

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1722

ANSWERED ON:07.03.2013

IRREGULARITIES UNDER MGNREGS

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Ahir Shri Hansraj Gangaram; Dharmshi Shri Babar Gajanan; Guddu Shri Premchandra; Kashinath Shri Taware Suresh; Pakkappa Shri S.; Patel Shri Deoraj Singh; Semmalai Shri S.; Singh Alias Pappu Singh Shri Uday; Tandon Shri Lal Ji; Yadav Shri Dharmendra

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether serious irregularities and embezzlement/misuse of funds under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) have come to the notice of the Government;
- (b) if so, the details thereof during each of the last three years and the current year, State/UT-wise;
- (c) whether the Government has conducted/proposes to conduct any inquiry in the matter including handing over the cases to CBI;
- (d) if so, the details thereof;
- (e) the steps taken by the Government including statutory and social audit by CAG to check such irregularities/embezzlement of funds under the Scheme;
- (f) the number of person-days generated under the Scheme during the said period, State/UT-wise;
- (g) whether the Government has noticed deficiencies in implementation of the schemes; and
- (h) if so, the details thereof and the steps taken to remove them by various initiatives including by the use of Information Technology?

Answer

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

(a) to (d): The Ministry receives a large number of complaints about implementation of Mahatma Gandhi National Rural Employment Guarantee Act (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-I. 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.

(e) 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 C&AG for special financial and performance audits of states. C&AG has already done audit in 29 states and 3 UTs and audit report is yet to be laid in the Parliament.

(f) The number of person-days generated under the Scheme during the last 3 years and current year are given in Annexure-II.

(g)&(h) The implementation deficiencies noticed by the ministry include denial of legal entitlements, delay in payment of wages to workers, misappropriation of funds, corruption and financial & other irregularities under MGNREGA. Some of the steps taken to eliminate the occurrence of such irregularities in the implementation of MGNREGA are as follows:

(i) 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 these Rules.

(ii) 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 accounts in Banks or Post Offices.

(iii) Information and Communications Technology (ICT) based Management Information System (MIS) has been made operational to make data available for 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.

(iv) To reduce delay in payment of wages Ministry has initiated "Electronic Fund Management system (eFMS)" in all States. The system will be rolled out in a phased manner across country.

(v) Ministry has issued circular on Certification of Accounts and Financial Audit of MGNREGA Accounts at Gram Panchyats Level by Chartered Accountant of 10 % GP of highest spending districts in all states.

(vi) Instructions have been issued directing all States to appoint Ombudsman at district level for grievance redressal.

(vii) The State and district level Vigilance and Monitoring Committees are entrusted with the responsibility of monitoring the schemes.