

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:212

ANSWERED ON:22.11.2012

IRREGULARITIES UNDER MGNREGS

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;Rajesh Shri M. B.;Singh Shri Bhupendra

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) the details of funding pattern under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);
- (b) the allocation made for the scheme for the last three years and the current year;
- (c) the details of the funds released to various States/Union Territories and utilised out of the above during the said period, State-wise;
- (d) whether serious irregularities and embezzlement/misuse of funds under the Scheme have come to the notice of the Government;
- (e) if so, the details thereof during each of the last three years and current year, State-wise;
- (f) whether the Government has conducted/proposes to conduct any inquiry in the matter including handing over the cases to CBI;
- (g) if so, the details thereof; and
- (h) the steps taken by the Government including statutory audit by CAG to check such irregularities/embezzlement of funds under the Scheme?

Answer

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

(a) Funding pattern under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is governed by provisions of Section 22 of MGNREGA, the MGNREGA Operational Guidelines, National Employment Guarantee Fund Rules 2006, norms and advisories issued from time to time. The Central Government bears the entire expenditure on payment of wages at notified wage rates to unskilled manual workers. The cost of material component of projects including the wages of the skilled and semi-skilled workers taken up under the Scheme shall not exceed forty per cent of the total project costs. 75% of material cost, including wages of skilled and semiskilled workers, is borne by the Central Government. Up to 6% of funds are permitted as administrative expenditure for deployment of dedicated staff for MGNREGA, strengthening of management and administrative support structures for social audit, grievance redressal, Information, Communication and Technology infrastructure etc.

(b) & (c): The budget estimate and revised estimate of outlay for Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) from 2009-10 onwards is given below:-

(Rs. in crore)		
Year	BE	RE
2009-2010	39100.00	39100.00
2010-2011	40100.00	40100.00
2011-2012	40000.00	31000.00
2012-2013	33000.00	

The details of funds released by the Central Government to the States/Union Territories for implementation of MGNREGA and expenditure incurred from 2009-10 onwards as reported by States /UTs are given in Annexure-I. MGNREGA is a demand driven wage employment programme and utilisation of funds by the States/UTs depends on demand for employment.

(d) to (g): The Ministry receives a large number of complaints about implementation of MGNREGA in the country. 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 irregularities, use of machinery, delay in payments etc. The State-wise details of such complaints received during the last 3 years and current year are given in Annexure-II. As implementation of the Act is done by the State Governments 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 state Governments for taking appropriate action, including investigation, as per law. At the instance of the Supreme Court of India in the Writ Petition (PIL) No. 645 of 2007-Centre for Environment and Food Security, on receipt of consent of the State Government of Orissa in April 2011, the Union

Government ordered an investigation by the Central Bureau of Investigation (CBI) into allegations of corruption and misappropriation of funds under MGNREGA in Orissa. CBI has already submitted its report to the Supreme Court in the matter. The Ministry of Rural Development has also requested for consent of the State Government of Uttar Pradesh for enquiry by the CBI into irregularities in implementation of MGNREGA in Uttar Pradesh. A Writ Petition No. 12802(M/B) of 2011 has also been filed in the Lucknow Bench of Allahabad high court seeking directions for a CBI enquiry into irregularities in implementation of MGNREGA in Uttar Pradesh. The matter is thus subjudice.

(h): As per Section 24 of MGNREG Act 2005, the Central Government may in consultation with the Comptroller and Auditor General (C&AG) of India, prescribe appropriate arrangements for audits of the accounts of the Schemes at all levels. Accordingly, in consultation with the C&AG, the Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules, 2011, has been notified on 30th June, 2011. The Ministry has also requested for special financial and performance audits by C&AG, to begin with, in the States of Andhra Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Karnataka, Madhya Pradesh, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal and the C&AG audit has already commenced in these and some other States.