc.
5. Renovation of traditional water bodies including de-silting of tanks;
6. Land development;
7. Flood control and protection works including drainage in water logged areas; and
8. Rural connectivity to provide all weather access, however, no cement concrete roads should be taken up (para 6.1.1 of the Operational Guidelines).

Scrutiny of records revealed that during the period 2007-08 to 2011-2012, 1,02,100 inadmissible works were undertaken in the test checked 940 GPs, 45 blocks and 40 districts in 23 states and two UTs and by two line departments in Bihar and Uttar Pradesh. These inadmissible works included construction of earthen/*kutch*a road, cement concrete road, construction of raised platform for cattle and other animals, construction of bathing *ghats*, repair of roads, construction of boundary walls for schools and foundation work of houses under Elamkulam Manakkal Sankaran Housing Scheme/Indira Awas Yojana, etc. The amount spent on these 1,02,100 works was ₹ 2,252.43 crore¹. The irregularities were noticed in Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh, Andaman & Nicobar Islands and Puducherry (23 states and two UTs). The state/UT-wise details in addition to case studies are given in **Annex-8B**.

The Ministry stated that some new works were added to the list of permissible works vide notification dated 4 May 2012. Further, during the course of field inspections by the officials of the Ministry under Area Officer Scheme, such violations were detected and brought to the notice of states for further corrective action.

The reply of the Ministry is not correct because non-permissible works had been executed in violation of the provision of the Act.

Case Study: Execution of inadmissible works valuing ₹ 1.69 crore

Chhattisgarh:

In Bastar and Bakawand blocks of district Bastar, 105 soil-water conservation works worth ₹ 1.69 crore were sanctioned during 2007-09. On physical inspection of the work sites, it was found that against the works sanctioned, work of construction of boundary wall was carried out in the schools in these blocks in contravention of the provisions of the Act.

On being pointed out by Audit, the CEO, Zila Parishad, Bastar stated (July 2012) that the wall was constructed for protection of plants and school building and was helpful for conservation of soil and water.

The reply was not correct as construction of boundary wall of school cannot be categorized under works for conservation of soil and water. The work was clearly outside the ambit of permissible works.

¹ includes the amounts in the case studies

Case Study: Andhra Pradesh

Audit observed that inadmissible payments of ₹ 33 lakh were made in January 2009 at Allagadda and Dhone blocks in Kurnool district for arrangements for CM's meeting at these places. Payments for pandal, superstructure, lights, sound, chairs and sofa, flower decoration, transportation, etc., including Service Tax were made to the firm which was not registered with the Service Tax Department. Consequently, the genuineness of the payments could not be verified during audit.

8.4 Works on Personal Land of Ineligible Beneficiaries

The list of permissible works in the Act permits land development activities on the land belonging to SC/STs, BPL families, land of the beneficiaries of land reforms or land of the beneficiaries under IAY Scheme. Audit, however, observed that works were carried out on the land of ineligible beneficiaries in 61 GPs in Assam, Goa, Kerala and Uttar Pradesh (four states) **Annex-8C**.

The response of the Ministry on the matter was awaited.

8.5 Abandoned/Unfruitful Works

Audit observed that 9,220 works in 256 GPs, 15 blocks and 13 districts had been abandoned in 10 states and one UT of Assam, Chhattisgarh, Goa, Jammu & Kashmir, Jharkhand, Kerala, Maharashtra, Odisha, Punjab, Uttar Pradesh and Lakshadweep. The expenditure of ₹ 209.57 crore incurred on these works had become unfruitful. The reasons for abandonment were public obstruction, inundation of executed part, land dispute, absence of forest clearance, etc. This indicated that these works were taken up without adequate planning. Details are given in **Annex-8D**.

Further, it was seen that 44 works amounting to ₹ 2.36 crore in 16 GPs in seven states of Assam, Bihar, Chhattisgarh, Gujarat, Kerala, Punjab and Rajasthan did not serve any purpose due to faulty design, land disputes or poor construction. Details are given in **Annex-8E**.

Works initiated were to be completed in a timely manner so as to ensure that meaningful benefits were received by the local community. However, it was seen that 7,69,575 works amounting to ₹ 4,070.76 crore in 403 GPs, 27 blocks and 20 districts in the 12 states and one UT of Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Manipur, Odisha, Rajasthan, Tripura, Uttar Pradesh and Puducherry and by three line departments in Bihar were incomplete even after one to five years. Undue delay in completion of works rendered the expenditure unfruitful. Details are given in **Annex-8F**.

The Ministry stated (November 2012) that opening of new works by panchayats and line departments was regulated by an advisory issued on 3 September 2012. With the new system as also reflected in NREGASoft, at the time of allocation of works on demand, the system would show only the list of incomplete works. Thus, the workers would be assigned to incomplete works first and new works from approved shelf of works would be shown only if there were no incomplete works or the labour demand exceeded the labour potential of incomplete works. The Ministry further stated that, vide advisory issued on 24 August 2012, states were asked to split works (which are to be executed over more than one year), into annual work elements, with each annual segment given a distinct work identity. It further clarified that some works were left incomplete because of revisions of wage and material rates which raise the actual cost beyond the approved estimates.

8.6 Maintenance of Plantation Works

According to para 6.1.3 of Operational Guidelines, the maintenance of assets created under the Scheme including protection of afforested land was to be considered as permissible works under MGNREGS. Test check of records revealed that 56,916 plantation works amounting to ₹ 25.19 crore in 202 GPs, one block and five districts in nine states of Andhra Pradesh, Bihar, Gujarat, Jharkhand, Kerala, Manipur, Mizoram, Rajasthan and Uttar Pradesh were rendered wasteful due to non-maintenance of plants. The physical inspection of plantation works corroborated the audit findings. Details are given in **Annex-8G** and case study.

The Ministry stated (November 2012) that it had circulated to all the states 'Muzaffarpur model of roadside plantations' for implementation under MGNREGS vide an advisory dated 10 September 2012. In the said model, aged, widowed, handicapped and women job card holders of adjoining village who acted as Van Poshaks, were employed in raising and looking after the roadside plantations under MGNREGS. This gave the villagers a sense of belonging and ownership and there was no need of physical fencing around the plants. The survival rate of these plantations was also high. Further, the states were asked to find out the reasons for non-completion of incomplete works and to take required measures to ensure their completion.

Case Study: Jharkhand

In Gumla district of Jharkhand, 18 NGOs were allotted 24 works relating to plantation of mango trees, Jatropa, different kinds of fruit plantation, mixed intensive lac orchard, Safed Musli and Stevia in 10,435.419 acres, at an estimated cost of ₹ 19.41 crore, under MGNREGS during 2007-08. It was noticed that DRDA Gumla released ₹ 13.00 crore for completion of plantation work. The balance amount was to be released during successive years for maintenance of plantation. Audit observed the following:

- Works like Stevia Crop Plantation and Safed Musli cultivation were not to be carried out as per clarification of MoRD.
- None of these 24 plantation works were approved by the gram sabha but were approved by District Programme Coordinator.

- Works of Stevia Crop Plantation and Safed Musli cultivation were awarded on contract basis to M/s Brahmanand Farms and Research Center, Jamshedpur for ₹ 4.92 crore against which ₹ 4.86 crore were released, in contravention of the provisions of the Act.
- ₹ 59.00 lakh against the estimated cost of ₹ 69.00 lakh for Jatropha plantation in 679.34 acres were released to an NGO.
- The district administration cancelled all MOUs and agreements with the agencies and lodged FIRs (July 2008) against them (except NGO 'Pradan') for fake purchase of compost. Thereafter, physical verifications were conducted by the Department (August 2008 to February 2009) and it was found that plantations on only 2,433.74 acres (23 per cent) were done, against the approved area of 10,435.419 acres. During physical verification, survival of 13 lakh plants as against 74.73 lakh plants sanctioned, were reported.
- Consequent to the verification, cases were filed against all agencies for the recovery of ₹ 10.13 crore paid to them. The amount was not recovered till June 2012.

District Development Commissioner, Gumla stated that FIRs had been lodged against NGOs and Certificate cases* had also been filed for recovery of government money. Notwithstanding the post-facto action initiated by district administration, the entire released amount of ₹ 13 crore was rendered infructuous.

* Certificate case means recovery case under state's Public Demand Recovery Act.

8.7 Creation of Durable Assets

As already mentioned, creation of durable assets was an important objective of the Scheme as listed in the Act. Further, Operational Guidelines also provide for maintenance of assets created under the Scheme. However, it was seen that assets created from 3,91,951 works amounting to ₹ 6,547.35 crore in 148 GPs in two states and one UT of Mizoram, West Bengal and Puducherry and all test check units in three states, Gujarat, Kerala and Tamil Nadu were not of durable nature. The works included construction of *boribandhs*², earthen roads, etc. The details of these works are given in **Annex-8H**.

The Ministry stated (November 2012) that the durability and quality monitoring of assets created under MGNREGS were emphasised in the new draft Operational Guidelines (Chapter 15: Quality Management of MGNREGA Works). Further, the Ministry had asked the states to effect convergence of MGNREGS with other programmes to enhance the durability of assets. States were asked to deploy independent State Quality Monitors (SQMs) to assess the quality of assets to ensure their durability. These SQMs would comprise retired chief engineers and executive engineers.

² Small structure constructed across non-perennial rivulets by stacking gunny-bags filled with mud/sand for the purpose of storage of water during monsoon and its percolation underground, so as to bring up the water-table.

8.8 Procurement Procedures

The General Financial Rules allow purchase of goods without bids or quotations up to ₹ 15,000 only. Purchases above ₹ 15,000 were to necessarily involve bids/quotations, while for purchases of more than ₹ one lakh, bids were to be obtained only through limited or advertised tender enquiries.

The Operational Guidelines (para 6.2) also provide for adoption of a transparent and reasonable procedure for procurement under the MGNREGS. Audit observed that material valuing ₹ 24.90 crore had been procured in 73 GPs, 10 blocks and seven districts and one line department of five states *viz.* Andhra Pradesh, Jammu & Kashmir, Jharkhand, Nagaland and Uttar Pradesh in an arbitrary manner without following the laid down rules/procedures. The details are given in **Annex-8I** and case study.

The Ministry stated (November 2012) that it was one of the parameters of enquiry/inspection done by National Level Monitors/State Level Monitors (when an enquiry was assigned to them) and Ministry officials under Area Officer Scheme.

Photographs of non-permissible, poorly executed works and non-creation of durable assets



Construction of boundary wall at village bhond, block Bastar, district Bastar, Chhattisgarh



Broken earthen road constructed under MGNREGS, gram panchayat-Khalispur, block Chiraigaon, district Varanasi, Uttar Pradesh



Water harvesting structure of Mahatabandha, Jariput village in GP Kunjari, of block Tangi, Khurda district, Odisha



Damaged check dam at Atar Singh ki dhani, GP Bajna block Rajakhera, district Dholpur, Rajasthan

Case Study: Procurement of Material without floating tender and quotation

Jharkhand:

Jharkhand Financial Rules prescribe purchase of goods above ₹ 15,000 by inviting quotations/tenders. Further, Jharkhand Rural Development Department (May 2010) directed that purchase of materials costing up to ₹ 50,000 be made through inviting quotation/open tenders. All DPCs were required to fix the rate of material at the district level after inviting open tenders and the name of block wise panel of agencies/firms was to be made available to BDOs. All implementing agencies including line departments had to purchase material from the empanelled firms only.

Audit observed that in four test checked blocks (128 works in 26 GPs) and three line departments in four districts, material worth ₹ 1.95 crore was purchased from unregistered suppliers on hand receipts during 2007-12, which was in violation of prescribed norms.

The state government accepted the observation and assured to take necessary action in this regard. Further, DPC, Pakur stated that registered suppliers were identified and instructions had been issued to procure the material from them.

8.9 Deficient Stock Maintenance Practices

Proper maintenance of stock/raw material is necessary to avoid any wastage or pilferage. Audit observed that material worth ₹ 50.88 crore had not been accounted for at work sites in the case of two states, Andhra Pradesh and Assam, as per details given in **Annex 8J**.

It was also observed that material of ₹ 1.05 crore had been procured in excess of requirement in three states. Details are given in **Table-14**. The excess material was either damaged or in an unusable condition.

Table-14 : Excess purchase of material

(₹ in crore)

Sl. No.	Name of State	District	Block	GP	Item purchased	Amount
1	Assam	1	-	-	First Aid Boxes	0.09
		1	-	-	Printing of two lakh job cards	0.17
2	Odisha	-	-	3	Excess cement bags purchased	0.01
3	Rajasthan	-	4	-	Procurement of excess tent, medical kit, jhula and water tank	0.78
Total		2	4	3		1.05

8.10 Unique Number for Each Work

Under para 6.2.1 of Operational Guidelines, a unique identity number was to be given to each work to avoid duplication. Audit observed that unique identity number had not been assigned to each work in 66 districts (out of 182 test checked districts, 36.26 per cent) in 13 states and one UT viz., Arunachal Pradesh, Bihar, Gujarat, Jammu & Kashmir, Kerala, Maharashtra, Manipur, Nagaland, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh and Lakshadweep. Interestingly, in a few states, unique identity number was generated while feeding the data in the MIS. However, this number was not reflected in any of the basic records like Annual Plan, muster rolls, etc. Hence, in such cases the possibility of duplication of works cannot be ruled out. Further, the correctness of data of works entered in the MIS was also doubtful. The details are given in **Annex-8K**.

8.11 Technical Support to Gram Panchayats

As per Para 6.3.3 of Operational Guidelines, the role of the line departments such as Public Works Department, Forest Department, Water Resource Department, Flood Control Department, etc., was to give technical support by way of estimates, measurement and supervision of the works executed. Works were to be executed by job card holders and muster rolls were to be maintained. No overhead charge was to be given to any line department for this activity.

Audit observed that technical support of the line department had not been sought by the GPs in the works executed by them in any of the test checked 27 districts in four states of Kerala, Mizoram, Nagaland and Uttar Pradesh. **(Annex-8L)**

Further, test check of records revealed that overhead charges amounting to ₹ 73 lakh had been paid to the implementing agency (Rural Engineering Service) for their technical support in five test checked districts of Madhya Pradesh.

The Ministry stated (November 2012) that it had asked the states to create and fill up the posts of Gram Rojgar Sahayaks (one for each GP), Technical Assistants/Junior Engineers (one JE for certain number of GPs depending upon the number of works, accessibility, expenditure, etc.) and Panchayat Development Officers (PDOs) on contract basis. The expenditure was to be met out of six *per cent* administrative expenses provided to the states for effective implementation of the Scheme.

Good Practice: Tripura

The state unit of NIC in collaboration with Rural Development Department had designed and developed a MIS solution called RuralSoft for online preparation of technical estimate, according technical sanction and issuance of online work order.

For this purpose, individual user ID and password were given to all JEs/ TAs/ AEs/EEs/SEs for logging into the system. The practice adopted by the state government would ensure preparation of estimates with more accuracy and transparency.

8.12 Use of Contractors

As noted earlier, the Act prohibits the use of contractors in the execution of MGNREGS works. Audit, however, observed that works amounting to ₹ 4.83 crore were executed by engagement of contractors by the implementing agencies in two GPs, one block and seven districts in five states viz. Assam, Chhattisgarh, Kerala, Nagaland and Uttar Pradesh in contravention of the Act. The details are given in **Annex-8M**.

8.13 Use of machinery

Operational Guidelines do not permit use of machinery for works under MGNREGS. A few instances of use of machinery during execution of rural connectivity works like digging, etc., valuing ₹ 18.21 crore were noted in 40 GPs, one block and four districts in six states viz. Bihar, Karnataka, Manipur, Odisha, Punjab and Tripura. The details are given in **Annex-8N**.

The Ministry stated (November 2012) that as per paragraph 12 in Schedule I of the Act as far as practicable, a task funded under the Scheme was to be performed by using manual labour and not machines. Machinery which could displace labour was not to be used in executing the tasks under the Scheme.

8.14 Prior Sanction of Works

Para 6.4.1 of Operational Guidelines stipulates that all works would require administrative/technical sanction in advance, by December of the year preceding the proposed implementation. Audit observed that 334 works and one plantation work for ₹ 22.37 crore had been executed without obtaining the required sanctions in 53 GPs, 14 blocks and one district in six states viz. Arunachal Pradesh, Assam, Chhattisgarh, Mizoram, Odisha and Uttar Pradesh. The cases are detailed in **Annex-8O**.

Audit further observed that a sum of ₹ 78 lakh was spent in excess of the sanctioned amounts on 124 works in eight GPs and one block out of test checked units in five states viz. Haryana, Jharkhand, Meghalaya, Nagaland and West Bengal. The implementing agencies did not take any action to obtain revised sanction. The details are given in **Annex-8P**.

8.15 Transparency Requirements

According to para 6.6.5 of the Operational Guidelines, the Citizen Information Board with MGNREGA logo was to be set up at all work sites. These were to contain essential information viz. estimate of work, date of commencement of work, stipulated date of completion of work, SoRs, work status, etc. This stipulation was for improved transparency of the works taken up under MGNREGS.

Audit observed that Citizen Information Board had not been displayed in 59 districts (32.42 per cent of all test checked districts) in nine states viz. Gujarat, Maharashtra, Manipur, Nagaland, Odisha, Rajasthan, Tripura, Uttar Pradesh and West Bengal. The details are given in **Annex-8Q**.

The Ministry stated (November 2012) that the states had been repeatedly requested to ensure compliance with the required provisions.

8.16 Schedule of Rates (SoR)

As per Para 6.7.2 of Operational Guidelines, the state governments may undertake comprehensive work, time and motion studies for preparation of SoR. The SoR are necessary to ensure a fair wage rate for the works done under MGNREGS.

Audit, however, observed that the state governments did not undertake comprehensive work, time and motion studies required for compiling the SoR in 35 districts in six states of Arunachal Pradesh, Bihar, Kerala, Manipur, Punjab and Sikkim. The details are given in **Annex-8R**. In the absence of such studies, the reasonableness of the rates applied for these works was questionable.

The Ministry stated (November 2012) that Kerala had conducted time and motion studies in Palakkad, Wayanad, Idukki and Kasargod districts during 2011 to formulate the state specific SoR. Based on the data collected, the SoR was being piloted in one block of Palakkad district in the first

phase at present. In the second phase, the data would be validated in the remaining 10 districts of the state.

8.17 Measurement Books

According to para 6.7.5 of Operational Guidelines, measurement of work was to be recorded in the measurement books maintained by qualified technical personnel in charge of the worksite.

Audit observed that a payment of ₹ 11.43 crore was made by the implementing agencies without measurement of the works or measurement of works by non- technical personnel in 709 of the test checked works in 53 GPs and two blocks in six states viz. Assam, Bihar, Jharkhand, Kerala, Tamil Nadu and Uttar Pradesh. The details are given in **Annex-8S**. In the absence of proper measurements, the veracity of the works could not be ascertained.

8.18 Worksite Facilities

As per paragraphs 27 and 28 in Schedule II to the Act read with Para 6.8.1 of Operational Guidelines, the implementing agencies were to provide adequate worksite facilities for workers. These were to include medical aid, safe drinking water, shade for children and periods of rest, first aid box with adequate material for emergency treatment and other health hazards and a crèche, if there were more than five children below the age of six years.

Audit observed that there were deficiencies in these worksite facilities in 40 districts (22 per cent of all test checked districts) in seven states and one UT viz. Gujarat, Kerala, Rajasthan, Sikkim, Tamil Nadu, Uttar Pradesh, West Bengal and Puducherry. The details are given in **Annex-8T**.

8.19 Project Completion Report

According to para 6.9 of Operational Guidelines, on completion of every project, a project completion report (PCR) was to be prepared as per the prescribed format in the works register and the details entered therein were to be verified by a senior officer. Pre -commencement of work, mid work and post work project condition were to be recorded with photographs. The PCR was to be placed in the file pertaining to the work in the office of the implementing agency to serve as a record of verification of completion of work.

Audit observed that three stage photographs i.e., pre, mid and post were not available in completed work files in 55 districts (30 per cent of all test checked districts) in 10 states and two UTs viz. Arunachal Pradesh, Assam, Gujarat, Kerala, Maharashtra, Manipur, Nagaland, Odisha, Tamil Nadu, Uttar Pradesh, Lakshadweep and Puducherry and for the entire state of Karnataka. As such, the status of projects examined was unascertainable from records. The details are given in **Annex-8U**.

It was also observed that the PCR had not been prepared after completion of 5,92,280 works in 75 districts (41 per cent of all test checked districts) in 14 states and one UT viz. Arunachal Pradesh,

Assam, Bihar, Gujarat, Himachal Pradesh, Kerala, Nagaland, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal and Puducherry and for the entire state of Karnataka . The details are given in **Annex-8V**.

The Ministry stated (November 2012) that it had issued an advisory to the states on 28 March 2012 for updating status of completed works in MIS (NREGASoft).

8.20 Suspected Misappropriation

Joint physical inspection of 794 works amounting to ₹ 21.78 crore by Audit and officials from implementing agencies in 184 GPs, 15 blocks and 18 districts revealed suspect transactions in 10 states viz. Andhra Pradesh, Assam, Bihar, Haryana, Jharkhand, Madhya Pradesh, Manipur, Nagaland, Odisha and Rajasthan. There was no physical evidence of the works. Some works featured twice. Further, some cases of material having been purchased post completion of work or incorrect entries in measurement books or withdrawal of money without execution of work were also noticed. Thus, these payments were suspect and call for investigation. Details are given in **Annex-8W**.

The Ministry stated (November 2012) that it had taken a decision to engage CAs/CA firms to assist the states in assessing the state share based on accounts of SEGF and other records/documents. An advisory in this regard had been issued to the states on 22 June 2012. The states would have to bear additional liabilities (in addition to that mandated by Section 22 of MGNREGA) for misappropriation of funds not recouped.

8.21 Expenditure of ₹ 1,935.49 crore in violation of the Act

In Andhra Pradesh, a system of Work Executing Member (WEM) was introduced in 2009. Under this system GPs were to identify a suitable person as WEM from among the sarpanch/members/any other suitable person of gram panchayat, through its resolution, for construction of roads and Rajiv Gandhi Bharat Nirman Sewa Kendras (RGBNSK). As reported by internal audit of the Ministry the state had incurred expenditure of ₹ 1,935.49 crore³ during 2009-2012 (till August 2012), on material component through WEMs and only ₹ 54.51 crore on wages component on these works. Audit observed the following irregularities in this system:

- Internal audit conducted by the Ministry revealed that the wage-material ratio in works executed by Work Executing Member were 5.25:94.75 in case of water bound macadam road, 0.27:99.73 in case of Rajiv Gandhi Bharat Nirman Sewa Kendras and 2:98 in case of cement concrete roads with drainage.
- Work Executing Member does not fall in the category of implementing agency as specified in the Act. He was engaged through a Memorandum of Understanding executed between the state government and Work Executing Member. Funds were transferred to the personal bank account of Work Executing Member for making further payment to the

³ 2009-10- ₹ 3.86 crore, 2010-11- ₹1,098.89 crore, 2011-12- ₹ 637.68 crore and 2012-13 - ₹ 195.06 crore - (up to August 2012)

suppliers in cash in violation of financial rules. Work Executing Member was paid 2.5 *per cent* supervision charges (agency commission) for his services. Engagement of Work Executing Member was in nature of a contract which violated the Act.

- Provisions of General Financial Rules, 2005 had not been followed in procurement of materials and bills and vouchers for procurement of material were not maintained for future examination. Government of Andhra Pradesh (February 2012) brought out separate orders for material procurement through tendering after being pointed out by Audit.
- The internal audit report also observed that the quality of works was not of prescribed standard.

Thus, engaging Work Executing Members was flawed and also defeated the basic objective of the Act of providing wage employment as only 2.74 *per cent* of total expenditure of ₹ 1,990 crore was incurred on wages.

It was further observed that though Andhra Pradesh government had withdrawn Work Executing Member System in June 2012, the following irregularities were still to be rectified:

- Excess expenditure on material of ₹ 1,139.49 crore was to be recovered from the state. It was estimated that excess expenditure on material could have resulted in generation of additional 10.63 crore persondays, if the prescribed wage material ratio were adhered to.
- As supervision charges were not permissible under the Act, they were to be quantified and recovered.

The Ministry while agreeing with the audit observation stated that clarification had been sought from the state government.

Recommendation:

The Ministry may monitor the maintenance of the prescribed wage material ratio strictly. State governments may be asked to make good, the amounts spent in excess of 60:40 ratio.

9.1 Introduction

The Operational Guidelines (para 14.1.1) allow for convergence of MGNREGS funds with funds from other schemes and sources for creation of durable assets. Funds available with implementing agencies from other sources (such as the National Finance Commission, State Finance Commission, state departments) and other Central or Centrally Sponsored Schemes can also be dovetailed with MGNREGS funds for the construction of durable community assets/works permissible under MGNREGS.

The Operational Guidelines prohibit use of Scheme funds as a substitute for plan funds of different departments and agencies. Funds from other programmes for works permissible under MGNREGS could be merged with MGNREGS funds but *vice versa* was not permitted. Further, all aspects related to the convergence activities of the state were to be incorporated in state's perspective plans. All initiatives of convergence were to be within the parameters of MGNREGS and were expected to address the need to design labour-intensive works.

9.2 Absence of Convergence Activities

The Operational Guidelines (para 14.1.1) envisage convergence with other schemes. Audit, however, noted that in 13 states *viz.* Arunachal Pradesh, Assam, Jammu & Kashmir, Karnataka, Maharashtra, Manipur, Mizoram, Nagaland, Rajasthan, Sikkim, Tamil Nadu, Tripura and West Bengal no projects using the means of convergence were undertaken.

In three of these states *viz.* Assam, Jammu & Kashmir and Manipur no guidelines for convergence of MGNREGS with other rural development programmes were prepared. In Karnataka and Rajasthan, guidelines were framed but convergence activities were not noticed in any of the test-checked districts. In Karnataka, the scheme guidelines pertaining to convergence were sent to the implementing officers and the zila panchayats were instructed to converge programmes of Animal Husbandry and Fisheries with MGNREGS. However, no such activity was noticed in the sampled districts. In Jammu & Kashmir, a committee to study convergence was constituted in March 2012. The West Bengal government stated that guidelines had been prepared for convergence but comprehensive Perspective Plans covering all schemes of Rural Development Department were not prepared. The guidelines were, however, not furnished to Audit and no convergence activities were noted in the selected GPs.

Integrated Watershed Management Programme (IWMP) was identified by the Ministry of Rural Development as an important scheme for convergence with MGNREGS as more than 50 per cent MGNREGS works related to soil and water conservation. Joint convergence guidelines were issued in May 2009 to states for convergence between MGNREGS and IWMP. One of the important measures outlined in guidelines was creation of District Resource Group at district level with representatives from Watershed Department, Agriculture Department, Water Resource Department, Department of Rural Development and Panchayati Raj for facilitating knowledge sharing, planning, communication, training, technical support, resource pooling and monitoring and evaluation. Audit observed that in Manipur and Nagaland, no District Resource Group was formed in test checked districts. District Resource Group was not formed in eight out of nine selected districts in Maharashtra.

Further, under the joint convergence guidelines of MGNREGS and IWMP, Watershed Development Team/Project Implementation Authority was to submit detailed project report of the Watershed Development Project to gram sabha for approval which was to contain a description of the activities/ structures/tasks proposed for MGNREGS. The Perspective Plan and Annual Work Plan of MGNREGS were to include these activities/ structures/tasks and were to be submitted simultaneously with the detailed project report to gram sabha for ensuring proper convergence of the programme. Audit noticed that in Mizoram, the process of convergence of MGNREGS funds with funds from other sources for creation of durable assets was not carried out and shown in the perspective plans of the test checked districts. In Nagaland, Perspective Plan was prepared for the district and availability of resources under various Rural Development Programmes¹ for convergence was estimated, along with MGNREGS works. However, in three test checked districts (Dimapur, Mon and Tuensang) the same were confined to the Perspective Plan and no efforts were made for actual convergence. There was no convergence with other Rural Development Programmes in Arunachal Pradesh.

Thus, this important intervention was largely absent in all the states.

The Ministry in its reply to shortcomings in convergence stated that Guidelines were advisory and states were expected to use them to establish management systems to implement the Act. The Operational Guidelines thus indicated a normative framework that states must endeavour to reach. Non-compliance with the Operational Guidelines was, thus, not a violation as such.

The reply of the Ministry was not in conformity with the spirit of its own Operational Guidelines which envisage additional employment generation through convergence.

¹ LADP (Local Area Development Programme) Agriculture, Horticulture, R & B, School Education and Forest Programmes

9.3 Poorly Executed Convergence Activities

9.3.1 Entire Cost funded from MGNREGS

As per Operational Guidelines (para 14.1.2), MGNREGS funds should not be used as a substitute for departmental plan funds for different departments and agencies. Funds from other programme for the works permissible under MGNREGS could be dovetailed with MGNREGS funds but not *vice versa*.

In Jharkhand and Uttarakhand, instances were noticed where the entire cost of the convergence project was met from the funds of MGNREGS. The Operational Guidelines allow the funding of only labour component under MGNREGS when the work undertaken pertains to any another scheme. The details are given in **Table 15**.

Table 15-Incorrect funding from MGNREGS

Name of the State	Particulars
Jharkhand	<p>The Ministry had circulated guidelines on expanding the scope of works under para 1(g) in Schedule 1 of the Act to include construction of Bharat Nirman Rajiv Gandhi Sewa Kendra (BNRGSK). Under the guidelines, construction of BNRGSK was allowed in districts also where Backward Region Grant Fund Scheme (BRGF) was implemented with the condition that material component was to be met from BRGF and labour component from MGNREGS. In case material component from BRGF was inadequate the same was allowed from MGNREGS provided the material component was restricted to 40 <i>per cent</i> at the district level.</p> <p>Audit observed that in 18 blocks of Ranchi district, ₹ 3.35 crore were incurred entirely from MGNREGS to construct 18 BNRGSK during 2010-12 without allocating cost of construction between MGNREGS and BRGF. Audit further noted that even though sufficient funds (₹ 12.47 crore and ₹ 11.05 crore at the close of 2009-10 and 2010-11 respectively) were available under BRGF, ₹ 2.70 crore was incurred on material component from MGNREGS which was irregular as Ranchi was covered by BRGF and cost of material was to be met from BRGF.</p>
Uttarakhand	<p>Line departments (Forest Department, Animal Husbandry, Irrigation , Agriculture departments, etc.) carried out works on the pretext of convergence and expenditure of ₹ 2.57 crore on works was fully met from MGNREGS. Further, analysis of wage material ratio in 26 completed works revealed that material component varied from 41 to 86 <i>per cent</i> which was in contravention of the Act.</p>

The Ministry stated that as per the Act, line department could also implement the MGNREGS works and for such works the Operational Guidelines would be applicable. Some of the line departments had similar works under departmental schemes and in these works the guidelines

and norms of respective department would be applicable. Further, it was stated that construction of BNRGSK was a permissible work under MGNREGS, the norms prescribed in the guidelines for BNRGSK would be applicable, and they could construct entire building under MGNREGS also.

The reply of the Ministry was not convincing as Jharkhand did not follow BNRGSK guidelines and Uttarakhand utilized MGNREGS funds for its regular departmental works wherein wage material ratio was not maintained in works undertaken under convergence.

9.3.2 Low Achievement under Convergence

In Chhattisgarh and Jharkhand, instances were noticed where projects under convergence of schemes were initiated, but were pending completion or were stopped prematurely. The details are given in the **Table-16**.

Table-16: Incomplete works under Convergence activities

Name of the State	Particulars
Chhattisgarh	In Bastar block of Bastar district under MGNREGS, cashew plantation work in 157 hectares was sanctioned for ₹ 41.02 lakh at Bhond and Lamker gram panchayats. The work was to be completed in convergence with the National Horticulture Mission in July 2009. Audit observed that only an expenditure of ₹ 8.02 lakh (20 per cent) was incurred against the sanctioned amount of ₹ 41.02 lakh, yet completion certificates were issued. GP officials on inspection in Bhond found that plantation had not survived. In Lamker details of numbers of plants and land where plantation was done were not available on record. Therefore, veracity of works completed could not be established in Audit. On being pointed out, the department stated that due to lack of interest by beneficiaries, 100 per cent plantation work could not be executed.
Jharkhand	In six Backward Region Grant Fund districts, against the target of construction of 380 and 540 for 2010-11 and 2011-12 respectively, only 98 Bharat Nirman Rajiv Gandhi Sewa Kendras were completed as of March 2012 under the convergence option of MGNREGS.

The Ministry stated that as MGNREGS was demand based, no target could be fixed for completion of work and work could be executed as per the demand for employment.

9.3.3 Violation of Operational Guidelines under convergence

As per Operational Guidelines (para 14.1.3) all initiatives of convergence were to be within the parameters of MGNREGS, especially the need to design labour-intensive works and ensure a complete ban on contractors.

Madhya Pradesh: In eight selected districts of Madhya Pradesh 570 road works were sanctioned in 2010-11 and 2011-12 in convergence with Mukhya Mantri Sadak Yojana (MMSY) and BRGF for ₹ 252.92 crore. The implementing agencies reported an expenditure of ₹ 36.45 crore. Audit noted that works were executed in contravention of the Operational Guidelines as the wage material ratio of 60:40 was maintained only on the share of MGNREGS funds and not on the whole amount. Further, engagement of contractors and heavy machinery was resorted to for execution of work from share of MMSY and BRGF missing out on the opportunity for creating additional employment. It was also observed that administrative/technical sanction of these works did not contain name of the GPs, where the works were to be carried out or the details of beneficiaries and wage payment. Further, though 59 road works were completed, none of these assets were handed over to the concerned GPs.

On the above being pointed out, the state government replied that they had designed a sub-scheme called Chief Minister Gram Sadak Yojana in which work to be done by un-skilled manpower could be carried out under MGNREGS and the work which required extensive use of machinery or involved substantial component of material was to be carried out through funds from state resources or BRGF. They further stated that (a) it was not mandatory to keep records of employment generation through contracting of works as per state rules, (b) the ratio of 60:40, though valid and maintained for MGNREGS component was not mandatory for the whole work, and, (c) the handing over of completed roads would be carried out in due course of time.

The reply does not take into account the requirement of Operational Guidelines of MGNREGS that 60:40 ratio between wage and material on total funds available under MGNREGS and MMSY/BRGF were maintained and ban on contractors was ensured.

In **Uttar Pradesh**, ₹ 178.69 crore was utilized irregularly for departmental works (*viz.* afforestation, de-silting, Ram Ganga Command Project, etc.) from the MGNREGS funds by the District Programme Coordinators (DPCs) for 37,236 projects in all 18 test checked districts by line departments. In gross violation of the Guidelines and objectives, the state government had fixed financial targets of ₹ 6,438.12 crore to its different line departments during 2010-12 for executing works from MGNREGS funds for the entire state. These departments had actually incurred ₹ 1,432.14 crore out of ₹ 1,675.25 crore released to them. It was also seen that the state government treated MGNREGS fund as the state's fund. For instance, the Chief Secretary, through a letter dated 30 September 2009 directed the concerned authorities to manage allotment of sufficient fund from the MGNREGS as supplementary budget for Irrigation department. In another instance, in a meeting presided over by Chief Secretary it was decided that efforts should be made to get maximum funds from GoI funded schemes to save funds for state run schemes.

The above instances clearly show that the states had not recognized the potential of convergence, as envisaged under MGNREGS. The state governments had made little effort for carrying out convergence activities or used convergence effectively to fund state government schemes.

The Ministry, in its reply, stated that the provision of the Act was only applicable to the work conducted from MGNREGS fund, the state government could use additional fund for the same works as per the norms of respective schemes. For example, if the road was constructed under Mukhya Mantri Sadak Yojana, the 60:40 ratio would be applicable to the work which was carried out under MGNREGS fund, and state could use additional money from other schemes. Further, it was stated that convergence was an evolving process and while broad principles could be laid out by the Central Government, the actual contours of convergence would be determined by the nature and quantum of resources available at the field level.

The reply of the Ministry was not convincing because Operational Guidelines envisage that in works involving convergence, all initiatives were to be within the parameters of MGNREGS.

10.1 Introduction

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

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

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

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

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

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

10.2 Non Maintenance of Records

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

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

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

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

10.3 Incorrect Maintenance of Records

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

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

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

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

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

10.4 Other Inadequacies in Records

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

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

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

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

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

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

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

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

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

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

10.5 Monitoring Information System (MIS)

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

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

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

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

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

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

Good Practices: Electronic Muster and Measurement System in Andhra Pradesh

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

Recommendation:

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

Chapter 11

Monitoring and Evaluation Mechanisms

11.1 Monitoring and Evaluation Framework

The substantial amount of funds involved in the implementation of MGNREGS coupled with its implementation across the country in two lakh GPs, makes the monitoring and evaluation of the Scheme challenging. It was thus imperative to have a robust and efficient monitoring, evaluation and review mechanism of the Scheme. In addition, there are also increased demands for accountability and transparency in the execution of the programme by various stakeholders.

The Act and the Operational Guidelines envisage a multipronged and extensive system of internal and external monitoring mechanisms at all levels of the Scheme. The monitoring mechanism at the Central and the state level are depicted in the **Charts-10 and 11** as below:

Chart-10: Frame work of monitoring at the Central level

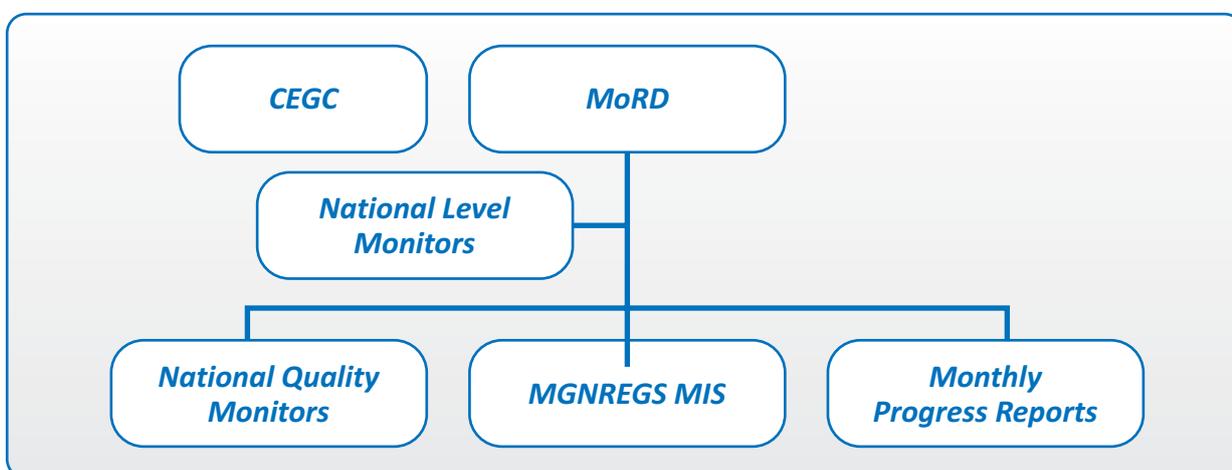
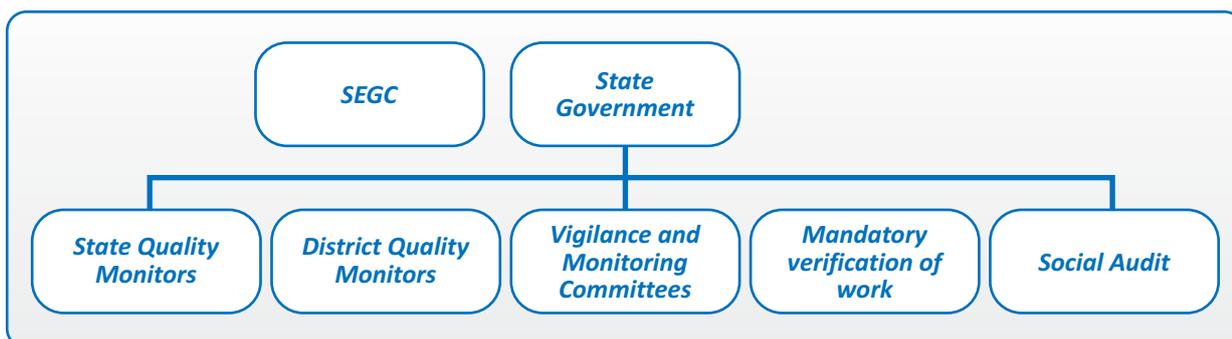


Chart-11: Framework of monitoring at the state level



Audit findings pertaining to the monitoring, evaluation and review under the Scheme are discussed below.

11.2 Central Monitoring and Evaluation

11.2.1 Central Employment Guarantee Council (CEGC)

Section 10 (1) of the Act requires the Central Government to set up the Central Employment Guarantee Council (CEGC). The role of CEGC was to monitor the implementation of the Act and suggest ways to the Ministry to improve the Scheme. The Ministry notified the setting up of the CEGC in September 2006.

The CEGC works under the Chairmanship of the Union Minister for Rural Development. It comprises 12 official members of the rank of Joint Secretary and above to Gol, six state representatives of the rank of Secretary to the state government and not more than 15 non-official members representing the Panchayati Raj Institutions, organisations of workers and disadvantaged groups. The main functions of the CEGC are outlined in the box below.

Functions of the CEGC as per the Act:

- (a) Establish a central evaluation and monitoring system;
- (b) Advise the Central Government on all matters concerning the implementation of the Act;
- (c) Review the monitoring and redressal mechanism from time to time and recommend improvements required;
- (d) Promote the widest possible dissemination of information about the Schemes under the Act;
- (e) Monitoring the implementation of the Act;
- (f) Preparation of annual reports to be laid before Parliament by the Central Government on the implementation of the Act; and
- (g) Any other duty or function assigned by the Central Government.

Further, the Act provides that the CEGC shall have the power to undertake evaluation of the various schemes made under this Act and for that purpose collect statistics pertaining to the rural economy and the implementation of the Scheme.

Under section 11 of the Act, the CEGC was required to establish a central evaluation and monitoring system. Audit noted that though meetings of CEGC were held as per the Central Council Rules, 2006 during the last six years, no efforts were made by the Council to establish a Central monitoring and evaluation system.

The Ministry stated that monitoring and evaluation at Central level was being done through Web based Monitoring Information System and regular evaluation studies were being conducted by National Institutional Network comprising IITs, IIMs, Agriculture Universities, NIIT, ICSSR and related institutions, etc. The Ministry had been constantly monitoring the data entered by the states/UTs on Web based Monitoring Information System during PRC meetings, Regional Review meetings and through visits by area officers. Further, the reports submitted by various Institutes were shared among CEGC members followed by field visits to monitor the functioning of MGNREGS.

The reply of the Ministry was not convincing as the Act recognises the CEGC as a distinct body and requires the Council to set up an independent monitoring and evaluation mechanism. The current practice cannot be a substitute to the mechanism envisaged under the Act.

It was also noticed that the CEGC played a very limited role as far as monitoring of the Scheme was concerned. The Council members conducted a total of 13 field visits in six states viz. Uttar Pradesh (4), Gujarat (3), Madhya Pradesh (2), Odisha (2), Karnataka (1) and Rajasthan (1) during the period under performance audit. The details are given in **Annex-11A**.

Scrutiny of the records pertaining to the field visits by the Council members revealed the following deficiencies:-

1. Out of a total 13 visits (three visits during 2010-11 and 10 visits during 2009-10), action taken reports from only two state governments viz. Uttar Pradesh (Mahoba) and Gujarat (Dahod), were received as of October 2012. This was despite the fact that the members in their field reports pointed out cases of suspected frauds among other serious irregularities. This indicates ineffective follow-up by the Council.
2. Audit observed arbitrariness in the process and functioning of CEGC as they did not adopt any defined procedure for selection of the states for field visits to be conducted by the members. The Council in its reply (May 2012) to the audit observation admitted that a need was felt to lay down a procedure for visits of CEGC members to the states. As was evident from an analysis of the 13 field visits undertaken, members had been repeatedly visiting particular states.
3. The reports of the visits or action taken reports on these visits by the state governments were generally not brought up for discussion in the Council's meetings.

In response, the Ministry stated (September 2012) that a separate file for each visit of the Council Members was maintained. These files include follow up correspondence with respective state governments. The reports submitted by CEGC members were sent to the state governments for their comments and action including corrective measures. In case of serious irregularities, the Ministry had deputed National Level Monitors (NLMs) to investigate and submit report to the Ministry. The Ministry further stated that issues raised by the Council members and their observations during field visits were also reviewed in the Performance Review Committee (PRC) meetings, during field visit by Area Officer, Regional Review meetings, visits by officers of the Ministry and in Empowered Committee meetings on labour budget.

The Ministry's reply was not convincing as it fails to recognise CEGC as an independent entity and moreover it does not provide the final action taken on these reports, despite adequate time having been given.

The above facts reveal that a proper monitoring and evaluation mechanism had not been evolved by the Council and comprehensive monitoring of implementation of the Act was not undertaken, thus defeating the purpose for which the Council was constituted.

The reason for the deficiencies noticed in the Council may, in part, be attributed to the non-functioning of the Executive Committee as defined in the National Rural Employment Guarantee (Central Council) Rules 2006. The Executive Committee was supposed to give effect to the decisions of the Council, appoint expert groups for technical support and advise to improve the quality of implementation of the Act and manage the administrative and financial affairs of the Council.

Audit observed that though the Executive Committee was constituted, only four meetings of the Committee were held during 2007-08 and 2008-09. Thereafter, no meetings of the Committee, as required under section 10 (2) of Central Council Rules 2006, took place. Thus, the Executive Committee did not function in accordance with the rules. Further, the Council was deprived of a body which would give effect to its decision.

A related consequence of the Council not having administrative support can be seen from the fact that there was poor management and monitoring of the CEGC's own financial affairs. The Council had been utilizing funds from its initial corpus of ₹ five crore given to it in 2006-07 and had never demanded annual grants thereafter. The Council did not even maintain a cash book to record transactions of its functioning.

In its reply, the Ministry stated (November 2012) that Executive Committee of the CEGC had been constituted.

In the absence of the envisaged support to the Council, it was evident that the Council's role in monitoring and evaluation of the Scheme was grossly inadequate.

11.2.2 National Level Monitors

For complaints of a serious nature, the Ministry deposes National Level Monitors (NLMs) to investigate the complaints. Reports of the NLMs are shared with the concerned state governments for taking corrective action.

The Ministry had evolved a system of NLMs by involving retired Government officers and academicians, willing to provide voluntary services for a public cause. The basic premise was that by involving third party independent monitors, unbiased and objective monitoring could be achieved.

The Ministry designed formats for monitoring by the NLMs. The Ministry also formulated Guidelines for inspection by NLMs. The Guidelines state that there should be quarterly visits of NLMs to the districts to monitor all the important Rural Development programmes. It was

envisaged that approximately 150 districts would be covered in each such round. This would imply that all districts of the country were to be covered in a year.

Scrutiny of records revealed that regular monitoring at the Central level through NLMs could not cover all the districts of the country in the years 2007-08 to 2010-11. Out of 622 districts in the country where MGNREGA was being implemented, NLM could cover only 171, 225, 251 and 479 districts during the years 2007-08, 2008-09, 2009-10 and 2010-11 respectively. The details are given in **Annex 11B**. Further, 39 districts in 18 states were not covered even once by the NLMs till 2010-11. The details are given in **Annex -11C**.

11.2.3 Ineffective Follow-up Action on NLM Reports

At the Central level, the complaints received by MoRD are enquired into by NLMs who submit their reports to the MoRD. MoRD requests the concerned state governments to examine the matter and furnish a detailed action taken report. Out of the total 85 case files relating to complaints regarding misappropriation of funds/ corruption in implementation of MGNREGS that were called for by Audit, only 21 files were made available. It was noticed that in eight cases, action on reports of NLMs were pending as of October 2012, on the part of state government ranging from 13 to 46 months. In seven cases, final outcome/ status regarding initiating action against erring officers viz. recoveries, filing of appropriate FIRs, was pending from 19 to 35 months. In six cases, the complaints were found to be false and unverifiable. Ministry had not specified any time frame within which action was to be taken by the state governments.

In response to five cases out of total 21 cases, Ministry stated (January 2013) that it had directed the concerned state governments to submit action taken report and in most of the cases, action taken report was still awaited.

Case Study: NLM Inquiry in Uttar Pradesh

Shri Bharat Singh and Shri Rajeev Kumar Singh of district Chandauli, UP requested for a high level enquiry into certain irregularities in implementation of MGNREGS. Sh. G R Gupta was deputed as the National Level Monitor (NLM) during 5-9 July 2010 to look into the irregularities reported.

The NLM made investigations and reported that the complaints were false. However, Shri Bharat Singh made a further representation in July 2010 raising objections on the findings of the NLM and alleged that the NLM had reported with malafide intentions and presented fake reports by taking bribe.

A team {(i) Consultant Works, MGNREGA division, MoRD (ii) another NLM and (iii) Sr. Dy Commissioner, Rural Development Division, Government of Uttar Pradesh} was thereafter deputed to conduct a fresh inquiry in the matter from 20-24 December 2010. The team found seven out of 10 allegations to be correct and three to be false.

As financial irregularities were established, the Ministry on 20 March 2012 again sought clarification from the state government whether criminal proceedings and departmental enquiry had been initiated against those found guilty in addition to the recovery of the amount.

Since the state government had not taken action either by filing FIR or by initiating departmental enquiry against responsible officers, the Ministry again asked the state government on 13 September 2012 to take steps and furnish fresh action taken report as early as possible. However, no further action was taken as of October 2012.

Thus, not only did the NLM furnish an unreliable report initially but even after lapse of one year and nine months from receipt of fresh enquiry report, action was pending on the part of state government. The Ministry also did not take any effective measures in terms of issuing directions under section 27 of the Act to the state government.

11.2.4 Monitoring by National Quality Monitors

According to the monitoring methods prescribed in the Operational Guidelines (para 10.3.2) of the Scheme, verification and quality audit should also be undertaken by external monitors. External monitors are required to undertake monitoring at the central, state and district levels. For this purpose, National Quality Monitors (NQM) at the National level were to be designated by MoRD with the approval of the Central Council.

The Ministry stated that it had engaged NLMs to conduct independent evaluation of the processes in the implementation of MGNREGS as well as quality monitoring of works.

The reply failed to recognise that NQMs were to be appointed for a specific purpose i.e., quality audit of works under MGNREGS. The system of NLMs was mainly started with the aim of looking into complaints received and to carry out general monitoring of all the schemes operated by the Ministry while visiting a district. NLMs were not required to carry out quality audit of works nor were any norms fixed for the activity. Hence, the system of NLMs was not a substitute for NQMs which were supposed to carry out a specific task under the Operational Guidelines.

11.3 State Level Monitoring and Evaluation

As noted in **Chart-11** monitoring of the implementation of the Scheme at the state and implementation levels was to be carried out by the State Employment Guarantee Council, State Quality Monitors, mandatory internal verification of works, Vigilance and Monitoring Committees (VMCs) and social audits. The shortcomings noticed in the monitoring mechanism in the states are discussed below.

11.3.1 State Employment Guarantee Council

The Act stipulates setting up of State Employment Guarantee Council (SEGC) at the state level for regular monitoring and evaluation of the implementation of the Scheme. The role of the SEGC in a state was analogous to that of the CEGC in the Centre.

Role and functions of the SEGC:

- (a) Advising the state government on all matters concerning the Scheme and its implementation;
- b) Determining the preferred works;
- c) Reviewing the monitoring and redressal mechanisms and recommending improvements;
- d) Promoting dissemination of information about the Act and the Scheme;
- e) Monitoring the implementation of the Act and coordination with the Central Council;
- f) Preparing the annual reports to be laid before the state legislature; and
- g) Any other duty or function assigned to it by the Central Council or the state government.

The Council shall have the power to undertake an evaluation of the Scheme operating in the state and for that purpose to collect statistics pertaining to the rural economy and the implementation of the Scheme in the state.

Audit observed that though all states had set up SEGCs, following shortcomings were noticed in the functioning of the SEGCs:

1. In 10 states *viz.* Goa, Gujarat, Haryana, Jharkhand, Karnataka, Mizoram, Punjab, Sikkim, Uttarakhand and West Bengal, SEGCs were not constituted within prescribed period. Union Territory of Dadra & Nagar Haveli had not constituted the Council till December, 2012.
2. The SEGCs of Karnataka and Maharashtra prepared annual reports for the years 2006-07 to 2011-12 and 2008-09 to 2009-10 respectively. These reports were not laid before the respective State Legislatures.

In its reply, the Ministry stated that an advisory on effective functioning of SEGC had been issued to all states/UTs and functioning of SEGC was a regular agenda item for review in the Performance Review Committee (PRC) meetings and Regional Review meetings held by the Ministry.

11.4 Internal Verification of Works at Field Level

As per para 10.3.1 of the Operational Guidelines, the following quarterly targets were fixed for internal verification of works at the field level by official functionaries:

- 100 *per cent* of the works at the block level
- 10 *per cent* of the works at the district level
- two *per cent* of the works at the state level

Audit analysis revealed that in seven states and one UT viz. Arunachal Pradesh, Chhattisgarh, Goa, Haryana, Madhya Pradesh, Odisha, Uttar Pradesh and Puducherry, there were deficiencies in record keeping about the inspections described above. Details are given in **Annex-11D**. In the absence of proper records it was not possible to verify the achievement with regard to internal verification.

Further, in 11 states, there were shortfalls in the inspections of works in respect of targets fixed in the Guidelines, as specified above. The shortfall ranged between 82 and 100 *per cent* at state level, 37 and 76 *per cent* at the district level and 2 and 71 *per cent* at the block level. The details are given in **Annex-11E**.

The Ministry stated that to verify physical existence of work, ascertain the execution of work as per approved plan and estimate, check usage of machinery and engagement of contractors, etc., census of MGNREGS works was undertaken by National Institute of Rural Development (NIRD) in one district each in Andhra Pradesh (Vizianagaram), Madhya Pradesh (Umariya), Odisha (Deogarh) and Rajasthan (Sirohi).

The reply of the Ministry does not address the issue of weakness in internal verification of works. Further, the study conducted by National Institute of Rural Development was for only four districts.

11.5 Appointment of State and District Quality Monitors

For the purpose of verification and quality audit, State Quality Monitors (SQM) at the state level were to be designated by the state government with the approval of the state council. Each district was also to identify District Quality Monitors (DQM) with the approval of the state government (para 10.3.2 of the Operational Guidelines).

Scrutiny of records revealed that both SQMs and DQMs were not appointed in six states viz. Arunachal Pradesh, Bihar, Jharkhand, Mizoram, Nagaland and Tamil Nadu while in three other states Assam, Karnataka and Meghalaya SQMs were not appointed. Further, in Jammu & Kashmir (in Poonch district), Uttar Pradesh and West Bengal DQM were not appointed.

The Ministry stated that Quality Monitoring Systems in states were reviewed in the PRC meetings. In the PRC meeting held on 15-16 October 2012, all states were directed to expedite Quality Monitoring System and upload all SQM reports on websites.

Even after seven years of implementation of the Scheme, the process of monitoring through SQM and DQM was ineffective.

11.6 Vigilance and Monitoring Committees

In terms of para 10.1.2 of the Operational Guidelines, for every work sanctioned under the Scheme, there should be a local Vigilance and Monitoring Committee (VMC), comprising nine members of the locality or village where the work was undertaken, to monitor the progress and

quality of work while it was in progress. Gram sabhas were to elect the members of the Committee and Programme Officers were responsible for ensuring that the local VMCs were constituted. The final report of the Committee was required to be attached along with the Completion Certificate of the work.

It was observed that VMCs were not appointed in six states amounting to 24 *per cent* of test checked GPs where the work was in progress (**Annex-11F**). In case of Andhra Pradesh, Bihar and Odisha, in almost all test checked GPs, VMCs were not constituted.

Further, in Goa (Pernem block) and Dadra & Nagar Haveli, VMC reports were not available with the completion report of the work. Thus, the functioning of VMCs in these areas was doubtful.

11.7 Transparency and Accountability

In addition to the monitoring mechanisms mentioned above, the Act and the Guidelines had also mandated a separate set of mechanisms to be put in place for increased transparency and accountability in the implementation of the Scheme. These are outlined in the table below:

Table 17: Transparency and accountability

Proactive Disclosures	Social Audits	Grievance Redressal	Citizens Charter
Annual reports on outcomes to be laid in Parliament and State Legislatures in the Centre and the states/ UTs, respectively.	Social audits of all works and activities carried out by GPs under MGNREGS	A grievance redressal cell to be set up at block and district level, to be monitored by an Ombudsman	To set standards of performance of officials involved in the implementation

11.8 Social Audit

MGNREGA gives a central role to social audits as means of continuous public accountability. Section 17 of the Act requires the gram sabhas to regularly conduct social audits of all the projects under the Scheme taken up within the gram panchayat. Further, as per para 12.4.1 of the Operational Guidelines, gram sabha were required to convene periodic assemblies as a part of the process of the social audit. This was referred to as 'social audit forum'. As per the Operational Guidelines, these forums were to be held at least once every six months and to conduct the social audit as per the mandatory minimum agenda. The Operational Guidelines also require that wide publicity regarding the date, time and agenda should be given and all records be made available for social audit. All officials responsible for implementation must be present in social audit forum to answer queries from the members of the Gram Sabha.

11.8.1 Social Audit Units

The Ministry strengthened the provisions for social audit by notifying MGNREGA Audit of Schemes Rules, 2011. These rules required the state governments to identify or establish an independent organization, called the social audit unit to facilitate conduct of social audit by the gram sabhas. The functions of the social audit units were to:

- build capacities of gram sabhas for conducting social audit, prepare social audit reporting formats, resource material, guidelines and manuals for the social audit process;
- create awareness amongst the labourers about their rights and entitlements under the Act;
- facilitate verification of records with primary stakeholders and work sites;
- facilitate smooth conduct of social audit by gram sabhas for reading out and finalizing decisions after due discussions; and,
- host the social audit reports including action taken reports in the public domain.

During audit, it was noted that the state governments of 10 states and four UTs viz. Arunachal Pradesh, Assam, Goa, Gujarat, Haryana, Meghalaya, Nagaland, Tamil Nadu, Uttarakhand, West Bengal, Andaman & Nicobar islands, Dadra & Nagar Haveli, Lakshadweep and Puducherry had not constituted social audit units.

In the case of Odisha, to facilitate social audit, the state government had constituted an autonomous society called Odisha Society for Social Audit, Accountability and Transparency (OSSAAT) in April 2012, while in the case of Sikkim, the work related to social audit unit had been assigned to NGOs.

In response to the deficiencies pointed out in conducting social audits, the Ministry stated that it had issued a detailed advisory on social audit of MGNREGA works for all North-Eastern states in July 2012. Also the Ministry had written to all states/UTs in August 2012 for establishing social audit units.

11.8.2 Shortfall in Conducting Social Audits

As noted, the gram sabha was to conduct regular social audits of all projects/works under the Scheme within the GP. It was noticed in Audit that in 11 states and one UT, social audit was not conducted as per norms resulting in shortfall. The details are given in **Annex- 11G**.

The Ministry replied that it had permitted states/UTs (August 2012) to spend up to one *per cent* within six *per cent* permissible limit for administrative charge under MGNREGA for setting up social audit unit.

11.8.3 Non Adherence to the Provisions for Social Audit Forum Meetings

As per para 12.5.2 of the Operational Guidelines, the social audit forum must select a person from outside the panchayat to chair its meetings which must not be chaired by the panchayat president or ward member. The secretary of the forum was to be an official from outside the GP.

During audit, it was noticed that these provisions were not observed in respect of 34 GPs in Kerala and one GP (Ketuapal) in Odisha.

11.8.4 Action Taken on Social Audits

As per para 11.5 of the Operational Guidelines, a copy of all Audit Reports including social audit reports were to be sent to the state government concerned, to ensure speedy action.

It was observed that in 163 GPs in two states and one UT namely Haryana, Odisha and Andaman & Nicobar Islands, action taken reports were not available. Moreover, in Haryana and Andaman & Nicobar Islands, in all test checked GPs, action taken report on social audit was not available.

Case Study: Action taken on Social Audit in Jharkhand

Scrutiny of records of social audit of DRDA, West Singhbhum revealed that in the course of social audit held during July and August 2009, charges of preparation of bogus muster rolls and non payment of wages were levelled against different officers. Subsequently, these charges were proved by the Special Investigation Team (SIT) constituted by District Programme Coordinator. Further, after receipt of report of SIT penalties amounting to ₹ 1,000 were levied on each of three erring officers. The DPC also recommended suspension of two concerned officers. However, the amount had not been recovered from erring officers. Further, Format K (required for framing charges) was not furnished to the concerned controlling department. This indicates lackadaisical follow up on the matter. On being pointed out by Audit, District Development Commissioner, West Singhbhum stated (June 2012) that action had been initiated to recover the amount from persons concerned.

11.8.5 District Internal Audit Cell

As per para 11.3.6 of the Operational Guidelines, in order to process reports of social audit by the gram sabha, a District Internal Audit Cell in the office of the District Programme Coordinator (DPC) was to be constituted to scrutinize the reports of the gram sabha and to conduct a special audit, if necessary.

In 32 *per cent* test checked districts in nine states and two UTs, internal cell for examining social audit records was not constituted as detailed in **Annex -11H**. It was also observed that in none of the test checked districts of four states and two UTs (Bihar, Jharkhand, Manipur, Odisha, Andaman & Nicobar Islands and Puducherry), had internal audit cell been constituted.

Non-compliance with provisions by these states/UTs as indicated above posed a serious limitation to the role of social audit as a means of continuous public vigilance and ensuring transparency and accountability.

11.9 Grievance Redressal Mechanism

As per section 19 of the Act, the state governments have to determine appropriate grievance redressal mechanisms at the district and block levels. The Operational Guidelines require the Programme Officer (PO) and the District Programme Coordinator (DPC) to be the Grievance Redressal Officers at the block and district levels respectively. The grievances are to be acknowledged and disposal intimated to the petitioner. Details of grievance redressal are to be uploaded on the Internet on a weekly basis. Further, in September 2009, GoI directed all state/UT governments to establish, within three months, offices of Ombudsmen as an independent mechanism for redressal of MGNREGA-related grievances.

11.9.1 Delays in Disposal of Complaints

Audit observed that in seven states, Assam, Bihar, Chhattisgarh, Karnataka, Madhya Pradesh, Punjab and Uttar Pradesh, 17 per cent of total complaint cases received were pending for settlement as detailed in **Annex-11I**. Further, in Andhra Pradesh two cases of year 2009 and 64 cases of year 2010 were still pending and in Punjab delays in disposal of complaints ranging from 1 to 673 days was observed.

11.9.2 Non-appointment of Ombudsman

The Ministry under section 27 of the Act, had directed (September 2009) the states/UTs to appoint one or more person, but not more than three persons, as the Ombudsman in a district, within three months from the date of the order. The Ombudsman was to be an independent grievance enquiry authority empowered to issue directions for conducting spot investigations, lodge FIRs against the erring parties as well as direct redressal, disciplinary and punitive action.

Audit observed that Governments of two states and two UTs, Arunachal Pradesh, Uttar Pradesh, Dadra & Nagar Haveli and Puducherry had not appointed Ombudsmen. Ombudsmen in 12 out of 27 districts of Assam, seven out of 21 districts of Haryana and one out of seven districts of Meghalaya were not appointed. In Jammu & Kashmir, in Poonch district Ombudsman was not appointed. Similarly in Bihar, the state government had appointed Ombudsmen, in only 13 out of 38 districts. The Government of Kerala and Tripura appointed Ombudsmen in May and June 2012 respectively. Non appointment/delayed appointment of Ombudsman in the above states/UTs adversely affected the grievance redressal mechanism and disposal of complaints pertaining to the Scheme implementation.

The Ministry replied (November 2012) that Assam had appointed Ombudsmen in 22 out of 27 districts but it was observed that as per notification dated 15 November 2011, Ombudsmen were appointed in only 12 districts.

11.10 Citizens' Charter

As per para 11.6 of the Operational Guidelines, a model Citizens' Charter was to be developed covering all aspects of the duties of panchayats and officials under the Act. The citizens' charter

should describe the specific steps involved in implementing the provisions of the Act, and lay down the minimum service levels mandated by these provisions on the panchayats and the officers concerned.

Scrutiny of records however, revealed that the state governments of eight states and one UT viz. Assam, Haryana, Jharkhand, Manipur, Odisha, Punjab, Sikkim, West Bengal, and Dadra & Nagar Haveli had not developed the citizens' charter and as a result MGNREGS in these states had been implemented without specific duties and time frames for execution.

Good Practice: Andhra Pradesh

Government of Andhra Pradesh had issued (January 2012) a circular, specifying the timelines for completion of various tasks, the responsible functionaries, and the method for calculating starting and ending dates for computation of delay. In the case of delay beyond the specified periods, 0.3 *per cent* of wages delayed per day was to be recovered from the functionaries and automatically transferred to the labourers' account; recoveries were to be approved by Project Director, District Water Management Agency within 24 hours of receipt of the list of deductions.

11.11 Impact Assessment

According to para 10.4 of the Operational Guidelines, the outlays for MGNREGS had to be transformed into certain outcomes. Regular evaluations and sample surveys of specific MGNREGS works were to be conducted to assess the outcomes. The broad guidelines for evaluation studies, including MGNREGS assessment criteria, were to be framed by SEGC. Further, SEGC was to develop its own evaluation system in collaboration with research Institutions of repute and review evaluations conducted by other agencies (para 10.4.4 of Operational Guidelines). Evaluation through agencies on parameters approved by the CEGC was to be undertaken. The findings of the evaluation studies were to be used by SEGC, the district panchayats and other institutions for initiating corrective action. Further, the Council was to prepare an Annual Report on the implementation of the MGNREGS in the state to be presented to the State Legislature.

As discussed earlier (para 11.2.1) at the Central level, the CEGC was responsible not only for setting up a central monitoring and evaluation mechanism but also to actually monitor the implementation of the Scheme. It was noticed that the Council in spite of its six years of existence had not taken steps to establish a central evaluation and monitoring system. The CEGC did not take any steps to fix parameters for conducting the evaluation studies, as required in the Operational Guidelines.

The Ministry replied that it had impact assessment/evaluation studies conducted through reputed Institutions and forwarded a list of 50 such studies.

However, the Central evaluation and monitoring system by CEGC was to have a national perspective and none of the studies covered the entire country nor did they have a uniform objective or even uniform criteria to judge the impact of the Scheme. Also, these studies were commissioned by the Ministry and not by CEGC.

It was also seen during audit that in none of the states was a regular system of evaluations put in place by the SEGCS. Also, very few states had carried out evaluation studies and most of them were restricted to a few districts. It was seen that in eight states and one UT, namely, Arunachal Pradesh, Assam, Haryana, Himachal Pradesh, Odisha, Punjab, Uttar Pradesh, West Bengal, and Puducherry, the concerned SEGCS had not commissioned evaluation studies to gauge the impact and implementation of the Scheme in the state.

Recommendations:

- ***The CEGC and the Ministry need to ensure intensive monitoring of the Scheme for its proper implementation. They need to design a system for verification and audit of work.***
- ***The Ministry or CEGC may consider undertaking a national level, comprehensive, independent evaluation of the Scheme.***

12.1 Introduction

The Operational Guidelines envisage extensive use of information technology (IT) in planning, execution and monitoring of all the vital aspects of the Scheme. Use of IT has been specified in all the stages, viz.,

- planning to execution of projects/works undertaken;
- enrolment to employment and payment to workers; and
- transfer of funds to accounting of expenditure.

IT tools were to be used for increasing efficiency and enhancing transparency of operations. The Operational Guidelines further elaborate that IT would be used in the areas of communication, access to information, grievance redressal and in monitoring and evaluation. It was also thought that a database of works, resource requirements, registered households, payment of wages, persondays of employment provided and funds received and expended at different levels would be created as a crucial part of the IT initiative under the Scheme.

National Informatics Centre (NIC) was engaged by the Ministry in 2005 to develop a system to fulfill the above IT requirements. This web based software or Monitoring and Information System working through the Scheme's official portal¹ provides facilities such as data entry, authorization (of works and expenditure), and monitoring and common information access to all the stakeholders and functionaries of the Scheme. NIC stated that all the information related to the Scheme was being managed online through this system which was currently generating approximately one GB data daily, as input from the stakeholders. The database has a total volume of about two terabytes of data.

The importance of the Monitoring and Information System/NREGASoft can be seen from the application of the information contained in the software. These include:

- internal monitoring by the Ministry;
- fund release to the states/districts;
- response to Parliamentary questions;

¹ <http://www.nrega.nic.in>

- generating data for various performance reports like MGNREGA Sameeksha; and
- voluntary disclosures and providing information under RTI.

In addition, the MIS was the only source of consolidated information on the Scheme which was readily available in the public domain. NREGASoft was widely used by the beneficiaries, research organizations, academicians and other stakeholders.

12.2 Objectives of IT audit

An Information Technology Audit (IT Audit) of this software was undertaken as a part of performance audit of the MGNREGS to examine whether the software is:

- able to incorporate all the necessary controls and user roles;
- able to ensure proper accountability of all the functionaries making/ authorising entry;
- able to correctly record and report all the facts about physical progress in areas of works undertaken, workers engaged, wages paid, assets created and income generated;
- able to correctly record and report financial figures and whether the financial figures recorded by the software corroborate the data of physical progress; and
- being used by all the stakeholders in the manner required for proper functioning of the Scheme as per the Act.

12.3 IT Audit Methodology

12.3.1 Examination of Website

As the system was primarily based on inputs by users through the website at different levels of the implementation hierarchy, the Scheme website <http://www.nrega.nic.in> was examined with a view to gain knowledge of the volume, veracity and velocity of information flow. Input forms on the website were examined to ascertain whether these provide information/ capabilities necessary for normal functioning of a user for its role in the implementation hierarchy. It was also examined to see whether the software was able to protect privacy of information held by different users. Input forms were also checked to ascertain presence of input controls to filter out data not conforming to valid values.

12.3.2 Examination of Data

Data generated in the implementation process of the Scheme gets collected in NIC servers and is used for preparing all the summary reports available on the NREGASoft website. This data is also used for generating information necessary for monitoring and evaluation of the vital aspects of the Scheme. Relevant tables of the database were checked by Audit to ascertain accuracy of information being used for the decision making process. The following aspects were covered during the data analysis.

- a. tests to check whether various interrelated elements of data conform to accounting logic.
- b. tests to check whether various elements of data depict valid information registering actual progress of work.

12.3.3 Observation and Interview

Members of the NIC team responsible for development, maintenance and upkeep of this system were interviewed and were given questionnaires through audit memos for ascertaining their awareness about risks related to consistency, fault tolerance, scalability, efficiency and economy of a database system of this scale. It was also ascertained from the NIC team if the system was able to withstand common threats posed by modern day internet public domain environment.

12.4 Audit Findings

12.4.1 Ambiguous Users Entering/Authorising Data

In order to ascertain accountability and fix responsibility in data entry/authorisation tasks, the Operational Guidelines specify that *"There should be a system of authentication of data to clearly identify the person who prepares and scrutinises the data and the date on which such data is prepared and scrutinized."* To fulfil this operational requirement "entry by" Column (in all the major tables) and "authorised by" column (in Registrations and Applicants Tables) were created at the stage of designing the software. However, during examination of data relating to work progress, it was noticed that in substantially large number of records viz., 56,24,004 records in 20 states, **(Annex-12A)** these columns were either left blank or had been filled with ambiguous data such as "Guest", "Test", "Computer IP address", numbers or single/double alphabets, etc. Thus, it was not possible to identify users and to trace back transactions to the originator. The software did not have a system to uniquely identify all users and ensure that data entry was permitted only to authorised users. Hence, it would be very difficult to fix any responsibility for erroneous data entry – deliberate or otherwise. This indicated a weak control arising from a serious flaw in software design and implementation.

The Ministry stated that NREGASoft application visualized unique "user id" and password for stakeholder institutions and contained a mechanism to capture identity of institution and entry date. Further, "entry by" field existed in the system for institutions with multiple users. While recognising the problem of incorrect/ambiguous users, the Ministry stated that an offline module and online mechanism of tracking IP address along with "entry by" were enough to take care of audit observations.

The reply of the Ministry was not in consonance with the Operational Guidelines which clearly envisage identification of person responsible for preparing and scrutinising data. This was not possible from the present data recorded by NREGASoft. Additional provision of IP address tracking can only provide location of data entry or authorisation and it was not a method for identifying users. Under the circumstances, there was a risk of collusion between a few stakeholders for fudging source data.

12.4.2 Invalid Beneficiary, Works and Work Progress Details

Large online databases, like the NREGASoft, usually have a large number of validations and checks which work in the background. The purpose of such checks is to:

- ensure that only complete and valid information entered the database;
- throw up warnings whenever erroneous data was entered; and
- generate periodic reports on the validity and authenticity of data on pre-determined parameters.

Analysis of data contained in NREGASoft revealed that the software not only accepted invalid and incomplete information but also failed to generate any alerts on occurrence of such an event. Following instances were noticed during audit:

- **Ambiguous/invalid names (containing either numbers or special characters) of registered beneficiaries (1,23,849 records in 18 states).** Details are given in **Annex-12B**. Thus, it would not be possible in these cases to cross verify names of registered persons with other databases such as Election Commission, Census, BPL Census, etc. The data, in these cases, was also unsuitable to check instances of same beneficiaries obtaining registration more than once.

The Ministry stated that the NREGASoft was Unicode enabled which provides support to local languages and uses keystrokes other than [a-z] character set. Hence it was not possible to restrict the field to [a-z] character set. Due to this feature special characters sometimes got added to the names without the knowledge of data entry operator. While recognising possibility of multiple job cards with same name, the Ministry stated that a report existed in the system to identify and report these cases to state governments.

The reply of the Ministry fails to explain existence of single or double letter names, sometimes containing special characters only (**Annex-12B**). Moreover, the reply of the Ministry that special characters get added to names even without knowledge of data entry operators indicates a serious design defect in data entry module. Names of beneficiaries having special characters cannot be electronically verified with other sources of data or bank record. By using this data, it would also not be possible to identify multiple job cards erroneously issued to same beneficiaries as a name would never match name with special characters.

- **Audit observed missing/invalid house numbers (6,42,14,836 instances in 19 states) of registered households.** Details are given in **Annex-12C**. In the absence of valid house numbers, it would not be possible to ensure physical availability of beneficiaries. The data, in these cases, was unsuitable to check whether the registered beneficiary was a local resident, as was required under the Act.

The Ministry stated that the field 'house number' had not been kept mandatory in the system as in some villages, there may be houses without numbers. Further, village code, panchayat code, block code and district code which are part of job card numbers were enough to depict residential status of beneficiary.

The Ministry's reply that some villages may have houses without house numbers does not appear correct as the number of missing/invalid house numbers (over six crore) indicate that this data was not being entered / erroneously entered in a large *per cent* of cases. Absence of valid house numbers render the data unsuitable for immediate survey of beneficiaries and, coupled with invalid/ambiguous names, it makes the system susceptible to the risk of non entitled persons getting benefit of the Scheme.

- Cases of missing plot number/ 'khata' number of the work in progress (53,08,149 instances in 20 states) were observed. Details are given in **Annex-12D**. In the absence of valid plot number/ 'khata' number, physical progress of works could not be verified. Moreover, it renders data unsuitable for checking instances of same work being carried out at same place repeatedly.

The Ministry stated that the fields 'khata number' and 'plot number' had not been kept mandatory in the system as some works were also being done in fields which had not been surveyed. While recognising the problem of duplicate works, Ministry had stated that fields for latitude/longitude or the worksite had been provided which were being recorded on a pilot basis in 17,226 works in Gujarat.

The Ministry's reply did not fully acknowledge the issue raised by Audit. The large numbers of works without 'khata number' /'plot number' indicate that the problem was not limited to some works that were being carried out in fields not yet surveyed. Despite recognised risk of duplicate works and availability of cost effective GPS coordinate recording tools, pilot project involving only one state indicate a lackadaisical approach in mitigating a recognised risk. Data in its present form was not suitable for any survey of works actually undertaken or checking instances of same work being shown as carried out at same place repeatedly.

- Cases of missing/duplicate financial sanction number in relation to the works sanctioned (13,59,816 instances in 17 states) were observed. Details are given in **Annex-12E**. Absence of any checks to compulsorily require financial sanction or restrict duplicate financial sanction number renders the data unsuitable for mapping financial sanctions vis-a-vis the works carried out.

The Ministry stated that it was technically possible to have duplicate financial sanction number but it categorically stated that there could be no situation where financial sanction number was absent.

However, while re-examining data in the light of the Ministry's reply, 46,893 cases (**Annex-12E**) of missing/ambiguous (nil, 0,00 or one or two special characters) were observed in test checked data.

- Cases of missing work name in sanctioned works (46,06, 482 instances in 18 states) were observed. In the absence of work name, physical progress of works could not be verified. Details are given in **Annex-12F**. Moreover, it renders data unsuitable for checking instances of same work being shown as different works.

The Ministry stated that all details of works including name were maintained in the work master table which was accessed by other tables using the work code. In order to meet some functional requirements work name was added to work sanction table at later stage.

The reply of the Ministry was not convincing due to the large number of missing names as a result of which the intended functional requirements would not be fulfilled. On examination of test data in the light of reply of the Ministry 20,361 instances duplicate/missing work code were observed which shows that no clear link between work and sanction could be established from data in these cases (**Annex-12F**).

The above instances clearly indicate weak controls in the system as a result of insufficient checks. Absence of such checks and validations raises doubts about the reliability of the data in the MIS. In the absence of a reliable MIS, any conclusion drawn on the basis of the MIS data would be prone to significant errors.

12.4.3 Faulty Programming Logic

A computer based transaction recording system contains programming elements to perform basic calculations and cross check various interrelated bits of information to maintain accurate data. It can also generate alerts about summarily incorrect figures being entered/already entered in the data. During the analysis of data collected it was seen that the software lacked the programming logic even to perform basic calculations conforming to accounting logic. The following instances came to notice during the examination of data:

- 94,56,599 instances in 18 states depicted wrong calculation of wages which could be worked out by applying the logic 'total Wages = Wage Rate X Work Days'. Details are given in **Annex-12G**.

The Ministry stated that the system calculates amount paid to labourers on the basis of wage rate, attendance and TA/DA, wherever admissible, but the field was kept editable to record instances of actual payment, even if it was more or less than the calculated amount. The Ministry drew attention to a report which listed instances where wages were paid more/less than the 'wage rate X attendance + TA/DA' formula.

The logic behind recording amounts other than simple 'wage rate X attendance + TA/DA' formula was not convincing. Moreover, there was a separate field for recording 'TA/DA' admissible to workers in which amount of 'TA/DA' could be recorded instead of merely adding it to total cash payment. Any case of non-adherence to the mentioned formula would indicate that wages were not paid as per the prevailing wage rate. In such a scenario, a system of immediate flagging and time bound reconciliation to correct these errors, wherever these occurred, was expected.

- 1,13,723 instances in eight states depicted wrong calculation of amount of material purchased which could be worked out by applying the logic 'Amount = Rate x Quantity'. Details are given in **Annex-12H**.

The Ministry stated that the system calculates amount using 'Rate X Quantity' logic but the field had been kept editable to facilitate entry of actual figure that may include other levies such as VAT, octroi, etc. The Ministry also drew attention to a report which listed instances where amounts calculated did not match 'Rate X Quantity' formula.

The reply of the Ministry indicates a serious design flaw in material cost recording module of the system as it fails to recognise all the components of costs such as VAT, octroi, etc. Moreover, it also violates the legal requirement of separate treatment of tax elements to enable tax authorities to check instances of tax charged but not deposited by collecting vendor. In the present form of data, miscalculations in bills of material cannot be segregated from cases where final amounts were worked out after including other components of material costs such as VAT, octroi, etc.

- 19,11,102 instances in 12 states depicted wrong balance or wrong entry of closing balance in state, district, block and Panchayat accounts tables which could be worked out by applying the logic 'Closing Balance = Opening Balance + All Inflow – All Outflow'. Details are given in **Annex-12I**.

The Ministry stated that there were two types of opening balances (closing balance of previous year and audited opening balance) appearing in MIS which were derived using different methodologies. The Ministry further stated that in many states the opening balance entered in the MIS for financial year 2012-13 also differed from opening balance shown in utilization certificates of states for which corrective action was being taken.

The reply of Ministry was not convincing as adoption of different methodologies shows the absence of a clear accounting logic. Moreover, the differences between the opening and closing balances along with non-reconciliation of such balances with the UCs render the entire financial data suspect and unusable.

The absence of such basic programming elements not only increases the burden on the persons making the data entry, but also leaves scope for arbitrary decisions by them leading to avoidable errors. The large number of errors, due to the absence of programming elements, adversely affect the reliability of the data. The quantum of each error may be small; however, such a large number of errors in test checked data would imply that when seen in totality, small errors would have a compounding effect.

12.4.4 Inadequate Training to Ground Level IT Personnel

Training was necessary to educate the users of the software on its criticality, relevance and the scope of their work and to sensitise them about possible errors and the implication of such errors on the whole system. Proper training to data entry operators was particularly essential as it would help avoid several simple mistakes during the conversion of paper records to computerised records. Audit noted that data was entered by persons not aware of the working of the programme and who were not conscious of the impact of common entry errors.

During the analysis of the data, it was noted that the units measuring the work progress in respect of rural connectivity, water conservation, flood control and drought proofing, etc. were often misunderstood by the data entry operators and entries recorded were inconsistent. For instance, data entry in respect to the length of roads made under each work was, at times, done considering the units as kilometres and at other times considering it as metres. The figures recorded in table ranged from less than one to more than 1,500. Thus, if the unit was assumed to be kilometres then it would mean that the roads measuring more than 1,500 kms were made under a single work under MGNREGS. Incidentally, this would be more than the distance between Delhi and Mumbai. If the unit was assumed to be metres then it would imply roads measuring less than a metre were also made. Both the situations would be implausible. Similarly, figures in the financial management module appeared to be in lakh and on other occasions in thousands of rupees. The values in the total distance of road constructed for rural connectivity, in nine states, is shown in the table below:

Table-18: Stratified distances of Road as recorded for Rural Connectivity.

Recorded Total Distance	Number of Records
Less than One	9,25,274
1 to 5	2,59,928
5 to 10	87,703
10 to 15	3,408
15 to 50	3,199
50 to 100	3,397
100 to 1,000	9,618
1,000 to 1,500	1,279
More than 1,500	1,121

As the above table shows, if the unit of measurement was taken as kilometres, there were 1,121 instances of roads more than 1,500 kilometres being created under MGNREGS. Similar instances of apparent ambiguity existed in measurements recorded for water conservation, flood control and drought proofing work.

Audit thus noted that the data in NREGASoft could not be relied upon for understanding the extent of the progress of work and to ascertain the details of assets created.

In reply to the Audit observation the Ministry furnished details of training efforts at various levels. Ministry also intimated that a check had been effected to limit units which were above work parameters from being entered.

However, the fact remains that persons actually making data entry and authorising this data were not aware of basic elements such as units of measurement used in data entry module which had rendered the data unsuitable for measuring various performance parameters.

12.4.5 Manipulation of Data without Reference to Source Documents

The Operational Guidelines specify that "*data entry should be done not above the block level and documents should not be taken outside the block*". The reason for this provision was that all basic records existed at the block or lower level. Any data entry or modification beyond the block level would be without access to these records.

It was seen during audit that the Ministry passed on a copy of the MIS data sets to the state governments for their internal use after the closure of data entry for the relevant year. During the course of audit, the MIS data sets were also obtained from the State Rural Development Departments, in the case of Karnataka and Odisha. Comparison of the data provided by the Ministry and that available with the state governments revealed unauthorised instances of deletion of data and revision of values in certain cases. Some instances are outlined below:

- Data related to total amounts paid for material purchase pertaining to Karnataka for the period 2008-2011 made available by the Ministry appeared to have been changed in 3,562 cases.
- In the case of Odisha, it was seen that the muster roll data provided by the Ministry showed 57,780 less people as having worked when compared to the data provided by the Odisha State Rural Development Department. This also led to a reduction of 6,10,331 persondays of employment being generated. An analysis of the data showed that the records were deleted at one go. This would imply that the deletion was not based on field records.
- It was seen that some entries in the muster rolls which showed people working at multiple job-sites simultaneously were also deleted from the Central MIS. Interestingly, in such cases though the job card number was blank, the payment column still showed the payment made to such beneficiaries.

- In many cases of underage beneficiaries, appearing in State Rural Development Department data of Karnataka, the age of these beneficiaries had been updated to 18 years in the database supplied by the Ministry.

The Ministry spoke of a number of situations necessitating change in data at the backend and admitted its awareness about non-reliability of data of NREGASoft. Efforts of Ministry to share data with states and incidences of mismatch in records reported by states had also been elaborated by the Ministry. The Ministry also stated that state Database Base Administrators (DBAs) also had the right to delete or update records in shared backup and they could also recall the deleted records. The Ministry also mentioned incidents of change/entry in data pertaining to 2009-10 and 2010-11 were carried out by the state governments or on request received from them.

A request was forwarded to the Ministry for sharing specific communication from states for deletion/updation/entry of data in cases pointed out by Audit. In reply, the Ministry forwarded a letter from Karnataka government seeking provisions for making entry of pending bills pertaining to 2009-11 period. In case of Odisha, the Ministry mentioned that the state DBA had control to edit/enter the information for all financial years even if state data entry was closed.

The need for such en-bloc changes at the Central level raises doubts on the authorisation of such changes. The lack of a proper audit trail in the software makes it impossible for audit to verify who made the actual changes i.e., the Central DBA or the state DBA. The reply of the Ministry also does not address the issue that higher claims of the state would be based on data which had been modified at a later date without any consequent action. Moreover, en-bloc changes in shared backup data by multiple authorities i.e., state DBAs as well as Ministry authorities raise serious doubts about authenticity of the data.

12.4.6 Absence of Controls to Prevent Data Entry Errors

The instances of erroneous data entry mentioned in para 12.4.5 continued to remain unchecked during the years 2005-06 to 2011-12. This indicates that there was no system of monitoring. This would imply that either NREGASoft did not generate the required alerts in any of the cases reported above or no action was taken to correct the errors. In fact, Audit noted that the rate of errors continued to grow over the years. For instance, increasing incidences of mismatch in opening/closing figures of balances of Panchayat Account Table of Jharkhand shows a clear trend that simple mistakes continued to grow over the years. The trend was prevalent in all the other parameters of Scheme implementation.

Number of Mismatched cases of opening/closing balances in Panchayat Table in Jharkhand State (Closing balance = Opening Balance + All Inflow - All Outflow)



The Ministry stated that a number of alerts were generated by the NREGASoft application to verify job cards, ascertain minimum wage to workers, check material bills on 'Rate X Quantity' criteria, check per day expenditure of gram panchayats and unused job cards.

However, the continuing presence of clear cases of ambiguity in data in aspects related to user identity, account balances, payment calculation, work progress, etc., indicate limited effectiveness of mechanism for action taken on alerts generated by the system.

Recommendation:

The Ministry should examine and reconcile the deficiencies in software design as discussed above, and make necessary changes to the NREGASoft. There is a need to put in place stricter controls for data modification after authentication and closure of data entry.



Chapter 13

Findings of the Beneficiary Survey

13.1 Introduction

Sampled beneficiaries were interviewed to assess their perception and experiences with the Scheme, during the course of audit.

Sampling plan for the survey was the same as that adopted for the performance audit, i.e., till the gram panchayat (GP) level (para 2.1.4 of Operational Guidelines) of the Report. Within each selected GP, 10 beneficiaries were selected by Systematic Random Sampling procedure from the consolidated list of beneficiaries of the selected villages in the selected gram panchayats. The beneficiaries were interviewed through a structured questionnaire in the local language.

38,376 beneficiaries (26,115 males and 12,261 females) were interviewed from 3,837 gram panchayats in 27 states and three Union Territories. The state/UT sample size varied from 50 in Dadra & Nagar Haveli to 4,600 in Uttar Pradesh.

13.2 The questionnaire

The survey questionnaire, apart from capturing basic information about the beneficiary (age, education level, caste group, etc.) and the household (main occupation, annual income, number of adult members, type of dwelling unit and kinds of household assets), sought to capture the following:

- a) Awareness levels of the beneficiary
- b) Issues relating to registration and job card
- c) Work-site distance, facilities, supervision, use of machines and muster rolls
- d) Wages- basis, timely payment and mode of payment
- e) Gram sabha meetings
- f) Transparency and monitoring
- g) Impact analysis

The survey was conducted by the members of the audit parties of the Indian Audit & Accounts Department who were deployed for the performance audit of MGNREGS. In case a particular beneficiary was not available, another member of the same household was interviewed.

13.3 Constraints

The audit team faced a number of constraints in this exercise which are outlined below:

- The population from which the sample was selected comprised only beneficiaries. Potential beneficiaries or persons excluded from the Scheme were not covered in the survey.
- The beneficiary data of Sikkim and Lakshadweep could not be included in this report.
- Despite the intention to interview the beneficiaries independently, often the interviews were carried out in the presence of gram sarpanch or some panchayat official, which might have induced certain bias in the responses of the beneficiaries.
- Certain selected areas were not included in the exercise due to difficulties in physical access and for security reasons, and were replaced.
- At times, the survey teams found it difficult to interview the beneficiaries alone. The beneficiaries were unwilling to be separated from the group. This again could induce the possibility of bias in the responses of the beneficiaries interviewed.
- As noted above, if the beneficiary was not present, then some other member of the household was interviewed. In such cases, the views of the actual beneficiary might have been different from those recorded.

13.4 Beneficiary Profile

The average age of the beneficiaries was 41 years. 65 *per cent* of the houses had a separate electricity connection. 55 *per cent* of the beneficiaries had a BPL card. About one third (31.95 *per cent*) of the beneficiaries were women and 52 *per cent* belonged to the SC or ST categories. The detailed beneficiary profile is given in the box below:

Beneficiary Profile

Average age: For 38,376 beneficiaries surveyed, the average age was 41 years (range: 36 years for Jharkhand to 48 years for Odisha).

Sex: At the all India level about one third of total beneficiaries were women. But this ratio was less than one fifth in Gujarat, Jammu & Kashmir, Madhya Pradesh, Mizoram, Odisha, Uttar Pradesh and West Bengal.

Literacy level: 43 *per cent* beneficiaries reported themselves to be illiterate.

SC/ST/OBC: At all India level 26 *per cent* of the beneficiaries belonged to SCs, 26 *per cent* to STs and 30 *per cent* reported that they belonged to OBCs. Thus, a significant percentage (81 *per cent*) of beneficiaries interviewed belonged to weaker sections of the society.

Household size: The average number of adult members in the household was three at the all India level, with highest of five in Nagaland and a low of two in Tamil Nadu, Dadra & Nagar Haveli and Puducherry.

Annual household income: The average yearly household income as reported by the beneficiaries at the all India level was ₹ 20,047. The figures for Meghalaya, Manipur, Mizoram, Tripura and Andaman & Nicobar Islands were higher than average (all with more than ₹ 30,000 as annual income), and in Gujarat, Karnataka, Kerala, Odisha, and Dadra & Nagar Haveli, the yearly household income as reported was between ₹ 11,000 and ₹13,000.

Main occupation: The reported main occupation were – self employment (agriculture)- 34 *per cent*, self employment (non-agriculture)- six *per cent*, casual labourers- 55 *per cent*, others- two *per cent*. Thus, a significant proportion (About 90 *per cent*) of interviewed beneficiaries were either casual labourers or small and marginal farmers.

Ration cards: About 55 *per cent* of the beneficiaries had BPL card and 28 *per cent* had APL ration card. The remaining beneficiaries either did not have ration cards or had other kinds of (Annapurna, Antyodaya, etc.) ration cards. The states/UTs with respondents having more than 80 *per cent* BPL ration cards were- Andhra Pradesh, Mizoram, Tamil Nadu, Dadra & Nagar Haveli and Puducherry. On the other hand states/ UTs with more than 50 *per cent* reported to be having APL ration cards were- Goa, Himachal Pradesh, Punjab, Rajasthan, Tripura, Uttarakhand and Andaman & Nicobar Islands. On an average seven *per cent* of respondents across India reported not having any kind of ration card, but in Jharkhand, Manipur, Meghalaya and Odisha, more than 20 *per cent* of beneficiaries reported as not having any type of ration card.

Type of dwelling unit: About 55 *per cent* had kutcha or temporary mud-thatch type of dwelling units, 24 *per cent* had semi- kutcha units and 16 *per cent* had pucca or permanent stone/brick type dwelling unit. In Jharkhand and Tripura more than 95 *per cent* beneficiaries lived in kutcha houses and in Andhra Pradesh, Goa, Tamil Nadu and Andaman & Nicobar Islands only 10 to 20 *per cent* beneficiaries lived in kutcha houses. For pucca or permanent dwelling units beneficiaries in Goa topped the list with more than 80 *per cent* having pucca houses. In Andhra Pradesh and Punjab about 40 *per cent* beneficiaries lived in pucca houses. Overall 79 *per cent* beneficiaries had temporary or semi-temporary dwelling units.

Other assets in household: 65 *per cent* had electricity connection, 27 *per cent* had TVs, 37 *per cent* had toilets, 35 *per cent* had bicycles and six *per cent* had motor cycles in their households.



MGNREGS Beneficiary being surveyed in Tripura

13.5 Awareness Levels of Beneficiaries

Awareness levels of the Scheme were tested by asking four direct questions:

- On the number of days a member of a household was entitled to work in a year,
- On the minimum wage rate,
- On the prescribed wage payment schedule, and
- On the quantum of work for securing minimum wages.

Based on the responses of the beneficiaries the awareness levels were indicated as high, medium or low by the interviewer in the field. In the analysis “High” and “Medium” level of awareness were treated as being aware in the report.

It was seen that only 39 *per cent* of the beneficiaries were aware about the four major aspects of the Act.

The low degree of awareness amongst the beneficiaries would diminish their ability to fully exercise their rights.

The results related to awareness on individual aspects of the Scheme are given below:

13.5.1 100 Days of Work

About 72 *per cent* of the beneficiaries were aware of the number of days of employment to which they were entitled. In states of Bihar (52 *per cent*), Gujarat (28 *per cent*), Maharashtra (57 *per cent*) and Odisha (43 *per cent*), the awareness levels were low. However, smaller states/UT; Kerala, Meghalaya, Mizoram, Tripura and Puducherry, had a high level of awareness (90 *per cent* or more).

13.5.2 Timely Payment of Wages and Minimum Wage Rate

About 70 *per cent* respondents were aware of the timeliness within which the wages were to be paid. The awareness level of the minimum wage was 77 *per cent*.

Audit also noted that in the sample set of beneficiaries, those aware of the prescribed period for the payment of wages, were nearly identical (0.93 correlation coefficient) to those aware of their entitlement to 100 days employment.

13.5.3 Daily Work Load and Wage Calculation

Only half of the interviewed beneficiaries were aware of the prescribed quantum of work which entitled them to full wage payment. Similarly, only about 56 *per cent* of beneficiaries were aware of the manner of wage calculations.

It suggests a need for the states/UTs to step up Information, Education and Communication activities. As noted in para 4.7 of this Report, despite the passage of seven years, 12 states and two UTs were yet to formulate IEC plans and in five states and four UTs the funds received for this activity were under-utilized.

13.6 Registration

To evaluate issues relating to registration for the employment, three questions were designed:

- Whether oral request for registration was entertained,
- Whether the registration process was open throughout the year, and,
- How much money was paid for registration.

About 30 *per cent* of the beneficiaries stated that oral requests were not entertained.

Across India 43 *per cent* replied that they had actually submitted a written request. Only 37 *per cent* of these beneficiaries were provided a receipt against the request.

There were isolated instances of money being paid for the registration process.

13.7 Job Card

Job cards were checked to see whether essential details were recorded. The details checked were:

- Whether photograph of the beneficiary / joint photograph was attached;
- Whether signature / thumb impression of the beneficiary was present on the job card, and;
- Whether employment and payment details were regularly updated.

In 55 *per cent* of the cases, it was seen that the job cards suffered from one or more shortcomings.

Photographs of adult members who were applicants were to be attached to the job cards. The cost of job cards along with the photographs was to be borne as part of the programme cost. Only 35 *per cent* of the persons surveyed had job cards with joint photographs attached and about 14 *per cent* of the job cards across the country had no photographs. In Jammu & Kashmir (64 *per cent*) and Odisha (63 *per cent*) more than 60 *per cent* respondent's job cards had no photograph. Similarly, in Andhra Pradesh, Bihar, Maharashtra and West Bengal about one third to one fourth respondent's job cards had no photograph.

In more than one third of the job cards checked it was seen that the signature / thumb impression was missing. Also 39 *per cent* of the job cards did not have updated payment entries and 33 *per cent* did not have updated work entries.

Significantly, in Jammu & Kashmir, the following entries were not up to date in job cards:

- payment entries in 99.87 *per cent* cases
- work entries in about 80 *per cent* cases and
- the signature column was blank in 66 *per cent* cases.

All these deficiencies indicate absence of regular system of updating the job cards.

13.8 Works and Employment

13.8.1 Number of Days of Employment

According to Central Employment Guarantee Council figures, the average number of days of employment provided in 2011-12 was 43. Average number of days of employment for the year 2011-12 at all India level was evaluated as 53 days on the basis of the responses of the sampled beneficiaries.

In Manipur, Mizoram and Tripura, beneficiaries responded to have received more than 80 days of employment per household in the year 2011-12. Other states/UT *viz.* Arunachal Pradesh (21 days), Assam (28 days), Chhattisgarh (33 days), Odisha (32 days), West Bengal (25 days) and Puducherry (28 days) could provide annual employment only to a limited extent.

13.8.2 Waiting Time in Getting Work

On an average, the work was provided to beneficiaries after nine days of the job request. However, 99 *per cent* of the beneficiaries who were not provided employment within 15 days were not paid the statutory unemployment allowance.

13.8.3 Distance of Work Site

The work site was at an average distance of 2.6 kilometers from the habitation. Beneficiaries from Haryana, Mizoram, Nagaland, Tripura and Andaman & Nicobar Islands reported to have travelled more than four km for work. In only 18 *per cent* cases did the beneficiary receive the mandatory extra wages for travelling more than five kilometers for work.

13.8.4 Usage of Machinery

Although usage of machinery was not permitted in MGNREGS works but beneficiaries in 14 states reported the use of machinery.

13.8.5 Facilities at Work Site

As per the Operational Guidelines, certain basic facilities have to be provided at the work-site. These include:

- drinking water
- shade
- first-aid, and
- crèche (if there are more than five children below the age of six years)

About eighty *per cent* of the beneficiaries reported that one or more of these facilities were not provided at worksites. Significantly, only 18 *per cent* of the beneficiaries said that crèche facility was provided. Further, only about 50 *per cent* of the beneficiaries reported that facilities for first-aid and shade were provided at work sites and one fourth reported that drinking water facility was not provided at the work site.

13.8.6 Muster Rolls at Work Site

Muster rolls should be available and maintained at the work site. Seventy eight *per cent* of the beneficiaries reported that muster rolls were kept at the work site and attendance was marked on them. However, in the case of Goa (43 *per cent*), Jammu & Kashmir (31 *per cent*), and Uttrakhand (40 *per cent*) marking of attendance was less than 50 *per cent* indicating systemic lapses.

13.9 Payment of Wages

13.9.1 Basis

The directions are for the payment of wages on piece rate (on the basis of measurement of work) or daily rate basis. Overall, 34 *per cent* reported payment on piece rate basis. Hence, the quantum of work performed was not the dominant criteria for wage payment. The states/UT where the payment basis was predominantly the 'number of days worked' (where more than 80 *per cent* of beneficiaries replied that wages were based on number of days only) were- Assam, Goa, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Manipur, Meghalaya, Nagaland, Punjab, Tripura, Uttar Pradesh, Uttrakhand and Andaman & Nicobar Islands. On the contrary the states/UTs where the piece rate payments were resorted to were Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Dadra & Nagar Haveli and Puducherry.

13.9.2 Timely Receipt

Sixty five *per cent* beneficiaries across the country reported that they received wages within 15 days of work, 16 *per cent* reported receipt of payments within 30 days, 11 *per cent* between 30 to 60 days, four *per cent* reported significant delays in receipt of wages (60 to 90 days) and two *per cent* reported very large delays (more than 90 days) in receipt of their wages.

The efficiency of payments of wages was high (more than 80 *per cent* respondents reported to receive payments within 15 days) in some of the states/UT *viz.* Mizoram, Nagaland, Tamil Nadu, Tripura and Andaman & Nicobar Islands. Apart from these states, timely payment (i.e. receipt of payment within 15 days) was reported by more than 75 *per cent* of the respondents in Goa, Haryana, Himachal Pradesh, Punjab and Uttar Pradesh. Delayed payments were reported by significant number of beneficiaries (more than 50 *per cent*) from Chhattisgarh, Gujarat, Jammu & Kashmir, Uttrakhand, West Bengal and Puducherry.

13.9.3 Mode of Payment

Significant number of cash payments was reported from Andhra Pradesh (19 *per cent*), Arunachal Pradesh (73 *per cent*), Manipur (53 *per cent*), Meghalaya (70 *per cent*), Mizoram (26 *per cent*), Tamil Nadu (98 *per cent*) and Puducherry (28 *per cent*). Overall 13 *per cent* of the beneficiaries replied that they had received payments in cash.

For other channels of payments - payment through banks were highest (41 *per cent*) followed by post offices (25 *per cent*) and bank correspondents (seven *per cent*). In Bihar, Gujarat and Jharkhand more than 70 *per cent* of beneficiaries received payments through post office whereas Tripura used bank correspondent for their payments.

13.10 Role of Gram Sabha

Gram panchayat prepares a shelf of possible works to be taken up after considering recommendations of gram sabha. The gram sabha was to also monitor the execution of works

and conduct regular social audits of all the projects under the Scheme. For these activities, it was necessary that gram sabha meets regularly and there was active participation of beneficiaries.

In terms of a national average, three gram sabha meetings were reported to be held annually. Beneficiaries from Maharashtra reported five gram shaba meetings, whereas those from Jammu & Kashmir and West Bengal reported just one meeting on an average in a year. Physical participation in any of the gram sabha meetings was 63 per cent for the country as a whole.

The Annual Plan for MGNREGS works and the shelf of works for the village was to be discussed in the gram sabha meetings. However, only 56 *per cent* of the participants replied that the MGNREGS works were discussed in the gram sabha meetings, indicating significant gaps in the village level planning and participation. In Andhra Pradesh, Assam, Gujarat, Madhya Pradesh, Odisha, Punjab, Rajasthan, Tamil Nadu, and West Bengal, less than 50 per cent of the participants stated that the MGNREGS works were discussed in the gram sabha meetings.

13.11 Transparency and Monitoring

Mechanisms of transparency are sought to be ensured by various means *viz.* pasting of updated details on the walls/ public places, regular visits by departmental officials, mechanisms of social audit, existence of regular grievance redressal mechanisms. They were reviewed through the questionnaire.

Only 46 *per cent* of the participants reported that details of MGNREGS works were painted or pasted on the public walls. This practice was nearly absent in Arunachal Pradesh, Jammu & Kashmir, Odisha, Tripura, Uttarakhand, Andaman & Nicobar Islands and Dadra & Nagar Haveli, but was significantly high in Haryana, Meghalaya and Rajasthan.

The Operational Guidelines require 100 *per cent* monitoring by Village Monitoring Committees, and by the block level officers. In addition, there was to be monitoring at the district and state level. Each work-site was to be visited by a combination of the BDO, Programme Officer, Assistant Engineer, Executive Engineer, VMC members and district level functionaries. This would imply that each project would be visited by multiple officers. This mechanism was absent as in the interviews 24 *per cent* beneficiaries reported that the work site was not inspected even by a single functionary. This indicates significant gaps in the monitoring process.

The concept of social audit as envisaged under the Scheme was yet to take shape. Only about 22 *per cent* reported that social audit of MGNREGS was carried out in their village. More social audits were reported by beneficiaries from Andhra Pradesh, Kerala, Manipur, Meghalaya, Mizoram and Andaman & Nicobar Islands. In Himachal Pradesh, Jammu & Kashmir, Nagaland, Tripura and Dadra & Nagar Haveli, the percentage of social audit carried out at the village level was nil.

13.12 Impact of MGNREGS

This exercise also sought to gauge the impact of MGNREGS on the lives of the beneficiaries. 31 *per cent* of the beneficiaries felt that MGNREGS did not bring a significant change in their lives.

However, there are large variations in these figures across the states. In smaller states/UT like Haryana, Himachal Pradesh, Kerala, Meghalaya, Mizoram, Nagaland, Tripura and Andaman & Nicobar Islands, over 90 *per cent* of the beneficiaries felt that MGNREGS helped them in a significant way. However, in Assam, Gujarat, Karnataka, Maharashtra and West Bengal the feeling of the Scheme being beneficial was subdued as only less than half of the beneficiaries felt that MGNREGS had helped them significantly.

Sixty three *per cent* of the beneficiaries responded that MGNREGS had helped them avoid migration in search of work. In addition, 53 *per cent* of the beneficiaries also felt that MGNREGS helped them avoid doing works which they did not want to.

Further, about 71 *per cent* of respondents felt that useful assets had been created in their villages through MGNREGS. However, in Arunachal Pradesh, Goa, Gujarat, Kerala and Tamil Nadu only less than half the beneficiaries felt that useful assets had been created under the scheme.

Finally, on the question of improvement in family income- 75 *per cent* of beneficiaries felt that there was no improvement in their family income or that the improvement was only marginal.

MGNREGA guarantees 100 days of wage employment to every rural household willing to take up manual labour. Performance audit revealed that the intended beneficiaries had not been able to fully exercise their rights.

In the gram panchayats audited, several deficiencies regarding registration of workers and delays or non-issue of job cards were noticed. Also, it was seen that obtaining a job card does not automatically translate into employment when demanded by the beneficiary. In the test checked gram panchayats, it was noticed that in over 47,687 cases, the beneficiaries were neither provided employment on demand nor received unemployment allowance.

Further, even after receiving employment, widespread instances of non-payment and delayed payment of wages were observed in 23 states. These cases demonstrate that considerable efforts were needed to provide adequate livelihood security. The scale of inadequacies in providing livelihood security could not be fully ascertained in view of the pervasive and extensive deficiencies in record maintenance at all levels. Non-maintenance or incorrect maintenance of basic records was noticed in 18 to 54 *per cent* of the test checked GPs. In such a situation the legal guarantee of 100 days of employment on demand and other aspects of the implementation of the Scheme were not fully verifiable.

Irregularities were also noticed in the works undertaken under MGNREGS. Instances of works abandoned midway or not completed for a significant period were noticed. Works of ₹ 2,252.43 crore, which were undertaken under the Scheme were not permissible. It was seen that 7,69,575 works amounting to ₹ 4,070.76 crore were incomplete even after one to five years. It was also noted that expenditure on works amounting ₹ 6,547.35 crore did not result in creation of durable assets. Cases of diversion of funds for other uses were also seen in a large number of states.

The larger issue, in relation to the works, was the non-adherence to the statutory 60:40 wage-material ratio. The Ministry, in contravention of the Act, which stipulates that this ratio has to be maintained for each work, relaxed this provision. The Operational Guidelines issued by the Ministry stated that this ratio was to be maintained “Preferably at the gram panchayat, block and district level”. In a limited quantification exercise in 12 states and one UT, it was seen that the non-adherence to this ratio led to short generation of 15.03 crore persondays during the audit period.

The Act makes the Ministry legally responsible for monitoring the Scheme and giving such directions to the states as necessary for its proper implementation. In fact, the Act requires the Ministry to set-up a Central Employment Guarantee Council that was to be responsible itself for monitoring the Scheme and suggesting improvements. The Council worked under the chairmanship of the Minister of Rural Development and included other stakeholders. However, it was seen that the Council had done little in terms of monitoring of the Scheme. In the six years of its existence, a few Council members conducted just 13 field visits and the Council had not put in place an effective system of monitoring and evaluation, as required under the Act.

The monitoring mechanisms of the Ministry, as envisaged in the Operational Guidelines, also included the system of National Quality Monitors, for verification and quality audits and an online MIS–NREGASoft. It was seen that the Ministry was yet to operationalize the system of National Quality Monitors. Also, poor internal controls and lack of any cross-verification had seriously eroded the reliability and credibility of the data in the MIS. Instances of data manipulations which were seemingly without any basis, were noted in audit.

The Act and the Operational Guidelines require the states and the Panchayati Raj Institutions to monitor the implementation of the Scheme in a variety of ways. Gaps in the envisaged monitoring mechanisms were noticed in a large number of states. There were significant shortages in verification of works by state officials. Quality Monitors and Vigilance and Monitoring Committees had not been appointed in several states. Social audit remained ineffective to a large extent as social audit units had not been established. Shortfalls in social audit were noted in a number of states.

There were deficiencies in the approval and release of funds by the Ministry. Numerous instances were noticed in which the Ministry released grants in excess of demand and in breach of its own conditionalities. In fact, in 2010-11, the Ministry relaxed all conditionalities (except furnishing utilisation certificate) associated with the release of funds. No basis for this decision was provided by the Ministry. As a result, ₹ 1,960.45 crore were released in the month of March 2011 alone, without exercising proper financial controls.

The Ministry needs to take decisive steps to ensure proper implementation of the Scheme. It needs to focus on developing intensive monitoring and evaluation systems.

An analysis of the data provided by the Central Employment Guarantee Council disclosed some adverse trends. The expenditure incurred under the Scheme had been stagnant for the last three years and actually showed a marginal decline in 2011-12. We noted that the decline in expenditure would have an aggravated effect on employment generation in view of the progressive increase in wages over the years. Employment generated declined from 283.59 crore persondays in 2009-10 to 216.34 crore persondays in 2011-12. The completion of works also saw a significant decline in 2011-12.

An analysis of releases made to states for the period under review and poverty data showed that three states – Bihar, Maharashtra and Uttar Pradesh had 46 *per cent* of the rural poor in India, but accounted for only about 20 *per cent* of the total funds released under the Scheme. This would indicate that the poorest of poor were not fully able to exercise their rights under MGNREGA.



(Roy Mathrani)
Director General of Audit
Central Expenditure

New Delhi
Dated: 19 March 2013

Countersigned



New Delhi
Dated: 20 March 2013

(Vinod Rai)
Comptroller and Auditor General of India



Annexes



Annex-1A
State-wise details of employment, poverty status and release of funds
 (Refer to Paragraph 1.5)

Name of State/UT	Average number of households provided employment*	Number of poor#	Total release of funds (₹ in crore)@
Andhra Pradesh	41,75,350	1,27,90,000	17,267.41
Arunachal Pradesh	7,293	2,70,000	172.07
Assam	14,39,779	1,05,30,000	3,295.50
Bihar	19,27,579	4,98,70,000	6,292.44
Chhattisgarh	24,84,636	1,08,30,000	6,959.36
Goa	9,105	60,000	15.20
Gujarat	11,36,895	91,60,000	2,219.80
Haryana	2,23,447	30,40,000	715.10
Himachal Pradesh	4,84,126	5,60,000	1,880.34
Jammu & Kashmir	2,17,661	7,30,000	1,446.04
Jharkhand	16,85,494	1,02,20,000	5,468.85
Karnataka	24,70,768	97,40,000	5,662.81
Kerala	11,86,135	21,60,000	2,390.88
Madhya Pradesh	37,95,298	2,16,90,000	15,717.43
Maharashtra	8,07,898	1,79,80,000	1,711.60
Manipur	1,64,736	8,80,000	1,832.02
Meghalaya	2,74,920	3,50,000	843.37
Mizoram	1,54,793	1,60,000	1,007.94
Nagaland	3,23,848	2,80,000	2,060.01
Odisha	15,54,758	1,35,50,000	4,401.29
Punjab	2,60,448	25,10,000	483.75
Rajasthan	53,42,937	1,33,80,000	17,928.73
Sikkim	46,833	70,000	281.13
Tamil Nadu	58,29,489	78,30,000	8,128.97
Tripura	5,66,777	5,40,000	2,858.82

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Uttar Pradesh	73,69,867	6,00,60,000	20,425.74
Uttarakhand	4,20,241	10,30,000	1,154.13
West Bengal	52,76,742	1,77,80,000	8,307.31
Andaman & Nicobar Islands	9,783	0	34.91
Chandigarh	0	0	0.65
Dadra & Nagar Haveli	0	1,00,000	2.77
Daman & Diu	0	20,000	1.12
Lakshadweep	2,287	0	7.76
Puducherry	27,472	0	40.06

** Average for the years 2009-10 to 2011-12, Source: NREGASoft MIS*

2009-10, Source: Planning Commission

@ For the period 2007-12, Source: Ministry of Rural Development

Annex-2A

Summary of Sample Selection

(Refer to paragraph 2.1.4)

Sl. No.	Name of State/UT	Districts	Blocks	GPs
1	Andhra Pradesh	5	15	150
2	Arunachal Pradesh	4	9	43
3	Assam	8	21	83
4	Bihar	15	54	252
5	Chhattisgarh	6	14	140
6	Goa	2	4	14
7	Gujarat	6	15	150
8	Haryana	6	12	114
9	Himachal Pradesh	4	9	90
10	Jammu & Kashmir	6	12	113
11	Jharkhand	6	17	167
12	Karnataka	8	16	157
13	Kerala	4	13	39
14	Madhya Pradesh	13	29	290
15	Maharashtra	9	24	240
16	Manipur	4	9	90
17	Meghalaya	4	8	90
18	Mizoram	2	4	39
19	Nagaland	3	7	54
20	Odisha	8	20	200
21	Punjab	6	13	118
22	Rajasthan	8	18	180
23	Sikkim	2	4	8
24	Tamil Nadu	8	23	230
25	Tripura	2	6	60
26	Uttar Pradesh	18	46	460
27	Uttarakhand	4	10	100
28	West Bengal	5	15	120
29	Andaman & Nicobar Islands	2	4	14
30	Dadra & Nagar Haveli	1	1	10
31	Lakshadweep	1	3	3
32	Puducherry	2	3	30
Total		182	458	3,848

Annex-2B Details of Sample Selection

(Refer to paragraph 2.1.4)

Sl. No.	Name of State/ UT	Name of Districts	Name of Blocks	Name of GPs
1.	Andhra Pradesh	Nalgonda, Ranga Reddy, Kurnool, Visakhapatnam, Vizianagaram (five)	Krishnagiri, Tuggali, Chagalmarri, Gantiyada, Gurla, Kurupam, Kotauratla, Butchayyapeta, Sabbavaram, Pochampally, Neredcherla, Chintapalli, Yala, Yacharam, Mominpet (15)	Bheemanpally, Ghosekonda, Vankamamidi, Sivareddigudem, Dothiguda, Julur, Pochampally, Mukthapur, Jalalpur, Jiblakpalle, Bettatanda, Bothalalalem, Guduguntlapalem, Gundla Pahad, Komatikunta, Mukundapuram, Musivoddusingaram, Palakeedu, Ravi Pahad, Somavaram, Chintapalli, Kistarampalli, Gadya Gowraram, Kurmapalli, Madnapur, Mallareddipalli, Melvalapalli, Varkal, Vinjamoor, Teeded, Agnoor, Akkampalle, Bennur, Chennaram, Devanoor, Doulapur, Juntalle, Nagasamundar, Rasmus, Sangamkurd, Chintapatla, Chowder Pally, Gaddamalliahguda, Kothapally, Kurmida, Mall, Nanaknagar, Nandiwana Parthy, Thatiparthy, Toole Khurd, Amradikalan, Deverampally, Izra Chittampally, Kesaram, Kolkonda, Mekavanampally, Mominpet, Velchal, Yenkathala, Yenkeypally, Alamkonda, Chityala, Kambalapadu, Katarikonda, Lakkasagaram, Pothugal, Sho Yerragudi, Talla Gokulapadu, Thogarchedu, Yerukalacheruvu, Chennampalle, Gooty Erragudi, Pendekallu, Rampalli, Ratana, Sabhashpuram, Tuggali, Kadamakuntla, Pagidiroy, Upparlapalli, Mallevemula, Godiganur, Peddavanigali, Nelampadu, Settiveedu, D.Vanipenta, Mutyalapadu, Chagalamarri, Madduru, Gotlur, Budathanapalli, Gantayda, Gingu, Kirthubarthi, Kondatamarapalli, Murapaka, Narava, Pentasreerampuram, Ramabhadrapuram, Ramavaram, Damarasingi, Gudem, Gurla, Jammu, Kella, Kondaganredu, Pedabantupalli, Tatipudi, Tettangi, Vallapuram, Biyyalavalasa, Gujjuvai, Kurupam, Marrisipalli, Neelakantapuram, Pedagottili, Thittiri, Valasaballeru, Voosakonda, Vudayapuram, Yendapalle, Thangedu, Ramachandrapalem, Pippallakothapalle, Panduru, Neeligunta, Chinnaboddepalle, Kodavatipudi, Bodapalem, Akasaheppet, Butchayapeta, Chittayyapalem, Gunnempudi, Kondapalem, Mallam, Pedapudi, Rajam, R.Sivaramapuram, Turakalapudi, Vijayaramarajupeta, Anthakapalli, Aripaka, Asakapalle, Bangarammapalem, Batajanggalapalem, Gullepalle, Nallaregulapalem, Narapadu, Rayapura Agraharam, Tekkalipalem(150)
2.	Arumachal Pradesh	Papumpare, West Siang, Lower Dibang Valley, Anjaw (four)	Doimukh, Sagalee, Aalo East, Basar, Liromoba, Roing-Koronu, Hunli-Desali, Hayuliang, Hawai-Walong (nine)	Banderdewa, Bat, Doimukh, Ganga, Bobia, Bokoriang-I, Kheel, Kigi, Langprung, Rach-Tabio, Doji Jelly, Kombo Pomte, Logum Jini Lower, Logum Jini Upper, Pakam-I, Tarsu Mobuk-I, Dali, Disi, Galu/Sibe, Gori-I, Jime/Zirido, Padi-I, Pegi/Kamdak/Everest, Essi Group, Pokto/Ligo/Bopu, Rise/Dordi/Leggi/Bopu, Balek, Bloung-II, Bloung-III, Intaya, Jia-I, Jia-III, Mayu-II, Mika-I, Parbuk, Elope, Hunli, Amliang, Braigong, Suplang GPC, Lautul, Mechong, Walong (43)
3.	Assam	Chirang, Karbi Anglong, Dibrugarh, Jorhat, Goalpara, Kamrup(Rural), Cachar, Hailakandi (eight)	Borobazar, Sidli Chirang, Langsonepi, Howraghat, Nilip, Khoswang, Tingkhong, North West Jorhat, Jorhat (Baghchung), Hajjo, Chamaria, Kamalpur, Goroimari, Matia, Kushdhowa, Algapur, Hailakandi, Palonghat, Tapang, Rajabazar, Udhrbond (21)	Amguri, Bagargaon, Barlawgaon, Barpathar, Hakua Serfang, Kumarsali Batabari, Malipara, Bamungoon-Dattapur, Besorbari-Nangalabanga, Khungring, Malivita, Ouguri, Patabari, Ranchaidham, Tukrajhar, Howraghat, Langhin, Phuloni, Howraghat, Langfer, Langhin, Deopani, Duar Bagori, Nilip, Bamunbari, Gazpuria, Haldhibari, Naharani, Dhaman, Konwari Gaon, Mahmora/Borpathar, Salmari, 38 No. Baligaon, 31 No. Madhya Charigaon, 44 No. Madhya Sarusari, 45 No. Pachim Sarucharai, 37 No. Rajahouli, 54 No. Cinnamora, 60 No. Mariani Bagicha, 66 No. Pachim Thangal, 64 No. Pub Thanghal, 57 No. Uttar Garmoor Bagicha, 48 No. Uttar Namoni Charibahi, Barni, Bongalpara, Dampur, Soniadi, Hekra Jogipara, Kismat Kathmi, Mahtoli, Pijupara, Borsil, Borka Satgaon, Kendukona, Achalpara, Jorsimulu, Majortop, Karipara, Sidhabari, Sri Suryagiri, Dudhnai, Daranggiri, Lela, Kalinagar, Panchgram, Sayedbond, Sudarshanpur/Bandakmana, Kanchanpur, Gangpar/Dhumkar/Lakhibond, Nitainagar, Bhubandahar, Bhubanhill, Mohankhal/Rammanikpur, Indraghar, Kathal, Tapang, Harinagar, Joypur

4.	Bihar	Munger, Jehanabad, Banka, Darbhanga, Madhubani, Begusarai, Bhabhua, Muzaffarpur, Bhojpur, Nalanda, Aurangabad, Araria, Sitamarhi, W. Champaran, Kisangani (15)	Asargani, Dharhara, Hulasgani, Makhdumpur, Amarpur, Chandan, Shambhugani, Baheri, Biraul, Hanuman Nagar, Tardih, Jale, Basopatti, Lakhnaur, Bisphi, Kaluahi, Jainagar, Balia, Navakothi, Dandari, Khodawandpur, Birpur, Kundra, Ramgarha, Rampur, Murauli, Mushahari, Sahebgani, Saraiya, Bihia, Odwamtanagar, Sahrpur, Sandesh, Chand, Harnaut, Islampur, Noorsarai, rahui, Obra, Haspura, Rafiganj, Sikti, Jokihat, Bajpatti, Nanpur, Runnisaidpur, Sursand, Baria, Bhithan, Lauria, Majhauria, Narkatiyaganj, Dighalbank, Pothia (54)	Kamranga, Laboc, Khaspur, Kashipur, Madhura, Saigonga (83) Asargani, Makwa, Chorgaon, Ajimganj, Amari, Matadih, Bouri, Dawdhu, Murgaon, Dakra, Jamanganj, Kalanaur, Manjhaus, Saren West, Sumera, Garibpur, Gorgama, Bhikhampur, Pawai, Salempur, Dhanuvsara, South Kasba Basiala, Kusumjori, Barfera Tetariya, Gulni, Jhakhar, Birnaudha, Maldih, Pakaria, Baghauni, Bhakshi, Dohat Narain, Habidah Centre, Harhaccha, Jorja, Mitunia, Afjala, Bairampur, Dekuli Jagarnathpur, Neuri, Patania, Pokhran South, Sonepur Pagari, Godaipatti, Panchobh, Rampurdih, Sinuara, Vishath Bathiya, Mahthaur, Raja Kharwar, Ahiyari North, Brahmur East, Doghara, Kamtau, Massa, Muraitha, Ratanpur, Basopatti West, Birpur, Kataiya, Mahinathpur, Balia, Kachua, Laufa, Tamuria, Balha, Chauhatta, Jagwan West, Nahas Rupauli North, Parsauni North, Rathaus, Sadullapur, Haripur North, Madhepur, Pursaulia, Debdha North, Debdha Centre, Dorbhar, Belhi East, Balia Lakhmaniya-I, Balia Lakhmaniya-II, Bhagatpur, Nurjamapur, Tajpur, Dafarpur, Maheshwara, Rajakpur, Katahari, Katarimala South, Bank, Bariyarpur West, Khodabandpur, Bara, Birpur West, Genharpur, Bhavanandpur, Pachpokhara, Meura, Derwan, Chilbill, Ahivas, Baraura, Sahuka, Amanw, Belanw, Kurari, Harsinghpur Lautan, Mahmaddpur, Vidhyajhpur, Manika Vishunchand Datt, Dumari, Abdulnagar/Madhohpur, Sherpur, Prahalddpur, Bhagwanpur ,Patahi, Navanagar Nijamat, Halimpur, Madhopur Hazari, Jagdihpur, Saraiya, Parsauni Raseesi, Bahilwara Repanath North, Bahilwara Rupnath South, Chakana, Datapur Pachbhirwa, Madawa Pakar, Ramkrisna Duviyahi, Rampur Balli, Rewa Basantpur North, Ghagha, P. Chkwash Mahuav, Pipra Jagdishpur, Shivpur, Akauna, Bakari, Kusumbi, Sarthua, Khutahan, Sarana, Suhiya, Hariharpur, Jhanva Belvaniya, Ahpura, Jamuanw, Sandesh, Madhopur, Rukhai, Gangaur, Sartha, Basaniawan, Kolawan, Powari, Telmar, Weswak, Sanda, Ranipur, Sakri, Bhauridih, Andhanna, Jagdishpur Tiyari, Nirpur, Rasalpur, Pesaur, Rahui, Sosandi, Supasag, Bharub, Dihra, Kanchanpur, Obra, Rattanpur, Dindir, Tal, Ahiapur, Ghusari, Kajpa, Baliganj, Bhduki Kala, Toshila, Sihuli, Balar, Kuchhha, Muraripur, Rokantari, Bhidhidi, Simaria, Sisuna, Kursail, Bhagwanpur, Chirah, Dubhra, Matiyari, Bajpatti, Bangaon South, Humayupur, Madhuban Basaha East, Ratwara, Bath Asali, Janipur, Nanpur South, Sirsi, Gurdah, Bagahi Ramnagar, Gidha Phulwaria, Athari, Barheta, Balua, Dewana Bujurg, Mehsha Pharakpur, Banauli, Diwari Malauna, Malahi, Patanpura, Virakh, Siswa Saraia, Bhithaha, Bagahi Rattanpur, Phulia Khand, Baria, Hathuaha Machhahan, Semanwari, Baghi Baswaria, Lakar Sisre, Siswania, Lauria, Gobraraura, Raja Bhar, Lala Saria, Mahanawa Rampurwa, Mahnagni, Mohdipur,Ratanmala, Rulahi, Hardi Terha, Sikaarpur, Kesaria, Purania Hasri, Paroraha, Barwa Barauli, Gokula, Patharghati, Tarabari Padampur, Mangura, Singhimari, Koltha, Sarogora, Panasi, Chhattarghachh, Jahangirpur, Udgara, Sonpur Pagari (252)
5.	Chhattisgarh	Durg, Mahasamud, Jashpur, Koriya, Bastar, Kanker (six)	Balod, Durg, Saja Basna,Pithora, Kansabel, Pathalgaon, Baikunthpur, Manendragarh, Bastar,Bakawand, Makadi, Charama, Narharpur (14)	B.Jamgaon, Bhoinapar, Dewarbhath, Jamruva, Jhungera, Latabore, Londi, Nevarikala, Parsoda, Tarod, Amati, Bhendsar, Bodegaon, Chirpoti, Gugsidih, Katro, Kolihapuri, Nagpura, Rasmara, Ravelidih, Bhatgaon, Danganaya, Gudva, Kanhera, Maatra, Odia, Sahashpur, Souri, Tiriyabhat, Umraonagar, Badetemari, Beltikari, Bichiya P, Birsinghpali, Chimarke, Ganekera, Khemada, Lamber, Palsapali A, Sarkanda, Bade Loram, Bheekhpali, Bijmal, Dhanora, Gopalpur, Jandhora, Kodopali, Monhada, Pilvopali, Savitripur, Barjor, Chidora, Frsajudwain, Katangkhar, Khutera, Kusumtal, Patrapali, Pongro, Sajapani, Tangargaon, Bagbahar, Butrabahar, Gharjiyabathan , Kadro, Kudkel Khajiri, Madhuwan, Palidih, Raja Ama, Rokbahar, Tirsoth, Aamapara, Badgaon, Barpara, Budar, Chilka, Dakaipara, Gadbadi, Kadamnara, Khond, Salba, Bandeli, Charwahi, Dugla, Harra, Kachoud, Lalpur, Mahai, Narayanpur, Parasgadi, Rokda, Barda, Chindgoan, Chiuargoan , Farsigoan, Kinjoli, Mangnar, Matnar, Pandanar, Satosa, Tongkongera, Bakel, Bhond, Dubeumergaon, Karmari, Kesharpal, Kungarpal, Lamker, Mandlapal,

6.	Goa	North Goa, South Goa (two)	Pernem, Sattari, Canacona, Sanguem (four)	Retavand, Turpura, Badeghordsoda, Bagbeda, Bhirgoan, Dharli, Jarandi, Kosaharduli, Makdi, Pathari, Tamrawand, Themgoan, Aanwri, Bhanpuri, Dedkohaka, Gitpahar, Jepra, Kilepar, Lilejhar, Pandripani, Saradhunavagaon, Amoda, Bhaismundi, Charbhatti, Devinavagaon, Dhanesara, Ghotiyawahi, Kurna, Marrampani, Risewada, Sarwandi, Saradhunavagaon (140)
7.	Gujarat	Banaskantha, Dahood, Surendranagar, Valsad, Ahmedabad, and Patan (six)	Dharampur, Valsad, Barwala, Ranpur, Sandand, Patan, Halvad, Limbadi, Dantiwada, Deodar, Palanpur, Garbada, Fatepura, Sayla, Siddhpur (15)	Casne-Amere-Poroscodem, Tamboxem-Mopa-Ugavem, Ozorim, Querim-Terekhol, Paliem, Cotorem, Morlem, Nagargao, Agonda, Cola, Poinguinim, Sancordem, Rivona, Mollem (14) Bhadali(Zat), Bhilachal, Dantiwada, Gundari, Mahudi-Moti, Nandotra (Brahmanvas), Panthawada, Odhava, Satsar, Zat, Chalva, Dhunson, Kotarwada, Lavana, Odha, Raiya, Ravel, Sardarpura(Jaseli), Vadiya, Vatanjuna, Chitrasoni, Dhandha, Gadh, Hathidra, Karjoda, Mota, Madana(Gadh), Ratanpur, Sundha, Vasna (Jagana), Abhloc, Ambli, Chharachhoda, Dadur, Gungardi, Matwa, Nelsure, Panthawada, Vadva, Zari-Bujarg, Bhichor, Dungar, Hindoliya, Karodiya, Lakhampur, Moti-Dhadheli, Nani-Dhadheli, Sagdapada, Sarsawa (East), Vandariya (East), Charadva, Dhanala, Gnanshyampur, Kavadiya, Khetardi, Koyba, Manekwada, Nava Ghanshyamgadh, Shiroy, Vankiya, Ankewaliya, Bhagvanpar, Bhagamda, Bhatthan, Bhojpara, Jaliyala, Katariya, Nani Katachi, Parnala, Chhadivali, Dhamtrasala, Dhinkwali, Gosai, Khintla, Motasakhpar, Navagam, Samadhiyala, Shapar, Sudamada, Ambatalat, Bhensdara, Gundiya, Kangvi, Khanda, Manaichondi, Pandav-Khadak, Pendha, Ranveri, Tanachhiya, Anjlav, Bhagal, Dandi, Dhanori, Kalwada, Kaparia, Malvan, Panchalai, Saron, Valvach, Chanchariya, Dhadhodar, Hebatpur, Kapariyali, Pipariya, Rampura, Ranpari, Refda, Sangasar, Sanlapur, Alau, Bodiya, Charanki, Gunda, Gadhya-Deradi, Nani-Vadvi, Rajpura, Ranpur, Sangalpur, Umarala, Aniyari, Andej, Charal, Garodiya, Ghodavi, Khoraj, Kundal Govinda, Makhiyav, Rupavati, Vanaliya, Ajimana, Balva, Dharpur, Hajipur, Khanpurda, Mahemadpur, Rakhav, Sagodiya, Vachhalva, Vasni, Chatavada, Geneshpura,Kakoshi, Kholvada, Lukhasan, Mejoj, Nagvasan, Sandesari, Sujanpur, Umru (150)
8.	Haryana	Sirsa, Fatehabad, Mewat, Palwal, Ambala, Kurukshetra (six)	Ambala-I, Saha, Bhattu Kalan, Ratia, Babain, Thanesar, Firozpur Jhirka, Taoru, Palwal, Hasanpur, Baragudha, Odhan (12)	Jansui, Baroula, Kaleran, Raulan, Amipur, Mohra, Sekhupura, Jagouli, Bhurangpur, Kesri, Samlehi, Khera, Sabga, Akbarpur, Nurd, Shergarh, Jharu Majra, Chudiali, Saha, Khabra Kalan, Sirdhan, Dhand, Mehuwala, Banmandori, Jandwala Bagar, Sarwarpur, Daiyar, Bhattu Kalan, Pili Mandori, Sehna, Aharwan, Badalgarh, Chimmoo, Raipur, Jandwala Sotter, Rattakhera, Kamana, Alika, Bir Sujra, Berthla, Bint, Jhandola, Kasithal, Nakhroipur, Falsanda Rangran, Bargat, Mahua Kheri, Barna, Bhansi Majra, Gamri Jattan, Khaapur, Ajrana Kalan, Jhiverheri, Tigri Khalsa, Untsal, Mirzapur, Daultpur, Jharपुर, Dungeja, Balkhera, Shabpur, Malhaka, Samir Bass, Chittora, Sulela, Shekhpur, Panchgaon, Nizampur, Hasanpur, Shikarpur, Bawla, Para, Uton, Dingerheri, Bhangoh, Silkhon, Ghori, Paroli, Kalwaka, Badha, Karua, Chirwari, Jodhpur, Alawalpur, Durgapur, Therki, Hasanpur, Maholi, Bata, Raidaska, Fatasko Nagar, Tikri Gujjar, Kawarka, Sehnoli, Kushak, Jhiri, Thiraj, Bhagsar, Buraj Karamgarh, Shekhupuria, Kurganawali, Sukhchain, Lehangewala, Alika, Malikpura, Odhan, Chormar Khera, Ghukanwali, Rohiranwali, Khatrawan, Hassu, Salamkhera, Kheowali, Tigri (114)
9.	Himachal Pradesh	Shimla, Kangra, Lahaul & Spiti, Solan (four)	Bhawrna, Dehra, Indora, Kaja, Lahaul, Basantpur, Narkanda, Dharmpur, Kunihar (nine)	Pharer, Banghlar, Bindrabab, Chachian, Parour, Gopalpur, Bhattu Samula, Bagora, Ghuggar, Darati, Panayali, Rail, Sanahi, Jasai, Majiyar, Sareri, Saproh, Narial, Chouru, Badhrol, Bajrol, Charin Di Dhar, Tapre, Dimmi, Barara, Dharog, Darbiar, Utpur, Barian, Tikker Buhula, Kyartu, Dharkandru, Mundu, Dadas, Pargaya, Tikkar, Kuthar, Kot-Shilaru, Dharech, Bharana, Thakurdwara, Gangath, Dah Kulara, Raja Khasa, Mohtali, Majra, Daikwan, Bhapu, Mand Miani, Ghodan, Kotla, Majhiwar, Chanawag, Neen, Okhru, Ghariyana, Ogli, Baldeyan, Juni, Khundiyan, Ghalour, Kopra, Hiraan, Jaklehad, Ghurkal, Aluha, Bangoli, Sihorpai, Dhanot, Barotiwala, Hurang, Jadla, Patta Nali, Narayani, Dhakriana, Bughar Kanaita, Anji Matla, Darwan, Roari, Sanan, Palog, Kunihar, Giyana, Banoh, Bairal, Kotli, Manju, Kothi, Danoghat, Darotibala (90)

10.	Jammu & Kashmir	Pulwama, Shopian, Leh, Rajouri, Poonch, Udhampur (six)	Keller (ACD Shopian), Shopian, Kharoo, Leh, Saspol, Doongi, Rajouri, Sunderbani, Mendhar, Poonch, Chenani, Udhampur (12)	Androla, Badhon A, Baljarian, Dangari, D Gorsian, F Khas, Kalia Kas, Kotedhar, M Gugjran, Muradpur, A South, Bagla, Deharian, Dhanwan, D Brahm, Dogani, Kallar, Lkote, Nadyala, S Kote, Bandipayen, Dudbugh, Waripora, Kakvathal, Chandosa, Kalantra, Nowpora, Wulrahman, Khatangan, Wagora B, Warpora A, Warpora B, Janwara, Zalora A, Dangerpora, Maimapeno, Shiva A, Dangepora, Nathipora, Mundji, Chari, Gandala, Garnai, Tirshi, Kaller, Rehmbal, Mandeast, Mansar, Padnoo, Tikri, Batra, Ghantwal, Karlah, Kosar, Ladha, Lmadha, Matlowa, Panchole, R East, Satyalta, Ajote, Banwat Dhokri, Chaktroo, Chandak, Degwar, Islamabad, Khaneter Delera, Khaneter Duprian, Kuniyan, Noona Bandi, Bhatidhar, Chak Banola, Ghani Lower, Gohlad Mustfa Nagar, Gursai Harmutta, Gursai Moori, Gursai Phambanar, Kalaban, Sagra, Salwah Upper, Letpora A, Ladho B, Andursoo, Sempora A, Mandalpal, Hatiwara, Pahoo, Lerow, Kakpora A, Parigam A, Parigam A, Wagram, Gudoora, Marval, Gundipora, Ratnipora, Kakpora B, Basgo, Choglam A, Choglam B, Likeer, Ney, Nimoo, Phyang, Saboo, Spituk, Taru, Chemday, Egu, Martsaytang, Sakti, Sakti A, Shara, Gia (113)
11.	Jharkhand	West Singhbhum, Ranchi, Dumka, Pakur, Gumla, Palamu (six)	Chibasa, Chakardharpur, Jhinkpani, Angara, Chanho, Kanke, Dumka, Jama, Jarmundi, Pakur, Hiranpur, Bharno, Gumla, Sisai, Chainpur, Daltongani, Lesliganj (17)	Diliamarcha, Harila, Karlajodi, Kursi, Lopungutu, Narsanda, Tonto, Tuibir, Baduri, Simbiya, Bharnia, Hathniya, Hoyahatu, Itore, Kenke, Kulitorang, Silphori, Surgura, Baiji, Gopinathpur, Asura, Choya, Jodapokhar, Kelende, Kudahatu, Nawagaon, Tutugutu, Chatra, Getelsud, Hesatu, Kuchhu, Nawagarh, Rajadera, Sursu, Tati, Angara, Bisa, Balsokra, Chama, Choreya, Lundri, Pandri, Raghunathpur, Roll, Tala, Tanger, Taranga, Badhu, Gagi, Kamde, Malsiring, Pithoria, Sukurhutu (South), Uperkonki, Uruguttu, Arsandey, Boreya, Baratali, Ghasipur, Haripur, Kerabani, Lakhikundi, Malbhandro, Parsimla, Rampur, Asansol, Bhurkunda, Asansol Kurua, Bhairawpur, Chhakilapathar, Chikaniya, Lagala, Nachangaria, Tapasi, Thanpur, Sikatiya, Simra, Barmasa, Chamra Bahiyar, Hathnama, Kharbila, Pahridih, Putli Dabur, Shinghni, Thekcha, Ghongha, Haripur Bazar, Sankarpur, Bhawanipur, Hiranadhpur, Jaikishtopur Urf Narayanakhori, Kalidaspur, Kumarpur, Nashipur, Rahaspur, Sitapahari, Madan Mohanpur, Nawada, Babupur, Baratala, Dangpara, Ghagharjaani, Hathkathi, Manjhaladih, Murgadanga, Vaghshisha, Kaindua, Sundarpur, Atakora, Dumbo, Duria, Karanj, Karaundajor, Marasilli, South Bharno, Supa, AmaliyaNorth Bharno, Armai, Brinda, Ghatgaon, Kaseera, Katri, Kotam, Kumharia, Silafari, Aanjan, Toto, Baragaon, Bhadauli, Bondo, Lakeya, Murgu, Nagar, Pandariya, Rerwa, Ghaghra, Shivnathpur, Awsane, Bansdih, Basariya Kalan, Chando, Huttar, Mahugawan, Ornar, Ramgarh, Chainpur, Purbdiha, Baralota North, Jhabar, Jonr, Kauria, Lahlahe, Polpolkala, Sarja, Singrakhurd, Chiyanki, Jamune, Chaura, Dabara, Haratua, Jamudih, Kundari, Naudia, Purnadih, Sangbar, Kotkhas, Lesliganj (167)
12.	Karnataka	Chickballapur, Shimoga, Bijapur, Gadag, Bellary, Raichur, Chamarajanagar, Hassan (eight)	Bagepalli, Gudibande, Hosanagar, Sorab, Muddebihal, Sindagi, Naragund, Shirahatti, Hospete, Kudligi, Devadurga, Lingasugur, Chamarajanagar, Kollegal, Belur, Hassan (16)	Devaragudipally, Guler, Kottakote, Mittermari, Nallappareddy Pally, Naremaddepalli, Paragodu, Pathapalya, Rashcharavu, Somanathapura, Beechnaganahalli, Hampasandra, Somenahalli, Tirumani, Ullodu, Varlakonda, Yellodu, Amrutha, Baluru, Hosuru(Sampekatte), Humcha, Karimane, Melinabesige, Nitturu, Purappemane, Reppanpete, Yaduru, Bennur, Chitturu, Dyavanahalli, Guduvi, Heche, Jade, Samanavalli, Shigga, Talagaddi, Yennekoppa, Alur, Bavur, Bhanatur, Bidarakundi, Dhavalagi, Hirur, Kolar, Mukihal, Rakkasagi, Tumbagi, Bekinal, Bommanahalli, Chattaraki, Gabbasavalagi, Kondaguli, Mannur, Rampur Pa, Yalagod, Yankanchi, Yaragal BK, Banahatti, Bhiranahatti, Chikkanaragund, Hadli, Hirekoppa, Hunsikatti, Kanakikoppa, Konnur, Shirol, Surkod, Adarakatti, Balehosuru, Bannikoppa, Bellatti, Chebbi, Dodduru, Koganur, Magadi, Shigli, Vadavi, 114. Danapura, Bukkasagara, Byluvaddigeri, Gadiganur, Malapanagudi, Mariyamanahalli, Nagenahalli, No.10 Muddapura, Ramasagara, Seetharama Thanda, Banavikallu, Choudapur, Gudekote, Hirehegdal, Huralihah, Hyalya, K.Ayyanahalli, Kandagallu, Nimbaleri, Rampura, Arker, B.Ganekal, Chinchodi, Ganadh (Deodurga), Hirebudur, Hosur Siddapur, Jagirajadalinni, Jalahalli, Maladakai, Ramadurga, Bannigol, Bayyapur, Devarabhupur, Hutti, Kachapur, Kalapur, Kannal, Nagaral, Narakaladinni, Rodalabanda (U.K.P.), Arakalavadi,

13.	Kerala	Thiruvananthapuram, Kottayam, Malappuram, Palakkad (four)	Athiyannur, Vamanapuram, Varkala, Ettumanoor, Kanjirappally, Lalam, Areacode, Kondotty, Mankada, Perinthalmanna, Mannarkkad, Ottappalam, Thrithala (13)	Badanaguppe, Demahalli, Honnali, Kagalavadi, Kothalavadi, Madapura, Maliyuru, Nanjedevanapura, Punjjanuru, Doddinduvadi, Ellemala, Kowdalli, Kunthur, Kurattihosuru, Managalli, Martalli, Palya, Singanalluru, Suleripalya, Bikkodu, Cheekanaahalli, Ghattadahalli, Hagare, Halebeedu, Malasavara, Narayanapura, Savasihalli, Tholalu, Yamasandi, Channangihalli, Doddagenigere, Gorur, Hanumanthapura, Honnavara, Kattaya, Koravangala, Mosalehosahalli, Shantigrama, Tejur(157)
14.	Madhya Pradesh	Balaghat, Shahdol, Khargone, Satna, Dhar, Ashok Nagar, Datia, Chhindwara, Indore, Sehore, Vidisha, Shajapur, Neemuch (13)	Balaghat, Khairlanji, Kirmapur, Sohagpur, Burhar, Bhikangaon, Gogawan, Ramnagar, Majhgawan, Umarban, Tirla, Gandhwani, Chanderi, Mungaoli, Bhandar, Seondha, Harai, Pandhurna, Sausar, Indore, Depalpur, Sehore, Ichhawar, Vidisha, Kurwai, Shajapur, Badod, Manasa, Neemuch (29)	Naitra, Naharwani, Bhalewada, Servi, Linga, Aamgaw, Dhansua, Paraswada, Katangi, Bharveli, Beni, Miragpur, Sawargaw, Panjara, Khairi, Khairlanji, Chatera, Temni, Selotpar, Ghoti, Mohgaonkhurd, Parade, Bakkar, Dahedi, Jamadimeta, Kasangi, Lawveri, Mundesara, Pipalgawn, Sarad, Chunia, Sarangpur, Arajhula, Bodri, Dhanoora, Jamui, Kelmaniya, Lalpur, Padmaniya Khurd, Sinduri Chuniya, Dhummadol, Raikoba, Bairiha, Bijuri, Chhatai, Godimbuda, Katkona, Kuddi, Navatola, Sakra, Kanjhar, Patthar Wada, Badia Go., Boruth, Egaria, Kedwa, Nargaon, Pipalia Bujurg, Rehgaon, Sundrel, Ghatti, Piparkheda, Balgaon, Bilkhed Bujurg, Devli, Jagnath Pura, Lakhi, Naghiri, Rajpura, Solna, Sohaila, Argat, Devari, Tigana, Jigana, Majhatolva, Narayanpur, Nado, Gorasari, Bharatpur, Teini, Piperitola, Hardi, Lalpur, Kelhaura, Banka, Nayagav, Bhatwa, Karaudikala, Birpur, Kharberdi, Jamli, Malhera, Deoli-B, Dholahanuman, Sironji, Jalokhya, Pura, BalVarikala, Chunpya, Dholibawdi, Padla, Bhuwada, Kalibawdi, Ralamandal, Ukhalda, Dhanora, Kuwad, Kothda, Badia, Ambapura, Bagadia, Gyanpura, Musapura, Chandwada, Kharrampur, Sindhkuwa, Mafipura, Mawadipura, Sadariyakuwa, Kenvara, Khoribari, Bamoritanka, Bhyana, Dhechari, Jhagar, Khoksi, Merkabad, Russala, Singhada Dhondhiya, Arron, Navni, Aaket, Bari, Godhan, Khanpur, Lalotanka, Muradpur, Piprod, Singhpur Chalda, Barcholi, Kulariya, Ajitpura, Saletra, Bindawa, Bhalka, Mustra, Sunari, Maithanapauj, Godan, Bilaspur, Eguai, Jhuharpura, Kanjoli, Chiina, Ruhera, Karerua, Nehla, Atreta, Bercha, Elkapar, Khapa, Nandewani, Rangari, Dewli, Pangadi, Satnoor, Gangatwada, Mehrakhapa, Dukarjhela, Khamtara, Saldhana, Moharia, Andol, Sukhapura, Bhoipar, Seiwada, Surla, Chopna, Gaurpani, Dhavadikhapa, Pandoni, Bhajipani, Junewani, Lonadehi, Sillewani, Mordongri, Sawajpani, Chhawadi, Chimankhapa, Arniya, Baviya Khurd, Asravd Bujurg, Buranakhedi, Gogakhedi, Khati Pipalya, Nainod, Pipalda, Shivni, Umrikheda, Pirnalwasa, Katkoda, Arodakot, Birgoda, Farkoda, Harnasa, Karadiya, Nevri, Ralayata, Semda, Nayapura, Balondiya, Amlanoabad, Bhaukhedi, Dhablamata, Fangiya, Khajuriyaghengi, Molga, Neelbad, Sohankheda, Seelkheda, Bansiya, Barkheda Hasan, Bilkisgani, Doraha, Jharkheda, Lelakhadi, Nipaniya, Sarkheda, Sonda, Neemkheda, Pipariya Ajit, Peepal Kheda, Tharr, Karariya Ahemedpur, Shajakhedi, Barro, Chitoriya, Kabula, Harrokhedi, Parakhedi, Nehra, Talapar, Gudawal, Roshanipariya, Ishakhedi, Simardhan, Karibarakhedi, Sirawali, Kaachi Kumhariya, Bercha, Tanda Pindonia, Bamori, Birgod, Haran Gaon, Ladawad, Nichma, Piploda, Tilawad Govind, Satgaon, Uchwas, Jaisingh Pura, Bargadi, Saranga Khedi, Guradia Badod, Jhota, Khjuri Badod, Lodha Khedi, Pipalia Ghata, Umarpur, Amlikheda, Bisalwas Songra, Chhayan, Harnawada, Kanakheda, Pipaliyabag, Sawan, Semlimewad, Seerkheda, Soniyana, Bhadwas, Bakhtuni, Bhagori, Denthal, Hanspur, Khetpaliya, Mokadi, Palasiya, Talau, Tamoti (290)

15.	Maharashtra	Ahmednagar, Nandurbar, Nanded, Latur, Gondia, Yavatmal, Buldhana, Sindhudurg, Thane (nine)	Akola, Sangamner, Kopergaon, Akkalkuwa, Shahada, Kandhar, Mukhed, Nanded, Renapur, Shirur Anantpal, Deoni, Lakhani, Tumsar, Kelapur, Yavatmal, Zari-Jamni, Motala, Khamgaon, Mehkar, Jawhar, Wada, Murbad, Sawantwadi, Kankavali, (24)	Bahirwadi, Dhamangaon Awari, Dhamangaon Pat, Garadni, Kalamb, Lavhali Otur, Palsunde, Pimpalgaon Nipani, Sherankhel, Unckhadak Kh, Chincoli Gurav, Jawalebaleshwar, Lohare, Nandur Khandarmal, Paregaon Bk, Paregaon Kh., Pimpriholi Azampur, Sawarchol, Talegaon, Wadzari Kh., Apegaon, Bahadarpur, Dhondewadi (N.V.), Javalke, Madhi Bk., Ranjangaon Deshn, Shirasgaon, Takali, Ves, Yesgaon, Bhagadari, Bhangrapani, Ghantani, Kakadkhunt, Mogra, Ohava, Porambi, Sinduri, Vadfali, Veli, Aslod, Bhagapur, Dondwade, Kakarde Digar, Katharde Digar, Lambola, Langadi Bhavani, Nande, Shahane, Udhalod, Kawtha, Guntur, Mundewadi, Kotkalamb, Varvat, Pokharni, Nawargapur, Hipparga Shah, Dharmapuri Majre, Bahadurpura, Hangarga, Sangavi Bhadeo, Bennal, Umardari, Wasoor, Bawanwadi, Aurai, Chinchgaon, Sawali, Khairka, Brahmanwada, Bhondar, Siddhanath, Dhanegaon, Vishnupuri, Limbgaon, Thugaon, Nila, Someswar, Kalha, Borol, Deoni(Bu), Helamb, Jawaiga, Lasona, Nagral, Talegaon, Walandi, Dawanihapparg, Sayyapur, Aari, Chamarga, Dighod, Kalamgaon, Shend, Thergaon, Ujed, Yerol, Ajni(B), Sakol, Arajkheda, Bhokarimbh, Gavhan, Koshtgaon, Motegaon, Niwada, Takalgaon, Talni, Darji Bargaon, Lakmapur, Bori, Dewhadi, Gonditol, Koshti, Mangali(K), Pathri, Sihor, Wahni, Sindhapuri, Yeralli, Alesur, Dighori, Gondi, Kesaliwada(Wag), Lohar, Morgaon, Pendri, Salebhat, Pimpalgaon(Sadak), Seloti, Bhisani, Daheli, Kharad, Moha, Manpur, Ratchandna, Savargad, Sakur, Waghada, Yavali, Dharna, Chikhaldara, Chankha, Bahattar, Khairgaon (D), Kopmandvi, Zuli, Kawtha, Wai, Arli, Mandvi, Durbha, Jamni, Adkoli, Bhendala, Lingoti, Zamkola, Mulgavhan, Adeggaon, Matharjun, Chinchpur, Parda, Borkhedi, Kabarkhed, Kolhi Golar, Mahalungi Jahagiri, Takali, Takli Ghadekar, Ubbalkhed, Vadgaon Kh, Parkhed, Ambikapur, Chitoda, Garadgaon, Hiwarkhed, Kalegaon, Konti, Kumbephal, Pimpalgaon Raja, Wazar, Varud, Andhrud, Gajarkhed, Ganpur, Kalyana, Mohana Kd, Mundepphal, Ratnapur Hiwara Sable, Vishwi, Warvand, Ayare, Dengachimet, Bhuritek, Gorthan, Borale, Zap, Valvanda, Vadoli, Dhivanda, Aine, Moji, Aabje, Pimplas, Kelithan, Nandani, Sange, Gorad, Chamble, Bilghar, Akhada, Shelgaon, Maniwali (Khu), Merdi, Khaniware, Nadhai, Mhasa, Fansoli, Tembhare (Bu), Dongarnhave, Balegaon, Amboli, Bhalaval, Kalambist, Kolgaon, Malgaon, Niravde, Satarda, Wafoli, Chartha, Chaukul, Aynal, Harkul Budruk, Kalsuli, Nagve, Osargaon, Pisekamate, Shirval, Vagde, Dariste, Karul (240)
16.	Manipur	Imphal East, Thoubal, Tamenglong, Churachandpur (four)	Imphal East I, Imphal East II, Thoubal, Kakching, Tamenglong, Nungba, Lamka, Sangaikot, Vangai (nine)	Heingang, Khurai Chingangbam Leikai, Khurai Nandeibam Leikai, Luwangshangbam, Nilakuthi, Pungdongbam, Takhel, Waiton, Laipham Khunou, Kairang, Bamonkampur, Chanam Sandrok, Keirao Makting, Keirao, Kiyamgei Muslim Arapti, Naharup, Thonglu Pt-II, Top Naoria, Tumukhong Moirangpurei, Uchekon Nongpok, Heirok Pt II, Kangyambem, Khangabok Pt III, Leishangthem , Oinam Sawombung, Sangaiyumpham Pt II, Turel Ahanbi, Wangkhem, Leirongthel Ningei, Maibam Uchiwa, Chairei, Irengband, Langmeidong, Mayeng Lamjao, Sekmajin, Serou, Waikhong, Wangoo, Pallei, Hiyanglam, Chaengdai, Guigailong, Happy Villa – A, Khangchiluan, Model Village, Rigunlong, Salem (New), Taobam, Tamenglong Village, Makhuum, Rongdai, Thingou, Taodajiang, Nungba HQ, Khongsang, Charoi, Charoi II, Rengpang, Longmai(Noney), Puiluan(Kambiron), Bungmual, Dorcas Veng, Gochinkhupveng, Hiangtam Lamka, HQ Veng, Mata Mualtam, Simveng, Vengnuam, Zehang Lamka, Rengkai, Dongiang, Hengken, L.Gangpimual, Makhao, Mongnelphai, Saiboh, T.Lailoiphai, Tuitum Vajang, Sangaikot, Tuining, Hengchungpunjee, Kasurbali, Kangring, Nungsekpunjee, Phailienthang Punjee, Tahtuimuan, Thingpuikuol, Tuisen, Sibapurikhal (Ankhasuo), Kangrengdor (90)
17.	Meghalaya	East Khasi Hills, West Khasi Hills, West Garo Hills and South Garo Hills (four)	Chokpot, Gasuapara, Mairang, Mawphlang, Mawthadraishan, Rongram, Shella-Bholagani, Tikrikilla (eight)	Madan Umsaw Pyllun, Rangshken, Urur, Phudmyrdong, Lumsohriew, Mawripih 'A', Marpna, Nongbsap, Mawpunneng, Mawpohngong, Laitmawpen, Madanbitaw, Mawtap Pyllun, Tiehbah, Trausaikhlieh, Len Pdengshnong, Umsaw 'A', Madankong, Dongsurok Laitryngew, Laitduh, Lumskul Mawphu, Mawmsmai, Mawmluh, Shyrwang, Pyndeng Nonglori, Pyndeng Dombah, Nongrang, Nongkhlaw, Lawkynter, Langkyrteng, Nongthyldep, Dongbir, Umthlong, Madan Bynther, Laitkseh, Laitngor, Mawlangkhar, Mawiangsu, Mawkohur, Lawbyrtun,

				<p>Nonglait, Nongshillong, Markasa, Asanang, Jendragre, Allagre, Ringgigre, Chandigre, Chokagre, Gondenggre, Rombagre, Chikasingre, Anogre, Waribokgre, Galwangre, Danakgre, Rongkhongre, Marakpara, Mongalgre, Lower Sabangre, Jugirihar, Naguapara, Lower Rembigre, Pedaladoba, Bundukmali, Photamati, Aitibi, Tikrikilla, Ghaguapara, Odalguri, Wankolagre, Seempara – A, Seempara – B, Jatrakona, Dimapara – A, Dimapara – B, Kapasi para – A, Tellekali, Ramchengga – A, Ramchengga – B, Bolkongpara, Chokpotgre, Dagal Wagebokgre, Daji Tekragre, Ganchikalak, Gonggangre, Mitapgre, Rongrakgre, Sangknigre, Warimagre (90)</p>
18.	Mizoram	Lunglei, Lawngtlai (two)	Lungsen, Hnathial, Lawngtlai, Bungtlang 'S' (four)	<p>Vairawkai, Siphirltang, Upper Lungrang, Lungrang 'S', Silgur, Nunsury, Khawmawi, Bindasora, Lungsen, Zodin, Serhuan, Tipperaghat, Chengkawllui, Chhukhnum, Phairuangkai, South Vanlaiphai, Pangzawl, Aithur, Rawpui, Hnathial 'N', Hnathial 'S', Zochachhuah, Electric Veng, Bazar, Dilitiang, AOC Veng, Chawngtelui, Chawngte-P, Sihtiangpui, Tuidangtlang, College Veng, Lawngtlai III, Chikhurlui, Vaseikai, Kawnkha (Sekulhkai), Tuichawngtlang, Hmunnuam, Bungtlang 'S', Karlui (39)</p>
19.	Nagaland	Mon, Tuensang, Dimapur (three)	Chen, Tobu, Sangsangnyu, Noklak, Chessore, Dhansiripar, Medziphema (seven)	<p>Chaoha Chingnyu, Chenloiso, Choknyu, Jakphang, Ngangching, Wangti, Maneakshu, Pesao, Ukha, Yakshu, Hakchang, Helipong, Maksha, Momgching, Sangsangnyu, Saochu, Chessore Village, Kiutsukiur, Kuthur, Shiponger, Ekha, Kengnyu, Nakyak, New Pangsha, Panso B, Taknyu, Yakhao, Yimpang, Disagaphu, Doyapur, Khekiho, Kiyeto, Razaphe, Razaphe Basa, Singrijan, Toshezu, Aoyimti, Bungsang, Darogapathar, Diphupar, Hekheshe, Industrial Village, Khopanalla, Khriezephe, Molvom, Naagarjan, Paglapahar, Phaiphijang, Samaguri, Seithekema A, Sodzulhou, Sovima, Thilixu, Toluvi (54)</p>
20.	Odisha	Kendrapara, Khordha, Angul, Bhadrak, Ganjam, Sambalpur, Bolangir, Gajapati (eight)	Aul, Rajnagar, Baliana, Khordha, Tangi, Angul, Kaniha, Basudevpur, Chandbali, Ganjam, Aska, Digapahandi, Bamra, Kuchinda, Rengali, Agalpur, Muribahal, Patnagarh, Gosani, Nuadada (20)	<p>Atala, Chandia Gadi, Demal, Ketuapala, Mahu, Mendha Pur, Patra Pur, Sahira, Singiri, Tunga, Brahmansahi, Dangamala, Dera, Iswarpur, Kandira, Koilpur, Mahulia, Ostia, Rajnagar, Rangani, Bainchua, Baliana, Bentapur, Jagannathpur, Kakarudrapur, Prataprudrapur, Puraanpradhan, Umadeibrahmapur, Sarakana, Jhintيسان, Bajapur, Dhauli Muhan, Garh Haladia, Janika, Kanpur, Malipur, Nalipada Arjunpur, Narangarh, Pallatotapada, Pubusahi, Achyutpur, Badapari, Badaokharia, Chhanagiri, Kuhudi, Lendo, Nuagarh, Olasingh, Rameswar, Sundarpur, Badakantakula, Balaga(New), Balasinga, Baluakata, Baragaunia, Khalar, Khinda, Kumarsingha, Manikajodi, Saradhapur, Badagunduri, Balipasi, Bijigol, Biru, Deranga, Hanumanapur, Karnapal, Kulei, Kuluma, Parabil, Arandua, Aruhan, Barandua, Ertal, K.K. Pur, Kumarpur, Lunga, Sudarsanpur, Balimunda, Balimunda, Bansada, Bhatapada, Bhuinbruti, Madhapur, Mausudha, Nalgunda, Nandapur, Totopada, Josphipur, Nologohira, Ramagada, Huma, Rajapur, Malada, S.Ramachandrapur, Pallibandha, Subalaya, Palanga, Pairoi, Khandadeuli, Benapat, Gunthupada, Kalasandhapur, Kamagada, Kendupadar, Khandadeuli, Khaira, Munigadi, Nimina, Sidhanai, Bomkai, Ch.Nimakhandi, Ch.Tikarpada, Gadagobindapur, Gokarnapur, Khamarigaon, Kusapada, Nimakhandipentha, Phasiguda, S.Tikarpada, Babunikitimal, Jarabag, Kinabaga, Sagara, Garposh, Mahulpali, Turei, Pindapathar, Keseibahal, Kabribahal, Boxma, Telitileimal, Paruabhadi, Bauriguda, Gochhara, Kuntara, Tainsar, Kusumi, K.Jamankira, Salebhadi, Laida, Rengloi, Jangla, Tamparkela, Jhankarpali, Katarbaga, Lapanga, Rengali, Salad, Tabadabhal, Agalpur, Babufasad, Bendra, Bhruja, Budula, Duduka, Kutasingh, Rinbachan, Nuniapali, Jharanipali, Bankel, Chaliki, Chanabahal, Goimund, Haldi, Lakhana, Lebda, Tupaudar, Ichhapada, Malisira, Deulgaon, Gerda, Khuntsamlei, Maruan, Sunamudi, Tamian, Tendapadar, Ulba, Kendumundi, Dangabahal, Badakaturu, Bhuskudi, Bomika, Garabandha, Ghorani, Katalakaita, Kerandi, Labanyagada, Rampa, Uppalada, Attarsingi, Betarsingi, Keradag, Khajuripada, Nuagada, Paikantarada, Parimala, Putrupada, Sambalpur, Tabarada (200)</p>
21.	Punjab	Hoshiarpur, Barnala, Fazilka, Amritsar, Mukatsar, Panthankot	Bhunga, Tanda, Talwara, Sehna, Barnala, Abohar, Jalalabad, Ajnala, Verka,	<p>Tantpal, Gugial, Kahlwan, Chak Gujran, Kapahat, Durian, Gallowal, Jallowal, Dhoot Kalan, Bassi Babu Khan, Jhans, Kaloya, Bhagian, Hambran, Kotli Bodal, Kotli Jand, Jaura, Jhawan, Harsi Pind, Khudda, Chhattarpur, Depur, Fatehpur, Goewal, Beh Bidiya, Changrwan, Chamuhi, Heer Beh, Gwalchak shingaroo, Bhadarian, Channa Gulab</p>

		(six)	Gidderbaha, Malout, Bamial, Narot Jai Mal Singh (13)	Singh Wala, Cheema, Draj, Dharampura, Pakhoke, Dhiliwan Patiala, Sukhpura, Tajoke, Rurekekhard, Gurm, Kotdunna, Pandher, Manal, Bhure, Badra, Thulewa, Thikriwal, Chak Kala Tiba, Shergarh, Ruhrian Wali, Sherewala, Jodhpur, Bhagu, Ghuriana, Malukpur, Dhaban Kokarian, Bhawal Bassi, Attu Wala, Chak Gariban Sandar, Dhab Khariyal, Hazara Ram Singh Wala, Kirian wala, Lamochar Kalan Uttar, Mohar Singh wala, Pacca Kala wala, Sukhera Bodla, Sarai, Kotli Amb, Jafarkot, Kamirpur, Issapur, Hashampura, Bhure Gill, Kotla Kazian, Kotli Shah Habib, Dial Bhatti, Meeran Kot Kalan, Nangli, Murad Pura, Abadi Dayanand Nagar, Loharka Khurd, Khapar Kheri, Abadi Sunder Nagar, Thande, Bal, Gaunsabad, Chhatiana, Chakgijewal, Kot Bhai, Kotli ablu, Mallan, Sahib chand, Sotha, Bhangchhari, Raniwala, Pakki Tibi, Ram Nagar, Khunnan Kalan, Karniwal, Katorewala, Danewala, Khaneki Dhab, Anial, Bamial, Bhakhri, Chak amir, Gohla, Khojki Chak, Muthi, Abadi Phoolpur, Begowal, Fatehpur, Nakki, Nangal, Nangal Farida, Sahoda Kalan, Sharif Chak, Shekhopur Manjiri (118)
22.	Rajasthan	Bhilwara, Bundi, Churu, Dholpur, Dungarpur, Jaisalmer, Jaipur, Jalore (eight)	Banera, Suwana, Raipur, Nainwa, Talera, Sardarshahar, Taranagar, Dholpur, Raja Khera, Sagwara, Simalwara, Sam, Sankra, Chaksu, Phagi, Viratnagar, Sanchoore, Raniwara (18)	Babrana, Baran, Beran, Chamanpura, Dabla, Kundiya Kalan, Rakshi, Sairiya Kalan, Sardamagar, Upreda, Atoon, Bhopalgarh, Dariba, Gundli, Guria, Mahuwa Kalan, Rampuriya, Sangwa, Suwana, Swaroopganj, Asaholi, Bagar, Binta, Boriyapura, Jharol, Khemana, Narayan Khera, Pitha, Raipur, Thala, Bachhola, Dei, Gurha Sadavartian, Jetpur, Karwar, Khanpura, Mani, Maran, Rajlawata, Talwas, Aktasa, Bajad, Budhpura, Dabi, Dora, Jakhmund, Ladpur, Laxmipura, Leeled Byasan, Rajpura, Ajeetsar, Bhojsar Upadhiyan, Boghera, Jaitsisar, Kalyanpura Purohitan, Kikasar, Kheenwansar, Melusar, Phoga Bhardhari, Roolisar, Alayla, Bain, Bhaleri, Dheerwas Bara, Gajoowas, Kalwas, Raitunda, Redi, Sahwa, Sarayan, Biparpur, Bothpura, Karimpur, Kookra Makra, Kurendha, Maloni Panwar, Nagla Kharapur, Nidhaira Kalan, Pachgaon, Saipau, Bajna, Basai Gheeyaram, Basai Kare, Jatoli, Kasimpur, Kherli, Mangrol, Nagar, Sadapur, Sikroda, Barboodaniya, Bheeloora, Dencha, Dibra Chhota, Hadmala, Kahela, Od, Parwa, Pipla Gunj, Vageri, Baba Ki Bar, Bansiya, Baori, Gundlara, Jorawar Pura, Mala Kholra, Nagariya Panchela, Seemalwara, Sendola, Sakodra, Bersiyala, Bida, Chhatangar, Fatehgarh, Habur, Kapuriya, Khoohri, Loonar, Sam, Sipala, Balad, Barath Ka Gaon, Bhaniyana, Dantal, Kelawa, Khetolai, Lathi, Neran, Panasar, Rajmathai, Arnai, Damana, Danta, Dhanta, Hariyali, Karola, Khara, Nainol, Pamana, Surawa, Aajodar, Akhrad, Jakhadi, Jalera Khurd, Jorwas, Korka, Kura, Ratanpur, Ropsi, Silasan, Garoodwasi, Jhapda Kalan, Kadera, Kathawala, Kumhariyawas, Mahadeopura, Mandaliya, Nimodiya, Roopaheri Khurd Bapugaon, Sawai Madhosinghpura, Chittora, Dabich, Didawata, Harsooliya, Kansel, Kishorpura, Ladana, Lasariya, Peepla, Phagi, Badodiya, Bagawas Ahiran, Bhamod, Bhankhari, Chheetoli, Jaje Kalan, Jodhpura, Poorawala, Rampura, Tulsipura (180)
23.	Sikkim	East Sikkim, South Sikkim (two)	Pakyong, Regu, Namchi, Temi Tarku (four)	Aho Yangtan, Kartok Namcheybong, Aritar, Dalapchan, Assangthang, Maniram, Ben Nampririk, Temi (8)
24.	Tamil Nadu	Coimbatore, Erode, Perambalur, Pudukottai, Tiruvallur, Vellore, Sivagangai, Virudhunagar (eight)	Pollachi South, Kinathukadavu, Sultanpet, Alangayam, Thimiri, Thirapathur, Kadambathur, Vilivakkam, Poondi, Bhavanisagar, TN Palayam, Kodumudi, Alathur, Veppur, Manamadurai, S.Pudur, Kannangudi, Vembakottai, Kariapatti, Rajapalayam,	Veeralpatti, Naickenpalayam, Gomangalam, Ambarampalayam, Gomangalampudur, Thenkumarapalayam, Nallur (S), Vakkampalayam, Zaminkottampatti, Thondamuthur, Panapatti, Kovilpalayam, Arasapalayam, Kakkadavu, Mettupalayam, Sirukalandai, Solavampalayam, Devarayapuram, Andipalayam, Sokkanur, Kumarapalayam, Varapatti, Sellaackrichal, Vadavedampatti, Bogampatti, Sencheripudur, S.Ayyampalayam, Kamalapatti, Kallapalayam, Pachapalayam, Beemalulam, Pungampattunadu, Govindapuram, Girisamudiram, Neckanamalai, Elyanagar, Madanancheri, Pudumadu, Pethaveppampattu, Vijilapuram, Pali, Pariyamangalam, Meliyakanpalayam, Senganavarum, Mambakkam, Soraiyur, Sennasamudram, Durgam, Mazhaiyur, Vembi, Aneri, Pudukottai, Kakamanpalayam, Annandapatti, Kurumbakoti, Mittur, Ak Mottur, Thathansvalasai, Kadhirampatti, Madapalli, Kondancheri, Polivakkam, Ramankoil, Kopur, Kadambathur, Vellerithangal, Pudumavilangai, Citrambakkam, Killacheri, Mappedu, Palavedu, Ayyapakkam, Pammadhukulam, Adayalampattu,

			<p>Thirumayam, Ponnamaravathi, Viralmalai (23)</p>	<p>Vellachery, Pondeshwaram, Arakkambakkam, Vanagaram, Karalapakkam, Alathur, Kalavai, Erariyur, Tb Puram, Perunjeri, Meyyur, Ramalingapuram, Ellapanaidupettai, Thiruper, Goonipalayam, Nampakkam, Desipalayam, Karapadi, Kavilipalayam, Mathampalayam, Nallur, Nochikkuttai, Periyakalippatti, Pungar, Kothamangalam, Panayampalli, Akkarai Kodivery, Arakkankottai, Kanakkampalayam, Nanjaipullampatti, Odayagoundenpalayam, Perumugai, Pullappanaickenpalayam, Punjaithurayam, Kodayampalayam, Kongarapalayam, Anjur, Ayyampalayam, Avudaiyarparai, Elunuthimangalam, Ichipalayam, Kollathupalayam, Kondalam, Kongudaiyampalayam, Nanjaikollanalli, Vallipuram, Elandapatti, Adhanur, Ayinapuram, Naranamangalam, Elandankuzhi, Mavilangai, Kolathur, Padaloop, Irur, Kizhamathur, Perali, Aduthurai, Andhoor, Vadakkalur, Periammapalayam, Kizhumathoor, Varagoor, Kunnam, Asoor, Sirumathur, Keelappasalai, Kattikulam, Thanjakoar, Sannathipudhukulam, Perumpatcheri, M.Karisalkulam, Vagudi, Kalkurichi, Therukku Chanthanoor, Seikalathur, Kuluthupatti, Manaloor, Piranapatti, Puluthipatti, Kunnathur, K Pudupatti, Melavannariruppu, Urathupatti, Ulagampatti, Musundapatti, Hanumanthagudi, Koduvour, Thiruppakkottai, Puthurani, Kangani, Thathani, Vengalore, Kandiyyur, Kannangudi, Siruvatchi, A.Lakshmiapuram, Alangulam, Guganparai, Jegaveeranpatti, Kundairrupu, Sevalpatti, Thulukankurichi, Vettrilaiyoorani, Subramaniapuram, Elayirampennai, Varalotti, Mustakuruchi, Pampatty, Kambikudi, Vakkanankundu, Melakallankulam, Alagianallur, V.Nangoor, Manthope, Chettikulam, Zamin Nallamangalam, Ayankollankondan, Sundaranatchiyapuram, Venganallur (S), Muhavoor, Meenachipuram, Ganapathy Sundaranatchiyapuram, Chatrapati, Cholapuram, Sundarajapuram, Kannanoor, Pulivalam, Arasampatti, Kuzhipirai, Melur, Nachandupatti, Kuruvikondampatti, Rarapuram, Kottur, Thulaiyanoor, Maravamadurai, Olimangalam, Kopnapatti, Konnaipatti, Konnayampatti, Melamelinilai, Nagarapatti, Nallore, Vedampatti, Chirukalamboor, Letchumanampatti, Perambalur, Boodhakudi, Viralmalai, Meenaveli, Kesavanoor, Kumaramangalam, Vadudapatti, Theravoor, Pakudi (230)</p>
<p>25.</p>	<p>Tripura</p>	<p>West Tripura, South Tripura (two)</p>	<p>Jirania, Hezamara, Teliamura, Kakraban, Killa, Matabari (six)</p>	<p>Bridhanagar, Durganagar, Madhya Debendranagar, Paschim Jiraniakhala, Purba Debendranagar, Purba Noagaon, Radhakishore Nagar, Radhapur, Sachindranagar, Uttar Majlishpur, Surendanagar, Barkathati, Paschim Chandpur, Paschim Tamakari, Balurbandh, Meghibandh, Dumarakaridak, Purbanagaon, Ramshankar, Shankhola, Paschim Teliamura, Madhya Krishampur, Dakshin Krishinpur, Howaibari, Hadrai, Sardukarkari, Moharchhar A, Chakmaghat, Uttarpulinpur, Paschim Howaibari, Dakshin Rani (Adc), Dhuptali (Adc), Hadra, Hurijala, Ichachhara, Jamiuri, Murapara, Purba Tulamura (Adc), Shilghati, Uttar Shilghati (Adc), Killa, Raiyabari, Kachigang, Choyghoria, East Khupilong, Kowaimura, South Baramura, Noabari, Uttar Brajendranagar, South Brajendranagar, Barabhaya, Dalshin Maharani, Gamaria, Khilpara, Maharani, Purba Gakulpur, Shaigara, Tepania, Uttar Kalaban, Uttar Maharani (60)</p>
<p>26.</p>	<p>Uttar Pradesh</p>	<p>Azamgarh, Kushi Nagar, Allahabad, Gonda, Balrampur, Sultanpur, Varansi, Bareilly, Moradabad, Rampur, Bulandshahr, Ghaziabad, Sitapur, Unnao, Lucknow, Jalaun, Banda, Chitrakoot (18)</p>	<p>Ahiraula, Maharajganj, Koilsa, Ramkola, Padrauma, Captainganj, Soraon, Chaka, Urwa, Itiathok, Babhanjot, Katrabazar, Pachpedwa, Sridattganj, Dubeypur, Dostpur, Bhadaiya, Chiraigaon, Harahua, Mirgani, Bhadpura, Alampur Jafrabad, Bahjoi, Bilari, Moradabad,</p>	<p>Kusamahara, Vilari, Gahzi, Pakdi, Kotavali Pur, Kori Ghatampur, Ishakpur, Sejani, Sahuwal Asilai, Shambhupur, Bhatauli, Mureelpur, Araj Jajman Jot, Mahaji Dewara Jadio, Baijuapur, Govardhanpur, Bhilam Pur, Captaingang, Chaurashi, Motipur, Kaudiya, Benghu Kishunde Patti, Deurpur Sarai, Usurkudewa, Bhawanipatti, Bhadaura Molnapur, Rampur Dashaarajpatti, Ghazipur, Karamhadigur Pur, Keshavpur, Farna, Lala Chapra, Motipakad, Bhathahi Bujurg, Tarkulwa, Parorha, Kusumhi, Abdul Chak Islam, Pidari, Deoria Babu, Jungal Hanumanganj, Gangrani, Lamuha Kewal Chapra, Sukhpura, Nadah, Sarpatahi Bujurg, Sahuadih, Kalyan Chhapar, Jungal Naharchhapra, Sakhopar, Pemali, Pakadi, Kundur, Gangri, Bauliya, Mundera, Captainganj, Balua, Sudhiyani, Padkhorri, Gohari, Sarai Bahar, Sahaji Pur, Sarai Lal Khatoon Shiv Garh, Padraiya, Raja Pur Malhuva, Gaura, Jallupur, Malak Chaturji, Singar Pur, Dabhav, Nibi Khurd, Balapur, Bara Mar, Ghogha Pur, Champat Pur, Chak Pure Khurd, Bhadara, Newada Samogar, Lawayan Kala, Chilbila, Akodha, Lehadi, Kanjoui, Chauktha Tivariyan, Patti</p>

27.	Uttarakhand	Pauri, Dehradun, Pithoragarh, Almora (four)	Pauri, Khirsu, Eakeshwar, Chakrata, Vikas Nagar, Munsiyari, Didihat, Bhikiasen, Dwarahat, Dhauladevi (10)	Bareri Kala, Chirhuta, Tarahi Mafi, Godhni, Ghokharhia, Rahusat, Nayee, Kharauch, Manipur, Bdeha Syodha, Baruwa Spotha, Prem Pur, Dhurgapur, Bachehi, Anadhuwa, Gadhighat, Ramayapur, Baihar, Hariharpur, Kadar Gunj, Itkhari, Khutahaa, Bhanbhayee, Baramafi, Bhaganpur, Bambhiya, Devakali, Baghaura, Nagar, Arvara, Kota Kandaila, Bagdari, Nihni, Raipura, Itwa Dudaila (460)
28.	West Bengal	Bardhaman, Murshidabad, South 24 Parganas, Bankura, Jalpaiguri (five)	Sarenga, Simlapal, Hirabandh, Bhangore-I, Namkhana, Baruipur, Bardhaman-I, Jamuria, Katwa-II, Kalchini, Dhugguri, Nagrakata, Suti-I, Raghunathganj-II, Beldanga-I (15)	Ayal, Dhanau Malla, B. Dhandari, Baunsari, Uiyadi, Nankot, Garh Ka Margaon, Bada, Kyark, Kothgi, Markhoda, Gajeli, Sumadi, Jaletha, Sweet, Dharigaon, Badeshu, Mindangaon, Koltha, Dyuld, Vinjoli, Sanglakoti, Matchouri, Malethi, Naugaon, Mathana, Gorli, Pathar, Vatholi, Mashk, Rajanoo, Behmoo, Painva, Bulhad, Kharoda, Jaadi, Kunva, Atal, Mundhol, Dhakrani, Bawan Dhar, Fatehpur, Jaman Khata, Majri, Kata Pathar, Matogi, Babugarh, Baragiwala, Sabhawala, Bajeta, Dhamiagaon, Quiri, Ringu, Khasiabara, Kotiyura, Manitundi, Ringonia, Chauna Bhadeli, Ruispata, Lakhtigaon, Dunakot, Sitali, Durtlekh, Jakhghaulet, Kandaman Singh, Leparthi, Nanpapo, Mala Jhula, Satyal Gaon, Peepal Gaon, Inda, Mayoli, Bajjan, Singoli, Budhali, Palitholi, Ugalia, Naikana, Kharak, Sutar Gaon, Naulakot, Todara, Kui, Kulsivi, Rawadi, Ida Sera, Chhana, Bavan, Sakuni, Khola, Madam, Mani Agar, Kothuligunth, Gurdabaj, Dunarh, Naugaon, Chau Dungari, Faltiya, Kunja Gunth(100)
29.	Andaman & Nicobar Islands	North & Middle Andaman, South Andaman (two)	Little Andaman, Prothrapur, Rangat, Diglipur (four)	Bikrampur, Dubrajpur, Lakshmisagar, Machatora, Mandalgram, Parsola, Simlapal, Bikrampur, Chiltor, Gargaria, Goalbari, Neturpur, Sarenga, Baharamuri, Gopalpur, Hirabandh, Maliyan, Moshara, Baghar-I, Baghar-II, Bandul-I, Belkash, Kshetia, Kurmun-I, Rayan-I, Rayan-II, Saraitikar, Bahadurpur, Chinchuria, Churulia, Dobrana, Hijalgara, Kenda, Madantor, Parasia, Shyamla, Tapsi, Agradwip, Gazipur, Jagadanandapur, Karui, Palsona, Singi, Sreebati, Malangi, Kalchini, Chuapara, Dalsingpara, Garopara, Jaygaon I, Latabari, Mendabari, Rajbhatkhaowa, Satali, Banarhat I, Banarhat-II, Binnaguri, Chamurchi, Gadong I, Gadong II, Jharaitagm II, Magurmari II, Sakoajhora I, Salbari I, Angrabhaha – I, Angrabhaha – II, Champaguri, Luksan, Sulkapara, Aniran, Bahutali, Bansabati, Harua, Nurpur, Sadikpur, Barasimul-Dayarampur, Giria, Jotkamal, Kasiadanga, Lakshmijola, Mitipur, Sammatinagar, Sekalipur, Sekendra, Teghari – I, Bhabta-I, Madda, Debkundu, Chaitanyapur I, Chaitanyapur II, Mirzapur I, Mirzapur II, Mohula I, Mohula II, Bodra, Chandaneshwar – I, Chandaneshwar – II, Durgapur, Jagulgachhi, Narayanpur, Pranganj, Shankshahar, Tardah, Budhakhali, Frezargunj, Haripur, Mousuni, Namkhana, Shibrampur, Narayanpur, Hardah, Shankarpur I, Belgachi, Champahati, Dhaphdapi II, Hariharpur, Mallickpur, Ramnagar I, Ramnagar II, Shikharbali II (120)
30.	Dadra & Nagar Haveli	Dadra & Nagar Haveli (one)	Dadar & Nagar Haveli (one)	Hut Bay, Netaji Nagar, Ram KrishnaPur, Shyam Nagar, Garacharma-I, Govind Nagar, Dasarathpur, Long Island, Parnasala, Kishorinagar, Kalighat, Diglipur, Nilambur, R.K. Gram (14)
31.	Lakshadweep	Lakshadweep (one)	Kavaratti, Agatti, Amini (three)	Kala, Chauda, Besada, Khedapa, Vansda, Naroli, Bonta, Samvrarni, Rakkholi, Sayali (10)
32.	Puducherry	Puducherry, Karaikal (two)	Ariankuppam, Villianur, Karaikal(three)	Kavaratti, Agatti, Amini (three) Andiarpalayam, Ariankuppam West, Bahour (East), Abishegapakkam, Karaiyamputhur Panayadikuppam, Manamedu, Nettapakkam, Kalmandapam Pandasozhanallur, Sembiapalayam - I Nathamedu, Sooramangalam, Kalitherthal Kuppam, Katterikuppam, Madagadipet, Odiampet, Santhaipudukuppam, Santhamangalam, Sedrapet, Suthukeny, Thirukannur, Thiruvandarkoil, Ambagarathur, Keezhaiyur, Melakasakudy, Neravy(East), Pettai, Sellur, Thirunallar(North), Thirunallar(South), Ponbethy, Kurumbagaram (30)

Annex-3A
Annual Plan/Development Plan
(Refer to paragraph 3.2)

Documented Annual Plan not prepared or was incomplete		Meeting at GS level not convened		District Annual Plan not prepared		Block-wise Shelf of Projects not prepared		Persondays to be generated not indicated		Full cost of each project not indicated	
State/UT	GPs	State/UT	GPs	State/UT	Districts	State/UT	Districts	State/UT	Districts	State	Districts
Andhra Pradesh	150	Karnataka	128	Andhra Pradesh	5	Arunachal Pradesh	4	Arunachal Pradesh	4	Assam	3
Arunachal Pradesh	43	Punjab	17	Arunachal Pradesh	4	Goa	2	Assam	3	Haryana	2
Goa	14	West Bengal	83	Assam	1	Gujarat	6	Bihar	15	Nagaland	3
Gujarat	150	Lakshadweep	3	Goa	2	Kerala	4	Haryana	2	Punjab	3
Jharkhand	167			Gujarat	6	Punjab	1	Jharkhand	6	Tamil Nadu	1
Maharashtra	240			Sikkim	2	Tamil Nadu	2	Karnataka	3		
Meghalaya	89			Tamil Nadu	7	Uttar Pradesh	14	Madhya Pradesh	9		
Nagaland	54			Uttar Pradesh	18	West Bengal	5	Odisha	8		
Punjab	56			West Bengal	3	Dadra & Nagar Haveli	1	Tamil Nadu	6		
Sikkim	8			Dadra & Nagar Haveli	1	Puducherry	2	Puducherry	2		
Tamil Nadu	200										
Puducherry	30										
12	1201	4	231	10	49	10	41	10	58	5	12

Annex-3B
Annual Plan/Development Plan
(Refer to paragraph 3.2)

Enduring outcomes not given in District Plan		Crop pattern data not used in plan		District Plan did not ensure that 50 per cent works were to be executed by GP		Unique work code not allotted to works in plan	
State	Districts	State	Districts	State	Districts	State/UT	Districts
Arunachal Pradesh	4	Assam	6	Bihar	1	Assam	8
Assam	3	Bihar	15	Haryana	6	Bihar	15
Bihar	15	Jharkhand	6	Maharashtra	2	Jharkhand	5
Haryana	6	Kerala	3	Punjab	1	Kerala	4
Jharkhand	6	Maharashtra	9			Maharashtra	9
Karnataka	8	Nagaland	3			Mizoram	2
Kerala	2	Rajasthan	2			Nagaland	3
Madhya Pradesh	9	Uttar Pradesh	18			Rajasthan	1
Nagaland	3	West Bengal	5			Tamil Nadu	6
Odisha	8					Uttarakhand	4
Rajasthan	1					Lakshadweep	1
Uttar Pradesh	18						
Uttarakhand	4						
13	87	9	67	4	10	11	58

Annex-3C(i)
Delay in preparation of Annual Plan/Development Plan at GP level
(Refer to paragraph 3.2.8)

Sl. No.	State where delay in preparation of Annual Plan observed	Number of GPs	Delays with respect to due date of 15 October (in months)
1.	Assam	14	2 to 6
2.	Bihar	250	Plans were without dates
3.	Chhattisgarh	140	Records were not produced
4.	Himachal Pradesh	90	Dates of preparation were not mentioned
5.	Jharkhand	167	Dates of preparation were not mentioned
6.	Karnataka	157	Dates of preparation were not furnished to audit
7.	Kerala	13	1.5 to 4
8.	Madhya Pradesh	56	1 to 21
9.	Maharashtra	240	Dates were not recorded in Plans
10.	Odisha	200	Dates were not recorded in Plans
11.	Tripura	60	1 to 10
12.	Uttar Pradesh	140	Undated submission of Plans
		54	4 to 12
		266	Data not available
13.	Uttarakhand	100	Dates were not recorded

Annex-3C(ii)
Delay in preparation of Annual Plan/Development Plan at Block level
(Refer to paragraph 3.2.8)

Sl. No.	State where delay in preparation of Annual Plan observed	Blocks	Delay with respect to due date of 30 November (in months)
1.	Assam	4	2 to 8
2.	Bihar	54	Plan without date
3.	Chhattisgarh		Records were not produced
4.	Goa	4	No Plan only Labour Budget
5.	Himachal Pradesh	9	Records were not produced
6.	Jharkhand	1	5 to 12
7.	Karnataka	16	Records were not produced
8.	Kerala	13	Actual dates were not available
9.	Madhya Pradesh	10	1 to 11
10.	Maharashtra	24	Dates were not recorded
11.	Nagaland	7	2 to 4 months
12.	Odisha		Dates were not available
13.	Punjab	2	3
14.	Tripura	6	3 to 7
15.	Uttar Pradesh	10	Undated plan
		7	1 to 9
		29	Dates were not available
16.	Uttarakhand	10	1 to 4

Annex-3C(iii)
Delay in preparation of Annual Plan/Development Plan
at District level

(Refer to paragraph 3.2.8)

Sl. No.	State where delay in preparation of Annual Plan observed	Number of Districts	Delay with respect to due date of 31 December (in months)
1.	Assam	1	5
2.	Bihar	8	12
3.	Chhattisgarh		Records were not produced
4.	Himachal Pradesh	4	Dates were not furnished
5.	Jharkhand	2	4 to 9
6.	Karnataka	8	Dates were not furnished to audit
7.	Kerala	1	2.5
8.	Madhya Pradesh	7	1 to 11
9.	Nagaland	3	2 to 8
10.	Odisha		Date not available
11.	Rajasthan	8	0.3 to 5.5
12.	Tripura	2	3 to 5
13.	Uttarakhand	4	3 to 6

Annex-3C(iv)
Delay in preparation of Labour Budget
(Refer to paragraph 3.2.8)

Sl. No.	State/UT where delay in preparation of Labour Budget observed	Delay with respect to due date of 31 January (in months)
1.	Bihar	2 to 6
2.	Goa	2 to 10
3.	Gujarat	Records were not produced to audit
4.	Karnataka	Dates were not furnished to audit
5.	Kerala	1 to 2
6.	Rajasthan	0.3 to 5.5
7.	Tripura	2 to 4
8.	Uttar Pradesh	0.7 to 2.5
9.	Uttarakhand	1 to 2.8
10.	Andaman & Nicobar Islands	3 to 9

Annex-3D
Execution of works outside Annual Plan
 (Refer to paragraph 3.4)

Sl. No.	State where works were executed outside the Annual Plan	Number of Districts	Number of works	Amount (₹ in lakh)
1.	Assam	2	97	401.81
2.	Bihar	6	144	376.25
3.	Chhattisgarh	2	34	443.00
4.	Himachal Pradesh	4	3,859	9,727.24
5.	Jharkhand	4	58	2,244.24
6.	Rajasthan	3	474	2,426.98
7.	Uttarakhand	3	94	89.94
8.	West Bengal	1	147	174.06
Total		25	4,907	15,883.52

Annex-3E
Shortfall in Execution of Works in Annual Plans
(Refer to paragraph 3.5)

Sl. No.	State/UT	Works approved in Annual Plan		Works sanctioned		Works completed	
		No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)
1.	Andhra Pradesh	55,83,401	51,086.07	55,83,401	51,086.07	19,32,414	12,225.38
2.	Assam	2,32,535	10,516.17	89,345	3,451.47	65,945	2,914.11
3.	Chhattisgarh	4,75,521	7,732.28	4,25,136	4,799.07	2,34,289	2,404.51
4.	Goa	3,003	31.05	3,003	31.05	1,296	15.25
5.	Haryana	25,179	242.07	21,900	292.21	12,371	272.02
6.	Karnataka	17,42,186	650.94	Data not available	Data not available	4,71,633	332.84
7.	Kerala	6,38,152	3,681.70	5,60,954	3,647.59	4,03,076	2,188.18
8.	Maharashtra	9,24,305	12,176.89	99,634	1,915.12	39,294	396.72
9.	Meghalaya	46,024	922.66	46,024	922.66	27,756	553.32
10.	Rajasthan	19,06,786	24,235.51	1,56,859	10,805.96	53,908	1,464.17
11.	Tripura	34,929	344.40	11,584	100.72	11,511	98.56
12.	Uttar Pradesh	9,71,061	10,430.29	6,56,808	5,916.73	4,69,767	3,948.57
13.	Uttarakhand	1,79,904	1,766.79	1,52,292	825.14	1,00,631	438.01
14.	West Bengal	1,56,419	3,102.54	48,416	654.74	41,232	539.69
15.	Lakshadweep	2,562	41.75	253	16.40	11	0.80
Total		1,29,21,967	1,26,961.11	78,55,609	84,464.93	38,65,134 (30 per cent)	27,792.13 (22 per cent)

Annex-3F
Preparation of District Perspective Plan
(Refer to paragraph 3.6)

Sl. No.	State/UT where DPP not prepared	Districts	Amount Received (₹ in lakh)	Expenditure incurred in preparation of DPP (₹ in lakh)	Unspent balance (₹ in lakh)
1.	Assam	2	20	9.80	10.20
2.	Bihar	7	70	9.20	60.80
3.	Chhattisgarh	5	50	2.17	47.83
4.	Gujarat	1	10	5.26	4.74
5.	Haryana	2	20	5.39	14.61
6.	Himachal Pradesh	4	40	0	40.00
7.	Jammu & Kashmir	3	30	3	27.00
8.	Jharkhand	6	60	4.70	55.30
9.	Karnataka	8	80	Data not available	Data not available
10.	Madhya Pradesh	5	40	22.06	17.94
11.	Maharashtra	8	50	13.79	36.21
12.	Manipur	1	10	0	10.00
13.	Meghalaya	1	10	0	10.00
14.	Punjab	3	30	8.21	21.79
15.	Rajasthan	6	60	0	60.00
16.	Tamil Nadu	7	70	0	70.00
17.	Uttar Pradesh	10	70	6.52	63.48
18.	Andaman & Nicobar Islands	2	20	0	20.00
19.	Lakshadweep	1	10	4.49	5.51
20.	Puducherry	2	10	0	10.00
Total		84	760	94.59	585.41

Annex-3G
Preparation of District Perspective Plan
(Refer to paragraph 3.6)

Sl. No.	DPP prepared but not approved by SEGC	Number of Districts	Amount received (₹ in lakh)	Expenditure incurred in preparation of DPP (₹ in lakh)	Unspent balance (₹ in lakh)
1.	Assam	6	60	49.52	10.48
2.	Bihar	2	20	15.33	4.67
3.	Gujarat	3	30	24.48	5.52
4.	Haryana	4	20	7.47	12.53
5.	Kerala	3	30	26	4.00
6.	Madhya Pradesh	8	30	8.07	21.93
7.	Maharashtra	1	Data not available	5.08	Data not available
8.	Manipur	3	30	32.45	-2.45
9.	Punjab	3	30	4.95	25.05
10.	Rajasthan	1	10	3.02	6.98
11.	Tripura	3	30	8.20	21.80
12.	Uttarakhand	4	40	22.19	17.81
13.	West Bengal	1	10	7.12	2.88
Total		42	340	213.88	133.65

Annex-4A
Delay in notification of State Rules
 (Refer to paragraph 4.2)

Sl. No.	Name of State	Due date of formulation of State Rules	Date of formulation of State Rules	Delay in formulation of Rules
1.	Arunachal Pradesh	February 2007	March 2011	More than four years
2.	Himachal Pradesh	February 2007	December 2009	More than two year
3.	Kerala	February 2007	July 2009	More than two years
4.	Mizoram	February 2007	September 2007	Seven months
5.	Sikkim	February 2007	November 2010	More than three years

Annex-4B Deficiencies in Technical Support

(Refer to paragraph 4.5)

Sl. No.	Name of State	Audit observation (Status of Panels of accredited engineers at District and Block levels)
1.	Arunachal Pradesh	State government did not constitute panel of accredited engineers.
2.	Assam	In the test checked districts Cachar and Kamrup (rural), 58 and 124 (Civil Engineering diploma holders) accredited engineers were engaged during July 2009 to October 2009 respectively and subsequently retrenched from service with effect from April 2010 as they did not possess the required technical knowledge for the assigned work which resulted in infructuous expenditure of ₹ 15.62 lakh and ₹ 29.80 lakh respectively, towards their remuneration.
3.	Bihar	State government did not constitute panel of accredited engineers.
4.	Gujarat	State government did not constitute panel of accredited engineers.
5.	Haryana	State government did not constitute panel of accredited engineers.
6.	Himachal Pradesh	State government did not constitute panel of accredited engineers.
7.	Jharkhand	State government did not constitute panel of accredited engineers.
8.	Karnataka	State government did not constitute panel of accredited engineers. However, 82 to 97 percent of the post of engineers created by the state governments had remained vacant as March 2012.
9.	Maharashtra	State government did not constitute panel of accredited engineers.
10.	Manipur	The panel of accredited engineers was not constituted. The services of DRDA engineers were utilized for MGNREGS works. The state government had deployed technical supportive staff on contract basis in all the four sampled districts, which were stated to be insufficient by the DPCs in Tamenglong and Thoubal districts.
11.	Meghalaya	State government did not constitute panel of accredited engineers.
12.	Mizoram	The state government did not constitute panel of accredited engineers in two test checked districts and in eight blocks under them for the purpose of assisting with preparation estimate and measurement of works.
13.	Nagaland	The panel of accredited engineers was not constituted in the three test checked DPCs and blocks. Only the regular engineers appointed in DPC/block office were assigned for the preparation of estimate and measurement of works.
14.	Odisha	State government did not constitute panel of accredited engineers.

15.	Rajasthan	The panel of accredited engineers was not constituted in three test checked districts i.e., Bhilwara, Churu and Dholpur.
16.	Tripura	The panel of accredited engineers at the district and block levels were not constituted. The services of engineers of Rural Department were utilised.
17.	West Bengal	The state government did not empanel accredited engineers at the district and block levels.

Annex-4C
**Technical support for planning, designing, monitoring,
 evaluation and quality audit**

(Refer to paragraph 4.5)

Sl. No.	Name of State	Observation
1.	Assam	The Technical Resource Support System was not set up. It was also seen that out of the funds of ₹ 32.70 lakh received for the purpose, an amount of ₹ 12.28 lakh was utilised for purchase of stationery articles, hiring of vehicles, payment of transport allowances and printing of Assamese Wall Calendar, etc. by the Commissionerate resulting in irregular and unauthorised expenditure.
2.	Bihar	The state government did not set up a Technical Resources Support System at the state and district levels.
3.	Haryana	The state government had not set up Technical Resource Support System at state and district levels.
4.	Karnataka	State government did not appoint Technical Resource Support System at the state and district levels.
5.	Maharashtra	Technical Resource Support System did not exist in three districts i.e., Ahmednagar, Bhandara and Nanded.
6.	Meghalaya	The state government did not set up Technical Resource Support System.
7.	Mizoram	The state government did not set up Technical Resource Support System.
8.	Nagaland	The state government did not set up Technical Resource Support System.
9.	Sikkim	The Technical Resource Support System was not constituted. The State Quality Monitoring and Technical Resource Committee had also recorded (June 2011) the unsatisfactory quality of work for want of technical assistance and supervision
10.	Uttar Pradesh	The state Government did not take initiatives for developing Technical Resource Support System. However, the state Government availed of the services of engineers of the Technical Audit Cell (TAC) under the Rural Development Department and paid ₹ 2.04 crore for their salary and allowances for the period from January 2011 to March 2012 from the administrative expenditure of MGNREGS, excluding expenditure on vehicles, etc. in contravention of the orders of Gol. Since, the engineers engaged were permanent employees of the state Government and were not the dedicated MGNREGS personnel their pay and allowances were not to be paid from MGNREGS funds. It was further noticed that the total strength of the engineers of TAC was only 20 and they were posted at division and state level offices of Rural Development department. Out of these, five engineers had dual charges of the divisions. The 20 engineers of TAC engaged for 72 districts were not sufficient. Audit noticed that Gol released (2008) ₹ 54.20 lakh as first tranche for developing Technical Resource Support System but this amount remained unspent in bank accounts at the state level.
11.	West Bengal	Technical Resource Support System was not set up at the state and district levels. Technical persons from among existing staff at each level assisted for preparing estimate and measurement work.

Annex-4D
Technical Assistants
(Refer to paragraph 4.5)

Sl. No.	Name of State	Audit observation
1.	Andhra Pradesh	There were shortages of 217 against requirement of 4,478 technical assistants
2.	Arunachal Pradesh	The DRDA staff was functioning as technical assistants. Full time regular technical assistants were not engaged.
3.	Bihar	There was shortage of 925 (41 <i>per cent</i>) against requirement of 2,218 technical assistants.
4.	Chhattisgarh	There was shortage of 466 against requirement of 1,168 technical assistants.
5.	Gujarat	There was shortage of technical assistant at state level (54 <i>per cent</i>). For districts, shortages ranged between eight <i>per cent</i> (Dahod) and 70 <i>per cent</i> (Ahmedabad).
6.	Jammu & Kashmir	There was shortage of 69 <i>percent</i> of technical assistants
7.	Madhya Pradesh	Against 2,817 sanctioned posts of engineers in the state, only 1,447 engineers (51 <i>per cent</i>) were posted to provide technical assistance to 23,336 GPs of the state. Thus, on an average, every engineer had to supervise 16 GPs for execution of MGNREGS works.
8.	Maharashtra	Additional charge was given to the Junior Engineer for technical supervision of select group of 10 to 15 GPs for 240 test checked Panchayats. There was shortage of four against requirement of 13 technical assistants in Buldana district.
9.	Odisha	There were four junior engineers and two technical assistants in Panchayat Samiti exclusively for MGNREGS works of GPs, but they were also allotted inspection of works in other schemes in the GPs.
10.	Punjab	Against the requirement of 2,555, only 74 technical assistants were deployed in the entire state (one for five GPs) leaving a shortage of 2,481 technical assistants (97 <i>per cent</i>). Shortage of technical assistants in test checked district ranged between 89 and 98 <i>per cent</i> .
11.	Uttar Pradesh	There was shortage of 2,533 against requirement of 7,931 technical assistants.

Annex-4E
Shortage in Training
 (Refer to Paragraph 4.6)

Sl. No.	Name of State	Total number of employees under MGNREGS				Number of employee to whom training was imparted				Expenditure incurred on training (₹ in lakh)
		GP level	Block level	District level	Total	GP level	Block level	District level	Total	
1.	Goa	36	30	34	100	36	22	20	78	2.63
2.	Haryana	650	65	11	726	650	53	9	726	24.13
3.	Rajasthan	27,265	Data not available	Data not available	27,265	21,190	Data not available	Data not available	21,190	113.60
4.	Uttar Pradesh	85	122	45	252	Data not available	Data not available	Data not available	Data not available	56.42
Total		28,036	217	90	28,343	21,876	75	29	21,994	196.78

Annex 4F
Information, Education and Communication (IEC) activities
 (Refer to Paragraph 4.7)

Sl. No.	Name of State/UT	Districts	Funds received (₹ in lakh)	Expenditure incurred on IEC (₹ in lakh)
1.	Goa	2	14.00	6.79
2.	Gujarat	2	14.00	11.00
3.	Haryana	6	84.5	38.78
4.	Kerala	3	17.30	17.40
5.	Punjab	6	40.39	28.69
6.	Rajasthan	5	45.00	23.87
7.	Tripura	2	18.00	18.00
8.	Andaman & Nicobar Islands	2	5.00	1.88
9.	Dadra & Nagar Haveli	1	5.00	4.05
10.	Lakshadweep	1	7.00	5.84
11.	Puducherry	2	7.00	2.89
Total		32	257.19	159.19

Annex-5A
Excess release of funds by the Ministry without
adjusting unspent balance

(Refer to paragraph 5.5)

(₹ in crore)

Sl. No.	Name of State	Unspent balance as on 31.03.2010 Provisional figure	Unspent balance as on 31.03.2010 Audited figure	Release made without considering unspent balance	Date of release
1.	Andhra Pradesh	874.36	1,169.51	1,012.43	15.04.2010
2.	Himachal Pradesh	66.63	103.87	147.12	15.04.2010
3.	Karnataka	503.37	821.87	773.05	16.04.2010
4.	Madhya Pradesh	2,539.98	2,664.92	995.80	15.04.2010
5.	Odisha	44.12	85.22	308.49	16.04.2010
6.	Punjab	90.06	90.99	34.28	28.04.2010
7.	Rajasthan	1,992.25	3,659.25	1,610.43	16.04.2010
8.	Uttar Pradesh	1,275.55	1,196.55	1,419.40	16.04.2010
9.	West Bengal	361.78	312.53	432.25	16.04.2010
Total		7,748.10	10,104.71	6,733.25	

Annex-5B
Excess release of funds by the Ministry
without adjusting unspent balance

(Refer to paragraph 5.5)

(₹ in crore)

Sl. No.	Name of State	Unspent balance as on 31.03.2011 Provisional figure	Unspent balance as on 31.03.2011 Audited figure	Release made without considering unspent balance	Date of release
1.	Karnataka	1,095.53	1,095.93	658.57	1.04.2011
2.	Madhya Pradesh	1,895.17	1,894.25	434.34	1.04.2011
3.	Tamil Nadu	509.14	502.79	509.84	1.04.2011
4.	West Bengal	237.58	265.94	837.25	1.04.2011
Total		3,737.42	3,758.91	2,440.00	

Annex-5C
Excess release of funds by the Ministry
(Refer to paragraph 5.6)

Sl. No.	Name of State	Year	Observation
1.	Andhra Pradesh	2009-10	Excess release of ₹ 75.10 crore for second tranche during 2009-10 due to Central liability not being restricted to 96 <i>per cent</i> of total cost.
		2010-11	Excess release of ₹ 89.48 crore for second installment during 2010-11 due to Central liability not being restricted to 96 <i>per cent</i> of total cost. Further, ₹ 108.90 crore were released in excess due to understatement of opening balance as on 1 April 2010. This was accepted by the Ministry.
		2011-12	Excess release of ₹ 146.24 ¹ crore as Central liability was determined by adjusting the less unspent balance.
2.	Gujarat	2010-11	Ministry released (February 2011) an amount of ₹ 492.02 crore which included ₹ 184.64 crore as pending liability, which was already adjusted by the state in its demand projection for the year.
		2011-12	Similarly, in 2011-12, Ministry released (February 2012) an amount of ₹ 87.43 crore which included ₹ 43.2 crore (96 <i>per cent</i> of ₹ 45 crore) as pending liability, which was already adjusted by the state in its demand projection for the year.

1

Sl. No.	Particulars	₹ in crore
01.	Amount of approved labour budget	8,272.00
02.	Central Liability (96 <i>per cent</i> of ₹ 8,272 crore)	7,941.12
03.	First tranche i.e., 50 <i>per cent</i> of Central liability	3,970.56
04.	Less available balance as on 1.4.2011	3,655.96
05.	Funds to be released to State	314.60
06.	Actual amount released by the Ministry	460.84
07.	Excess release	146.24

3.	Himachal Pradesh	2009-10	Release of ₹ 228 crore without adjustment of unspent balance of ₹ 100.35 crore.
4.	Madhya Pradesh	2010-11	The Ministry released (February 2011) ₹ 303.18 crore considering opening balance as on 1.04.2010 ₹ 2,435.45 crore, whereas, as per audited accounts opening balance was ₹ 2,664.92 crore. Thus, there was unjustified/excess release of ₹ 229.47 crore.
5.	Rajasthan	2010-11	The Ministry released (June 2010) ₹ 1,178.39 crore considering opening balance as on 1 April 2010 as ₹ 1,992.25 crore. However, as per audited accounts opening balance was ₹ 3,659.25 crore. Thus, there was unjustified/excess release of ₹ 1,178.39 crore.
6.	West Bengal	2009-10	The Ministry released ₹ 439.27 crore in March 2010 for requirement of last quarter of the financial year 2009-10 without adjusting release made in February 2010 of ₹ 219.09 crore for the same quarter.
Total amount of excess releases			₹ 2,374.86 crore

Annex-5D Short release of State share

(Refer to paragraph 5.8)

(₹ in crore)

Sl. No.	Name of State	State share due	State share released	Short release
1.	Assam (whole State)	336.87	307.52	29.35
2.	Manipur (whole State)	182.30	59.11	123.19
3.	Mizoram (whole State)	105.43	83.52	21.91
4.	Nagaland (whole State)	208.42	91.85	116.57
5.	Rajasthan (three districts)	88.96	78.84	10.12
6.	Sikkim (whole State)	30.79	8.47	22.32
7.	Tripura (whole State)	232.67	99.58	133.09
Total				456.55

Annex-5E
Delay in release of State share
 (Refer to paragraph 5.9)

Sl. No.	Name of State	Delay in days
1.	Assam	47 to 354
2.	Bihar	9 to 313
3.	Chhattisgarh	5 to 139
4.	Jharkhand	5 to 293
5.	Himachal Pradesh	15 to 170
6.	Manipur	21 to 249
7.	Meghalaya	18 to 174
8.	Mizoram	9 to 317
9.	Punjab	3 to 527
10.	Rajasthan	17 to 331
11.	Sikkim	34 to 252
12.	Tripura	5 to 222
13.	Uttarakhand	8 to 211

Annex-5F
Non/delay in transfer of funds from SGRY and NFFWP
(Refer to paragraph 5.11)

Sl. No.	Name of State	Observation	Amount (₹ in crore)	Period of delay
1.	Bihar	In 11 test checked districts (Araria, Begusarai, Bhabhua, Bhojpur, Darbhanga, Jehanabad, Madhubani, Muzaffarpur, Nalanda, Sitamarhi and West Champaran), ₹ 21.48 crore of SGRY and NFFWP were not transferred to MGNREGS. Cost of unutilized food grains of ₹ 77.36 crore under SGRY/NFFWP could not to be realized from defaulting PDS dealers and therefore could not be transferred to MGNREGS.	21.48 77.36	Not yet transferred
2.	Chhattisgarh	In Mahasamund (₹ one crore) and Kanker (₹ 0.22 crore) districts, funds were not transferred to MGNREGS account even after a delay of more than five years.	1.22	Not transferred for more than five years
3.	Jharkhand	In three test checked districts (Palamau, Ranchi, Gumla), ₹ 4.43 crore pertaining to SGRY fund (handling and transportation of food grains) and NFFWP funds were not transferred to MGNREGS.	4.43	Not yet transferred
4.	Madhya Pradesh	Audit observed that seven of 13 test checked districts transferred the balance amount ₹ 6.73 crore of SGRY and NFFWP with delays.	6.73	One to five years
5.	Odisha	Unutilized funds of ₹ 2.91 crore (as of March 2008) under SGRY and NFFWP, were not transferred to MGNREGS.	2.91	Not yet transferred
6.	Rajasthan	In test checked districts, blocks and GPs, unspent balance under SGRY and NFFWP amounting to ₹ 2.33 crore were not transferred and ₹ 4.99 crore were transferred with delay to MGNREGS.	2.33 4.99	Not yet transferred Delay of 5 to 40 months
7.	Uttar Pradesh	In two test-checked Line departments of Sitapur district, the balance of NFFWP amounting to ₹ 0.41 crore was not transferred to the MGNREGS.	0.41	Not yet transferred
8.	West Bengal	Unutilized balance of ₹ 0.08 crore under SGRY in Bhangar-I block of South 24 Parganas district was not transferred to MGNREGS.	0.08	Not yet transferred

Annex-5G

**Non accountal or utilization of interest income on
non permissible items**

(Refer to paragraph 5.12)

Sl. No.	Name of State	Sampled Districts/Blocks/GPs	Amount (₹ in crore)	Observation
1.	Assam	13 GPs and three Development blocks under Dibrugarh and Jorhat districts	0.18	Utilised for procurement of office stationery, payment of bills, construction of boundary wall, earth filling at office campus, procurement of xerox machine, etc.
2.	Jammu & Kashmir	Jammu	0.14	Out of interest income of ₹ 0.97 crore earned up to February 2012, ₹ 0.14 crore was spent by the department on the TA claims, POL, Stationery, etc.
		Three BDOs and one Assistant Commissioner (Development)	0.16	Amount was not accounted for in the books as interest on funds deposited in banks.
3.	Odisha	Four (Bolangir, Bhadrak, Ganjam and Khurda) out of eight districts	0.38	Interest as of March 2012 was not accounted for in the Cash Book.
4.	Punjab	Test checked districts of Hoshiarpur (Tanda block), Amritsar, Barnala (three GPs, Barnala block and district)	--	In Hoshiarpur (Tanda block), no interest was given by the banks on the funds available in savings account under the Scheme. In Amritsar district, it was observed that interest of ₹ 0.02 crore earned by Line department on the MGNREGS funds was not returned by the Line department to ADC (D). In Barnala district, interest earned on MGNREGS funds was not accounted for in Cash Book.
			0.02	
			0.11	
5.	Uttar Pradesh	Line department (Public Works Department) of Allahabad district	0.27	Amount of interest was not accounted for in DRDA's account.
Total interest			1.26	

Annex-5H
Excess Administrative Expenses
(Refer to paragraph 5.13.1)

Name of State/ UT	Period	Number of Districts	Name of Districts	Amount (₹ in crore)
Bihar	2007-12	7	Banka, Begusarai, Bhabhua, Bhojpur Madhubani, Munger and Muzaffarpur	10.40
Jharkhand	2007-08	1	Dumka	0.82
Kerala	2007-11	4	Thiruvananthapuram, Kottayam, Malappuram and Palakkad	6.57
Maharashtra	2007-11	1	Buldhana	0.30
Nagaland	2007-09	2	Mon	0.26
	2008-09		Dimapur	0.70
Odisha	2007-12	2	Kendrapada and Sambalpur	0.95
Rajasthan	2010-12	4	Bundi, Dholpur, Jaisalmer and Jalore	5.02
Uttar Pradesh	2007-09	1	Gonda	6.09
Dadra & Nagar Haveli	2008-11	1	Dadra & Nagar Haveli	0.12
Lakshadweep	2009-12	1	Lakshadweep	0.81
Total		24		32.04

Annex-5I

Expenditure on Inadmissible Items

(Refer to paragraph 5.14)

Sl. No.	Name of State	Diversion of funds	Amount (₹ in crore)
1.	Andhra Pradesh	In Kotarautla block of Visakhapatnam district, Panchayati Raj Engineering Division purchased measurement books in excess which were utilized on other than MGNREGS works, purchase of agreement books, computers and furniture.	0.14
2.	Arunachal Pradesh	Towards salary of staff by the Project Director, Lower Dibang Valley.	0.08
3.	Assam	Towards expenditure on visits of NLM, godown rent, Independence day expenditure, construction of office room and repairing of vehicles in district Karbi Anglong. Towards contingency expenditure like repairing of block godown, repairing of vehicles and polling expenses, etc. in district Hailakandi.	0.45
4.	Bihar	In Araria and Munger districts, expenditure was incurred for the purpose of BPL survey work and as contingent expenditure of DRDA and Zila Parishad.	0.86
5.	Chhattisgarh	Zila parishad, Bastar purchased 150 computers, which were not distributed to the gram panchayats.	0.46
6.	Jammu & Kashmir	Three ACDs, one BDO and Director(Rural Development), Jammu incurred expenditure on activities not related to MGNREGS, such as, election process, fixation of tiles in offices, purchase of DG set, POL, etc in districts of Jammu, Leh, Poonch and Rajouri.	1.06
7.	Madhya Pradesh	Expenditure of ₹ 22.15 lakh was incurred on printing of 1.96 lakh pass books of 11 different banks through private printing press and were handed over to the concerned banks for issuing these to the beneficiaries.	0.22
8.	Punjab	Towards purchase of laptops, sofa sets, photocopy machines, invertors, LCD TV, stabilisers, etc.	0.28
9.	Rajasthan	Towards purchase of furniture and fixture, air conditioner, etc.	0.02
10.	Sikkim	Towards repair and maintenance of vehicles.	0.03
11.	Tamil Nadu	Towards pay and allowances of deputy BDO whose services were not utilized for MGNREGS.	0.49
12.	Tripura	Construction of 6,035 rural shelter houses, steel foot bridges, RCC cantilever bridges, market stall, SHG skill upgradation centre, children shed, pump house, etc.	21.87
Total			25.96

Annex-5J
Diversion of funds
(Refer paragraph 5.14)

Sl. No.	Name of State	Areas/schemes to which funds were diverted	Amount (₹ in crore)
1.	Jharkhand	To Indira Awas Yojana in Kanke block of Ranchi district. In Dumka district, towards payment of audit fee for MPLAD, DPAP and IAY schemes.	0.76
2.	Karnataka	Towards materials procured for service road and inspection paths of Narayanapur Right Bank Canal of Upper Krishna Project, construction of cement concrete roads, under another scheme.	1.98
3.	Odisha	Towards other schemes viz. Flood Relief, GP funds, IAY and Old Age Pension and PDS.	2.07
4.	Rajasthan	Towards purchase of books, pay fixation arrears of two Assistant Engineers, celebration of golden jubilee of Panchayati Raj and other schemes. Towards Keshav Badi Yojana for the period 2007-12 in the four test checked districts. Towards payment of increased honorarium and meeting allowances of Zila Pramukh, Pradhan and Sarpanch along with members of zila parishad and block.	0.09 85.17 43.44
5.	Uttar Pradesh	Towards miscellaneous administrative expenditure, contingent expenditure of other schemes, renovation and electrification of conference hall at Vikas Bhawan, construction of primary school and Harijan Awas, office expenses and Mid Day Meal scheme.	1.51
Total			135.02

Annex-5K
Suspected/confirmed misappropriation of funds
(Refer to paragraph 5.15)

Sl. No.	Name of State	Observation	Amount (₹ in crore)	Remarks
1.	Assam	The Office of PD, DRDA Kamrup, paid an amount of ₹ 0.03 crore to the BDO, Hajo development block. Whereas the same amount was not found entered in the cash book of the BDO Hajo block, it was found drawn in cash in the bank pass book of PD, DRDA Kamrup.	0.03	Case of suspected misappropriation because of non-maintenance of records.
		The DC cum DPC, Cachar while submitting the UC, mentioned an embezzlement of ₹ 1.59 crore in Kalain development block.	1.59	Confirmed case of misappropriation/ embezzlement.
		An amount of ₹ 0.049 crore was spent by the GP Tukrapara, Kamrup (rural) district for execution of the AP level work 'land development of FA Ahmed college' under MGNREGS. However, muster roll vouchers for ₹ 0.022 crore were made available to Audit in support of the entire expenditure.	0.03	Case of suspected misappropriation because of non-maintenance of records.
2.	Bihar	Working agencies were paid ₹ 0.64 crore for execution of different schemes. Audit observed ₹ 0.64 crore remained unutilized for a long period. Out of this ₹ 0.41 crore was recovered at the instance of Audit and balance ₹ 0.23 crore remained to be recovered.	0.23	Executing agencies retained funds without purpose for long period.
3.	Gujarat	Scrutiny of records at Fatepura and Dahod blocks of Dahod district revealed an unaccounted expenditure of ₹ 5.79 crore (Fatepura) and ₹ 0.29 crore (Dahod) during 2009-11. These expenditures were neither recorded in cash book nor were vouchers in support of expenditure available with the PO.	6.08	Case of suspected misappropriation because of non-maintenance of records.
4.	Haryana	During 2009-10, an amount of ₹ 0.12 crore was drawn from the bank account of the Scheme by Sarpanch, Arjana Kalan (district Kurukshetra). Out of which, ₹ 0.074 crore was incurred in July-August 2009 for material component, however expenditure was shown incurred in February 2009 in MIS. Further, Audit on physical verification of the work noticed that material component could not be utilized. Similarly, Sarpanch, Malhaka (district Mewat) had drawn an amount of ₹ 40,000 from the Scheme account. Documents in support of the amount were not found on records.	0.08	Case of suspected misappropriation because of non-maintenance of records.
5.	Jharkhand	In NREP-II Division Ranchi, difference of ₹ 2.12 crore was found in closing balance/opening balance in two instances i.e., 31 May 2011/1 June 2011 and 30 June 2011/1 July 2011 even though there was no adjustment or return of	2.12	Case of suspected misappropriation because of non-maintenance of

		advances. Hence, there was a possibility of misappropriation of funds.		records.
		Scrutiny of the records revealed that in Gumla and Ranchi a sum of ₹ 11.63 crore was advanced during 2007-12 to the Range Officer of Forest (ROF) of five implementing agencies to execute works under MGNREGS, but neither were its entries made in cash book nor were any adjustment vouchers demanded while releasing subsequent advances. This resulted in accumulation of unadjusted temporary advance of ₹ 11.63 crore. Similarly, during the period 2009-10 in District Board, Khunti and Special Works Division, Khunti, successive advances were granted without demanding adjustment vouchers or refunds which indicated misappropriation of MGNREGS funds to the tune of ₹ 10.16 crore.	21.79	Case of suspected misappropriation because of non-maintenance of records.
		In Sisai block, ₹ 0.02 crore was drawn on self cheque by the BDO and in the names of two block personnel, between April 2008 and August 2009. Similarly, in Bharno block, Gumla district, ₹ 0.27 crore was drawn through 45 cheques in favour of beneficiaries, committees, bank, post office and LAMPS between November 2007 and October 2011. However, no vouchers in support of payment made were available with the block.	0.29	Case of suspected misappropriation because of non-maintenance of records.
		In test checked Zila Parishad, West Singhbhum district, in the Cash Book a sum of ₹ 30.03 crore was shown adjusted against advance of ₹ 31.68 crore during the period 2007-11. However, adjustment vouchers and concerned measurement books for ₹ 30.03 crore were not produced to Audit. Chartered Accountant also noted (24.10.2011) in Cash Book that no supporting vouchers and Measurement Books were furnished to him for verification.	30.03	Case of suspected misappropriation because of non-maintenance of records.
6.	Karnataka	In test checked district of Bijapur, cheques aggregating ₹ 0.13 crore had been issued to four individuals during May 2009 to March 2010 without supporting documents relating to payment. Further, in test checked district of Chickballapur, as per the pass book of the bank account of GP, Thirumani, ₹ 0.09 crore were transferred in 18 cases, during 2010-12. However, these transactions had not been entered in the cash book of GP. As per statement of the Secretary of the GP (May 2012), no record relating to these transactions was available in the GP.	0.22	Case of suspected misappropriation because of non-maintenance of records.
7.	Manipur	During 2007-10, the DPC, Tamenglong issued cheques for ₹ 0.11 crore and ₹ 0.16 crore to the POs of Tamenglong and Nungba blocks, respectively. However, the amounts released were not reflected as received in the cash books of the respective POs.	0.27	Case of suspected misappropriation because of non-maintenance of records.

8.	Nagaland	An amount of ₹ 1.68 crore released towards the Scheme during 2011-12 by DPC, Dimapur, was not accounted for in the MGNREGS bank account operated with PO, Dhansiripar. However, verification and cross check of eight test checked GPs under the PO, Dhansiripar revealed that, no such amount was found recorded in the cash book by the PO, Dhansiripar. Hence, misappropriation of ₹ 1.68 crore could not be ruled out.	1.68	Case of suspected misappropriation because of non-maintenance of records.
		Seven test checked POs in three sampled districts allocated ₹ 114.52 crore to 54 GPs during 2007-12. However, Audit noticed that the 54 GPs received only ₹ 49.14 crore. Audit analysis of money trail revealed that as per the records of the POs, there were entries of amount released to each GP along with cheque number and date while the amounts stated by POs were not actually credited into GP accounts. Thus, financial leakage of ₹ 65.38 crore during the transfer of funds could not be ruled out.	65.38	Case of suspected misappropriation because of non-maintenance of records.
9.	Punjab	As per records/complaint file and information furnished by office of the JDCC it was noticed that funds amounting to ₹ 0.65 crore released under the Scheme were misappropriated at GPs in districts of Amritsar, Bathinda, Patiala and Muktsar.	0.65	Confirmed case of misappropriation/ embezzlement.
10.	Rajasthan	During review of reconciliation of records in block Dholpur (GP, Basai Neem), it was noticed that fake wage list was prepared and sent to post office for payment to workers. The Post Master made the payment of ₹ 0.21 crore which was bogus as the works were not executed.	0.21	Confirmed case of misappropriation/ embezzlement.
11.	Uttar Pradesh	Irregularities in 198 cases with recoverable amount of ₹ 2.06 crore (pertaining to 2010-11) and ₹ 1.25 crore (pertaining to 2011-12) were detected during 2010-12, but recovery of only ₹ 0.71 crore was effected by the State authorities. Recovery of ₹ 2.60 crore could not be effected as of March 2012.	2.60	Confirmed case of misappropriation/ embezzlement.
Total				
	Sl. No.	Type of cases	Number of States	Amount (₹ in crore)
	1.	Cases of suspected misappropriation	8	128.23
	2.	Confirmed cases of misappropriation	4	5.05

Annex-6A
Door-to-door survey not conducted
(Refer to paragraph 6.2.1)

Sl. No.	Name of State	No. of GPs/ Blocks/Districts	Audit Comment
1.	Assam	7 GPs	Door-to-door survey was not conducted. Orientation training not imparted to teams.
2.	Bihar	250 GPs	No door-to-door survey was conducted to identify persons willing to register.
3.	Chhattisgarh	140 GPs	Door-to-door survey was not conducted.
4.	Haryana	38 GPs	Door-to-door survey was not conducted.
5.	Jammu & Kashmir	1 district	No door-to-door survey was conducted in the villages.
6.	Jharkhand	6 districts	No door-to-door survey was conducted in villages of any of the test checked districts.
7.	Karnataka	157 GPs	Details of door-to-door survey were not available.
8.	Kerala	39 GPs	Door-to-door survey was not conducted.
9.	Mizoram	39 GPs	Door-to-door survey was not conducted, the willing persons themselves came to the Village Councils for registration.
10.	Nagaland	33 GPs	Door-to-door survey was not conducted.
11.	Odisha	199 GPs	Door-to-door survey was not undertaken for registering households to be covered under the Scheme.
12.	Punjab	79 GPs	No door-to-door survey was conducted.
13.	Rajasthan	40 GPs	Door-to-door survey was not conducted.

14.	Sikkim	8 GPs	Door-to-door survey to identify persons willing to register under the Scheme was not conducted.
15.	Tripura	30 GPs	No door-to-door survey was conducted.
16.	Uttar Pradesh	420 GPs	Door-to-door survey was not conducted. No orientation training was imparted to survey teams at block and district levels.
	Total	1479 GPs and 7 districts	

Annex-6B
Non-updation/display of Registration List
 (Refer to paragraph 6.2.2)

Sl. No.	Name of State	Details regarding non-updation of list			Details regarding non-display of list		
		No. of GPs/ Blocks/ Districts	Test Checked	Per cent	No. of GPs/ Blocks/ Districts	Test Checked	Per cent
1.	Assam	--	--	--	6 districts	8 districts	75.0
2.	Nagaland	12 GPs	54 GPs	22.2	34 GPs	54 GPs	63.0
3.	Odisha	--	--	--	199 GPs	199 GPs	100.0
4.	Tamil Nadu	--	--	--	3 blocks	23 blocks	13.0
5.	Tripura	--	--	--	60 GPs	60 GPs	100.0
6.	Uttar Pradesh	176 GPs	460 GPs	38.3	436 GPs	460 GPs	94.8
7.	West Bengal	31 GPs	120 GPs	25.8	34 GPs	120 GPs	28.3
	Total	219 GPs	634 GPs		763 GPs, 3 blocks and 6 districts	893 GPs, 23 blocks and 8 districts	

Annex-6C
Irregular issue of multiple job cards
 (Refer to paragraph 6.3.2)

Sl. No.	Name of State	No. of GPs/ Blocks/ Districts	No. of HHs	No. of Job Card issued	No. of Duplicate Job Cards	Remarks
1.	Bihar	91 GPs	2,849	5,748	2,899	In some cases 3 or 4 job cards issued in the name of a single person.
2.	Jharkhand	1 district (Ranchi)	2,73,904	2,88,668	14,764	Doubtful job cards were issued.
		10 GPs of 1 block	--	--	620	Duplicate job cards were issued.
3.	Rajasthan	7 GP	--	--	40	Double job cards were issued.
4.	Uttar Pradesh	1 GP (Dharampur Kuyan)	--	--	2	Work was allotted in both original and duplicate Job cards.
	Total	109 GPs and 1 district			18,325	

* As per MIS Data

Annex-6D
Delay in issue of job cards
 (Refer to paragraph 6.3.3)

Sl. No.	Name of State	No. of GPs/Blocks/Districts	No. of Job Cards	Delay
1.	Assam	1 block (Tingkhong)	912	10 to 528 days
		1 district	39	2 to 523 days
2.	Jharkhand	1 GP	66	11 to 197 days
3.	Maharashtra	8 GPs	79	1 to 51 months
4.	Odisha	3 districts	232	112 to 1,460 days
5.	Punjab	4 GPs	126	14 to 17 days
6.	Rajasthan	8 GPs (Dholpur district)	6,224	2 to 65 days
		5 GPs (Rajakhera block, Dholpur district)	4,210	3 to 75 days
7.	Uttar Pradesh	2 GPs (Bulandshahr district)	120	25 to 45 days
	Total	28 GPs, 1 block and 4 districts	12,008	

Annex-6E
Other discrepancies in job cards
(Refer to paragraph 6.3.4)

Sl. No.	Name of State/UT	No. of GPs/ Blocks/ Districts	No. of cases in which photo not found (No. of GPs/Blocks/ Districts)			No. of cases registration No./ Date of issue of job cards not found	No. of cases on which signature not found (No. of GPs/Blocks/Districts)		No. of cases in which entry of payment not tallied with entry made on job card	No. of job card not in custody of HH
			Not having any photo	Not having joint photo	Photo not pasted on Regn. Register		Signature of members of household	Signature of competent authority		
1.	Arunachal Pradesh	4 districts	15	139	--	--	33	396 (378+18)	--	--
2.	Assam	--	536 (15 GPs)	232 (1 Distt. - Chirang)	--	--	274 (2 GPs)	--	--	840 (1 GP)
3.	Bihar	13 districts	731	--	516	1,053	--	335	523	--
4.	Himachal Pradesh	27 GPs	614	--	--	--	1,097	1,621	--	--
5.	Jharkhand	1 GP (Chiyanki)	--	--	247	599	90	--	--	--
6.	Maharashtra	2 districts (Ahmednagar & Sindhudurg)	3,83,021	--	--	--	--	--	--	--
7.	Manipur	1GP	80	20	--	--	--	--	--	--
8.	Rajasthan	--	49,531 (100 GPs)	--	--	37,707 (58 GPs)	17,754 (50 GPs)	--	--	--
9.	Uttarakhand	100 GPs	--	--	6,309	--	2,444	2,013	--	--
10.	Uttar Pradesh	14 GPs	--	--	960	--	--	--	--	--
11.	Dadra & Nagar Haveli	10 GPs	--	--	685	--	610	637	--	--
	Total		4,32,528 (in 143 GPs & 19 districts)	391 (in 1 GP & 5 districts)	8,717 (in 125 GPs & 13 districts)	39,359 (in 59 GPs & 13 districts)	22,302 (in 190 GPs & 4 districts)	5,002 (in 137 GPs & 17 districts)	523 (in 13 districts)	840 (in 1 GP)

Annex-6F
Maintenance of records relating to job card and employment
(Refer to paragraph 6.4)

Sl. No.	Name of the State/UT	Job Card Application Register				Job Card Register				List of Registration Not sent to PO in GPs
		Not maintained in		Not properly maintained in		Not maintained in		Not properly maintained in		
		GPs	Blocks	GPs	Blocks	GPs	Blocks	GPs	Blocks	
1.	Andhra Pradesh	150	-	-	-	150	-	-	-	-
2.	Assam	28	7	-	-	-	-	-	-	-
3.	Bihar	250	54	-	-	-	-	-	-	-
4.	Gujarat	150	15	-	-	-	-	-	-	-
5.	Haryana	13	-	-	-	18	-	-	-	-
6.	Himachal Pradesh	-	-	20	-	-	-	-	-	-
7.	Jammu & Kashmir	113	12	-	-	113	12	-	-	-
8.	Jharkhand	40	7	127	10	46	8	121	9	-
9.	Karnataka	26	-	117	-	-	-	133	-	-
10.	Kerala	10	-			-	-	-	-	-
11.	Madhya Pradesh	167	17	100	10	13	5	248	29	-
12.	Manipur	-	-	90	9	-	-	90	9	-
13.	Meghalaya	89	8	-	-	-	8	-		-
14.	Nagaland	23	-	-	-	12	-	-	-	-
15.	Odisha	-	-	-	-	-	-	199	--	199
16.	Punjab	53	6	-	-	37	4	-	-	-
17.	Sikkim	-	-	8	4	-	-	8	4	-
18.	Tripura	-	-	-	6	-	6	-	-	-
19.	Uttarakhand	-	-	100	-			-	-	-
20.	Uttar Pradesh	7	39	-	-	93	-	-	-	202
21.	West Bengal	83	-	-	-	-	-	83	-	41
22.	Dadra & Nagar Haveli	3	-	2	-	-	-	10	-	-
Total		1,205	165	564	39	482	43	892	51	442
Grand Total		1,769 GPs and 204 blocks				1,374 GPs and 94 blocks				442 GPs

Annex-6G
Employment Guarantee day not organized
 (Refer to paragraph 6.5)

Sl. No.	Name of State/UT	No. of GPs/ Blocks/Districts
1.	Arunachal Pradesh	43 GPs
2.	Maharashtra	7 districts
3.	Nagaland	38 GPs
4.	Odisha	199 GPs
5.	Tamil Nadu	4 districts
6.	Uttar Pradesh	446 GPs
7.	West Bengal	69 GPs
8.	Lakshadweep	3 GPs
	Total	798 GPs and 11 districts

Annex-7A
Non-payment of unemployment allowance
 (Refer to paragraph 7.2.1)

Sl. No.	Name of State	No. of GPs/ Blocks/ Districts	No. of workers to whom unemployment allowance not paid	Delay ranged between (Days)	Amount of unemployment allowance (₹ in lakh)
1.	Assam *	2 districts	37,229	--	--
2.	Bihar	1 district	77	23 to 87	1.93
3.	Chhattisgarh	10 GPs	10,041	2 to 407	--
4.	Jharkhand	3 districts	206	33 to 1,218	22.63
5.	Kerala	1 GP	46	30	0.52
6.	Maharashtra	1 block	77	9 to 201	0.82
7.	Punjab	1 GP	11	6 to 427	0.50
	Total	12 GPs, 1 block and 6 districts	47,687		26.40

* Figures as per Monthly Progress Report

Annex-7B

Non-maintenance/Poor maintenance of records

(Refer to paragraph 7.2.2)

Sl. No.	Name of State/UTs	Dated receipts of application not issued/record not maintained in	Maintenance of Employment Register			
			Not maintained in		Not maintained properly in	
			GP/Blocks	GP	Block	GP
1.	Andhra Pradesh	150 GPs	150			
2.	Assam	-	-	-	83	-
3.	Bihar	250 GPs	250	54		
4.	Goa	-	-	-	14	-
5.	Gujarat	150 GPs	150	15	-	-
6.	Haryana	6 GPs	6	-	-	-
7.	Himachal Pradesh	-	32	-	38	-
8.	Jammu & Kashmir	-	-	12	-	-
9.	Jharkhand	-	50	8	117	9
10.	Karnataka	-	75		72	-
11.	Kerala	21GPs	09	-	-	-
12.	Madhya Pradesh	-	10	4	220	23
13.	Maharashtra	-	160	-	-	-
14.	Manipur	--	-	-	90	9
15.	Meghalaya	8 blocks	89	8	-	-
16.	Mizoram	39 GPs	-	-	-	-
17.	Nagaland	-	26	-	-	-
18.	Odisha	-	-	-	199	-
19.	Punjab	-	62	7	-	-
20.	Tamil Nadu	230 GPs			-	-
21.	Uttarakhand	-	-	-	100	-
22.	Uttar Pradesh	443 GPs	7	-	-	-
23.	West Bengal	83 GPs	3	-	19	-
24.	Dadra & Nagar Haveli	-	2	-	5	-
25.	Puducherry	30 GPs	30	-	-	-
		1,402 GPs and 8 blocks	1,111 GPs	108 blocks	957 GPs	41 blocks

Annex-7C
Non-payment of wages
(Refer to paragraph 7.3.1)

Sl. No.	Name of the State	No. of GPs/ Blocks/ Districts	Amount of wages not paid (₹ In lakh)	Period for which wages to be paid	Reasons for non-payment/ Remarks
1.	Andhra Pradesh	1 block	1.20	July to November 2010	Due to discrepancies in the software.
2.	Bihar	13 districts	117.85	2007-12	Non opening of Accounts, unavailability of funds and human error.
3.	Goa	1 GP	4.05	February to March 2012	In respect of 173 beneficiaries.
4.	Gujarat	2 blocks	0.43	2009-12	Not paid up to March 2012.
5.	Haryana	1 district	207.47	2011-12	Due to shortage of funds.
6.	Jharkhand	16 GPs and 1 block	4.92	2007-12	Not paid up to May 2012.
7.	Punjab	4 blocks & 1 LD ¹	118.39	2009-12	Due to non-release of funds.
8.	Uttar Pradesh	1 block	1.30	180 Days	Not paid up to May 2012.
9.	West Bengal	1 district	6.80	--	Not paid up to May 2012.
		7 GPs	497.00	January to May 2012	Not paid up to May 2012.
	Total	24 GPs, 9 blocks/ mandals, 15 districts and 1 LD	959.41		

¹ Line Department

Annex-7D
Non-issue of wages slips
(Refer to paragraph 7.3.2)

Sl. No.	Name of State/UT	No. of GPs/ Blocks/Districts	Test checked	Percentage of test checked	Remarks
1.	Assam	83 GPs	83 GPs	100	Wage slips not issued
2.	Bihar	14 districts	15 districts	93.3	No wage slip issued
3.	Gujarat	15 blocks	15 blocks	100	No wage slip issued
4.	Himachal Pradesh	90 GPs	90 GPs	100	No wage slip issued
5.	Jammu & Kashmir	12 blocks	12 blocks	100	Wage slips not issued, delays in payment of wages could not be verified.
6.	Jharkhand	167 GPs	167 GPs	100	In absence of wage slip, payment of wages was fraught with the risk of payment to other person.
7.	Karnataka	157 GPs	157 GPs	100	No wage slip had been generated by these GPs for information of the workers.
8.	Kerala	37 GPs	39 GPs	94.9	In absence of wage slips, the details of the amount of wages credited in bank accounts could not be ascertained.
9.	Madhya Pradesh	247 GPs	290 GPs	85.2	In absence of wage slips, the authenticity of the payment made couldn't be ascertained.
10.	Maharashtra	9 districts	9 districts	100	Without issue of wage slips, there was no mechanism to intimate the labourers about the credit of wages into their accounts.
11.	Nagaland	54 GPs	54 GPs	100	Wages slips were neither generated nor recorded.
12.	Sikkim	2 districts	2 districts	100	Wage slips were not generated to enable the workers to know the exact wages earned by them.
13.	Uttarakhand	100 GPs	100 GPs	100	In the absence of wage slips, the authenticity of the payment made could not be ascertained.
14.	West Bengal	83 GPs	120 GPs	69.2	Wage slips were not generated/handed over to wage seekers.

Sl. No.	Name of State/UT	No. of GPs/ Blocks/Districts	Test checked	Percentage of test checked	Remarks
15.	Lakshadweep	3 GPs	3 GPs	100	No wage slip issued
	Total	1,021 GPs, 27 blocks and 26 districts			

Annex-7E
Short payment of wages
 (Refer to paragraph 7.3.3)

Sl. No.	Name of the State	No. of GPs / Blocks/Districts	Minimum wage rate (₹)	Wages paid at the rate of (₹)	Short payment due to less rate (₹ in lakh)
1.	Assam#	2 districts	130	100	112.79 (3,75,976 persondays x 30)
2.	Bihar	8 GPs	104 to 144	75 to 120	--
3.	Himachal Pradesh	5 GPs	100 to 120	24 to 105	1.44 (for 5,328 persondays)
4.	Jharkhand	16 GPs	92 to 120	90 to 100	1.25 (for 10,178 persondays)
5.	Karnataka*	8 districts	--	--	2,371.00
6.	Manipur	28 GPs	126	81.40	127.68
7.	Meghalaya	8 blocks	100 to 117	70 to 100	84.18
8.	Tripura	19 GPs	118	100	34.50
9.	Uttar Pradesh	17GPs, 6 blocks , 2 districts and 1 LD	80 to 120	58 to 100	4.50
10.	West Bengal	1 GP	195	130	1.10
	Total	94 GPs, 14 blocks 12 districts and 1 LD			2,738.44

Figures as per MPR

* Figures as per MIS

Annex-7F
Non-payment of compensation for delay in payment of wages
(Refer to paragraph 7.3.4)

Sl. No.	Name of the State/UT	No. of GPs/ Blocks/ Districts	No. of works	Delay in payment of wages beyond 15 days	No. of job card holders	Amount of wages (₹ in lakh)	Amount of compensation not paid (₹ in lakh)
1.	Andhra Pradesh	23 GPs	--	5 to 1,100 Days	3,226	12.19	--
2.	Arunachal Pradesh	1 block	4	1 to 3 month	1,244	7.81	--
3.	Assam	13 GPs	43	4 to 159 days	6,263	47.06	93.95 (@ ₹ 1,500 per HH)
4.	Bihar	172 GPs, 3 blocks, 3 districts and 2 LDs	657	1 to 700 days	--	507.61	--
5.	Chhattisgarh	8 blocks	83	1 to 376 days	12,426 MRs	959.87	--
6.	Goa	1 block	--	15 to 310 days	3,355	80.93	--
7.	Gujarat	12 blocks	923	1 to 685 days	11,527 MRs	1,681.54	--
8.	Haryana	8 blocks	36	8 to 331 days	--	54.24	--
9.	Himachal Pradesh	11 GPs	373	15 to 795 days	7,773	110.15	--
10.	Jharkhand	79 GPs	324	1 to 468 days	--	215.39	--
11.	Kerala	13 GPs	50	23 to 138 days	28,738	39.44	--
12.	Madhya Pradesh	11 districts	152	2 to 292 days	2,027 MRs	472.88	--
13.	Maharashtra	4 districts	175	15 to 345 days	--	7,293.23	--
14.	Nagaland	1 district	--	356 days	3,347	256.96	--
15.	Odisha	17 blocks	1,567	3 to 270 days	315	166.72	--

Sl. No.	Name of the State/UT	No. of GPs/ Blocks/ Districts	No. of works	Delay in payment of wages beyond 15 days	No. of job card holders	Amount of wages (₹ in lakh)	Amount of compensation not paid (₹ in lakh)
16.	Punjab	48 GPs	107	2 to 790 days	13,117	98.95	--
17.	Rajasthan	1 GP & 15 blocks	--	Up to 812 days	--	11,813.10	--
18.	Tamil Nadu	22 GPs	--	30 to 482 days	--	88.78	--
19.	Uttarakhand	100 GPs	500	1 to 669 days	13,278	382.86	199.17 (@ ₹ 1,500 Per HH)
20.	Uttar Pradesh	91 GPs, 05 blocks, 04 districts, and 04 LDs	362	1 to 273 days	14,885	144.17	--
21.	West Bengal	04 districts	--	11 to 810 days	--	43,788.73	--
22.	Dadra & Nagar Haveli	05 GPs	5	1 to 123 days	251 MRs	23.34	--
23.	Puducherry	02 blocks	--	Up to 137 days	1,882 MRs	426.05	--
	Total	574 GPs, 72 blocks, 27 districts and 6 line departments				68,672.00	

Annex-7G
Irregular cash payment of wages
 (Refer to paragraph 7.3.5)

Sl. No.	Name of the State	No. of GPs/ Blocks/ Districts	Amount of wages paid in cash (₹ In lakh)	Period
1.	Andhra Pradesh	2 GPs	0.09	2009-10 and 2011-12
2.	Bihar	2 GPs	0.67	January 2009 to December 2009
3.	Maharashtra	1 district (Thane)	30.52	2009-10
		1 district (Buldhana)	29.09	September 2008 to July 2009
4.	Manipur	20 GPs	1,143.38	2009-10 to 2011-12
5.	Punjab	4 GPs	6.80	March 2011 to August 2011
6.	Rajasthan	27 GPs	463.98	October 2008 to March 2009
	Total	55 GPs and 2 districts	1,674.53	

Annex-7H
Deployment of Mates
 (Refer to paragraph 7.4)

Sl. No.	Name of State	No. of GPs/ Blocks/Districts	Brief of irregularities
01.	Assam	38 GPs	Mates had not been engaged during 2007-12.
02.	Kerala	6 GPs	Mates were not rotated during 2007-12.
		1 GP	Wages to mates were classified under unskilled wages.
03.	Maharashtra	9 districts	Mates were not appointed in test checked districts.
04.	Mizoram	39 GPs	Mates had not been engaged during 2007-12.
05.	Rajasthan	11 blocks	Expenditure of ₹ 4.26 crore on account of mates wages was misclassified under labour component. As a result accurate wage material ratio could not be ascertained and state shifted the liability to Central Government.
06.	Uttarakhand	100 GPs	No mates were engaged in 899 test checked works.
07.	West Bengal	10 GPs	No training was given to mates during 2007-12.

Annex-71
Tampering of Muster Rolls
 (Refer to paragraph 7.5.1)

Sl. No.	Name of the State	No. of GPs/ Blocks/Districts	No. of Muster Rolls	Amount (₹ in lakh)
1.	Andhra Pradesh	11 GPs	93	4.32
2.	Bihar	24 GPs	213	7.84
3.	Haryana	14 GPs	22	3.44
4.	Jharkhand	46 GPs	321	17.85
5.	Karnataka	29 GPs	127	7.94
6.	Kerala	9 GPs	26	1.95
7.	Manipur	1 GP	128	9.20
8.	Nagaland	5 GPs	6	10.31
9.	Odisha	4 blocks	78	23.73
10.	Uttar Pradesh	61 GPs and 1 block	259	27.00
	Total	200 GPs and 5 blocks	1,273	113.58

Annex-7J
Engagement of ghost workers in the Muster Rolls
 (Refer to paragraph 7.5.3)

Sl. No.	Name of the State	No. of GPs/ Blocks/ Districts	No. of MRs with ghost workers	No of ghost workers verified	Amount involved (₹ in lakh)
1.	Assam*	2 GPs	189	2,016	20.59
2.	Haryana	1 GP	1	1	0.02
3.	Jharkhand	2 GPs	50	61	2.28
4.	Karnataka*	8 districts	1,659	3,077	23.14
5.	Odisha	4 blocks	5	170	3.34
6.	Punjab	4 GPs	7	34	0.53
7.	Rajasthan	2 GPs	21	82	--
8.	West Bengal	4 GPs	--	29	0.20
	Total	15 GPs, 4 blocks and 8 districts	1,932	5,470	50.10

* Para as per MIS

Annex-7K

Engagement of workers under different Muster Rolls for the same period

(Refer to paragraph 7.5.4)

Sl. No.	Name of the State/UT	No. of GPs/ Blocks/ Districts	No. of Muster Rolls	No. of workers with double engagement (with overlapping entries)	Amount involved (₹ in lakh)
1.	Andhra Pradesh	24GPs	75	80	--
2.	Assam	2 GPs	57	559	4.90
3.	Bihar	9 GPs and 1 district	104	159	1.04
4.	Gujarat	7 blocks	99	201	1.21
5.	Haryana	1 GP	3	3	0.03
6.	Jharkhand	11 GPs	55	238	2.11
7.	Karnataka*	8 GPs	1,154	3,081	54.05
8.	Kerala	3 GPs	7	48	0.81
9.	Odisha	2 blocks	4	170	1.22
10.	Punjab	1 block	2	7	0.22
11.	West Bengal	2 GP and 1 district	5	5	0.06
12.	Lakshadweep	1 GP	2	2	0.04
Total		61 GPs, 10 blocks and 2 districts	1,567	4,553	65.69

* Figures as per MIS

Annex-7L
Payment of wages without signatures
(Refer to paragraph 7.5.5)

Sl. No.	Name of the State	No. of GPs/ Blocks/ Districts	No. of Muster Rolls/ Works	No of cases	Payment made without signature	Amount involved (₹ in lakh)
1.	Andhra Pradesh	1 GP	1 MRs	4	Household's	0.07
2.	Jharkhand	7 GPs	29 MRs	95	-do-	0.52
3.	Karnataka	7 GPs	123 MRs	1,627	-do-	21.24
4.	Manipur	1 GP	76 MRs	82	-do-	0.46
5.	Odisha	5 blocks	728 MRs	5,069	-do-	57.81
6.	Punjab	6 GPs	17 MRs	218	-do-	1.51
7.	Uttar Pradesh	14 GPs and 1 district	153 MRs	2,837	-do-	30.24
Total		36 GPs, 5 blocks and 1 district	1,127 MRs	9,932		111.85
8.	Andhra Pradesh	1 GP	1 MR	9	Competent Authority	0.05
9.	Jharkhand	21 GPs	376 MRs	--	-do-	22.08
10.	Tamil Nadu	21 GPs	35 Works	--	-do-	64.10
Total		43 GPs	377 MRs and 35 works			86.23

Annex-7M
Suspected Misappropriation of wages
(Refer to paragraph 7.5.6)

Sl. No.	Name of the State	No. of GPs/ Blocks/ Districts	No. of Muster Rolls/ Works	Reasons for suspected misappropriation of payment	Amount (₹ in lakh)
1.	Bihar	15GPs	64 MRs (20 Works)	Engagement of workers after completion of work	7.47
2.	Gujarat	2 blocks	--	Payment made without any supporting document like, MRs, MBs and vouchers.	607.39
3.	Himachal Pradesh	2 GPs	13 MRs (127 Cases)	Payment made on holidays	0.14
4.	Karnataka	* 8 districts	2,021 MRs	Payment made before last date of engagement of workers.	568.46
		1 block	24 MRs	MRs issued by PO after completion of work	24.48
5.	Punjab	3 GPs	3 MRs	Payment for 29 February 2011 made on 31 September 2011	0.05
		2 GPs	2 MRs	Payment made before execution of work	0.51
6.	Uttar Pradesh	1 GP	1 work	Payment made before execution of work	0.04
		11 GPs	250 MRs (43 Works)	Payment made before/ without measurement of work	22.29
Total		33 GPs, 3 blocks and 8 districts			1,230.83

* Figures as per MIS

Annex-7N
Requisite details not entered in MRs
(Refer to paragraph 7.5.7)

Sl. No.	Name of the State/UT	No. of GPs/ Blocks/ Districts	No. of Muster Rolls	Shortcomings in MRs	Amount of payment (₹ in lakh)
1.	Bihar	7 districts	--	Unique Identification Number not given, only printed Sl. Nos. mentioned on MRs	--
2.	Himachal Pradesh	20 GPs	724	MRs did not have UID Number	--
3.	Jharkhand	1 GP	17	Names of labourers not recorded	0.66
		12 GPs	85	Period of work not recorded	5.35
4.	Karnataka	5 GPs	21	Job card number not mentioned	1.34
5.	Manipur	1 GP	322	Name of work, wages paid, and date, etc. not mentioned.	31.46
6.	Punjab	37 GPs	--	Unique Identification Number not mentioned	--
7.	Sikkim	4 blocks and 8 GPs	--	Unique Identification Number not mentioned	--
8.	Tamil Nadu	230 GPs	---	Unique Identification Number not mentioned	--
9.	Lakshadweep	3 GPs	35	Unique Identification Number not mentioned	--
		317 GPs, 4 blocks and 7 districts			

Annex-8A

Works executed without restricting material component to 40 per cent of total costs of work

(Refer to paragraph 8.2)

Sl. No.	Name of State/UT	District	Block	GP	Amount (₹ in crore)	Remarks
1.	Andhra Pradesh	Entire state	-	-	1,139.49	Expenditure of ₹ 1,935.49 crore and ₹ 54.51 crore were incurred on material and wages respectively. Thus, excess expenditure of ₹ 1,139.49 crore was incurred on material which could have resulted in generation of 10.63 crore persondays.
2.	Assam	7	-	-	46.70	The excess expenditure on material of ₹ 46.70 crore led to less generation of 42.64 lakh persondays.
3.	Bihar	5	7	19	7.94	--
4.	Gujarat	-	1	-	0.54	Entire expenditure of ₹ 0.90 crore on 25 drainage works (February 2011) was only towards material component.
5.	Jharkhand	2	2	34	33.72	At block and GP levels, ₹ 50.06 lakh excess expenditure was incurred on material component. At district level, excess expenditure of ₹ 33.22 crore on material resulted in short generation of 38.73 lakh persondays.
6.	Punjab	1	1	30	2.98	--
7.	Rajasthan	3	7	101	36.31	Excess expenditure on material component of ₹ 14.28 crore at district level, ₹ 7.32 crore at block level and ₹ 14.71 crore at GP level was noted.
8.	Sikkim	1	-	2	1.11	Excess expenditure of ₹ 1.11 crore on material resulted in short generation of 1.56 lakh persondays in East Sikkim district.
9.	Tripura	2	-	-	4.66	Excess expenditure of ₹ 4.66 crore on material resulted in short generation of 5.48 lakh persondays.
10.	Uttar Pradesh	-	-	460	10.95	--
11.	Uttarakhand	4	-	-	0.26	Excess expenditure of ₹ 0.26 crore on material resulted in short generation of 21,603 persondays.
12.	Dadra & Nagar Haveli	-	-	3	0.07	--
	Total	25	18	649	1,284.73	

Annex-8B Execution of inadmissible works

(Refer to paragraph 8.3)

Sl. No.	Name of State/UT	District	Block	GP	No. of inadmissible works	Nature of work executed	Amount (₹ in crore)	Remarks
1.	Arunachal Pradesh	4	-	-	55	Cement concrete roads	2.96	--
		1	-	-	8	Earthen road	0.07	Eight road works were executed without gravel/stone support for stability.
2.	Assam	-	3	-	10	Construction of raised platform for cattle and other animals	0.58	--
		-	4	-	10	Development work of <i>Shamshaan Bhumi</i>	0.35	--
		-	2	-	15	Earthen/ <i>Kutch</i> roads	1.22	--
3.	Bihar	1 district and 1 line department	2	12	49	Generator shade, <i>Pucca</i> platform, right to public services centre, <i>pucca</i> cement concrete road.	2.11	--
			-	3	-	52	Plantation work	0.45
4.	Chhattisgarh	1	-	-	6	Installation of entry gates and information board over the National/state Highways for welcoming the visitors.	0.31	
5.	Goa	-	-	14	146	<i>Kutch</i> roads, etc.	1.60	--

6.	Gujarat	3	-	1	377	Earthen roads, cement concrete roads and roads works	6.68	Expenditure of ₹ 2.44 crore on earthen roads, ₹ 0.31 crore on construction of 7 cement concrete roads and ₹ 3.93 crore on other road works had been incurred.
7.	Haryana	-	-	25	31	Earthen roads	1.06	Works were executed without stabilization of top surface and adequate provisions for drainage.
		-	-	16	27	Cement concrete/interlocking paver blocks roads	0.80	--
8.	Himachal Pradesh	-	-	26	97	Kutchha roads	0.98	Works were executed without stabilization of top surface and adequate provision for drainage and culverts.
		3	-	-	723	Repair and Maintenance of roads	42.15	DPCs in three districts had sanctioned ₹ 42.15 crore to the Himachal Pradesh PWD for 723 repair and maintenance works of roads.
9.	Jharkhand	6	-	-	1,176	Mitti murram works/earthen roads	21.43	--
10.	Karnataka*	Entire state	-	-	23,816	Earthen roads	77.30	--
11.	Kerala	2	2	-	15	Foundation work of houses under EMS and IAY housing schemes, anti sea erosion work and rubber plantation.	0.97	Expenditure of ₹ 0.40 crore on foundation work of houses, ₹ 0.56 crore on anti sea erosion work and ₹ 0.007 crore on rubber plantations had been incurred.
		1	-	-	559	Earthen roads	2.22	--
12.	Madhya Pradesh	-	-	69	132	Mitti murram works/earthen roads	4.90	Mitti murram roads were constructed without proper compaction, side slopes, side drains, cross drainage and other required technical inputs.
		-	-	10	10	Construction of bathing ghats/stairs	0.34	--
		-	-	34	38	Cement Concrete Roads	0.66	--
		-	-	7	10	Construction of platform,	0.22	--

									leveling and boundary walls of cremation grounds				
13.	Maharashtra	-	-	8	11				Jatropha plantation	0.09	--		
		-	2	-	26				Earthen roads	0.85		In Lakhani block, 22 works of ₹ 0.73 crore and four works of ₹ 0.12 crore in Khamgaon were executed.	
		6	-	-	5,160				Rural connectivity	46.32		On joint physical verification, the roads constructed were not found to be all weather access roads.	
14.	Manipur	-	-	52	119				Road works	10.73		On joint physical verification, 119 test checked works were not found to be all weather access roads.	
15.	Mizoram	2	-	-	43				Earthen roads	12.57		Expenditure of ₹ 12.57 crore were incurred on rural connectivity works without use of material (district Lunglei: ₹ 3.30 crore for 30 km of roads and ₹ 9.27 crore for Distirct Lawngtlai for 368 km of roads). Assets created were not of durable nature.	
16.	Nagaland	3	-	-	45				Reinforce cement concrete/black topping of road	10.01	--		
		3	-	-	127				Earthen roads	17.09	--		
17.	Odisha	-	10	-	568				Cement concrete-roads and Earthen roads	13.18		Expenditure of ₹ 12.36 crore on construction of earthen roads and ₹ 0.82 crore on cement concrete roads were incurred.	
18.	Punjab	-	-	52	67				Retaining walls, cement concrete roads, tubewell for Samiti, etc	1.20	--		
19.	Rajasthan	-	-	48	66				Construction of cement concrete roads, rest house and repair of office building	5.62	--		

						37	Gravel road without connectivity	2.56	Audit observed that 37 road works were executed without providing connectivity to villages and had no use for public.
20.	Tamil Nadu	Entire states	-	-	62,588	62,588	Kutcha roads without connectivity	1919.88	Audit observed that 62,588 road works were executed without use of material.
21.	Tripura	-	-	60	2,825	2,825	Kutcha roads without stabilization of top surface and Jungle cutting works	5.79	Expenditure of ₹ 5.29 crore on construction of 2765 Kutcha road and ₹ 0.50 crore on 60 jungle cutting works had been incurred.
22.	Uttar Pradesh	-	-	393	2,265	2,265	Earthen road	15.60	--
		2 districts and 1 line department	12	84	272	272	Purchase of plants, Interlocking works, Mitti bharai, construction of model ponds and Ponds constructed without inlet/outlet, lacking source of water	10.26	--
23.	Andaman & Nicobar Islands	2	-	-	259	259	Rural connectivity	8.66	Rural connectivity works were executed without any material component.
24.	Puducherry	-	1	-	155	155	Jungle clearance works	0.64	--
	Total	40 districts and 2 line departments	41	940	1,01,995	1,01,995		2,250.41	

* Figures as per MIS

Annex-8C
Work executed on ineligible individuals' land
 (Refer to paragraph 8.4)

Sl. No.	Name of State	District	Block	GP	Remarks
1.	Assam	-	-	2	Two works were executed at a cost of ₹ 1.53 lakh and ₹ 1.40 lakh respectively on the lands of the GP president's father and the Anchlik Parishad Member (ineligible beneficiaries). Moreover, these works were not incorporated by DPC/GP in Annual Plan.
2.	Goa	-	-	6	Permissible works such as construction water tank was executed on land of ineligible individuals and non-permissible works such as protection wall, <i>kutchra</i> road, foot path, compound walls, etc. were executed on land owned by eligible individuals involving total financial implication of ₹ 11.44 lakh.
3.	Kerala	-	-	1	Land development work was undertaken on the land, the owner of which had more than five acres of land.
4.	Uttar Pradesh	-	-	52	Works were executed on lands of individuals without identifying their status of belonging to weaker sections of society.
	Total	-	-	61	

Annex-8D

Details of abandoned works

(Refer to paragraph 8.5)

Sl. No.	Name of State/UT	District	Block	GP	No. of abandoned work	Nature of work executed	Amount of Expenditure (₹ in crore)	Remarks
1.	Assam	-	-	1	1	Excavation of public fishery	0.04	Work was not completed due to inundation of the executed part.
		-	-	1	1	Afforestation and horticulture farm at Pujali field near Pujali Beel	0.08	Workers were reluctant to work since the land around the Beel was used by them as cattle grazing field.
		-	-	1	1	Clearing of Katurajan	0.04	Work was not completed due to public obstruction.
		-	-	3	3	Construction of road and Agri-bundh	0.07	Work was not completed due to public obstruction.
2.	Chhattisgarh	1	-	-	40	Rural connectivity and minor irrigation canals, etc.	3.24	--
		-	-	1	1	Major portion of flood protection bund	0.31	Work was washed away by flood water due to non-execution of initial precautionary protection work on the river bank.
3.	Goa	6	-	-	4,700	Different types of works	164.59	Audit observed that 4,700 works were cancelled after incurring infructuous expenditure of ₹ 164.59 crore due to various problems.
		2	-	-	13	Rural connectivity, flood control and renovation of traditional water bodies	0.10	--

4.	Jammu & Kashmir	-	8	-	484	All type of works	2.92	Works had been abandoned midway due to non-availability of labour in subsequent years, land disputes, forest clearance was awaited, etc.
5.	Jharkhand	-	-	244	2,472	Construction of irrigation well	1.72	Reasons attributed to this were emergence of hard rock strata during the course of execution and delay in issue of work order.
6.	Kerala	-	-	1	5	Flood relief work in water logged areas.	0.04	Works were abandoned half way to avoid purchase of material component originally included in the estimates.
7.	Maharashtra	2	-	-	1,423	Nalla saralikaran works and farm ponds	34.22	During the course of execution of 1,203 Nalla saralikaran works, Nalla saralikaran work was declassified of permissible work. Works had been abandoned midway after incurring infructuous expenditure of ₹ 33.72 crore. Labour problems and hard strata arose during the course of execution of 220 farm ponds works. Works had been abandoned midway after incurring infructuous expenditure of ₹ 0.50 crore.
8.	Odisha	-	6	1	1	Public well for drinking water	0.01	The work was abandoned due to submergence.
9.	Punjab	-	-	2	4	Rural connectivity	0.49	Intended purpose of the project could not be achieved, hence abandoned.
10.	Uttar Pradesh	2	-	1	47	Clearance of jungle weed, renovation of pond	0.03	Works were abandoned due to rain.
11.	Lakshadweep	-	1	-	1	Brick work, Kharanja work, culvert, approach road and earthwork	1.65	Works were abandoned due to non-availability of funds.
	Total	13	15	256	9,220		0.02	Cost of material was very high
							209.57	

Annex-8E
Details of Infructuous expenditure on work
 (Refer to paragraph 8.5)

Sl. No.	Name of State	District	Block	GP	No. of work Infructuous	Nature of work executed	Amount (₹ in crore)	Remarks
1.	Assam	-	-	1	1	Plugging the breach caused in the Puthimari ring bund embankment by engaging job card holders	0.08	Work was left incomplete as the ring bund was washed away in flood.
2.	Bihar	-	-	1	20	Plantation work	0.13	Plantation was removed by flood control department for widening of river embankment.
3.	Chhattisgarh	-	-	1	7	Wells on the land of the 10 beneficiaries	0.03	The works executed had collapsed.
4.	Gujarat	-	-	1	1	Deepening of pond	0.24	On joint physical verification it was observed that pond did not have inlet and outlet and therefore, deepening of pond did not add to storage capacity of pond. Hence, expenditure incurred was infructuous.
5.	Kerala	-	-	1	1	Construction of contour bund	0.37	Work did not exist physically.
6.	Punjab	-	-	1	1	Renovation of pond	0.02	Due to non maintenance of pond, jungle weed had grown up again and therefore expenditure incurred on renovation of pond was rendered infructuous.
7.	Rajasthan	-	-	3	4	Construction of canals	0.68	Canals were constructed without connecting them with source of water.
		-	-	7	9	Construction of anicut check dam, <i>kutchha</i> dam, etc.	0.81	Works were executed without ensuring sufficient catchment area and wrong selection of site, etc.
	Total	-	-	16	44		2.36	

Annex-8F Incomplete works (Refer to paragraph 8.5)

Sl. No.	Name of State/UT	District	Block	GP	No. of incomplete work	Nature of work executed	Amount (₹ in crore)	Remarks
1.	Andhra Pradesh	-	-	86	188	All types of works	4.73	-
2.	Assam	-	-	8	10	Land development, rural connectivity and canal system of Majrabari	1.10	Work was not completed due to land dispute and non-receipt of funds.
3.	Bihar	3 districts and 3 line departments	10	41	754	Pucca works like brick soiling, <i>pulia</i> and culvert	12.64	--
4.	Chhattisgarh	6	-	-	29,636	All types of works	902.37	Works given to the line departments i.e., PWD, WRD, RES, Forest, Agriculture and Sericulture Departments and GPs were incomplete.
		2	-	-	98	Construction of Water Bound Macadam (WBM) road	4.47	--
		1	-	-	399	Road works, up-gradation of Ponds/tanks, land development, etc.	3.26	Works were incomplete due to non-availability of sufficient government land and roller in time for compaction work.
5.	Gujarat	-	4	-	392	Group well	5.25	--
6.	Jharkhand	6	-	-	2,949	Construction of wells, ponds, roads, etc.	27.91	Works remained incomplete after the lapse of up to five years due to improper planning, slow progress of work, engagement of one Gram Rozgar Sahayak in multiple works, etc.

7.	Karnataka*	Entire state	-	-	7,33,897	All types of works	3,057.11	--
8.	Manipur	-	2	-	5	Construction of public wells and rubber plantation	0.17	--
9.	Odisha	-	8	-	266	Excavation of multipurpose farm ponds to provide irrigation facility, horticulture plantation and land development facility on land owned by SC/ST/BPL families and IAY Scheme beneficiaries	0.53	--
10.	Rajasthan	-	-	76	205	Gravel roads	7.04	--
		-	-	174	664	All types of works	36.58	Works were incomplete since 2008-09.
11.	Tripura	-	2	-	26	All types of works	1.87	Works were incomplete for one to four years due to site problem, delay in commencement, slow progress of work, non supply of bricks in time, etc.
12.	Uttar Pradesh	2	1	8	23	Brick soiling work, <i>kharanja</i> work, culvert, approach road and earthwork	0.29	--
13.	Puducherry	-	-	10	63	Deepening and de-silting of ponds	5.44	Works had remained incomplete for more than two years.
	Total	20 districts and 3 line departments	27	403	7,69,575		4,070.76	

* Figures as per MIS

Annex-8G

Details of wasteful expenditure on plantation scheme

(Refer to paragraph 8.6)

Sl. No.	Name of State	District	Block	GP	No. of wasteful plantation work	Amount (₹ in crore)	Remarks
1.	Andhra Pradesh	-	-	21	49	0.42	Saplings and mango plantation could not survive as work was executed in offseason and lack of water.
2.	Bihar	-	-	66	882	2.06	--
3.	Gujarat	-	-	5	8	0.03	Plantation did not survive due to its non-maintenance.
4.	Kerala	-	-	7	47	0.24	--
5.	Manipur	-	-	3	4	0.11	--
		-	-	5	6	0.27	--
		4	-	-	124	4.35	--
6.	Mizoram	-	1	-	123	3.24	Plantation of 5.82 lakh of locally available seedlings of different varieties did not survive.
7.	Rajasthan	-	-	49	329	1.15	Only 0 to 23 per cent of plantation works had survived.
8.	Uttar Pradesh	-	-	46	55,344	0.32	--
	Total	4	1	202	56,916	12.19	

Annex-8H

Non creation of Durable Assets

(Refer to paragraph 8.7)

Sl. No.	Name of State/UT	District	Block	GP	No. of work	Nature of work	Amount (₹ in crore)	Remarks
1.	Gujarat	Entire state	-	-	2,64,652	Construction of 1,000 <i>boribandhs</i> in each block	101.25	Works did not exist physically.
2.	Kerala	Entire state	-	-	-		2,483.90	As per directions of state government, works were executed without material component.
3.	Mizoram	-	-	27	27	Construction of side drains for flood control	0.62	Constructions of 27 side drains for flood control were undertaken without material.
4.	Tamil Nadu	Entire state	-	-	1,24,598	Desilting of ponds, minor irrigation tanks, supply channels and irrigation wells	3,921.87	Works were executed without material.
5.	West Bengal	-	-	24	293	Earthen road	6.53	--
6.	Puducherry	-	-	97	2,381	Deepening of ponds, desilting of channels, jungle clearance, etc.	33.18	--
Total							6,547.35	

Annex-8I

Irregularities in purchase of material

(Refer to paragraph 8.8)

Sl. No.	Name of State	District	Block	GP	No. of items purchased	Nature of purchase of item	Amount (₹ in crore)	Remarks
1.	Andhra Pradesh	1 district and 1 line department	-	-	-	Supply of polythene bags, water storage tanks, teak stumps, watering with mobile tankers	3.37	Bids were not invited for purchase of items/material.
		-	1	-	-	Nursery and Rural Connectivity Project (RCP) works for supply of sign boards to RCP works	0.07	Payments were made to firms other than suppliers/WEMs in respect of nursery and RCP works. Instances of payments to unauthorized account holders were also noticed.
		1	-	-	-	Procurement of plastic water containers	0.30	Prescribed norms/procedure was not followed for procurement.
2.	Jammu & Kashmir	-	6	-	1,32,681	Purchase of cement bag	4.67	Prescribed norms/procedure was not followed for procurement.
3.	Jharkhand	1	-	-	-	Furnishing of conference hall	0.13	Supply of material, furnishing and electrification works were carried out by M/s Sunrise Roadlines Construction Division, Chaibasa prior to preparation of the estimate and administrative approval which was irregular. Moreover, this was not a permissible work under the Scheme.
		-	-	47	-	Procurement of material	11.93	Expenditure of ₹ 11.93 crore was incurred on procurement of materials such as boulders, metal, chips, murrum, etc. from unregistered suppliers.

4.	Nagaland	1	-	-	-	-	Procurement of tools and implements	0.66	Prescribed norms/procedure was not followed for procurement.
5.	Uttar Pradesh	1	-	-	954	-	Steel Almirahs at the rate of ₹ 2,350	0.24	Almirahs were purchased without inviting tenders.
		1	-	-	21	-	Purchase of Video-cameras at the rate of ₹ 13,990	0.03	Video-cameras were purchased without inviting tenders.
		1	-	-	970	-	Purchase of digital cameras at the rate of ₹ 5,300	0.51	Digital Cameras were purchased without inviting tenders.
		-	-	3	-	-	Purchase of construction materials	1.04	Construction material was purchased without inviting tenders.
	Total	7 district and 1 line department	10	47				22.95	

Annex-8J
Non-Accounting of material at site
 (Refer to Para 8.9)

Sl. No.	Name of State	District	Block	GP	Nature of purchase of material	Amount (₹ in crore)	Remarks
1.	Andhra Pradesh	1	-	-	Procurement of seeds/saplings	0.95	DFO, Hyderabad made payments to the suppliers without ensuring actual receipt of stock/prior to receipt of stock.
2.	Assam	-	-	14	Sand gravel, stone chips, cement, black wire, bamboo, wood planks, etc.	6.12	No site Account was maintained in respect of material procured at GP levels and as a result the materials worth ₹ 6.12 crore remained unaccounted.
		-	2	11	Sand gravel, stone chips, cement, black wire, wood planks, etc.	43.28	--
		-	-	11	27 schemes	0.53	Audit observed that ₹ 0.53 crore was incurred on procurement of material in 27 schemes without maintaining any stock book and site accounts.
	Total	1	2	36		50.88	

Annex-8K

Works executed without assigning unique identity number

(Refer to paragraph 8.10)

Sl. No	Name of State/UT	District	Remarks
1.	Arunachal Pradesh	4	--
2.	Bihar	15	The development plan did not contain the unique identity number however, the same was provided at the time of MIS entry.
3.	Gujarat	6	Unique identity numbers were generated by the system at the time of making MIS entries, however no unique identity number was provided either at the time of preparation of labour budget or at the time of technical and administrative sanction.
4.	Jammu & Kashmir	6	Unique identity numbers had neither been indicated in the Annual Action Plans nor in the progress reports.
5.	Kerala	4	Unique identity numbers were not provided in the Annual Action Plan. However, unique identity numbers were provided in MIS for each work undertaken for execution.
6.	Maharashtra	2	Unique identity numbers were provided at the time of entering muster roll in MIS of MGNREGS. However, the development plan did not contain the unique identity number.
7.	Manipur	4	--
8.	Nagaland	3	Different unique identity numbers were given for the same work which was executed in phased manner during the year or in the subsequent year.
9.	Punjab	2	There was no system of mentioning the plot numbers of the sites where works were to be executed so each work did not have a unique location code.
10.	Rajasthan	1	Unique identity numbers were not generated for each work at the time of sanction in Jaisalmer district.
11.	Tamil Nadu	6	--
12.	Tripura	2	Unique identity numbers were not mentioned against each work included in the annual action plan and the asset register. However, while entering the data in MIS, these numbers were generated.
13.	Uttar Pradesh	10	--
14.	Lakshadweep	1	--
	Total	66	

Annex-8L
Works executed without support of Line Department
 (Refer to paragraph 8.11)

Sl. No	Name of State	District	Remarks
1.	Kerala	4	--
2.	Mizoram	2	State government notified the line department of the government as an implementing agency other than Village Council. However, it was noticed that all the works were executed by the Village Councils without involving any line department.
3.	Nagaland	3	--
4.	Uttar Pradesh	18	--
	Total	27	

Annex-8M
Works executed by contractors
 (Refer to paragraph 8.12)

Sl. No.	Name of State	District	Block	GP	Amount (₹ in crore)	Remarks
1.	Assam	1	-	-	0.21	Contractor was engaged by the Water Resource Department for construction of wooden bridge.
2.	Chhattisgarh	5	-	-	3.96	A firm was contracted for making MIS data entry.
		1	-	-	0.22	A firm was contracted for making MIS data entry.
3.	Kerala	-	1	-	0.03	Contractor was engaged for construction of thatched sheds and toilets in district agriculture farm, Peringamala.
4.	Nagaland	-	-	1	0.39	Funds of ₹ 33.80 lakh for construction of sanitary drainage and ₹ 5.26 lakh for construction of irrigation canal were diverted for construction of Rest House and Primary Health Centre building. Further, it was observed that contractor was engaged for construction of Rest House and PHC building.
5.	Uttar Pradesh	-	-	1	0.02	Contractor was engaged for 7,356 plantation work.
	Total	7	1	2	4.83	

Annex-8N
Works executed with use of machinery
 (Refer to paragraph 8.13)

Sl. No.	Name of State	District	Block	GP	Amount (₹ in crore)	Remarks
1.	Bihar	-	-	33	0.23	Tractors were used for 50 works.
2.	Karnataka	Entire state	-	-	15.94	JCB machines were used on rural connectivity works.
3.	Manipur	3	-	-	1.56	Heavy machinery was used in nine works out of 600 test checked works.
4.	Odisha	-	1	1	0.06	JCB machine and tractors were used to construct a pond.
5.	Punjab	-	-	6	0.02	JCB machine and mixer machine were used in eight works.
6.	Tripura	1	-	-	0.40	Machinery was used in three works.
	Total	4	1	40	18.21	

Annex-80
Works executed without administrative and technical sanction
 (Refer to paragraph 8.14)

Sl. No	Name of State	District	Block	GP	Number/Nature of works executed	Amount (₹ in crore)
1.	Arunachal Pradesh	-	1	-	14	2.18
2.	Assam	-	-	1	(i) Construction of road from Nayapara to Bahati PWD road, and (ii) Construction of road from Nayapara High Madrassa to Dabarpur	0.10
		-	-	1	Erosion protection work at Jamuna river near Dandpur	0.28
		-	-	6	11	0.32
3.	Chhattisgarh	-	-	1	Plantation of one lakh plants in 40 hectare area	1.08
4.	Mizoram	-	-	27	0	3.61
5.	Odisha	-	7	-	69	1.55
6.	Uttar Pradesh	1	6	17	237	13.25
	Total	1	14	53	334	22.37

Annex-8P
Excess expenditure on projects over sanctioned estimate
 (Refer to paragraph 8.14)

Sl. No	Name of State	District	Block	GP	No. of work	Excess Amount Incurred (₹ in crore)	Remarks
1.	Haryana	-	-	1	1	0.02	An expenditure of ₹ 0.06 crore was incurred against the sanctioned estimate of ₹ 0.04 crore on digging of pond.
2.	Jharkhand	-	-	3	4	0.04	An expenditure of ₹ 0.28 crore was incurred against the sanctioned estimate of ₹ 0.24 crore.
3.	Meghalaya	-	1	-	112	0.40	Final expenditure on 112 projects exceeded the sanctioned estimate by ₹ 0.40 crore.
4.	Nagaland	-	-	-	2	0.26	Two infrastructure projects were completed at the cost of ₹ 0.40 crore against the estimate of ₹ 0.14 crore.
5.	West Bengal	-	-	4	5	0.06	--
	Total	-	1	8	124	0.78	

Annex-8Q

Works executed without display of work site boards

(Refer to paragraph 8.15)

Sl. No.	Name of State	District	Remarks
1.	Gujarat	6	On physical verification of the projects it was noticed that works site board showing date of commencement of work, date of completion work and other technical details of work were not displayed.
2.	Maharashtra	9	Worksite boards were not displayed in 1,164 works.
3.	Manipur	4	Worksite boards did not display date of commencement of work, date of completion of work and other technical details of work
4.	Nagaland	3	On physical verification of the projects, it was noticed that worksite boards were not displayed.
5.	Odisha	8	Worksite boards were not found in 573 test checked works.
6.	Rajasthan	8	Worksite boards were not found in 1,190 test checked works.
7.	Tripura	2	The worksite boards were not found in 234 cases.
8.	Uttar Pradesh	18	Worksite boards with complete details were not displayed in 3,599 test checked works.
9.	West Bengal	1	Worksite boards were not found in all selected work sites in Jalpaiguri district.
Total		59	

Annex-8R

Non Preparation of State/District Schedule of Rates (SoR)

(Refer to paragraph 8.16)

Sl. No.	Name of State	District	Observation
1.	Arunachal Pradesh	4	No SoR for MGNREGS works was prepared for the state/districts. The estimates for works were prepared by blocks on PWD item rates.
2.	Bihar	15	The state government did not devise SoR for MGNREGS works. The SoR of Public Works Department had been followed by the implementing agencies.
3.	Kerala	4	Out of the four test checked districts, SoR for MGNREGS was prepared only in Kottayam.
4.	Manipur	4	No separate SoR was prescribed (based on the comprehensive work, time and motion studies) for MGNREGS works. Manipur schedule of rates (MSR) prepared by the state public works department was utilised for preparing estimates of MGNREGS works.
5.	Punjab	6	No separate SoR for MGNREGS had been prepared by the state.
6.	Sikkim	2	The Sikkim PWD works SoR 2006 had been followed by the implementing agencies.
	Total	35	

Annex-8S

Payment without Measurement of Works

(Refer to paragraph 8.17)

Sl. No.	Name of State	District	Block	GP	No. of work	Amount (₹ in crore)	Remarks
1.	Assam	-	-	1	4	0.07	Workers were paid wages without recording measurement of works by the JE/AE.
		-	-	6	21	0.70	Expenditure of ₹ 0.70 crore was incurred in 21 works without recording measurement in MBs.
2.	Bihar	-	1	8	27	0.68	--
3.	Jharkhand	-	-	20	587	9.16	Measurement of work had not been verified by qualified technical persons.
		-	1	-	1	0.19	Measurement of a work was required to be finally approved by the Executive Engineer if the value of work exceeded ₹ 1.00 lakh. However, it was observed that in Bharno block ₹ 0.19 crore was paid to an executing agent without the approval of Executive Engineer.
4.	Kerala	-	-	1	45	0.13	Payment of ₹ 0.13 crore was made without taking measurement during the course of execution of work. It was also seen that measurements were recorded in MBs without proper details of location of work site and hence works could not be verified physically.
5.	Tamil Nadu	-	-	4	7	0.29	Measurements were not recorded or not authenticated by the technical staff in respect of muster roll payments.
		-	-	8	8	0.12	Muster rolls for value of ₹ 0.12 crore were passed and paid. It was noticed that pass orders for the muster roll payments were not signed by Programme Officers of the blocks in the MB of the works.
6.	Uttar Pradesh	-	-	5	9	0.09	Payment was made without measurement of works.
	Total	-	2	53	709	11.43	

Annex-8T

Absence of work-site facilities

(Refer to paragraph 8.18)

Sl. No.	Name of State/UT	District	Remarks
1.	Gujarat	5	Work site facilities were not provided.
2.	Kerala	4	Work site facilities except crèche were provided.
3.	Rajasthan	1	Audit observed that 100 medical kits of ₹ 0.36 lakh having expiry date of December 2010 were received on 19 June 2010 from Zila Parishad and these were distributed to MGNREGS workers between December 2010 to June 2011.
4.	Sikkim	2	Crèche for children below the age of six years was not provided.
5.	Tamil Nadu	3	Worksite facilities such as shades and crèche were not provided.
6.	Uttar Pradesh	18	No worksite facility except drinking water was provided.
7.	West Bengal	5	In none of the test checked GPs crèche for children was provided at worksites.
8.	Puducherry	2	Work site facilities i.e., drinking water, shade, first-aid and crèche were not provided at work sites.
Total		40	

Annex-8U

Work without three stages photographs

(Refer to paragraph 8.19)

Sl. No.	Name of State/UT	District	Remarks
1.	Arunachal Pradesh	4	Pre-mid-post project stages of works were not recorded with photographs.
2.	Assam	2	No photographs of pre-mid-post stages of works were on record.
3.	Gujarat	6	Three stage photographs were not found attached in any test checked work.
4.	Karnataka*	Entire state	Pre-mid-post stages photographs of works had not been uploaded in respect of 5.25 lakh works completed. In respect of other 10,490 works, photographs of only one or two stages had been uploaded.
5.	Kerala	4	Photographs of work sites were not taken in 2007-08, 2008-09 and 2009-10.
6.	Maharashtra	9	Pre-mid-post stages photographs were not taken except for works undertaken by the Forest Department in Buldhana.
7.	Manipur	2	Pre-mid-post stages photographs were not taken in 40 GPs of Tamenglong and Thoubal districts.
8.	Nagaland	3	Pre-mid-post stages photographs were not taken in 15 GPs out of the 54 test checked GPs.
9.	Odisha	8	Pre-mid-post stages photographs were not available in 1,098 works out of 1,333 works physically inspected.
10.	Tamil Nadu	2	Pre-mid-post stages photographs of works were not taken.
11.	Uttar Pradesh	12	During joint physical verification of works it was noticed that pre-mid-post stages photographs of 2,169 works were not taken and not found attached with the concerned works files.
12.	Lakshadweep	1	Pre-mid-post stages photographs of work had not been taken/maintained by the GPs and therefore were not produced to audit.
13.	Puducherry	2	Pre-mid-post stages photographs of works were not taken.
Total		55	

* Figures as per MIS

Annex-8V

Non issue of Project Completion Reports (PCRs)

(Refer to paragraph 8.19)

Sl. No.	Name of State/UT	District	No. of works executed	Remarks
1.	Arunachal Pradesh	4	-	Project Completion Reports were not available in respect of completed works.
2.	Assam	2	-	PCRs were not prepared in Kamrup (R) and Karbi Anglong districts.
3.	Bihar	15	-	PCR was not found attached in any of the completed works.
4.	Gujarat	6	923	PCRs were not found in the record of any of the test checked works.
5.	Himachal Pradesh	4	15,366	PCRs in respect of 15,366 works of ₹ 120.41 crore shown as completed, were not prepared and kept on record. In the absence of any PCR duly verified by a responsible officer, the authenticity of completed works could not be verified in audit.
6.	Karnataka*	Entire state	5,69,000	PCRs in respect of 4.07 lakh works out of 5.69 lakh works shown as completed during 2008-12, had not been uploaded onto MIS.
7.	Kerala	2	-	PCRs were not prepared.
8.	Nagaland	3	145	PCRs in respect of 145 works in 13 GPs were not available.
9.	Punjab	3	2,446	PCR was not prepared in respect of any of the works in selected GPs.
10.	Rajasthan	7	307	307 works were shown as completed but their PCRs were not issued.
11.	Sikkim	2	80	PCRs were not placed on records.
12.	Tamil Nadu	2	322	PCRs were not prepared.
13.	Tripura	2	600	Separate PCRs were not issued except making a record on the cover page of the muster roll.
14.	Uttar Pradesh	16	3,091	PCRs in respect of 3,091 works of ₹ 38.22 crore were not placed in concerned file of the work.
15.	West Bengal	5	-	There was no system of obtaining PCRs.
16.	Puducherry	2	-	There was no system of obtaining PCRs.
	Total	75	5,92,280	

* Figures as per MIS

Annex-8W

Execution of Suspect/Duplicate Work/Doubtful Payments

(Refer to paragraph 8.20)

Sl. No.	Name of State	District	Block	GP	No. and nature of works	Amount (₹ in crore)	Remarks
1.	Andhra Pradesh	-	8	-	Conveyance charges for tractors, transportation of silt	3.05	Large sums of money were credited to bank accounts of Sarpanches, Ward and Mandal Parishad Territorial Council Members purportedly for material payments after they had been nominated as Work Executing Members (WEMs) by GPs. Such payments to the eight joint accounts of the sarpanch/technical assistant were ₹ 3.05 crore, purportedly for transportation of silt for which either no records were available or false/fictitious records were created.
2.	Assam	-	1	-	2	0.13	During joint physical verification of two Anchlik Parishad level works, it was noticed that works did not exist physically.
		-	1	-	12	0.21	During joint physical verification, it was noticed that 12 horticulture works did not exist. The relevant estimates, MBs and vouchers were also not produced to audit.
		1	-	-	10	0.22	During joint physical verification and beneficiary survey, it was noticed that 10 works (rural connectivity) of ₹ 0.22 crore shown executed by AP/ZP did not exist physically.
		-	1	-	3	0.16	Expenditure of ₹ 0.23 crore was incurred on construction of three roads, out of which ₹ 0.16 crore was incurred on procuring sand gravel. However, audit observed that there were no entries of use of sand gravel in muster rolls. During joint physical verification also it was noticed that sand gravels were not found sprayed on these roads.
		-	-	1	-	0.02	Muster roll bills for ₹ 0.02 crore in respect of the work 'protection of Udalguri villages and its 10 adjoining villages from the erosion of river' were passed for payment. It was noticed that 188 names of beneficiaries were recorded in these MR bills without mentioning their identity number and bank/post office account number.
		-	-	8	21	0.31	During joint physical verification of 18 completed works of field development and rural connectivity, it was noticed that the works were not executed as per the estimates. There were shortfalls in the length, width and height of works executed. Thus, works were executed short by ₹ 0.24 crore. Three works of land development also were short executed by ₹ 0.07 crore.
		-	-	11	12	0.09	Material worth ₹ 0.09 crore was procured after completion of works.

3.	Bihar	-	-	18	-	-	0.22	Material for the works was purchased after completion of works.
		12	-	-	548	-	2.00	Agencies were given advance of ₹ 2.00 crore for execution of works. Despite works were not executed by agencies, advances were not recovered.
		-	-	14	-	-	0.08	Labourers were engaged after the completion of work.
		-	-	4	-	-	0.06	A sum of ₹ 0.06 crore was withdrawn without any work.
		-	-	5	-	-	0.03	--
		-	1	-	1	-	0.01	Expenditure of only ₹ 0.01 crore was shown in measurement, out of claim of expenditure of ₹ 0.02 crore.
4.	Haryana	-	-	1	1	-	0.04	WBM roads did not exist physically. Records relating to construction of roads as well as the cash book were not produced to audit.
5.	Jharkhand	-	1	-	20	-	0.05	Advance of ₹ 0.05 crore given during 2007-08 for completion of 20 works within three months was treated as final expenditure in the cash book. These works were neither started nor any action taken by the competent authority to recover the advance.
		-	2	-	5	-	0.01	DPC had approved the model estimate of a well having specification of diameter 15 feet and depth 35 feet. During joint physical verification of irrigation wells, it was noticed that the depth of the well was less than the prescribed depth by 2'6" to 6'3" .
		-	-	5	-	-	0.09	Material was purchased after three to twelve months of completion of work.
6.	Madhya Pradesh	-	-	1	3	-	0.07	During joint physical verification, it was noticed that three works of community gardening did not exist physically.
		1	-	-	18	-	1.06	During valuation and physical verification of works (conducted by the Executive Engineer, WRD, Satna), it was noticed that works only of ₹ 1.94 crore were executed out of ₹ 3.00 crore shown as incurred.
7.	Manipur	3	-	-	19	-	1.05	During joint physical verification, it was noticed that 19 works did not exist physically.
		1	-	-	2	-	0.24	For execution of two works, ₹ 0.25 crore had been paid to the implementing agency. However, the implementing agency executed only earthwork items of ₹ 0.01 crore.
8.	Nagaland	-	-	54	83	-	7.65	During joint physical verification of the assets created at selected GPs, it was noticed that 60 works of ₹ 4.22 crore in Dimapur district, seven works of ₹ 1.70 crore in Mon district and 16 works of ₹ 1.73 crore in Tuensang district did not exist physically.

		-	-	54	23	4.73	During joint physical verification of works, it was noticed that there were shortfalls in works both in execution of units as well as material cost for ₹ 0.49 crore in Dimapur district, ₹ 2.00 crore in Mon district and ₹ 2.24 crore in Tuensang district against the allocations made for that purpose.
9.	Odisha	-	-	1	1	0.02	Audit observed that a work of "Excavation of GP tank" was executed twice in consecutive two years for ₹ 0.02 crore each.
		-	-	1	1	0.02	Payment of ₹ 0.02 crore for execution of one work (Parvarti Sagar) was made without checking measurement.
10.	Rajasthan	-	-	6	9	0.16	On joint physical verification it was noticed that six works were executed only measuring 144.7 meter against the record entry measuring 150.50 meter. Part item of three works were not found in existence which was indicative of fake expenditure.
	Total	18	15	184	794	21.78	

Annex-10A

Position of Non – Maintenance of Records (Refer to paragraph 10.2)

Sl. No.	Name of the State/UT	Job card application register not maintained in			Job card register not maintained in			Employment register not maintained in			Muster roll issue/receipt register not maintained in			Work register not maintained in			Assets register not maintained in			Complaint register not maintained in			Monthly allotment and UC watch register not maintained in		
		Dist	Block	GP	Dist	Block	GP	Dist	Block	GP	Dist	Block	GP	Dist	Block	GP	Dist	Block	GP	Dist	Block	GP	Dist	Block	GP
1.	Andhra Pradesh	-	-	150	-	-	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
2.	Arunachal Pradesh	-	-	-	-	-	-	-	-	9	-	-	-	-	-	-	-	-	-	-	9	-	-	-	-
3.	Assam	4	7	28	-	-	-	-	-	3	3	3	-	-	-	-	-	-	-	-	-	3	-	-	-
4.	Bihar	15	54	250	-	-	15	54	250	15	250	15	39	196	1	9	250	-	-	-	1	9	250	-	-
5.	Goa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-
6.	Gujarat	6	15	150	-	-	6	15	150	-	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Haryana	-	-	13	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Himachal Pradesh	-	-	-	-	-	-	-	32	-	-	-	-	-	-	-	90	-	-	-	-	-	-	-	-
9.	Jammu & Kashmir	-	12	113	-	-	12	113	-	12	-	-	-	-	-	-	-	-	-	-	12	-	-	-	12
10.	Jharkhand	4	7	40	4	8	46	4	8	4	10	65	4	8	54	4	8	62	5	10	75	-	-	-	-
11.	Karnataka	-	-	26	-	-	-	-	75	-	16	121	-	-	137	-	-	118	-	-	-	-	-	-	-
12.	Kerala	-	-	10	-	-	-	-	9	-	1	11	-	13	6	-	13	6	-	-	-	-	-	-	-
13.	Madhya Pradesh	-	17	167	-	-	5	13	4	10	8	57	-	24	55	-	24	215	-	-	18	162	-	-	-
14.	Maharashtra	-	-	-	-	-	6	-	160	-	-	-	2	6	-	-	-	-	-	-	-	-	-	-	-
15.	Meghalaya	4	8	89	-	-	8	89	-	8	89	-	8	89	8	89	4	8	89	4	8	89	4	8	89
16.	Nagaland	-	-	23	-	-	12	-	26	-	12	-	-	-	38	-	-	24	-	-	-	-	-	-	54
17.	Odisha	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.	Punjab	4	6	53	-	-	4	37	7	62	7	62	-	7	62	-	7	62	-	7	62	-	7	62	62
19.	Tamil Nadu	-	-	-	-	-	-	-	-	-	-	-	8	23	230	8	23	230	-	11	140	-	-	-	-
20.	Tripura	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21.	Uttar Pradesh	18	39	7	-	-	93	-	7	18	1	73	18	16	377	18	10	143	-	18	143	-	-	-	-
22.	West Bengal	-	-	83	-	-	-	-	3	-	-	-	-	-	83	-	-	-	-	-	-	-	-	-	-
23.	Dadra & Nagar Haveli	1	-	3	-	-	-	-	2	-	-	-	1	-	1	-	1	3	-	-	1	-	-	-	-
24.	Puducherry	-	-	-	-	-	2	-	30	-	-	-	2	3	30	2	3	30	-	3	30	-	-	-	-
	Total	56	165	1205	4	43	482	37	108	1111	42	74	885	46	200	1665	48	167	1063	34	111	1300	10	56	442

Annex-10B

Position of incorrect maintenance of records (Refer to paragraph 10.3)

Sl. No.	Name of the State	Job card application register		Job card register		Employment register		Muster roll Issue/receipt register		Works register		Assets register			Complaint register			Monthly allotment and UC watch register		
		Block	GP	Block	GP	Block	GP	Block	GP	Block	Dist.	Block	GP	Dist	Block	GP	Block	GP	Block	GP
1.	Andhra Pradesh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.	Arunachal Pradesh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Assam	-	-	-	-	-	83	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	Goa	-	-	-	-	-	14	-	-	4	14	-	-	-	-	-	-	-	-	-
5.	Himachal Pradesh	-	20	-	-	-	38	-	-	-	-	-	-	-	-	-	-	-	-	90
6.	Jharkhand	10	127	9	121	9	117	7	102	8	111	-	9	113	-	9	105	7	92	92
7.	Karnataka	-	117	-	133	-	72	-	31	-	-	-	-	-	-	-	-	-	-	-
8.	Madhya Pradesh	10	100	29	248	23	220	20	191	-	11	98	-	22	198	-	4	40	8	73
9.	Manipur	9	90	9	90	9	90	9	90	2	-	-	2	-	-	-	-	-	-	-
10.	Odisha	-	-	-	199	-	199	-	-	8	20	199	-	-	199	8	20	199	-	-
11.	Sikkim	4	8	4	8	-	-	-	8	-	-	-	-	-	8	-	-	-	-	-
12.	Tripura	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.	Uttarakhand	-	100	-	-	-	100	-	-	-	-	100	-	-	100	-	-	-	-	-
14.	West Bengal	-	-	-	83	-	19	-	-	-	-	-	-	-	17	-	-	-	-	-
15.	Dadra & Nagar Haveli	-	2	-	10	-	5	-	-	-	-	9	-	-	3	-	-	-	-	-
	Total	39	564	51	892	41	957	36	422	10	43	551	2	42	736	11	57	473	15	255

Annex-10C

Other inadequacies in records

(Refer to paragraph 10.4)

Sl. No.	Name of the State	Nature of Objection
1.	Bihar	Scrutiny of Monthly Progress Report (MPR) revealed following discrepancies: <ul style="list-style-type: none"> ➤ Expenditure shown in MPR was overstated by ₹ 34.19 crore in comparison to Chartered Accountant report in Munger district during 2007-12. ➤ It was observed that MIS entry for ₹ 8.96 crore was not carried out by the line department and zila parishad in West Champaran district.
2.	Madhya Pradesh	The fortnightly reports of employment generation data of the GPs as prescribed in Para 9.2.2 of Operational Guidelines were not consolidated at block level. Hence, the actual data of employment generated under the Scheme was not available at any level of execution. The various implementing agencies relied only upon the MIS data which was not being reconciled with the actual data of employment generation.
3.	Rajasthan	Register of receipt and issue of muster rolls was maintained in all test checked blocks and GPs. However, 310 and 180 muster rolls were not recorded in receipt register of 12 GPs ¹ of respective blocks of Chaksu and Phagi and the muster roll register of GP Kathwala (block; Chaksu) was not produced to Audit. In absence of the non-receipt of muster rolls, possibility of misuse could not be ruled out.
4.	Tamil Nadu	Data available in MIS for 2009-10, 2010-11 and 2011-12 shows that unemployment allowance was due to be paid by the State for 324 days, 1,65,284 days and 1,75,406 days respectively. However, as per department's reply, payment of unemployment allowance did not arise as the jobs were provided immediately on demand. Thus, there was serious discrepancy between the database and reply of the department. The State government stated (June 2012) that the entries in the MIS data were due to errors made by the Data Entry Operators.

¹. District, Jaipur: block, Chaksu (six GPs: 310 MRs) and Phagi (six GPs: 180 MRs).

Annex-10D
Variation between data uploaded in the MIS and actual position
in terms of job cards

(Refer to paragraph 10.5)

Sl. No	Name of the State/UT	Nature of discrepancy	As per Data made available to Audit (figures in lakh)	As per Data uploaded in the MIS (figures in lakh)	Discrepancy noticed in		
					districts	Blocks	GPs
1.	Assam	Number of job cards issued	0.84	0.90	1 (Kamrup)	4	51
2.	Goa	Number of households job cards issued	0.32	0.29	2		
3.	Gujarat	Number of households job cards issued	2.65	3.25	1	-	-
		Number of households	0.25	0.35	-	1	-
4.	Jharkhand	Number of job cards issued	13.37	13.25	6	-	-
5.	Nagaland	Number of job cards issued	0.006	0.007	-	-	Pansa B GP
6.	Punjab	Number of job cards issued	23.93	25.10	-	-	-
7.	Rajasthan	Number of job cards (2009-12)	27.69	28.07	8	8	-
8.	Lakshadweep	Households job card issued	0.09	0.08	1		
		Households demanded employment	0.05	0.04	1	-	-
		Households provided Employment	0.05	0.04	1	-	-
		Households completed 100 days.	0.003	0.001	1	-	-
		Persondays generated	1.71	1.64	1	-	-

Annex-10E
Variation between data uploaded in the MIS and actual position in terms of
Opening/Closing Balances
(Refer to paragraph 10.5)

Sl. No	Name of the State	Nature of discrepancy	Figure as per Data made available to Audit (figures in crore)	Figure as per Data uploaded in the MIS (figures in crore)	Remarks
1.	Andhra Pradesh	Opening balance in Scheme fund 2009-10 at Director EGS office	0.84 (as per audited accounts by Chartered Accountant)	1,107.74	State level
		Opening balance in Scheme fund 2010-11 at Director EGS office	973.03 (as per audited accounts by Chartered Accountant)	1,169.51	
		Closing balance in Scheme fund 2009-10 at Director EGS office	973.03 (as per audited accounts by Chartered Accountant)	1,169.51	
		Closing balance in Scheme fund 2010-11 at Director EGS office	3,519.24 (as per audited accounts by Chartered Accountant)	3,645.75	
2.	Goa	Closing balance (fund) as on 31.03.2012 (₹ in lakh)	2.19	2.34	2 districts
3.	Kerala	Central release	1,084.26	951.05	State level
		State share	25.10	25.00	
		Miscellaneous receipt	8.75	7.78	
		Expenditure	1,003.83	1,054.90	
4.	Maharashtra	Closing balance as per DPCs	10.51	31.16	Nanded
		Closing balance as per DPCs	3.83	20.68	Yeotmal
		Closing balance as per DPCs	15.39	7.04	
		Closing balance as per DPCs	5.23	1.34	Bhandara Latur Buldhana
		Closing balance as per DPCs	8.25	1.26	
5.	Nagaland	Mismatch between the bank pass book and MIS in respect of amount received during 2009-12	49.14	92.86	3 districts

Annex-10F

Variation between data regarding employment generation uploaded in the MIS and actual position /actual data maintained

(Refer to paragraph 10.5)

Sl. No	Name of the State/UT	Nature of Discrepancy	Figure as per data made available to Audit (figures in lakh)	Figure as per data uploaded in MIS (figures in lakh)	Discrepancy noticed in			Remarks
					district	Block	GP	
1.	Bihar	Variation between MIS entry and MPR in terms of persondays (2009-12)	830	555.11	14	-	-	
2.	Goa	Variation in cumulative households demanded employment as on 31.03.2012 (in Nos.)	0.28	0.31	2	-	-	
		Variation in cumulative households provided employment as on 31.03.2012 (in Nos.)	0.28	0.32	2	-	-	
3.	Gujarat	Variation between MIS entry and MPR in terms of persondays (2009-12)	403.31	382.87	6	-	-	
		Variation in Cumulative households issued job cards(2009-12)	13.16	13.26	6	-	-	
		Households provided employment (2009-12)	11.25	10.48	6	-	-	
4.	Jharkhand	Variation in cumulative persondays generated during (2008-12)	974.67	885.38	6	-	-	
		Variation in cumulative households completed 100 days during (2008-12)	1.51	1.59	6	-	-	
		Variation in households demanded employment(State level)	69.61	63.83	-	-	-	
		Variation in households demanded employment (district level)	22.25	21.20	6	-	-	
		Variation in households provided employment(State level)	69.56	63.53	-	-	-	
		Variation in households provided employment (district level)	22.22	21.09	6	-	-	
5.	Kerala	Households registered	18.79	18.68	-	-	-	State level
		Households issued job card	18.60	18.72	-	-	-	
		Households demanded employment	14.18	14.19	-	-	-	

		Households provided employment	14.16	14.17	-	-	-	
		Works completed during the year	1.49	1.48	-	-	-	
		Land development	0.51	0.52	-	-	-	
		Water conservation	0.24	0.23	-	-	-	
		Rural connectivity	0.11	0.04	-	-	-	
		Irrigation facility to SC/ST/BPL/IAAY	0.06	0.05	-	-	-	
6.	Punjab	Households demanded employment	8.09	7.85	-	-	-	State level
		Households provided employment	8.08	7.81	-	-	-	
		Number of persondays generated	216.65	205.22	-	-	-	
		Household completed 100 days	0.17	0.14	-	-	-	
7.	Rajasthan	Households provided Employment (2011-12)	13.88	13.51	8	8	-	
		Number of persondays generated	636.73	665.16	8	8	-	
		Households completed 100 days of employment	1.14	1.19	8	8	-	
8.	Tamil Nadu	Cumulative households registered (2009-12)	54.85	55.95	8	-	-	
		Cumulative households issued job card	54.85	58.42	8	-	-	
		Cumulative households demanded employment	40.62	40.98	8	-	-	
		Cumulative households provided employment	40.62	40.84	8	-	-	
		Cumulative persondays generated	2,059.96	1,920.06	8	-	-	
		Cumulative households completed 100 days	7.76	3.88	8	-	-	
		Social audit conducted	0.26	0.004	8	-	-	
9.	Uttarakhand	Cumulative households demanded employment (2009-12)	6.34	4.67	4	-	-	
		Cumulative households provided employment	6.34	4.63	4	-	-	
		Cumulative persondays generated	201.07	159.29	4	-	-	
10.	Puducherry	Households provided with 100 days of employment (2008-12)	0.006	0.004	2	-	-	

Annex-10G

Variation between data uploaded in the MIS and actual position in terms of Expenditure

(Refer to paragraph 10.5)

Sl. No.	Name of the State/UT	Nature of discrepancy	Figure as per Data made available to audit (figures in lakh)	Figure as per Data uploaded in the MIS (figures in lakh)	Discrepancies noticed in			Remark
			MPR	MIS	district	Block	GP	
1.	Assam	Variation in wages (2008-12)	67.57	58.85	1	1	4	As per offline report
		Variation in material (2008-12)	38.46	38.18				
		Variation in wages (2010-12)	32.59	30.61	1	1	4	
		Variation in material (2010-12)	18.74	24.29	1	1	4	
2.	Bihar	Variation in expenditure (2009-12)	1,64,951.82	1,40,974.21	14	-	-	-
3.	Goa	Variation in total expenditure during (2008-12)	2,428.14	2,192.27	North and South Goa			
4.	Gujarat	Total Expenditure	63,754.5	59,396.51	6	-	-	
5.	Jharkhand	Variation in wages (2008-12)	97,421.43	89,244.23	6	-	-	
		Variation in expenditure over material (2008-12)	61,132.19	64,491.90	6	-	-	
		Variation in expenditure (2008-12)	22,548.14	21,523.92	Gumla	-	-	
		Variation in expenditure (2008-12)	20,061.93	17,276.64	Palamau	-	-	
		Variation in expenditure (2008-12)	31,190.82	29,506.17	West Singhbhum	-	-	
		Variation in expenditure (2008-12)	1,63,769.54	1,59,401.29	6 sampled districts	-	-	
		Variation in expenditure (2008-12)	5,14,533.61	4,91,360.10	24	-	-	

6.	Punjab	Variation in total availability of funds	63,477.65	66,023.85	-	-	-	State level
		Variation in total expenditure	47,172.20	32,943.39	-	-	-	
		Number of works completed (2011-12)	0.07	0.09	-	-	-	
		Variation in expenditure on works completed (2011-12)	5,648.95	8,697.34	-	-	-	
		Variation in Number of work ongoing/suspended (2011-12)	0.11	0.09	-	-	-	
		Variation in expenditure of works ongoing/suspended (2011-12)	9,293.91	6,517.34	-	-	-	
7.	Uttar Pradesh	Variation between MIS entry and MPR in terms of expenditure during 2009-2012						
		Labour	18,196	13,291	Gonda .	-	-	-
		Skilled and semi-skilled	386	87	Gonda	-	-	-
		Material Expenditure (2010-12)	9,822	7,814	Gonda	-	-	-
		Expenditure (2007-12)	20,411	19,996	Jalaun	-	-	-
		Expenditure (2009-11)	353.22	229.92	-	-	6 GPs	-
		Total receipt during (2009-12)	17,122	16,918	Lucknow	-	-	-
		Total expenditure during (2009-12)	116.23	101.23	Moradabad	-	-	Total Receipt as per Cash Book was ₹ 110.44 lakh
8.	Lakshadweep	Variation in total expenditure	302.59	161.63	1	-	-	-

Annex-10H
State specific findings
(Refer to paragraph 10.5)

Sl. No.	Name of State	Comments
1.	Assam	<ul style="list-style-type: none"> MGNREGS data were automated in MIS system during the year 2011-12, but reliability of data uploaded in the MIS Information sheet was found doubtful as the names and unique ID numbers of job card holders appearing in the muster roll (MR) bills did not tally either with the names or ID numbers that were uploaded in the MIS. Further, the period of works shown in the MR bills did not match the data uploaded in MIS indicating presence of ghost/fake job card holders of 2,016 cases. MR number against which the payments were made did not tally with MIS information in four cases thereby raising concern about actual employment generation with probable misappropriation of Scheme funds. The name and period of works shown in the MR Bills did not match with the data that were uploaded in MIS, thereby indicating presence of Ghost job card holders involving a total amount of expenditure ₹ 20.59 lakh.
2.	Jammu & Kashmir	Against the amount of ₹ 77,671.91 lakh spent on MGNREGS works during 2011-12, data related to only ₹ 36,396.73 had been uploaded. The shortfall was attributed to dearth of staff, frequent power cuts, poor web connectivity, etc.
3.	Kerala	There was no cross verification of MIS data with that of MPRs which rules out the probability of rectification of errors in data entry. Though the Programme Officer at block level has to verify the data forwarded by GPs, it was noted by Audit that such verification was not being carried out either at block level or district level due to non-forwarding of original records/MPRs to higher levels. Considerable number of discrepancies in the figures uploaded in MIS and various statements relating to job card issue, employment generation, fund expended, wage payments, etc. were observed when cross-checked with original figures.
4.	Madhya Pradesh	In district Shahdol, the expenditure of ₹ 265.21 lakh for the year 2011-12 remained out of MIS as the MIS feeding for the year 2011-12 was closed (June 2012)
5.	Punjab	In Amritsar district, issue of job cards to 93 beneficiaries (45 in Ajnala block and 48 in Verka block) were entered twice in MIS.
6.	Tripura	<ul style="list-style-type: none"> Closing balance of funds as per MIS did not tally with the opening balance of next year. The amount carried forward in excess ranged from ₹ 0.30 lakh to ₹ 366.34 lakh, the shortfall in carried forward balance ranged from ₹ 32.32 lakh to ₹ 11,066.06 lakh. There was understatement of expenditure by ₹ 1,633.96 lakh and overstatement of expenditure by ₹ 1,323.78 lakh in MIS when compared with the audited accounts during the period from 2007-08 to 2010-11.
7.	Puducherry	Labour Budget uploaded in the MGNREGA site revealed that job cards were shown to have been issued to 20,773 households against the total rural households of 16,154 existing in Karaikal district in 2010-11.

Annex-11A
Field visits undertaken by the CEGC members
(Refer to Paragraph 11.2.1)

Sl. No.	Name of the Member	Place visited	Dates of visit	Whether action taken report from States received
1.	Sanjay Dixit	Bulandshahr, Uttar Pradesh	1 to 3.06.2010	No
2.	Sanjay Dixit	Kanpur Dehat, Uttar Pradesh	11 to 13.02.2010	No
3.	Madhusudan Mistry	Porbandar, Gujarat	October 2010	No
4.	Sanjay Dixit	Sonbhadra, Uttar Pradesh	5 to 7.07.2010	No
5.	Ashwini Kumar	Dhar, Madhya Pradesh	17 to 21.11.2009	No
6.	K S Gopal	Bhubneshwar, Odisha	8 to 11.12.2009 8 to 10.01.2010 21 to 24.01.2010	No
7.	Ashwini Kumar	Keonjhar, Bhubneshwar Odisha	2 to 4.02.2010	No
8.	Sanjay Dixit	Mahoba, Uttar Pradesh	25 to 26.09.2009	Yes
9.	Madhusudan Mistry	Dahod, Gujarat	27 to 29.01.2010	Yes
10.	Madhusudan Mistry	Rajgarh, Shivpuri and Guna, Madhya Pradesh	10 to 12.11.2009	No
11.	Madhusudan Mistry	Kutch and Sabarkantha, Gujarat	3 to 4.11.2009	No
12.	R Dhruvanarayana	Mysore and Chamarajanagar, Karnataka	16.10.2009	No
13.	R Dhruvanarayana	Bhilwara, Rajasthan	23.10.2009	No

Annex-11B
Coverage of NLMs
(Refer to Paragraph 11.2.2)

Name of State/UT	Total Districts under MGNREGS	Districts visited by NLMs during 2007-08	Districts visited by NLMs during 2008-09	Districts visited by NLMs during 2009-10	Districts visited by NLMs during 2010-11
Andhra Pradesh	22	9	8	13	16
Arunachal Pradesh	16	3	1	4	8
Assam	27	8	10	5	22
Bihar	38	9	14	24	29
Chhattisgarh	18	6	8	11	15
Goa	2	0	0	0	2
Gujarat	26	7	9	6	25
Haryana	21	4	13	4	16
Himachal Pradesh	12	2	4	3	10
Jammu & Kashmir	22	4	1	6	18
Jharkhand	24	10	8	14	12
Karnataka	30	9	14	8	21
Kerala	14	4	7	6	12
Madhya Pradesh	50	13	24	26	40
Maharashtra	33	10	10	15	30
Manipur	9	3	2	2	5
Meghalaya	7	2	2	2	6
Mizoram	8	2	4	3	8
Nagaland	11	1	3	4	11
Odisha	30	7	14	13	24
Punjab	20	9	6	3	18

Rajasthan	33	9	15	13	26
Sikkim	4	1	1	2	4
Tamil Nadu	31	8	14	13	19
Tripura	4	2	2	1	4
Uttar Pradesh	71	22	23	34	55
Uttarakhand	13	4	3	6	12
West Bengal	19	3	5	10	10
A & N Islands	3	-	-	-	-
D & N Haveli	1	-	-	-	-
Lakshadweep	1	-	-	-	1
Puducherry	2	-	-	-	-
Total	622	171	225	251	479

Annex-11C
Districts not covered by NLMs even once during 2007-2011
(Refer to Paragraph 11.2.2)

Sl. No.	Name of State	Number of Districts
1.	Andhra Pradesh	2
2.	Arunachal Pradesh	6
3.	Assam	4
4.	Bihar	2
5.	Chhattisgarh	2
6.	Haryana	2
7.	Himachal Pradesh	1
8.	Jammu & Kashmir	3
9.	Karnataka	1
10.	Madhya Pradesh	3
11.	Maharashtra	1
12.	Manipur	2
13.	Odisha	1
14.	Punjab	1
15.	Rajasthan	2
16.	Tamil Nadu	1
17.	Uttar Pradesh	3
18.	West Bengal	2
Total		39

Annex-11D
State-wise details where no record maintained/produced for
internal verification of work at field level

(Refer to Paragraph 11.4)

Sl. No.	Name of the State/UT	Remarks
1.	Arunachal Pradesh	Physical Verification Reports of works (10 <i>per cent</i> at district level and 2 <i>per cent</i> at state level) were not available /monitored by the state government.
2.	Chhattisgarh	There were no records in selected units to ensure that inspections were carried out in Bastar district.
3.	Goa	No inspection reports were maintained/provided at DRDA (North Goa).
4.	Haryana	It was observed that the records relating to inspection of works were not maintained/provided at the block level.
5.	Madhya Pradesh	No permanent record of inspection of works carried out by the various levels was maintained at the GPs and no inspection report of the works inspected was found at any of the test checked GPs, blocks and districts.
6.	Odisha	The PO, district level officers and state level officers had not verified 100 <i>per cent</i> , 10 <i>per cent</i> and 2 <i>per cent</i> works physically as seen from the monthly progress reports during the period under review.
7.	Uttar Pradesh	Nothing was available on record to show that the inspection and test checks were conducted to the extent prescribed.
8.	Puducherry	No record of inspection was maintained or made available to Audit.

Annex-11E
Shortfall in inspection at State, District and Block level
 (Refer to Paragraph 11.4)

Sl. No.	Name of state	State (per cent)	District (per cent)	Block (per cent)
1	Bihar ¹	NA	63	62
2	Gujarat ²	NA	37	2
3	Jharkhand	NA	NIL	42
4	Karnataka	98	50	71
5	Kerala	94	56	25
6	Manipur	94	NIL	51
7	Meghalaya	100	72	39
8	Mizoram	100	NA	NIL
9	Nagaland	82	76	53
10	Punjab	90	-	-
11	Uttarakhand	94	NIL	48

¹ The data in respect of only 8 districts out of total selected 15 districts is available

² The shortfall refers to the year 2009-10.

Annex-11F
States where VMCs were not constituted
 (Refer to Paragraph 11.6)

Sl. No.	Name of State	Total No. of test checked GPs	No. of test checked GPs where VMC not appointed	Percentage of GPs where VMC not constituted
1.	Andhra Pradesh	150	150	100
2.	Bihar	252	250	99
3.	Odisha	200	199	99
4.	Tamil Nadu	230	170	74
5.	Uttar Pradesh	460	57	12
6.	West Bengal	120	83	69
	Total	1,412	909	--

Annex-11G
Status of Social Audit conducted
 (Refer to Paragraph 11.8.2)

Sl. No.	Name of the State/UT	Total audits in test checked GPs required to be done	Total audits in test checked GPs actually done
1.	Andhra Pradesh	1,500	610
2.	Bihar	2,380	528
3.	Himachal Pradesh	730	313
4.	Jharkhand ³	11,786	5,660
5.	Karnataka	1,416	232
6.	Nagaland	488	280
7.	Odisha	1,890	938
8.	Punjab	1,073	978
9.	Rajasthan	1,560	1,360
10.	Sikkim ⁴	64	24
11.	Uttar Pradesh	4,200	982
12.	Puducherry	240	53

³ Data pertains to all GPs in selected districts

⁴ No. of social audit conducted in 2008-09 was not made available

Annex-11H
Internal Audit Cell not constituted
(Refer to Paragraph 11.8.5)

Sl. No.	Name of the State/UT	Total test checked Districts	Districts where Internal Audit cell not constituted	Percentage of test checked Districts where internal cell not constituted
1.	Bihar	15	15	100
2.	Gujarat	6	2	33
3.	Jharkhand	6	6	100
4.	Manipur	4	4	100
5.	Nagaland	3	1	33
6.	Odisha	8	8	100
7.	Punjab	6	3	50
8.	Rajasthan	8	1	13
9.	Uttar Pradesh	18	14	77
10	Andaman & Nicobar Islands	2	2	100
11	Puducherry	2	2	100
Total		78	58	--

Annex-11I
Status of complaints received and disposed of
during the period 2007-12
(Refer to Paragraph 11.9.1)

Sl. No.	Name of State	No. of complaints received	No. of complaints disposed of
1	Assam	180	110
2	Bihar	2,419	1,835
3	Chhattisgarh	475	51
4.	Karnataka	1,953	1,620
5.	Madhya Pradesh	6,537	5,428
6	Punjab	612	548
7.	Uttar Pradesh	1,18,043	98,215
Total		1,30,219	1,07,807

Annex-12A
Missing/Ambiguous User IDs for entries in Work Progress Tables
 (Refer to paragraph 12.4.1)

Sl. No.	Name of State	No. of Records
1.	Assam	29,663
2.	Bihar	4,34,972
3.	Goa	3,414
4.	Gujarat	54,671
5.	Haryana	9,774
6.	Himachal Pradesh	2,52,091
7.	Jharkhand	2,92,378
8.	Karnataka	11,53,017
9.	Kerala	79,091
10.	Manipur	1,463
11.	Madhya Pradesh	14,41,259
12.	Maharashtra	67,027
13.	Meghalya	25,232
14.	Nagaland	30,399
15.	Odisha	6,815
16.	Punjab	10,629
17.	Rajasthan	5,74,053
18.	Sikkim	1,002
19.	Tamil Nadu	90,787
20.	Uttar Pradesh	10,66,267
Total		56,24,004

Annex-12B
Invalid Names of beneficiaries in Registration Table
(Refer to paragraph 12.4.2)

Sl. No.	Name of State	No. of records	
		Names with Special characters	Names containing one or two letters or special characters only
1.	Assam	84	-
2.	Bihar	352	228
3.	Gujarat	633	399
4.	Haryana	136	85
5.	Himachal Pradesh	91	-
6.	Jharkhand	3,940	353
7.	Karnataka	626	-
8.	Kerala	1,01,463	6,112
9.	Madhya Pradesh	7,475	-
10.	Maharashtra	1,685	943
11.	Manipur	57	52
12.	Meghalaya	891	-
13.	Odisha	11	-
14.	Punjab	56	54
15.	Rajasthan	2,092	-
16.	Sikkim	40	1
17.	Tamil Nadu	3,441	2,670
18.	Uttar Pradesh	776	-
Total		1,23,849	10,897

Annex-12C
Missing/Invalid House Numbers Registration Table
 (Refer to paragraph 12.4.2)

Sl. No.	Name of State	No. of Records
1.	Assam	10,16,918
2.	Bihar	1,22,51,203
3.	Goa	531
4.	Gujarat	36,33,287
5.	Haryana	6,08,293
6.	Himachal Pradesh	8,73,270
7.	Jharkhand	33,41,044
8.	Karnataka	55,86,655
9.	Kerala	2,857
10.	Maharashtra	58,82,400
11.	Manipur	70,127
12.	Meghalya	3,05,109
13.	Nagaland	46,736
14.	Odisha	1,47,385
15.	Punjab	7,75,004
16.	Rajasthan	91,27,735
17.	Sikkim	40
18.	Tamil Nadu	56,50,099
19.	Uttar Pradesh	1,48,96,143
	Total	6,42,14,836

Annex-12D
Missing Plot/Khata Number in Work Progress Tables
(Refer to paragraph 12.4.2)

Sl. No.	Name of State	No. of Records
1.	Assam	67,100
2.	Bihar	4,37,931
3.	Goa	3,342
4.	Gujarat	1,51,770
5.	Haryana	33,133
6.	Himachal Pradesh	2,49,526
7.	Jharkhand	1,32,494
8.	Karnataka	3,47,500
9.	Kerala	1,95,072
10.	Madhya Pradesh	9,83,944
11.	Maharashtra	2,30,017
12.	Manipur	9,984
13.	Meghalya	32,744
14.	Nagaland	30,224
15.	Odisha	8,010
16.	Punjab	19,902
17.	Rajasthan	6,01,627
18.	Sikkim	7,963
19.	Tamil Nadu	2,02,795
20.	Uttar Pradesh	15,63,071
	Total	53,08,149

Annex-12E
Missing/Duplicate Financial Sanction Number in Work Sanction Table
 (Refer to paragraph 12.4.2)

Sl. No.	Name of State	No. of Records	
		Duplicate Financial Sanction	Missing/Ambiguous (null/0/00/ one/two special characters) Financial Sanction
1.	Assam	1,908	-
2.	Bihar	2,40,949	6,115
3.	Goa	824	-
4.	Gujarat	66,979	324
5.	Haryana	3,714	18
6.	Himachal Pradesh	66,439	-
7.	Jharkhand	1,22,712	697
8.	Karnataka	2,53,566	-
9.	Kerala	1,04,338	314
10.	Madhya Pradesh	2,06,904	36,929
11.	Maharashtra	32,775	262
12.	Manipur	2,124	-
13.	Meghalaya	6,644	-
14.	Odisha	8,740	-
15.	Punjab	8,748	30
16.	Rajasthan	1,23,796	1,148
17.	Tamil Nadu	1,08,656	1,056
	Total	13,59,816	46,893

Annex-12F
Missing Work Name in Works Sanctioned
(Refer to paragraph 12.4.2)

Sl. No.	Name of State	No. of Records	
		Without Work Name	Without Work Code
1.	Assam	22,770	-
2.	Bihar	4,34,342	272
3.	Goa	2,821	0
4.	Gujarat	2,98,336	137
5.	Haryana	38,664	1
6.	Himachal Pradesh	95,425	7
7.	Jharkhand	1,63,694	47
8.	Karnataka	9,62,791	-
9.	Kerala	3,00,706	1,071
10.	Madhya Pradesh	14,00,673	18,648
11.	Maharashtra	3,64,548	168
12.	Manipur	11,164	6
13.	Meghalaya	31,690	-
14.	Nagaland	31,734	1
15.	Odisha	6,724	-
16.	Punjab	18,521	1
17.	Rajasthan	2,22,314	1
18.	Tamil Nadu	1,99,565	1
	Total	46,06,482	20,361

Annex-12G
Wrong Wage Calculation
 (Refer to paragraph 12.4.3)

Sl. No.	Name of State	Records
1.	Assam	12,031
2.	Bihar	4,967
3.	Gujarat	14,209
4.	Haryana	1,560
5.	Himachal Pradesh	99,481
6.	Jharkhand	2,74,045
7.	Karnataka	5,765
8.	Kerala	41,614
9.	Madhya Pradesh	34,16,879
10.	Maharashtra	5,39,309
11.	Manipur	304
12.	Meghalya	28,651
13.	Nagaland	90,940
14.	Odisha	58,610
15.	Punjab	1,787
16.	Rajasthan	48,03,463
17.	Tamil Nadu	10,610
18.	Uttar Pradesh	52,374
	Total	94,56,599

Annex-12H
Wrong Bill Amount Calculation in Material Purchased
(Refer to paragraph 12.4.3)

Sl. No.	Name of State	No of Records
1.	Bihar	52
2.	Goa	41
3.	Gujarat	2,013
4.	Himachal Pradesh	188
5.	Jharkhand	38,909
6.	Karnataka	3,562
7.	Odisha	645
8.	Uttar Pradesh	68,313
Total		1,13,723

Annex-12I
Instances of wrong working of Opening Balance/Closing Balances
figures in State, District, Block or Panchayat accounts
 (Refer to paragraph 12.4.3)

Sl. No.	Name of State	No. of Records
1.	Assam	1,37,729
2.	Bihar	6,836
3.	Goa	1,909
4.	Gujarat	29,762
5.	Himachal Pradesh	2,57,124
6.	Jharkhand	13,685
7.	Manipur	3,014
8.	Maharashtra	65,631
9.	Meghalaya	85,052
10.	Punjab	60,751
11.	Rajasthan	4,83,040
12.	Uttar Pradesh	7,66,569
Total		19,11,102

Annex-13 : State Highlights

Andhra Pradesh

➤ Background

The state has 23 districts, out of which only 22 districts were covered under MGNREGS. Thirteen districts were covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently, six districts were covered from 1 April 2007 onwards and the remaining three from 1 April 2008. For the period 2007-12, ₹ 17,267.41 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
8,46,65,533	5,63,11,788	66.51	18,506.08	1,24,00,996	14,604.34

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
1,30,07,471	17,64,042	13.56	10,850	4,779	44

➤ Planning

- The State Employment Guarantee Council (SEGC) was practically non-functional.
- There were significant vacancies in different cadres at the block and GP level, especially in view of the huge volume of transactions and the time-bound nature of various activities.
- The activities undertaken by the state government for Information, Education and Communication about MGNREGS and the development of training modules/material were largely adequate.

➤ Employment Generation & Wages

- Households were not properly segregated into nuclear families, thus, adversely affecting their statutory annual rights to at least 100 days employment per household.
- A significant proportion of job cards did not have photographs affixed.
- Instances of overlap in muster roll entries i.e, the same worker being reflected in two muster rolls on same dates for different works, were noticed.

➤ **Works & Assets Creation**

- There were a large number of works-in-progress in GPs, ranging from 80 to 100. Most of these works had sporadic bursts of persondays of employment, without continuity.

➤ **Financial Management**

- Irregular opening of bank accounts and non-reconciliation of a discrepant amount of ₹ 34.82 lakh in August 2011 were noticed.
- As of 31 March 2011, an amount of ₹ 262.32 crore advanced to different agencies was pending for adjustment. Advances reflected in the Auditor's Report for the state fund did not include outstanding advances at the district/block level.
- In Rangareddy district, opening balance of ₹ 2.54 lakh (July 2009) increased to more than ₹ 2.00 crore (June 2010) and ₹ 4.00 crore (March 2012). This clearly indicates that a substantial float of several crore of rupees was kept with business correspondent, representing undue benefit to the bank/business correspondent.
- There were shortfalls and delays in release of the matching share of state to the funds released by Ministry.

➤ **Monitoring and Evaluation**

- State had introduced a formal system of registering grievances/petitions and action thereon, but the status of grievance redressal was not uploaded onto the MIS website.

➤ **Others**

- In the test-checked GPs, none of the registers stipulated in the Operational Guidelines were being maintained.

Arunachal Pradesh

➤ Background

The state has 16 districts. One district was covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently two districts were covered from 1 April 2007 onwards and the remaining 13, from 1 April 2008. For the period 2007-12, ₹ 172.07 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
13,82,611	10,69,165	77.32	181.40	1,78,220	147.79

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
11,576	4,933	42.60	--	--	--

➤ Planning

- Against the target of 3,350 PRI functionaries, only 2,239 (66.84 *per cent*) were imparted training. The target for training of vigilance and monitoring stake holders was 1,777 against which achievement was 419 (23.58 *per cent*).

➤ Employment Generation & Wages

- Annual average employment generation was 15 to 18 persondays and percentage of households provided 100 days' employment was 0.04 to 18.18.

➤ Works & Assets Creation

- Two works costing worth ₹ 6.21 lakh, which were completed earlier, had again been executed for ₹ 21.79 lakh and eight road works executed at the cost of ₹ 7.49 lakh, were of doubtful durability.
- An expenditure of ₹ 2.96 crore was incurred on 55 non-permissible works.
- Fourteen works amounting ₹ 2.18 crore were executed without administrative approval or technical sanction.

➤ **Monitoring and Evaluation**

- The GIS and GeolCT tools under MGNREGA, to link GIS with decentralized planning, preparation of labour budget, programme implementation, assets monitoring, and evaluation were not utilized by the state.
- Physical verification reports of works (10 *per cent* at district level and two *per cent* at state level) were not available/undertaken by the state government.
- Ministry had drawn up broad indicative terms of reference for use by the state for quality monitors, but the state government did not appoint State Quality Monitors and District Quality Monitors at district level.

Assam

➤ Background

The state has 27 districts. Seven districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, six districts from 1 April 2007 onwards and the remaining 14 districts from 1 April 2008. For the period 2007-12, ₹ 3,295.50 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12.

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
3,11,69,272	2,67,80,516	85.92	4,060.40	39,20,558	1,895.55

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
1,15,691	65,945	57.00	15,870 (2007-08 & 2008-09 not provided)	14,391 (2007-08 not provided)	-

➤ Planning

- The Information, Education and Communication activities for awareness generation were not sufficient and the beneficiaries remained largely unaware of their entitlements.
- Deficiencies were noticed in appointment of full-time Programme Officers and instances of delayed/non-engagement of gram rozgar sahayak/mates, etc. were also noticed. The engagement of unqualified personnel as Accredited Engineers and their subsequent retrenchment resulted in infructuous expenditure of ₹45.42 lakh.
- The objective of improving the quality and cost effectiveness of the Scheme through appropriate technical support remained largely unachieved though an amount of ₹ 32.70 lakh was spent by the state government.
- There were deficiencies in the preparation of annual plan and district perspective plan (DPP). An amount of ₹ 59.32 lakh was spent by the districts for preparation of DPP, but the same were not approved by the SEGC.

➤ Employment Generation & Wages

- Out of 88.15 lakh households that demanded employment during 2007 to 2012, 100 days' employment was provided to only 3.54 lakh households.
- There were irregularities in the issue of job cards, viz: job cards issued to unidentified persons, PRI members and gram rozgar sahayak, non-opening of bank/post office accounts of job card holders and non-updating the registration list.

- In four districts, joint photographs of the families of the job card holders were not affixed either on the job card or on the job card register. In 536 cases in other 15 GPs, even photographs of the head of the families were not affixed on the job cards.
- In eight districts, the eligibility and quantum of unemployment allowance was not verifiable for want of details of applications and other records. In two districts, 37,229 job card holders were not paid unemployment allowance. There were also 6,263 cases of delayed payment of wages in two districts, for which due compensation of ₹ 93.95 lakh was not paid.

➤ Works & Assets Creation

- In nine blocks, works involving ₹ 2.15 crore were executed beyond the scope of the Scheme and NREGA Works Field Manual.
- The norm of execution of a minimum of 50 *per cent* of the works in terms of costs through the gram panchayats were not adhered to in two districts which resulted in excess sanction of ₹ 1.82 crore to other implementing agencies.
- Provisions of GFR relating to procurement of material were not adhered to in 25 GPs and material amounting to ₹ 6.65 crore was procured without maintaining any site account. Material worth ₹ 43.28 crore was not accounted for at work site in 11 GPs and two blocks.
- Fifteen earthen/*kutcha* roads were constructed at an expenditure of ₹ 1.22 crore during the period from 2008-09 to 2010-11 in two blocks of one district which were not permissible under the Scheme.
- Forty two works taken up in one district and seven GPs from 2007-08 to 2011-12 were left abandoned after incurring expenditure of ₹ 3.78 crore due to inadequate technical facilities, land dispute, public obstruction and flood.
- Twelve plantation works executed in one block after incurring expenditure of ₹ 21.00 lakh were not found available.

➤ Financial Management

- Unutilized balance of ₹ 31.07 lakh as of March 2007 under SGRY was irregularly utilized in two districts to avoid transfer of the fund to MGNREGS.
- There was non/short release of both the Central as well the state share. Instances of irregular administrative expenses, doubtful expenditures, under utilization of funds by executing agencies and non-reconciliation of post office accounts were noticed.

➤ **Monitoring and Evaluation**

- The state government had not designated State Quality Monitors for quality inspection of works. The status of inspection of works/vigilance at the state, district and block levels was also poor which resulted in fraudulent payment of wages of ₹ 4.88 lakh at PO's level in one district.
- There were deficiencies in conducting social audits although, in most cases, gram sabha meeting was held twice a year to conduct social audit. The state government also had neither set up Directorate of Social Audit nor appointed a Director and required staff.
- The SEGC had neither framed any guidelines nor developed any evaluation system for evaluation studies.

Bihar

➤ Background

The state has 38 districts of which 23 districts were covered under MGNREGS in the first phase i.e., from 2 February 2006 and the remaining 15 districts from 1 April 2007 onwards. For the period 2007-12, ₹ 6,292.44 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
10,38,04,637	9,20,75,028	88.70	8,110.84	1,33,81,535 *	5,296.74

*job card holders

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
7,44,309	3,05,783	41.08	84,630	71,467 (except 2007-08)	-

➤ Planning

- The annual plan was prepared with delay and without labour projections. The district perspective plan was not prepared. In six districts, 144 works involving expenditure of ₹ 3.76 crore were executed beyond annual plan.
- Labour budget was not prepared in a realistic manner as shortfall (27 to 98 per cent) in generation of persondays was noticed.

➤ Employment Generation & Wages

- During job card verification of 1,997 beneficiaries, photographs were not affixed in 20 per cent job cards and in 26 per cent cases payment of wages entered into the job cards did not tally with the amount credited into their accounts.
- In several cases of delayed and non- payment of wages, no compensation was paid to the labourers. There were also instances of employment not provided as per demand. In most of the cases, jobs were provided on verbal request of the job seekers and applications for job demands were not documented.
- Liability on account of wages due and pending material bills of ₹ 79.54 crore were found and delay in payment of wages ranging from 1 to 4 years.
- Average wages per household were ₹ 513 to ₹ 5,407 annually in districts and the corresponding figure for state were ₹ 1,717 to ₹ 3,788 during 2007-12. These were less in comparison to national wage average.

- The state government as well as implementing agencies had experienced problems in payment of wages through post offices which caused delay in payment of wages.

➤ **Works & Assets Creation**

- Unspent amount of grant of ₹ 21.48 crore and cost of unutilized quantity of grain amounting to ₹ 77.36 crore of Sampooran Gramin Rojgar Yojna /National Food for Work Programme were not transferred to MGNREGS account. Effective steps were not taken for successful closure of 1,127 incomplete works.
- In most of the cases, low priority works (as defined in Scheduled I to the Act), were given high priority and non-permissible works amounting to ₹ 2.11 crore were executed.

➤ **Financial Management**

- Administrative expenditure exceeded permissible limits.
- The state government failed to fully utilise the available grants and unspent balance ranging from 26 to 40 *per cent* during 2007-12 was noticed.

➤ **Monitoring and Evaluation**

- Monitoring system was not effective at the state and district levels. Quality monitors at the state and district levels were not appointed.

➤ **Others**

- In the absence of proper care and wrong selection of site, plantations (1.76 lakh plants) involving expenditure of ₹ 3.12 crore did not survive.
- There was wide variation between data (expenditure/persondays) reported to the government and the entries made in the Monitoring and Information System (MIS).

Chhattisgarh

➤ Background

The state has 18 districts. Eleven districts were covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently, four districts were added from 1 April 2007 onwards and the remaining three from 1 April 2008. For the period 2007-12, ₹ 6,959.36 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
2,55,40,196	1,96,03,658	76.75	7,839.05	41,20,054	4,595.28

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
6,09,942	3,35,524	55.00	79,360	30,042	37.85

➤ Planning

- District perspective plan for the period 2007-08 to 2011-12 was not prepared in the test checked districts.

➤ Employment Generation & Wages

- In one district, beneficiaries were not issued bank/ post office passbooks despite having accounts in the bank/post office.
 - In 10 GPs, 10,041 households were not provided employment within 15 days and unemployment allowance was also not paid to them.
- In Jashpur district, employment for more than 100 days was provided and wages were paid by tampering with the wage-slips.
- In eight out of 14 selected blocks, wages of ₹ 9.58 crore were paid with a delay ranging from 1 to 376 days.
- Cheques amounting to ₹ 69.90 crore were irregularly issued in favour of Sarpanch for making payment directly to labourers instead of banks/post offices.

➤ **Works & Assets Creation**

- Inadmissible works (construction of boundary wall) for ₹ 1.69 crore and for ₹ 0.31 crore were executed in two districts.
- ₹ 4.18 crore was paid to contractors for MIS entry on contract basis instead of getting the work done through the existing staff.
- In two districts, 29,636 works aggregating to ₹ 902.37 crore were lying incomplete with other implementing agencies.
- In Bastar district, completion certificates amounting to ₹ 4.30 crore were issued for 154 incomplete works.

➤ **Monitoring and Evaluation**

- Works executed by other implementing agencies were not discussed in social audit.

Goa

➤ Background

The state has two districts. Both districts were covered from 1 April 2008. For the period 2007-12, ₹ 15.20 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
14,57,723	5,51,414	37.83	26.31	4,437	8.62

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
3,003	1,296	43.16	1,134	709	62.52

➤ Planning

- The meetings of the State Employment Guarantee Council (SEGC) were sporadic and rendered the SEGC virtually non-functional.
- The Scheme was implemented in the state from 2008-09, but annual plan and shelf of projects were not prepared for any of the years.

➤ Works & Assets Creation

- In 14 gram panchayats, 146 non-permissible works (including *kutchha* roads) amounting to ₹1.60 crore were executed.
- Wage-material ratio was not followed in majority of the works executed under the Scheme in the 14 selected village panchayats.
- Assets valued ₹ 11.44 lakh were created for the benefit of private individuals in some panchayats.

➤ Financial Management

- The labour budget was not as per the prescribed format and the figures were not tallying with the Monthly Progress Report data uploaded in the MIS.

➤ **Monitoring and Evaluation**

- The functioning of the local Vigilance and Monitoring Committee in Pernem block was doubtful. There were instances of lack of public awareness, lack of continuous public vigilance and little monitoring of the implementation of the Scheme through social audit.

Gujarat

➤ Background

The state has 26 districts. Six districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, three districts from 1 April 2007 onwards and the remaining 17 districts from 1 April 2008. For the period 2007-12, ₹ 2,219.80 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
6,03,83,628	3,46,70,817	57.41	2,105.17	40,76,332	1,691.15

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
6,38,692	3,81,021	59.65	57,128	70,379	100

➤ Planning

- There was delay of three years in constitution of State Employment Guarantee Council.
- Districts did not prepare annual plan and shelf of project.
- In phase II and III, districts which were given funds to prepare the district perspective plan for the period 2008-12, did not prepare it.

➤ Employment Generation & Wages

- There was shortfall in achievement of projected employment in labour budget ranging between 18 and 47 per cent.
- Payments to 201 ghost workers were noticed in seven blocks.
- There was incorrect maintenance of muster rolls. Muster rolls did not bear signature of labourers.
- There was suspected misappropriation of ₹ 3.59 crore in Dahod taluka. Wage payment was made on muster rolls which were not issued to that Taluka.
- There was inconsistency in the data showing registration of households under the Scheme. Programme office did not have physical records of applications for registration. Online data was incorrect as many job cards shown online did not exist.
- There were cases of duplicate job card numbers and duplicate account numbers in five districts.
- Records were not available for employment demanded and provided. No entries on job cards were made.

- There were delays in payment of wages ranging from 1 to 685 days and no compensation was paid for delay.

➤ **Works & Assets Creation**

- There was an expenditure of ₹ 90 lakh at Ahmedabad district for construction of underground drainage in which MGNREGS labourers were not involved.
- There was an expenditure of ₹ 101.25 crore on construction of 2, 64,652 *boribandhs*, a mud and sand structure for storage of water during Monsoon and its percolation underground so as to bring up the water table which were not durable.
- 392 wells sanctioned at a cost of ₹ 5.25 crore at Dahod district were incomplete.
- There was no provision for maintenance of assets created under the Scheme. In Ahmedabad, district afforestation work done at a cost of ₹ 3.38 lakh did not survive due to non-maintenance.

➤ **Financial Management**

- Financial management system was not efficient and figures of reports were inconsistent.
- There was unaccounted expenditure of ₹ 6.07 crore at two talukas of Dahod district.

➤ **Monitoring and Evaluation**

- Grievance redressal mechanism was not efficient as there was no report regarding disposal of complaints were available.
- Monitoring and evaluation statistics data available with state government were not backed up by original records from districts and talukas.

Haryana

➤ Background

The state has 21 districts. Two districts were covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently two districts were covered from 1 April 2007 onwards and the remaining 17 from 1 April 2008. For the period 2007-12, ₹ 715.10 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
2,53,53,081	1,65,31,493	65.20	837.38	4,85,817 *	7,002.60

*households issued job cards

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
46,779	26,818	57.32	24,160	NA	NA

➤ Employment Generation & Wages

- Dated receipt of applications for demand for work was not issued by six GPs.
- Delay in payment of wages ranging from 8 to 331 days were noticed.
- Twenty two cases of tampering with the muster rolls by way of cutting, overwriting, erasing, etc. were observed.

➤ Works & Assets Creation

- Earthen roads, without all weathers access were constructed at a cost of ₹ 1.06 crore.
- Ponds were dug up under the Scheme at a cost of ₹ 55.90 lakh without ensuring availability of water.

➤ Financial Management

- Unspent SGRY funds were not transferred to MGNREGS account.
- State's share was short released by ₹ 10.06 crore in January 2009 to March 2010.
- No funds were spent for maintenance of assets.

➤ Monitoring and Evaluation

- A vigilance enquiry was pending in the case of works amounting to ₹ 25.76 crore executed by forest department.

Himachal Pradesh

➤ Background

The state has 12 districts. Two districts were covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently two districts were covered from 1 April 2007 onwards and remaining eight from 1 April 2008. For the period 2007-12, ₹ 1,880.34 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
68,56,509	61,67,805	89.95	2,016.41	11,45,000 *	1,068.32

* households issued job cards

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
NA	1,34,988	NA	29,432	11,005 (Fig. for 2007-08 NA)	-

➤ Planning

- The state government constituted (July 2006) the State Employment Guarantee Council under the Chairmanship of the Chief Minister. SEGC held only one meeting in January 2009 against the required 10 meetings which indicated that proper checks over planning process, execution of works, preparation of shelf of works, ensuring work priorities, etc. were not exercised.
- In the test-checked districts, district perspective plan was not prepared.

➤ Employment Generation & Wages

- Wages of ₹ 1.10 crore were paid to workers with delay ranging from 15 to 795 days.
- In 25 GPs, 876 muster rolls did not bear unique identity numbers.

➤ Works & Assets Creation

- In test-checked districts, expenditure of ₹ 97.27 crore was incurred for execution of 3,859 works through line departments. It was noticed that these works were neither included in the annual shelf of projects of the respective GP nor had the recommendations of gram sabha.
- Works were not taken up as per the priority list. Rural connectivity which was at the bottom in the priority list was given top priority. This resulted in non-execution of important works such as drought proofing, afforestation and soil conservation.

➤ **Financial Management**

- The practice of monthly squaring of accounts was not introduced at any level to verify that money released were accounted for under three heads viz. money held in bank accounts at various levels, advances to implementing or payment agencies and expenditure vouchers.

Jammu & Kashmir

➤ Background

The state has 22 districts. Three districts were covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently two districts were covered from 1 April 2007 onwards and the remaining 17 districts from 1 April 2008. For the period 2007-12, ₹ 1,446.04 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
1,25,48,926	91,34,820	72.79	1,501.58	10,05,904 *	851.15

* households issued job cards

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
1,98,627	1,30,449	65.67	Not available	Not available	Not available

➤ Planning

- District perspective plan had not been formulated in the initial years of implementation of the Scheme and the labour budget was submitted to the Ministry with delays.
- An overall shortfall of 76 *per cent* (4,225 personnel) in engagement of staff of various posts under the Scheme was noticed. The shortfall in imparting training of staff ranging between 28 and 100 *per cent*. 785 unapproved works were executed and 2,950 works amounting to ₹ 27.79 crore included in the annual plan were not taken up for execution.

➤ Employment Generation & Wages

- The delay in payment of wages to the workers ranging between 3 and 547 days were noticed in 245 test checked cases.
- Records relating to registration of households and those demanding employment had not been maintained. Nine *per cent* households were neither provided employment nor was unemployment allowance paid to them.

➤ **Works & Assets Creation**

- Seventy eight *per cent* of total works undertaken by the implementing agencies did not fall in the category of high priority works as per the Schedule I of the Act. 484 works had been abandoned midway after spending ₹ 2.92 crore thereon.

➤ **Financial Management**

- Unspent balances had increased from ₹ 7.07 crore (April 2007) to ₹ 127.66 crore (March 2012). Cases of retention, delayed release and diversion of funds were noticed.
- State Employment Guarantee Fund though established, had not been operated as intended as of February 2012. There was undisbursed balance of ₹ 15.69 crore in the Fund, mainly representing arrears of difference in wages.

➤ **Monitoring and Evaluation**

- District Quality Monitor and Ombudsman were not appointed in Poonch district.

Jharkhand

➤ Background

The state has 24 districts. Twenty districts were covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently two districts were covered from 1 April 2007 onwards and the remaining two districts from 1 April 2008. For the period 2007-12, ₹ 5,468.85 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
3,29,66,238	2,50,36,946	75.94	5951.65	3,54,609 *	3,653.85

*figures for test checked districts only

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
9,84,080	2,69,251	27.36	43,670	13,226	30.28

➤ Planning

- The planning process under the Scheme in the state remained perfunctory and incomplete, without eliciting people's participation.
- Due to deficiencies in preparation of labour budget, the actual achievements in persondays generated did not conform to the projections of labour budget in the test checked districts.

➤ Employment Generation & Wages

- In six test-checked districts, no compensation was paid to the labourers despite delay in payment of wages ranging from 1 to 468 days.

➤ Financial Management

- During 2009-12, only 40 to 59 *per cent* persondays were generated against the projected persondays in labour budget.
- In three districts, ₹ 4.43 crore pertaining to SGRY fund and NFFWP funds were not merged with MGNREGS.
- Out of total available fund of ₹ 2,994.71 crore, expenditure of only ₹ 2,070.01 crore (69 *per cent*), were incurred by the six districts during 2007-12 resulting in unspent balances.

Karnataka

➤ Background

The state has 30 districts. Five districts were covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently, six districts from 1 April 2007 onwards and the remaining 19 districts from 1 April 2008 were covered. For the period 2007-12, ₹ 5,662.81 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
6,11,30,704	3,75,52,529	61.43	6,271.82	55,83,423	4,100.93

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
17,42,186	4,71,633	27.07	23,130	18,592	80

➤ Planning

- District perspective plan to facilitate advance planning was not prepared.
- There were considerable delays in forwarding of labour budget to the Ministry during 2009-12.

➤ Employment Generation & Wages

- The job cards were required to be issued within 15 days from the date of receipt of application. There was shortfall in issue of job cards ranged up to 10 per cent during 2007-12.
- Total of 3.49 lakh records had been permanently deleted in the sampled districts on the ground of wrong entries. However, wages aggregating ₹ 22.48 crore were disbursed in these cases till the date of deletion.
- In respect of 19.67 lakh individuals tagged for deletion, wage payment of ₹ 156.10 crore had been made during 2008-12.
- Persons aged less than 18 years and more than or equal to 90 years had been engaged on works as per MIS data during 2009-12 and received wages of ₹ 3.26 lakh and ₹ 3.65 lakh respectively.
- No wage slips were generated in the test checked GPs.
- Bank account/post office details were not available in respect of 98.58 lakh individuals employed on MGNREGS works during 2007-12.
- Muster rolls used for works by seven GPs of Gudibande taluk of Chikkaballapur district did not bear the signature of the Programme Officer and signature/thumb impression of the labourers.

➤ **Works & Assets Creation**

- Expenditure on material worth ₹ 1.12 crore was incurred from Scheme funds on Krishna Bhagya Jala Nigam Ltd (KBJNL) works in two districts which was contrary to the instruction of government as material component was to be borne from KBJNL funds.
- ₹ 213.05 lakh were debited to works towards material without any supporting vouchers.

➤ **Financial Management**

- The state fund showed that huge amounts transferred to the bank accounts of PRIs had been credited back to the Fund due to various reasons, which had not been reconciled so far.
- In Sindagi taluk, cheques aggregating to ₹ 12.61 lakh had been issued to four individuals during May 2009 to March 2010 for which no supporting documents were available. Self cheques were drawn for ₹ 19.30 lakh by three GPs. An amount of ₹ 9.48 lakh was transferred to unknown accounts by one GP in Gudibande taluk without any supporting documents and entries in the cash book.

➤ **Monitoring and Evaluation**

- Two hundred and thirty two social audits were conducted against the prescribed limit of 1,416 during 2007-12. No summary of data had been prepared and placed before the gram sabha in the meetings held for social audit.

Kerala

➤ Background

The state has 14 districts. Two districts were covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently two districts from 1 April 2007 onwards and the remaining 10 districts from 1 April 2008 were covered. For the period 2007-12, ₹ 2,390.88 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
3,33,87,677	1,74,55,506	52.28	2,483.90	18,78,518	1,678.45

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
5,40,073	4,03,076	74.63	1,63,013	1,56,341	95.91

➤ Planning

- There were delays ranging from 4 to 6 years in framing rules.
- In all GPs there were significant variations between estimated demand and actual employment generation. The projected costs of works and expenditure were very high compared to actual ones.

➤ Employment Generation & Wages

- Door- to- door survey, to identify persons willing to register under the Act, was not conducted in 39 GPs.
- Unemployment allowance was not paid except in two cases.
- Tampering with muster rolls was noticed in all GPs in Thiruvananthapuram.
- In most of the GPs, wage payment was delayed from 23 to 138 days.
- Payment of ₹ 12.86 lakh was made without measuring the works.
- Wage slips were not generated in 37 GPs out of 39 GPs.
- Details of wages paid were not recorded on the job card in most of the GPs.

➤ **Works & Assets Creation**

- The material component of works was less than 2.5 *per cent* of the total cost of work. Consequently the extent of utility of the assets created after an expenditure of ₹ 299.48 crore became doubtful.
- The state abandoned 87,280 works worth ₹ 349.59 crore during 2007-12.
- Works undertaken on private land mainly consisting of uprooting of plants (₹ 32.37 lakh) in one GP were classified under the prioritized work of water conservation and water harvesting.
- Non-involvement of the anti-sea erosion wing of Irrigation Department resulted in non-realization of the objective of arresting sea erosion after incurring an expenditure of ₹ 55.82 lakh.

➤ **Monitoring and Evaluation**

- The Social audit meetings were to be chaired by a person, not part of the panchayat and a person outside the panchayat, was to be the Secretary of the Social Audit Forum. However in 34 GPs, the Chairman and the Secretary were from within the panchayat.
- There were short fall in conducting physical verification of works at block, district and state level against the prescribed target of 100 *per cent*, 10 *per cent* and two *per cent* respectively.

Madhya Pradesh

➤ Background

The state has 50 districts. Eighteen districts were covered under MGNREGS in the first phase i.e., from 2 February 2006. Subsequently 13 districts were covered from 1 April 2007 onwards and the remaining 19 districts from 1 April 2008. For the period 2007-12, ₹ 15,717.43 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
7,25,97,565	5,25,37,899	72.36	17,193.12	1,18,60,150	11,719.52

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
30,94,945	8,42,629	27.22	1,92,666	86,459	45

➤ Employment Generation & Wages

- The state government made it necessary to register all rural households under the Scheme and issue job cards due to which 13.35 lakh to 19.74 lakh ineligible beneficiaries were registered in the selected districts.
- Wages of ₹ 472.88 lakh were disbursed by the line departments with a delay ranging from 2 to 292 days without paying any compensation.

➤ Works & Assets Creation

- Works executed by the line departments were not included in the shelf of projects of the GPs. Thus, information about employment generation by these works was not available.
- Infertuous expenditure of ₹ 24.03 lakh was incurred on the preparation of District Project Report in one block.
- Execution of non-permissible works was noticed under the Scheme.
- Funds earmarked for plantation and preparation of bio compost works were diverted for the construction of toilets.
- Non-existence of executed works was noticed during physical verification.

➤ Financial Management

- An expenditure of ₹ 22.15 lakh was incurred by the DPC (Shahdol) on printing of bank pass books of the beneficiaries.

Maharashtra

➤ Background

The state has 33 districts. Twelve districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, six districts from 1 April 2007 onwards and the remaining 15 districts from 1 April 2008. For the period 2007-12, ₹ 1,711.60 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
11,23,72,972	6,15,45,441	54.76	2,820.81	67,35,119	1,595.02

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
1,21,977	39,294	32.21	480	370	77.08

➤ Planning

- Rules regarding grievance redressal mechanism, unemployment allowances, etc. were not framed. State Employment Guarantee Council met only once and failed to submit annual reports to the legislature.
- District perspective plans were not prepared in eight districts. Assessment of labour demands projected in the labour budget was unrealistic.

➤ Employment Generation & Wages

- Extra wage amounting to ₹ 3.27 lakh, payable due to work provided beyond five kilometers, was not paid. Further, unemployment allowance of ₹ 0.82 lakh was also not paid in one block.

➤ Works & Assets Creation

- Works taken up were abandoned due to lack of survey and also non-permissible works were taken up under the Scheme. There was shortfall in inspection of works.

➤ Monitoring and Evaluation

- MGNREGA Commissionerate, designated in September 2011, was yet to function properly in view of the vacancies in the key posts. Absence of specific rules for grievance redressal, social audit, etc. were also noticed.

Manipur

➤ Background

The state has nine districts. One district was covered under MGNREGS in the first phase i.e., from 13 April 2006, two districts from 1 April 2007 onwards and the remaining six districts from 1 April 2008. For the period 2007-12, ₹ 1,832.02 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
27,21,756	18,99,624	69.79	1,853.08	18,06,027	1,312.13

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
38,430	34,709	90.32	24,288	17,019	70.07

➤ Planning

- District perspective plan (DPP) was not prepared in any of the sampled districts.

➤ Works & Assets Creation

- In three districts, payment of ₹ 1.05 crore was made without execution of 19 works.
- In 52 GPs, 119 road works executed for ₹ 10.73 crore did not provide easy access.

➤ Financial Management

- In three districts (Churachandpur, Imphal East and Tamenglong), ₹ 5.85 crore was incurred on works at Deputy Commissioner bungalow, construction of hall, etc. out of funds earmarked for administrative expenses.

➤ Monitoring and Evaluation

- State government did not appoint full time dedicated Programme Officers. Gram rozgar sahayak was not appointed in Churachandpur and Tamenglong districts. Adequate Technical Assistants/ JEs were not appointed in the nine sampled blocks. Panel of accredited engineers was not constituted to assist in estimation and measurement of works.

Meghalaya

➤ Background

The state has seven districts. Two districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, three districts from 1 April 2007 onwards and the remaining two districts from 1 April 2008. For the period 2007-12, ₹ 843.37 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
29,64,007	23,68,971	79.92	597.72	2,60,353	175.39

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
46,024	27,756	60	30,957	957	3

➤ Planning

- East Khasi Hills did not prepare the district perspective plan during 2006-2011.

➤ Employment Generation & Wages

- Job cards were not printed as per specifications.
- Payment of wage, amounting to ₹ 84.18 lakh, was not made in eight selected blocks.

➤ Works & Assets Creation

- There was excess expenditure of ₹ 39.94 lakh in respect of 112 projects in Rongram block.

➤ Financial Management

- Delay in submission of labour budget by district programme coordinator to state government and state government to Ministry led to short release of funds by Ministry to the state which resulted in liabilities.

Mizoram

➤ Background

The state has eight districts. Two districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, two districts from 1 April 2007 onwards and the remaining four districts from 1 April 2008. For the period 2007-12, ₹ 1,007.94 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
10,91,014	5,29,037	48.49	1,104.32	1,74,749	664

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
16,284	12,441	76	182	6,770	100

➤ Works & Assets Creation

- In the two districts (Lunglei and Lawngtlai), the process of convergence of MGNREGS with other scheme was not initiated.

➤ Financial Management

- The state government released ₹ 83.52 crore against the matching share of ₹ 105.43 crore. This resulted in short release of ₹ 21.91 crore to eight districts.
- The state government released its share of ₹ 17.89 crore and ₹ 13.87 crore to Lunglei and Lawngtlai districts respectively with delays ranging from 9 to 317 days.

➤ Monitoring and Evaluation

- The state government did not carry out inspection and physical verification of works as per prescribed target under the Operational Guidelines.

Nagaland

➤ Background

The state has 11 districts. One district was covered under MGNREGS in the first phase i.e., from 2 February 2006, four districts from 1 April 2007 onwards and the remaining six districts from 1 April 2008. For the period 2007-12, ₹2,060.01 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
19,80,602	14,06,861	71.03	2,098.32	3,74,925	518

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
32,878	28,000	85.16	9,874	4,432	44.89

➤ Planning

- State Employment Guarantee Council was set up with a delay of two years.
- Lack of training resulted in poor maintenance of records at all levels.
- Delay in submission of labour budget from PO to DPC ranging from two to four months and from DPC to SEGC ranging from two to eight months.

➤ Employment Generation & Wages

- Tampering with muster rolls by way of cutting, over writing, erasing and pasting of papers was noticed in five GPs out of 54 GPs involving wage payment of ₹ 10.31 lakh.

➤ Works & Assets Creation

- Three districts incurred an expenditure of ₹ 2.21 crore for procurement of 36 light vehicles in violation of Operational Guidelines. These districts further incurred an expenditure of ₹ 58.90 lakh for construction of new buildings. Computers, for ₹ 120.88 lakh procured by DPC Dimapur for feeding data in MIS, remained idle due to non-provision of computer training to the officials at GP level.
- Against 273 rural connectivity works planned for ₹ 63.99 crore in the district perspective plan, 54 GPs had carried out 514 works for rural connectivity for ₹ 87.82 crore. Further, these 54 GPs had completed 241 rural connectivity works amounting to ₹ 23.83 crore outside the district perspective plan.
- Eighty three projects for ₹ 7.65 crore reported to be completed, did not exist indicating possible misappropriation of ₹ 7.65 crore in 54 GPs. Short execution by diverting the amount to non-permissible works in respect of 23 works valued at

₹ 4.73 crore and execution of 45 non permissible works valued at ₹ 10.01 crore were also noticed during joint physical verification.

- State level officials could verify only 25 works (18 *per cent*) against the target of 137 works during the last five years. District level officials had carried out inspection of 165 works (24 *per cent*) against the target of 684 works while block officials had carried out inspection of 3,217 works (47 *per cent*) against the targeted 6,837 works.

➤ Financial Management

- There was shortfall in release of matching share of ₹ 116.57 crore from government of Nagaland during 2007-08 to 2011-12 which affected implementation of the Scheme to that extent.
- During 2007-08 and 2008-09, DPC Mon and Dimapur incurred excess expenditure of ₹ 96 lakh, over and above the admissible administrative expenditure fixed by the Ministry.
- There was suspected misappropriation of funds amounting to ₹ 1.68 crore, released to Programme Officer (PO), Dhansiripar by DPC, Dimapur during 2011-12. The funds were not accounted for in the MGNREGS bank account operated with PO.
- Suspected financial leakage of ₹ 65.39 crore was observed during the transmission of funds from seven test checked POs to 54 test checked GPs in three districts.

➤ Monitoring and Evaluation

- Two hundred and eighty social audits (57 *per cent*) were held against the requirement of 488 social audit meetings in the 54 GPs. In three districts and seven blocks, 46 and 44 *per cent* social audits were conducted respectively during 2007-08 to 2011-12.

➤ Others

- As gram rozgar sahayaks (GRS) were not appointed, the records were maintained by the panchayat secretary. Also Non/poor maintenance of records was noticed in the 28 GPs.

Odisha

➤ Background

The state has 30 districts. Nineteen districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, five districts from 1 April 2007 onwards and the remaining six districts from 1 April 2008. For the period 2007-12, ₹ 4,401.29 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
4,19,47,358	3,49,51,234	83.32	5,369.29	62,18,651	3,123.09

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
3,26,535	1,69,265	51.84	24,936 (figures for 2010-11 and 2011-12)	23,452 (figures for 2010-11 and 2011-12)	--

➤ Planning

- Institutional arrangements were found weak due to inadequate staff for MGNREGS works.
- Training imparted to key functionaries was inadequate which resulted in weak capacity building.
- Preparation of annual action plan was done without involving GPs.
- Revolving fund was not created for effective fund management.

➤ Employment Generation & Wages

- No door-to-door survey was conducted to identify the eligible households for registration.
- There were delays in issue of job cards. Photographs were not affixed on job cards as well as in job card register which created scope for misuse of job cards.
- There was delay in payment of wages.

➤ **Works & Assets Creation**

- Lack of control in use of muster rolls resulted in misappropriation/misutilisation of Scheme funds.
- Low priority earthen works were taken up which resulted in creation of non-durable assets.
- Use of machine in execution of works was noticed on physical verification of assets.

➤ **Financial Management**

- Interest accrued from bank deposits was not accounted for in cash book.
- Funds under closed SGRY scheme were not transferred to MGNREGS.
- Diversion of funds from MGNREGS was noticed which were not recouped as of March 2012.
- Labour budget was found unrealistic as there were substantial variations between estimated figures and actual expenditure.

➤ **Monitoring and Evaluation**

- Social audit was not conducted properly.
- Inadequate monitoring by state/district/block level officers resulted in non-completion of sizeable number of works/projects.

Punjab

➤ Background

The state has 22 districts. One district was covered under MGNREGS in the first phase i.e., from 2 February 2006, three districts from 1 April 2007 onwards and the remaining 18 districts from 1 April 2008. For the period 2007-12, ₹ 483.75 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
2,77,04,236	1,73,16,800	62.51	569.30	8,65,656*	277.59

*households issued job cards

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
45,680	18,062	39.54	95,709	85,364	89.19

➤ Planning

- Shortage of MGNREGS staff, ranging from 45 to 93 *per cent*.
- In the three selected districts, annual plans were prepared without considering the labour budget and cost of works from gram panchayats.
- Three, out of six districts, had not prepared the district perspective plan.

➤ Employment Generation & Wages

- No door-to-door survey was conducted for registration in 79 GPs of five districts.
- Wages were paid to the beneficiaries with delays up to 790 days in 48 GPs. No compensation was given for delayed payments.

➤ Works & Assets Creation

- In 52 GPs, 67 non-permissible works amounting to ₹ 1.20 crore were executed.
- Wage material ratio of 60:40 was not maintained which resulted in excess expenditure on material component.

➤ **Monitoring and Evaluation**

- Disposal of complaints was not done within the prescribed time of 15 days. In the selected districts, the delay in disposal of complaints ranged up to 673 days.
- In three districts, internal cell was not constituted for examining the social audit reports and to take suitable action thereon.
- There was shortfall in conducting social audit.
- The State Employment Guarantee Council did not conduct district-wise evaluation studies.

➤ **Others**

- Muster roll receipt register, job card application register, employment register, work register, complaint register, monthly allotment and UC watch register, job card register and assets register were not maintained by the selected GPs in four districts.

Rajasthan

➤ Background

The state has 33 districts. Six districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, six districts from 1 April 2007 onwards and the remaining 21 districts from 1 April 2008. For the period 2007-12, ₹ 17,928.73 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
6,86,21,012	5,15,40,236	75.11	19,841.04	1,01,55,775	16,140.36

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
6,76,105	3,16,156	46.76	45,885	45,532 (Fig. for 2007-09 not given)	-

➤ Planning

- Rules were not framed and number of SEGC meetings held was inadequate. Shortage of staff, deficiency in Information, Education and Communication activities and Training, were noticed.
- Preparation of annual plans was delayed and unrealistic.
- Variations in estimation and actual employment were seen.
- District perspective plans were not prepared.
- Works involving ₹ 24.27 crore which were not part of annual plans were sanctioned.
- Unspent balances of SGRY and NFFWP were not transferred to the Scheme account.

➤ Employment Generation & Wages

- Irregularities in registration of households and issue of job cards were noticed.
- Wages of ₹ 4.64 crore were paid to workers in cash. There was also delay in payment of wages.
- Misclassification of funds of ₹ 118.13 crore was noticed.

➤ **Works & Assets Creation**

- Wage material ratio was not-maintained in execution of works.
- Works amounting to ₹ 36.58 crore remained incomplete.
- Expenditure of ₹ 1.49 crore was found infructuous.
- Works worth ₹ 15.52 lakh were not in existence.
- Plantation of ₹ 1.15 crore did not survive.

➤ **Financial Management**

- Diversion of funds amounting to ₹ 128.7 crore was noticed.
- Short release of ₹ 10.12 crore by the state was noticed in three districts.
- Delay in transfer of funds was noticed.
- Excess administrative expenditure of ₹ 5.02 crore was made.
- Unrecovered/unadjusted funds worth ₹ 70.55 lakh in post office were noticed.

Sikkim

➤ Background

The state has four districts. One district was covered under MGNREGS in the first phase i.e., from 02 February 2006, two districts from 1 April 2007 onwards and the remaining one district from 1 April 2008. For the period 2008-12, ₹ 281.12 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
6,07,688	4,55,962	75.03	291.09	3,46,971	81.41

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
10,181	5,029	49.40	1,202 (Fig. for 2007-08 not given)	601 (Fig. for 2007-08 not given)	50

➤ Planning

- District perspective plan was prepared without any inputs from GPs, blocks and districts. The annual plans were perfunctorily prepared by the gram sabhas without any reference to labour demand, income generating assets, priority to deprived groups and maintenance of assets created, etc.
- The annual work plan and labour budget were defective and unrealistic as the persondays expected to be generated were never achieved. Expenditure was between 83 and 88 *per cent* of the annual work plan.

➤ Employment Generation & Wages

- Payment of wages was not made within a fortnight and delays ranging from 15 days to three months were noticed.

➤ Works & Assets Creation

- Prescribed wage material ratio of 60:40 was not adhered to by the DPCs.
- Worksite facilities such as first-aid, drinking water, shade and crèche were not provided in many projects.

➤ **Financial Management**

- The state share was neither released in full nor on time. The district programme coordinators not only retained funds of ₹ 5.14 crore to ₹ 38.64 crore at the year end but also released funds to the blocks belatedly, with delays ranging from 2 to 131 days.

➤ **Monitoring and Evaluation**

- Expenditure reported to Government of India through monthly progress reports was not in agreement with those in the audited report and actual expenditure.

➤ **Others**

- Convergence of the Scheme with other social sector programmes was not initiated. The only convergence activity attempted was in case of CMRH scheme which was defective as the Scheme fund was utilized towards payment of cost of material. The convergence did not contribute towards additional employment generation.
- Maintenance of records was poor. Application register, registration register, job card register, employment register, assets register, muster rolls, MR issue/receipt registers and complaint register were not maintained properly and hence were not reliable.

Tamil Nadu

➤ Background

The state has 31 districts. Six districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, four districts from 1 April 2007 onwards and the remaining 21 districts from 1 April 2008. For the period 2007-12, ₹ 8,128.96 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
7,21,38,958	3,71,89,229	51.55	8,510.44	76,48,556	10,130

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
2,57,002	1,11,727	43.47	93,252	1,84,845	100

➤ Planning

- Out of 76.49 lakh households registered under the Scheme in the state in 2011-12, jobs were provided only to 58.16 lakh households. Of these, 100 days of employment was provided only to 14.08 lakh households (24 per cent).
- Despite increase in the schedule of rates, the actual average daily wages earned by a beneficiary in the state was below the minimum guaranteed wages, as the wages were paid based on the quantity of work actually done.

➤ Works & Assets Creation

- 1.25 lakh works (48 per cent of the total works), which were executed during 2007-12 by the gram panchayats at a cost of ₹ 3,921.87 crore were under the categories of desilting of ponds, minor irrigation tanks, supply channels and irrigation wells. As such works did not add to the creation of durable assets.
- Instead of providing all weather roads under 'road connectivity', formation of earthen roads without compaction and improvements to side berms of existing Water Bound Macadam roads were executed. 62,588 road works (24 per cent of the total works) at a cost of ₹ 1,919.88 crore were executed under this category during 2007-12.

➤ **Financial Management**

- The percentage of utilization of the funds ranging from 56 to 82 during 2007-12. ₹ 718.27 crore out of ₹ 9,194.04 crore remained unutilized as of 31 March 2012. As the entire Scheme cost in the state was towards payment of wages to unskilled labour, release of state share to the Scheme (₹ 878.11 crore) during the period 2007-12 was unnecessary.

Tripura

➤ Background

The state has four districts. One district was covered under MGNREGS in the first phase i.e., from 2 February 2006, two districts from 1 April 2007 onwards and the remaining one district from 1 April 2008. For the period 2007-12, ₹ 2,858.82 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
36,71,032	27,10,051	73.82	2,996.33	6,69,164	490.13

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
6,57,713 (Fig. for 2007-08 not given)	2,83,539	43.11	600	513	86

➤ Planning

- All the required structural mechanism for operation of the Scheme was put in place, except the State Employment Guarantee Fund, which was operationalised during 2012-13.
- The works were executed on the basis of annual plans only as district perspective plans were not finalized. The documentation process of approval of annual plans was not satisfactory.

➤ Employment Generation & Wages

- The state reportedly provided employment to all those who demanded employment. However, this was unverifiable as the details were not documented.
- 2.80 lakh households received employment beyond 100 days but the additional cost of ₹ 10.22 crore was met from the Central share instead of being borne by the state. There was short-payment of minimum wages by ₹ 34.50 lakh.

➤ **Works & Assets Creation**

- In 41 *per cent* works, labourers were not employed in letter and spirit of the Act in five blocks.
- Funds of ₹ 16.60 crore was diverted for the works under Indira Awas Yojna (IAY) and ₹ 5.27 crore was spent for the purpose covered under other infrastructure development schemes.
- *Kutch*a roads without all-weather access were constructed at a cost of ₹ 5.29 crore.
- Machinery were used in works costing ₹ 1.56 crore.
- Five works costing ₹ 17 lakh remained incomplete for a period ranging from 1 to 4 years.
- Unique Identification Number of the works was not found in the work registers.

➤ **Financial Management**

- Funds utilization under the Scheme was good and ranging from 93.74 to 98.85 *per cent*.
- The state's share was short by ₹ 133.09 crore due to adoption of incorrect formula which failed to take into account six *per cent* administrative cost.
- The delay in release of state share ranging from 5 to 222 days in 20 out of 78 instalments, whereas in some cases, it was provided in advance as well.

➤ **Others**

- Maintenance of subsidiary records was deficient.
- MIS contains material errors and hence it was not reliable
- Various good practices such as banking correspondent model for payment of wages, use of software for preparation of estimates, payment after check by Vigilance Committee, good condition of assets created, etc. were also observed during audit.

Uttar Pradesh

➤ Background

The state has 72 districts. Twenty two districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, 17 districts from 15 May 2007 onwards and the remaining 33 districts from 1 April 2008. For the period 2007-12, ₹ 20,425.74 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
19,95,81,477	15,51,11,022	77.72	22,174.35	1,42,81,748	13,342.64

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
36,15,602	15,55,093	43.01	4,200*	2,341*	55.74

*Figures for test checked districts only.

➤ Planning

- State government failed to notify the rules, although approved (11 August 2008), for carrying out the provisions of the Act.
- Non official members were included in the State Employment Guarantee Council (SEGC) after a delay of 19 months.
- State government did not establish State Employment Guarantee Fund as a result of which funds from Ministry were released directly to the districts up to 18 September 2009.
- In 820 blocks of the state, full time dedicated programme officers were not appointed. Twenty three *per cent* assistant programme officers' posts were also vacant.
- In 18 districts, training to stake holders for preparing district annual plans was not imparted. Fourteen districts did not prepare shelf of projects.
- There was delay in submission of labour budget from 23 to 74 days, consequently Central share was released in 5 to 25 tranches and state share in 2 to 10 tranches.

➤ Employment Generation & Wages

- Door- to- door survey was not carried out to identify persons for registration.
- There was delay of 25 to 45 days in issue of job cards.

- There were shortcomings in maintenance of job card application registers. In seven gram panchayats and 39 block panchayats, these were not maintained.
- There were various irregularities in wage payment viz. delay in payment of wages, wages being paid at lower than minimum wage rates, payment made before execution of work, payment of wages to workers present on two sites on same day, etc.
- Irregularities were noticed in muster rolls i.e., payments were made without obtaining signature or thumb impression as a token of receipt. Cutting and over writing were also not attested.

➤ Works & Assets Creation

- Inadmissible 272 works amounting to ₹ 10.26 crore were executed by 84 GPs, 12 blocks, two districts and one line agency during 2007-12. ₹ 15.60 crore were expended on construction of 2,265 earthen roads in 393 GPs of 18 districts, which were not all weather access roads.
- Prescribed wage material ratio of 60:40 was not maintained in 460 GPs. Over estimation of ₹ 6.75 crore was noticed in 170 GPs.
- In Unnao district, purchase orders for ₹ 78 lakh for almirah, handcam and digital camera were issued without inviting tenders and following the purchase procedure. In Sitapur district, construction material valuing ₹ 1.04 crore was purchased without calling tender/quotations.
- In seven districts, 237 works for ₹ 13.25 crore were executed without administrative and technical sanction.
- In 10 districts, unique identification numbers were not allotted to 1,199 works executed for ₹ 13.26 crore.
- In one GP and two districts, 47 works amounting ₹ 1.65 crore were abandoned. Twenty three works amounting to ₹ 29 lakh remained incomplete in eight GPs, one block and two districts.
- Completion Reports of 3,091 works in 16 GPs were not available.
- In 444 GPs, 4,242 works were not handed over to user groups.

➤ **Financial Management**

- State government did not design a robust financial management system for transfer and use of funds. No criterion was laid down for release of fund to GPs.
- There was diversion of funds of ₹ 1.51 crore towards miscellaneous administrative expenditure, contingent expenditure of other schemes, renovation and electrification of conference hall at Vikas Bhawan, construction of primary school and Harijan Awas, office expenses and Mid day Meal Scheme.
- Labour budget was forwarded to the Ministry without scrutiny at state level. There were variations between labour budget and actual expenditure reported in MPR and those between figures at state and district level. In two districts, labour budget was not prepared as per Operational Guidelines.
- There were delays in release of funds at every level.
- Two line departments of district Sitapur had not transferred unspent balances of ₹ 41 lakh of National Food for Work Programme fund to MGNREGS.
- In one district, administrative expenses were incurred in excess of prescribed limit of four *per cent* during 2007-09.

➤ **Monitoring and Evaluation**

- Ombudsmen, for redressal of grievances in a time bound manner, were not appointed.
- Village Monitoring Committees, responsible for monitoring the progress and quality of works undertaken under the Scheme, were not formed in 57 GPs.

Uttarakhand

➤ Background

- The state has 13 districts. Three districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, two districts from 1 April 2007 onwards and the remaining eight districts from 1 April 2008. For the period 2007-12, ₹ 1,154.13 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
1,01,16,752	70,25,583	69.45	1,312.88	10,10,169	813.09

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
1,52,292	1,00,631	66.07	65,092	28,557	44

➤ Planning

- The State Employment Guarantee Council was established but it did not meet at regular intervals which left the major policy decisions unaddressed.
- The administrative pattern suggested by the Ministry was notified but the appointment of staff in various cadres was not made. Overall shortages ranging from 45 to 90 *per cent*.
- District perspective plans were submitted by four districts only and were yet to be approved by SEGC.

➤ Employment Generation & Wages

- Significant variations between 23 and 61 *per cent* were noticed in persondays estimated and actually generated.
- Timely payments to labourers were not made and delays ranging from 1 to 669 days were noticed. In 500 works, there was an average delay of 74 days. No compensation was paid to any worker for delay in the test checked GPs.

➤ Financial Management

- The state share was not released in the stipulated time frame. Delays ranging from 8 to 211 days were noticed in four districts.

➤ **Monitoring and Evaluation**

- A shortfall of 94 *per cent* at state level and 48 *per cent* at programme officers level was noticed in inspection of works.

➤ **Others**

- A liability of ₹ 1.73 crore was noticed in Dhauladevi and Dwarahat blocks of Almora and Chakrata block of Dehradun district which remained unliquidated as of March 2012.
- Non-existence of any mechanism to verify the authenticity of data uploaded to the MGNREGA website was noticed as there was variation ranging from 1 to 71 *per cent* between MIS and Monthly Progress Report data.

West Bengal

➤ Background

The state has 19 districts. Ten districts were covered under MGNREGS in the first phase i.e., from 2 February 2006, seven districts from 1 April 2007 onwards and the remaining two districts from 1 April 2008. For the period 2007-12, ₹ 8,307.31 crore was released to the state under MGNREGS. The table below outlines some of the major implementation parameters in the state during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
9,13,47,736	6,22,13,676	68.11	7,409.20	1,10,34,713 *	6,353.84

*job card issued

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
Not Provided by state.	5,58,938	NA	1,43,404	73,700	51.39

➤ Planning

- No Information, Education and Communication plan was prepared for MGNREGS.
- SEGC did not evaluate the performance of the Scheme implementation of MGNREGS and its impact.
- Door- to- door survey was not undertaken to identify persons willing to register under the Act.
- Most of the districts did not prepare perspective plan and shelf of projects was not found in any of the 83 test checked GPs.
- Gram sabha meetings, responsible for prioritizing and recommending works for incorporation in annual plan, were not organized on 2 October in any of the selected GPs.
- Labour budget was prepared in an unrealistic manner in five districts as actual generation of persondays was 35 to 125 *per cent* of those projected in labour budget.

➤ Employment Generation & Wages

- In the selected GPs, registration register and register for applications for work were not maintained. Registration lists were not displayed on GP notice boards in 41 GPs.
- Photographs were not affixed in most of the job cards in five districts.

- MIS indicated delayed payment of wages amounting to ₹ 437.89 crore during 2010-12, but no compensation was paid. Delay in payment of wages ranging from 11 to 810 days was noticed in four districts.
- A sum of ₹ 83,007 as unemployment allowance was paid to only 218 workers whereas it was due for 1,10,161 households during 2007-12.

➤ **Works & Assets Creation**

- Road works (29 *per cent* of total works) were executed and accounted for 39 *per cent* of total expenditure. All selected GPs had constructed non-durable assets like earthen roads. Wage-material ratio was not maintained in 32 GPs.
- Work Registers were not maintained in any of selected GPs.
- In Bankura, South 24 Parganas and Murshidabad districts, plantation work valuing ₹ 6.37 lakh did not survive.

➤ **Financial Management**

- Unspent balance under SGRY amounting to ₹ 8.42 lakh was not transferred to MGNREGS till May 2012.

➤ **Monitoring and Evaluation**

- In 48 GPs of Murshidabad, Bankura, Jalpaiguri and South 24 Pargana districts, accounts of GPs were not presented to social audit for scrutiny.

➤ **Other**

- Convergence of MGNREGS with rural development programmes was not evident in any selected GP.

Andaman & Nicobar Islands

➤ Background

The Union Territory (UT) has three districts which were covered under MGNREGS from 1 April 2008. For the period 2007-12, ₹ 34.91 crore was released to the UT under MGNREGS. The table below outlines some of the major implementation parameters in the UT during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
3,79,944	2,44,411	64.33	39.79	41,512	19.66

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
1,314	1,093	83.18	608	356	58.55

➤ Planning

- Employment Guarantee Council (EGC) for the UT was set up in February 2008. Council met only once in a financial year between 2008-09 and 2011-12.
- No perspective plan was prepared by the districts though grants were released for preparation of district perspective plan. Only annual plans were prepared.
- Preparation of shelf of projects was done on *ad hoc* basis.

➤ Employment Generation & Wages

- There were cases of employment not being provided within 15 days of application for work. Unemployment allowance was also not paid.
- Hundred days employment was provided only in 5.05 *per cent* cases.
- Delayed payment of wages was noticed in all the GPs.
- No beneficiary was covered under “Rashtriya Swasthya Bima Yojana” (RSBY) though the UT had substantial beneficiaries who worked for more than 15 days in a year.

➤ Works & Assets Creation

- Only non-durable assets were created.

➤ **Financial Management**

- Deficient system of financial management resulted in inflated UT share.
- Factually incorrect utilisation certificates and non-release of 25 *per cent* of UT share for material and wages for skilled and semi-skilled labour were noticed.

➤ **Monitoring and Evaluation**

- Audit of “Employment Guarantee Fund” was not done and UT Administration did not prescribe any format of accounts for districts.
- Independence of social audit was not ensured. Director/ RD,PRI & ULB, nodal person for coordinating the activities of Scheme, was appointed as the State Level Nodal Officer for social audit.

➤ **Others**

- Convergence with other schemes had not taken place.
- Record keeping (especially in South Andaman district) was poor.
- Adequate mechanisms were not put in place to check and verify data uploaded in MIS. Information available in the Panchayati Raj Institutions (PRIs) did not match with the Monitoring and Information System (MIS) figures.
- Shortcomings, highlighted in CAG's previous performance audit report continued.

Dadra & Nagar Haveli

➤ Background

The Union Territory (UT) has one district which was covered under MGNREGS from 1 April 2008. For the period 2007-12, ₹ 2.77 crore was released to the UT under MGNREGS. The table below outlines some of the major implementation parameters in the UT during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
3,42,853	1,83,024	53.38	4.71	11,697	2.11 (fig. for 2007-08 not provided)

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
127	30	23.62	44	30	68.18

➤ Planning

- Union Territory had not constituted Employment Guarantee Council (EGC)
- Preparatory and IEC activities were not carried out.
- Union Territory administration did not prepare annual plan and shelf of projects.
- Union Territory administration had neither prepared perspective plan nor was this work entrusted to any agency for the period 2007-12.

➤ Employment Generation & Wages

- Job card application registers were not maintained/properly maintained in five GPs and job card registers were not maintained in 10 GPs.
- Job cards issued did not have photos of labourers and were issued without signature of authority and labourers.
- Employment registers were not maintained in GPs.
- There were delays in payment of wages ranging from 1 to 123 days and no compensation was paid for delay.

➤ **Financial Management**

- Financial Management System was inefficient and figures of reports were inconsistent. UTEGF was not constituted.
- Financial reporting was inefficient and there were variations between audited accounts and MPR data.
- Unspent balance of ₹ 37.08 lakh given to GPs for material was treated as final expenditure.
- There was excess administrative expenditure during 2008-11.

➤ **Monitoring and Evaluation**

- Social audit records were not available with GPs.
- Vigilance and Monitoring Committees were formed in GPs but records were not available in any GPs.
- Grievance redressal mechanism was not efficient and no complaint register was maintained at any level.

Lakshadweep

➤ Background

The Union Territory (UT) has one district which was covered under MGNREGS from 1 April 2008. For the period 2007-12, ₹ 7.76 crore was released to the UT under MGNREGS. The table below outlines some of the major implementation parameters in the UT during 2007-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
64,429	14,121	21.92	10.47	8,886	6.49

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
828	17	2.05	80	40	50

➤ Planning

- The UT Employment Guarantee Council met only twice till date, which adversely affected choice of preferred works, review of implementation of the Scheme, evaluation of process and outcomes, monitoring and ensuring accountability and transparency at all levels.
- In the test checked GPs, no full time dedicated POs were appointed. No staff was appointed for Scheme implementation and no records related to the Scheme were maintained at block level.
- Separate grama sabha meetings were not held for selection of works under MGNREGS.

➤ Employment Generation & Wages

- In the test checked GPs, application registers were neither maintained nor were dated receipt issued to households.
- Scrutiny of the muster rolls and payment orders in the test checked GPs revealed that there were delays ranging from 15 to 65 days in payment of wages.
- List of addition and deletion in the job card register was not intimated to POs.

➤ **Works & Assets Creation**

- The estimates were prepared adopting the wage material ratio of 92:08. A verification of the estimates for the test checked GPs revealed that the estimates were prepared with the view to provide wage employment only. Absence of skilled labourers and materials had resulted in non-creation of durable assets.
- Photographs of pre-mid-post stages of work as stipulated in the Act were not taken/maintained by the GPs.

➤ **Financial Management**

- The administrative expenditure on MGNREGS was exceeded by ₹ 81.00 lakh during 2009-10 to 2011-12.

Puducherry

➤ Background

The Union Territory (UT) has two districts which were covered under MGNREGS from 1 April 2008. For the period 2007-12, ₹ 40.06 crore was released to the UT under MGNREGS. The table below outlines some of the major implementation parameters in the UT during 2008-12:

Population	Rural population (as per 2011 census)	Percentage of rural population	Cumulative expenditure (₹ in crore)	Number of households registered	Cumulative persondays generated (in lakh)
12,44,464	3,94,341	31.69	35.50	67,120	35.21

Number of works undertaken	Number of works completed	Percentage of works completed	Number of social audits due	Number of social audits conducted	Percentage of social audits completed
3,478	2,383	68.52	776	159	20.49

➤ Planning

- Gram panchayats had not prepared the shelf of projects and annual plan. DRDA and district programme coordinator, Karaikal did not prepare district perspective plan for long-term employment generation and sustainable development.
- The UT Employment Guarantee Council constituted in December 2011 did not meet even once.

➤ Employment Generation & Wages

- There was no formal system of receiving applications for employment, issue of dated receipts and maintenance of employment register.
- There was no mechanism to report any delay in payment of wages. No compensation was paid, though delays upto 137 days were noticed in payment of wages.

➤ Works & Assets Creation

- No expenditure was incurred by the UT towards material cost during 2008-12 resulting in creation of non durable assets.
- Out of 2,502 works taken up during 2008-12, 63 works were in progress for the last two years.

➤ Financial Management

- Accumulation of unspent balances as of March 2011, resulted in token release of ₹ one crore for 2011-12 as grant against the requirement of ₹ 31.28 crore.

