

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:501
ANSWERED ON:24.11.2011
CAG OBSERVATIONS ON MGNREGS
Singh Shri Dushyant

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the Comptroller and Auditor General (CAG) has raised objection over methodology adopted by the Government of Rajasthan in Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);
- (b) if so, the details thereof;
- (c) the reaction of the Government thereof;
- (d) whether many items were purchased by the Government of Rajasthan from the money allocated under MGNREGS which are not covered under the scheme;
- (e) if so, the details of the complaints regarding irregularities committed in funds disbursed and spent under MGNREGS in Rajasthan; and
- (f) the steps taken/proposed to be taken by the Government to check the recurrence of such irregularities?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a) to (c): On request of Ministry of Rural Development, Comptroller and Auditor General (C&AG) conducted a performance audit of implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in initially notified 200 districts. Audit findings, inter-alia consisted of instances of irregularities/ deviations committed in all States including Rajasthan. Irregularities/deviations pertaining to Rajasthan mainly related to non formulation of Rules, Annual Reports, lack of resource support, district Perspective Plan, Annual Plan, registration and issue of job cards, works, payment of wages and unemployment allowance, maintenance of muster rolls, records and reports, fund management, social audit and monitoring etc. The report of C&AG was examined in the Ministry and was shared with all concerned State Governments. Ministry had also instructed States to take remedial measures.

(d) to (f): A total of 247 complaints regarding irregularities of all types in the implementation of MGNREGA in Rajasthan have been received in the Ministry as on 10.11.2011. The complaints mainly relate to cases of job cards not provided, misappropriation of funds, engagement of contractors, forgery of muster roll, manipulation in job cards, under payment of wages, non-payment of wages, corruption and other irregularity, use of machinery, delay in payment etc. As implementation of the Act is done by the State Government in accordance with the Schemes formulated by them as per the provisions of the Act, all complaints received in the Ministry are forwarded to the concerned States for taking appropriate action as per law. The steps already taken by the Government to check the recurrence of such irregularities include the following:

1. In consultation with the Comptroller & Auditor General of India, MGNREGA Audit of Schemes Rules, 2011 have been notified. All States have been asked to put in place a robust Social Audit mechanism as outlined in the Rules.
2. Instructions have been issued directing all States to appoint Ombudsman at district level for grievance redressal.
3. Permissible administrative expenditure limit was enhanced from 4% to 6% for deployment of dedicated staff for MGNREGA, strengthening management and administrative support structures for social audit, grievance redressal and Information and Communication Technology (ICT) infrastructure.
4. With a view to ensuring timely payment, infusing transparency and enhancing the integrity of wage payment, Schedule II of MGNREG Act has been amended to make wage disbursement to MGNREGA workers through institutional accounts in Banks or Post Offices a statutory requirement unless specifically exempted.
5. ICT based MIS has been made operational to make data available to public scrutiny including job cards, muster rolls, employment demanded and number of days worked, shelf of works, funds available/spent, social audit findings, registering grievances etc.
6. States have been instructed to establish State Employment Guarantee Funds for greater flexibility in management of funds for MGNREGA.

7. The mechanism of State and district level Vigilance and Monitoring Committees is available for monitoring of the scheme.