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**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2011-12)**

FIFTEENTH LOK SABHA

**MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
(DEPARTMENT OF POSTS)**

**[Action Taken by the Government on the Recommendations/Observations of the Committee
contained in their Twenty-fifth Report (Fifteenth Lok Sabha) on 'Disbursement of Wages to labourers
under Mahatma Gandhi National Rural Employment Guarantee Act by Post Offices']**

THIRTY-FIFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2012/Shravana, 1934 (Saka)

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*Presented to Lok Sabha on 22 August, 2012
Laid in Rajya Sabha on 22 August, 2012*



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2012/Shravana, 1934 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON INFORMATION TECHNOLOGY

(2011-12)

**Shri Rao Inderjit Singh - Chairman
Lok Sabha**

2. Shri Rajendra Agrawal
3. Smt. Sarika D.S. Baghel
4. Shri Nikhil Kumar Choudhary
5. Shri H.D. Devegowda
6. Dr. Charles Dias
- * 7. Shri A. Ganeshamurthi
8. Shri Rajen Gohain
9. Smt. Darshana Jardosh
10. Dr. Tarun Mandal
11. Shri P.R. Natarajan
12. Shri Tapas Paul
13. Shri Tathagata Satpathy
- #14. Smt. Supriya Sule
15. Smt. Seema Upadhyay
16. Vacant
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

Rajya Sabha

- @ 22. Shri Joy Abraham
23. Shri M.P. Achuthan
24. Shri Mohammed Adeeb
25. Shri Salim Ansari
26. Shri Rajkumar Dhoot
- **27. Dr. Bhushan Lal Jangde
28. Shri Prabhat Jha
29. Prof. Alka Balram Kshatriya
30. Shri Jesudasu Seelam
- @ 31. Shri Sachin Ramesh Tendulkar

Secretariat

- § 1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Sudesh Luthra - Director

* Nominated to the Committee w.e.f. 29th November, 2011.

** Nominated to the Committee w.e.f. 4th May, 2012 vice Shri P. Rajeeve, M.P. Rajya Sabha

Nominated to the Committee w.e.f. 17th May, 2012

@ Nominated to the Committee w.e.f. 11th July, 2012 vice Shri Rajeev Chandrasekhar and Shri Ravi Shankar Prasad, M.P. Rajya Sabha

§ Superannuated w.e.f. 30th June, 2012.

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2011-12) having been authorized by the Committee to submit the Report on their behalf, present this Thirty-fifth Report on Action Taken by the Government on the Recommendations/Observations of the Committee contained in their Twenty-fifth Report (Fifteenth Lok Sabha) on 'Disbursement of Wages to Labourers under Mahatma Gandhi National Rural Employment Guarantee Act by Post Offices' relating to the Ministry of Communications and Information Technology (Department of Posts).

2. The Twenty-fifth Report was presented to Lok Sabha/Laid on the Table of Rajya Sabha on 25 August, 2011. The Department of Posts furnished their Action Taken Notes on Recommendations contained in the Twenty-fifth Report (Fifteenth Lok Sabha) on 13 December, 2011.

3. The Report was considered and adopted by the Committee at their sitting held on 18 June, 2012.

4. For facility of reference and convenience, the Recommendations/Observations of the Committee have been printed in bold in Chapter-I of the Report.

5. An analysis of Action Taken by the Government on the Recommendations/Observations contained in the Twenty-fifth Report (Fifteenth Lok Sabha) of the Committee is given at *Appendix-II*.

New Delhi;
8 August, 2012
17 Shrawana, 1934 (Saka)

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Recommendations/Observations of the Committee contained in their Twenty-fifth Report (Fifteenth Lok Sabha) on 'Disbursement of wages to labourers under Mahatma Gandhi National rural employment Guarantee Act by Post Offices' relating to the Ministry of Communications and Information Technology (Department of Posts).

2. The Twenty-fifth Report was presented to Lok Sabha/laid in Rajya Sabha on 25th August, 2011. It contained 33 Recommendations/Observations.

3. Action Taken Notes in respect of all the Recommendations/Observations contained in the Report have been received from the Department of Posts and are categorized as under:-

(i)	Recommendations/Observations which have been accepted by the Government	
	Para Nos.:- @1,5, 7, 12, 13, 17, 18, 19, 21, 22, 23, 27, 30, 31 and 32	
	Total	15
	Chapter	II
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government	
	Para No.:- Nil	
	Total	Nil
	Chapter	III
(iii)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and require reiteration	
	Para Nos.:- 2, 3, 6, 8, 9, 10, 11, 14, 15, 16, 20, 24, 25, 28 and 29	
	Total	15
	Chapter	IV
(iv)	Recommendations/Observations in respect of which the replies of the Government are of interim in nature	
	Para Nos.:- 4, 26 and 33	
	Total	03
	Chapter	V

@Recommendation No. 1 was just the introductory recommendation. Hence no action taken note has been furnished by the Ministry/Department.

4. The Committee had examined the subject 'Disbursement of wages to labourers under Mahatma Gandhi National Rural Employment Guarantee Act by Post Offices' in detail and made 33 recommendations/observations in their Twenty-fifth Report (Fifteenth Lok Sabha). The conclusions drawn in the recommendations were arrived at after getting inputs from the Department of Posts and procuring the feedback from the Department of Rural Development through written replies and deliberations held on various aspects related to examination of the subject.

The Committee's analysis of the action taken notes furnished by Department of Posts and Ministry of Rural Development indicates that in as many as 15 recommendations made in the report, the aforesaid Ministry and the Department have not addressed the issues satisfactorily and hence these recommendations have been put under Chapter-III and commented in Chapter-I of the report. The Committee regret to note that the serious revelation made during the course of examination of the subject which include discrepancy of data with regard to MGNREGA as maintained by the Ministry of Rural Development and Posts, delay in disbursement of wages under MGNREGA, corruption in disbursement of wages and the grievance redressal mechanism could not make the Ministry and the Department to probe the issue and take urgent initiatives as suggested in the report. Not only that the sense of complacency is reflected in the replies whereby the existing systems in respect of disbursement of wages under MGNREGA and other related issues have been found to be satisfactory. What is more disappointing is the fact that the Ministry of Rural Development and Posts have tried to sidetrack the important suggestions made in the report. On the issue of having coordination between the Ministry of Rural Development and Department of Posts as strongly emphasized by the Committee, nothing concrete seems to have been done. The disconnect between the Ministry of Rural Development and the Posts is again reflected in the action taken notes. The Ministry of Rural Development could not bother to share the data on various aspects with Posts as raised by the Committee. The aforesaid 15 recommendations of the Committee have been analyzed independently and commented in Chapter-I of the report. While reiterating their recommendations/observations, the Committee hope that the Ministry of Rural Development and Department of Posts would act urgently particularly when the issues raised in the report relates to one of the flagship schemes of the Department i.e. providing employment guarantee to rural masses.

5. The Committee trust that utmost importance would be given to implementation of the Recommendations/Observations accepted by the Government. In cases, where it is not possible for the Department to implement the Recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desire that Action Taken Notes on the Recommendations/Observations contained in Chapter-I and final action taken replies to the Recommendations/Observations contained in Chapter-V of this Report should be furnished to them at an early date.

6. The Committee will now deal with action taken by the Government on some of their recommendations.

I. **Contradiction between the data as furnished by the Ministry of Rural Development and the Department of Posts with regard to number of accounts and amount disbursed under MGNREGA**

Recommendations of the Committee (Para Nos. 2, 3 & 24)

7. The Committee had recommended as under:-

The input provided by both the Departments i.e. Department of Posts and Department of Rural Development indicates contradiction on various aspects, particularly on the number of accounts and amount disbursed through Posts. During the year 2008-09 there is a difference of 10 lakh in the number of accounts and Rs.289.94 crore in the amount disbursed. During the year 2009-10 such gap is much wider. In the number of accounts there is gap of 13 lakh and in respect of amount disbursed, the gap is Rs. 1026.25 crore. During the year 2010-11 although the Department of Rural Development has furnished the data one month beyond the data furnished by the Department of Posts such gap is 29 lakh in respect of number of accounts and Rs. 1221.99 crore in respect of the amount disbursed. The representative of the Department of Rural Development during the course of deliberations agreed that there is discrepancy in the data. However, the representative of Posts tried to justify the discrepancy by stating that there is a time lag between actual disbursement of wages through Post Offices and Banks and the loading of the figures on the website. The Committee observe that the aforesaid reasoning of Posts can be accepted in case of the year 2010-11. Such a huge gape in the data furnished by the Department of Rural Development and Posts is not understandable in case of the years 2008-09 and 2009-10 which have been over long back. The Committee feel that huge gaps in the data of the two Departments raises question mark about the system of maintaining as well as monitoring of accounts under MGNREGA, one of the biggest centrally

sponsored scheme of the Union Government. While expressing strong displeasure over the matter, the Committee desire explanation from both the Departments i.e. the Department of Rural Development and the Department of Posts.

(Recommendation No. 2)

The Committee further note that as per the Operational Guidelines 2008 there is an elaborate provision for audit and review of accounts maintained under MGNREGA at various levels by Local Fund Auditors, Chartered Accountants, District Programme Coordinator and Gram Sabhas. From the discrepancy of the data as mentioned above it seems that all the provisions made in the Operational Guidelines are not being strictly complied with. Not only that the representative of the Department of Rural Development do not seem to be serious with the discrepancy in the data as pointed out during the course of deliberations. He tried to argue that such discrepancy cannot be eliminated unless online real time entry system is implemented. From the status of computerization and the connectivity scenario, the analysis of which has been done in the later part of the report, the Committee find that it would take years to have online real time entry of the accounts throughout the country. The Committee observe that the country cannot wait and sit silently till online system is operational particularly when the discrepancy in the data is very large. The Committee are of the firm opinion that there is disconnect between the Department of Rural Development and Posts with regard to the maintenance of MGNREGA wage accounts. While expressing unhappiness over the way the wage accounts are being maintained, the Committee strongly recommend that the audit of accounts as per the prescribed procedure should be undertaken at various levels. Not only that the data with regard to the wages disbursed under MGNREGA by the Rural Development and Posts should be reconciled by proper coordination between the said two Departments and there should be transparency in the system. All the desired initiatives should be taken to address the issue and the Committee informed accordingly.

(Recommendation No. 3)

The Committee during the course of deliberations with the representatives of the Department of Posts and Department of Rural Development have been apprised that the payment system not connected on a real time basis with the MGNREGA ICT system was the major deficiency resulting into discrepancy in the data being maintained by both the Departments. Besides, the Department of Rural Development has acknowledged that integration of MGNREGA MIS with the Postal Department MIS is proposed for tracking fund flow and wages crediting into accounts of wage beneficiaries. Not only that computerization and the proposed ICT induction in rural Post Offices is considered a panacea to address the various problems which include limited outreach of financial services in the country, complicated and lengthy procedures for disbursement of wages and above all delay in disbursement of wages to labourers etc.

Even when such a great importance has been given to the computerization of Post Offices, the progress in the task of computerization does not seem to be very optimistic. As per the data furnished by Posts out of 25538 Departmental Post Offices, 12604 Departmental Post Offices could be computerized so far. What is more disappointing is that out of the computerized 12604 Departmental Post Offices 9483 Post Offices could be provided broadband/dial-up connectivity. So far as the issue of computerization of Extra Departmental Post Offices is concerned, the Department's proposal to provide ICT device to Gramin Dak Sewaks, Branch Post Master is still on the proposal stage. Integration of MGNREGA MIS with Postal Department MIS which would provide better coordination between the two Departments and address to various issues as highlighted above is possible when all the Post Offices are computerized. The information furnished by Posts indicates that data entry for the Post Offices in account jurisdiction of Ajmer HO (Rajasthan), Doranda HO (Jharkhand) and Raipur GPO (Chhattisgarh) could only be completed on NREGASoft. The system in these Post Offices could not be integrated with the system of State Governments for want of submission of wage list in electronic form from the concerned State Government Offices. The Committee conclude from the aforesaid scenario that computerization of Post Offices and the various technological interventions suggested by both the Departments are still on initial stage. It would take years together when all the Post Offices would actually be computerized. The Committee here may like to emphasize to speed up the process of computerization of Post Offices so as to make the system of disbursement of wages effective.

(Recommendation No. 24)

Replies of the Government

8. The Department of Posts and the Ministry of Rural Development in the action taken notes have stated as under:-

“Reply of DoP:

The data available with Department of Posts (DoP) was compiled from the reports received from the Postal Circles which indicates actual number of MGNREGA accounts and amount disbursed from these accounts. Circles have reconfirmed the data provided earlier. It is further submitted that all transactions including those involving transfer of money from State Governments to Head Offices (HOs), are checked at HO level by Savings Bank Control Organisation (SBCO).

The details of number of accounts and amounts disbursed under MGNREGA during the last three years are as under:

Year	No. of accounts	Amount disbursed
2008-09	2.92 crores	Rs. 3,863 crores
2009-10	4.25 crores	Rs. 7,900 crores
2010-11	4.90 crores	Rs.9,179 crores

Discrepancy in data available with MoRD and DoP can be removed if State Governments transfer data online to post offices. MGNREGA software (NREGASOFT) was installed in three Head Post Offices (Ajmer HO, Doranda HO and Raipur GPO) on pilot basis. MGNREGA data with respect to these HPOs has already been entered into the software but it could not be operationalized in real time as the concerned State Governments have not been able to supply their data in the soft form. The matter has been taken up with MoRD to instruct the State Governments for supply of wage lists in soft form.”

(Reply to Recommendation No. 2)

“Reply of MoRD:

The data regarding MGNREGA accounts with post offices and MGNREGA wages disbursed through post office accounts with the Ministry of Rural Development is based on Monthly Progress Report (MPR) and MIS reports entered/furnished by the State Governments. It is not possible for the Ministry of Rural Development to physically verify this data with the data available with the Department of Posts. The Ministry of Rural Development has to rely on data furnished by the States. Unless the Department of Posts and the State Governments use the same platform for MIS reporting and transactions, there are bound to be discrepancies and mismatch in the data among both sources. The Ministry of Rural Development has already offered the MGNREGA software for sharing with the Department of Posts to shift to a single data source.”

(Reply to Recommendation No. 2)

“Reply of DoP:

As far as Department of Posts is concerned it has an elaborate provision for audit of all accounts. MGNREGA accounts are treated as SB accounts for procedural purposes. All transactions relating to these accounts are checked by Savings Bank Control Organization (SBCO). In addition, there is a provision for annual audit by P&T audit and half yearly inspections by administrative/accounts officers”

(Reply to Recommendation No. 3)

“Reply of MoRD:

The data regarding MGNREGA accounts with post offices and MGNREGA wages disbursed through post office accounts with the Ministry of Rural Development is based on Monthly Progress Report (MPR) and MIS reports entered/furnished by the State Governments. It is not possible for the Ministry of Rural Development to physically verify this data with the data available with the Department of Posts. The Ministry of Rural Development has to rely on data furnished by the States. Unless the Department of Posts and the State Governments use the same platform for MIS reporting and

transactions, there are bound to be discrepancies and mismatch in the data among both sources. The Ministry of Rural Development has already offered the MGNREGA software for sharing with the Department of Posts to shift to a single data source.”

(Reply to Recommendation No. 3)

“Reply of DoP:

In all 24015 Departmental post offices have been computerized. The rest of 1279 Departmental post offices would be computerized considering the space availability in these post offices. The Department of Posts has undertaken an end to end IT Modernisation Project (India Post 2012) to equip itself with requisite modern tools and technologies. A part of the larger initiative (India Post 2012) is the Rural Information and Communication Technology (ICT) solution which shall enable Department of Post to connect various Extra Departmental Post Offices. The rural post offices will be provided with Rural ICT devices with required applications for performing Postal, Banking, Insurance and MGNREGS and Retail operations. The Rural ICT will enable electronic networking of 129497 rural post offices”

(Reply to Recommendation No. 24)

“Reply of MoRD:

The Ministry of Rural Development has already offered the MGNREGA software for sharing with the Department of Posts for shifting to a single platform and data source”

(Recommendation No. 24)

9. The data with regard to the number of accounts and amount disbursed under MGNREGA as furnished by the Department of Posts and the Ministry of Rural Development during the course of examination of the subject had revealed that every year the Ministry of Rural Development records indicated higher level of number of accounts and the amount of wages disbursed under MGNREGA. Such gap was to the extent of 10 lakh in the number of accounts and Rs. 289.94 crore in the amount disbursed during the year 2008-09 and 13 lakh in the number of accounts and Rs. 1026.25 crore in the amount disbursed during the year 2009-10. When the issue was emphatically raised in the report, the Ministry of Rural Development did not bother to check such discrepancy State/UT wise. The casual attitude of both the Department of Posts and the Ministry of Rural Development is reflected from the action taken notes furnished to the Committee. The Department of Posts seems contended by simply stating that they have verified their data and found the information furnished to the Committee during the course of

examination as correct and consider their audit review of accounts as satisfactory. Not only that the Ministry of Rural Development has expressed helplessness in physically verifying the data maintained by the Posts.

The Committee are further disappointed to note the response of the Ministry of Rural Development whereby it has been stated that such discrepancy and mismatch in the data among both sources are bound to happen unless the Department of Posts and State Governments use the same platform for MIS reporting and transactions. So far as the status of using the same platform for MIS reporting and transactions by Posts is concerned the Committee note from the reply furnished by Posts that MGNREGA software was installed in three Head Post Offices (Ajmer HO, Doranda HO and Raipur GPO) on pilot basis. Even in these Head Post Offices the software could not be operationalized in real time as the concerned State Governments have not been able to supply their data in the soft form. The Committee are conscious of the fact that MIS reporting by Posts and the State Governments using the same platform for MIS reporting by Posts and the State Governments is possible only when all the Post Offices, local bodies, the local/district administration in various States/UTs in rural areas are computerized and e-enabled. So far as the status of computerization of rural Post Offices is concerned, Department's proposal to provide ICT devices to Grameen Dak Sevaks, Branch Post Master is still on proposal stage. The Posts has acknowledged in the reply that integration of MGNREGA MIS with Postal MIS which is considered as the panacea to solve the various problems, is possible only when all the Post Offices are computerized.

The Committee further observe that the data of Posts indicates actual expenditure met with regard to disbursement of wages and it should be at par with the amount disbursed by Posts. Such discrepancy clearly indicates that there are irregularities in implementation of MGNREGA. Moreover, the Ministry of Rural Development not verifying the data with the State Governments/district administration is not acceptable to the Committee particularly when such gaps are huge. Huge discrepancy clearly indicates some problem in the system of audit/review with regard to the MGNREGA accounts. Besides, having elaborated provisions in the Operational Guidelines for audit, it is utmost necessary to ensure that proper audit/review of MGNREGA accounts is undertaken by the

State Governments, local administration as well as Posts. The Ministry of Rural Development which is the nodal Ministry cannot simply be contended by showing the helplessness on the issue. MGNREGA is a Central Act and it is the responsibility of the Ministry of Rural Development to ensure that the Guarantee Scheme is implemented properly and money reaches to the beneficiaries. The Committee would like the Department of Posts to convey their concerns at the highest level in the Ministry of Rural Development. Besides, the Cabinet Secretary should also be informed about the concerns of the Committee. Some sort of structured mechanism should be evolved whereby the data maintained by various sources can be properly coordinated. The country cannot afford such irregularities and wait for the computerization of all Post Offices and the total rural areas in the country which is taking long time. Initially some sort of efforts should be made on the part of Posts as well as the Ministry of Rural Development to find out the name of the States/UTs, where there is huge gap between the data of Posts and Rural Development so that the issue can be probed further and remedy found. The Committee again exhort the Posts as well as the Ministry of Rural Development to find out ways and means so that such discrepancy is not reported in future.

II. Delay in payment of wages under MGNREGA

Recommendations of the Committee (Para Nos. 6 & 8)

10. The Committee had recommended as under:-

Section 3(3) of the MGNREG Act provides for disbursement of daily wages on weekly basis or in any case not later than a fortnight after the date on which the work was done. Besides, as per Para 7.2 of Annexure II of MoU, payments are to be completed within 3 days from the date of receipt of wage list and availability of funds. Besides, the flow chart indicating the specific time limit for each of the activity has been suggested to the States by the Department of Rural Development to ensure payment of wages within a fortnight. In spite of the statutory requirement and the specified time limit at each level as suggested, there have been cases of delay in payment of wages. Whereas CAG Performance Audit Report number 11 of 2008 undertaken in 17 States has pointed out delay in payment of wages in 213 GPs, to the surprise of the Committee, the Department of Rural Development has received only 40 complaints in this regard. Even when as per the Department of Rural Development one of the bottlenecks in timely disbursement of wages is delay in payment of wages through Post Office even after timely issuance of payment advice to sub-Post Office, the Department of Posts do not seem to

be serious on the issue of delay in disbursement of wages under MGNREGA. At one point Posts claimed that no specific complaint of delay has been received. At another point during the course of examination, the Department while acknowledging the delay has stated that there are cases where wage earners could not withdraw the amount within the stipulated timeframe of three days.

With regard to the onus of delay, the Department of Posts has tried to shift the major burden to the State Governments. The Committee conclude from the aforesaid scenario that efforts are not being made by Posts to know the ground reality with regard to the disbursement of wages. The Committee observe that the ground reality in this regard is much worse. There are cases of delay in payment of wages. There is an urgent need on the part of the Department of Rural Development and Department of Posts to find out the actual scenario and take all the desired initiatives so that the labourers who are poorest of the poor in the country get timely wages to meet their day to day requirements.

(Recommendation No. 6)

The Committee note that as per the reply given by the Department of Posts, the average time taken in disbursement of wages to one labourer in Post Office is six minutes. When the issue of average time taken for disbursement of wages was addressed to the Department of Rural Development, the representative during the course of deliberations responded that the delay with regard to wages can be captured through MIS data and assured the Committee that the status of average time in disbursement of wages would be submitted. When the question was specifically raised through post evidence question, the Department instead of furnishing the details about the average time taken in disbursement of wages has furnished the status of delay with regard to disbursement of wages. Whereas in the earlier replies furnished by the Department of Rural Development, it has been stated that 40 complaints relating to delay in payment of wages have been received in the Department, the post evidence replies states that in 86 per cent of the cases wages have been paid within the stipulated time which means that in 14 per cent cases there is delay in disbursement of wages. Not only that in 1.61 per cent of the cases, the delay has been reported to be beyond 90 days. The sum total of number of accounts in Post Offices for the three years i.e. 2008-09, 2009-10 and 2010-11 (upto November) is 11.78 crore as per the data furnished by the Department of Rural Development. Even if the number of Bank accounts is not taken into consideration, and it is presumed that in one MGNREGA account payment has only been made once in each year, in 1.6492 crore cases (14 per cent of the 11.78 crore accounts) there has been delay. The said data clearly indicates that the situation is alarming. The ground situation in this regard may be further worse. What is more disappointing to the Committee is the lack of seriousness on the part of the Department of Rural Development and Posts. The Committee at the various stages of examination of the subject have been furnished various data with

regard to delay in disbursement of wages under MGNREGA. The initial information furnished by both the Departments indicated a very satisfactory position. However, when the issue was dug further by the Committee, the aforesaid data which indicates the delay in as much as 14 per cent of the cases has been furnished by the Department of Rural Development.

While expressing serious concern over the ground situation in this regard, the Committee strongly recommend to identify the districts, blocks, villages where the number of delay cases are much more and identify the reasons for the delay so that the corrective action can be taken. The action on the suggested line should be taken and the Committee apprised accordingly.

(Recommendation No. 8)

Replies of the Government

11. The Department of Posts and the Ministry of Rural Development in the action taken notes have stated as under:-

“Reply of DoP:

As soon as post offices receive wage bills and funds are made available by the State Government, disbursement of the wages starts. In some exceptional cases where cash is not readily available due to law and order problem or inability of Banks to provide cash, it may be delayed for a few days. However wages of the wage earners get credited in their respective accounts immediately and these accounts start earning interests.

The mechanism of mandatory inspections and visits serves the purpose of finding ground reality regarding time taken in disbursement of wages to the labourers under MGNREGA through Post Offices. Payments of wages start from the next day of receipt of wage list if funds are made available. As stipulated in MOU, payments are completed in 3 days if wage earner attends post office for payment. It has been noticed that there are cases where wage earners do not withdraw the amount within 3 days. In most of these cases, delay in payment is due to non-appearance of wage earner on the dates of payment made by post offices”

(Reply to Recommendation No. 6)

“Reply of MoRD:

The State Governments have been advised by the Ministry of Rural Development to identify such Branch Post Offices and Sub Post Offices where cash limit and line limit are inadequate leading to delay in wage payments and take up the matter with concerned Chief Post Master General (CPMG). In addition to this, the Minister of Rural Development has also met the Minister of Communication & IT to discuss issues relating to speedy disbursement of MGNREGA wages through post offices. The State Governments have also

been advised to place cash equivalent to one month average wage payment in advance with post offices to address delay, if any, arising due to time taken between release of payment by State Government and actual receipt of funds by Post Offices.”

(Reply to Recommendation No. 6)

“Reply of DoP:

The Ministry of Rural Development has been requested to share the data which indicates the delay in as much as 14 percent of the cases relating to payments through post offices so that corrective action may be taken in this regard. As per our reports, some delay in payment by Post Offices occurs only in difficult areas. MoRD has also been requested to intimate the basis on which delay is worked out which may be with reference to the date of completion of work or it may be with reference to receipt of wage bills and availability of cash at post office. DoP works out delay with regard to the receipt of wage bill and availability of cash. The desired information from MoRD is still awaited. However, data available on MoRD website has been examined by some Circles. In case of Haryana, delay was reported by MoRD to have occurred in post Offices of Ambala, Hisar, Jind, Kaithal and panchkula districts. However, Haryana Circle has reported that no account has been opened in the Panchayats of Ambala, Hisar, Jind and Panchkula districts. In case of Kaithal district Circle has reported that there has been no case of delayed payment. In case of other Circles too, the delay has been found in some cases only”

(Reply to Recommendation No. 8)

“Reply of MoRD:

The total number of accounts in post offices indicated by Ministry of Rural Development as on 31st March of a financial year is the cumulative number of accounts on that date and include accounts opened in previous years also. As on 31st March 2011, 4.36 crore MGNREGA accounts were reported to be opened. This includes all post office accounts opened till 31st March 2011. Delay in disbursement of wage payment is a result of delays that occur at different stages of processes involving various agencies. In order to ensure timely payment, State Governments have been advised by the Ministry of Rural Development to make use of Information Communication and Technology enabled models like Business Correspondent, Rural ATM, handheld devices, smart cards, bio-metrics, mobile banking etc, for easy wage payments to MGNREGA workers. To strengthen the institutional outreach for MGNREGA wage disbursement, it has also been decided that State Governments will roll out the Business Correspondent Model to make wage payment through Banks with Bio-metric authentication at village level on competitive bid basis from Banks by inviting Expression of Interest (EOI)/Request for Qualification (RFQ).”

(Reply to Recommendation No. 8)

12. The Committee during the course of examination of the subject had been informed by the Ministry of Rural Development that in 86 per cent of cases wages under MGNREGA have been paid within the stipulated time which means that in 14 per cent of cases there is delay in disbursement of wages. As per the information made available to the Committee by the Ministry of Rural Development, in 1.61 per cent of the cases the delay has been reported to be beyond 90 days. The Committee while taking note of the alarming situation in this regard had strongly recommended to identify districts, blocks and villages where the number of delay cases are much more. The Committee are concerned to note that even after acknowledging the delay in disbursement of MGNREGA wages to the extent of 14 per cent of the cases, the Department of Posts and the Ministry of Rural Development have not been able to identify the cases as is apparent from the action taken notes. The Ministry of Rural Development instead of giving details of the specific data has stated in a vague manner that delay in disbursement of wages is a result of delay that occur at different stages of processes involving various agencies. On the part of the Department of Posts, the data available on MoRD website has been examined by some Circles and it has been found that no account has been opened in the Panchayats of most of the places indicated on the MoRD website.

The Committee express unhappiness over the way such an important issue has been addressed by the Department of Posts and the Ministry of Rural Development. Even when it is a acknowledged fact that there is delay in disbursement of MGNREGA wages, the Ministry of Rural Development which is the nodal Ministry has not been able to give specific details of the delay cases where the Posts has been involved. The Committee again emphasize that the districts, blocks and villages where the number of delay cases are much more should be identified so that corrective action can be taken. The concerns of the Committee in this regard should be duly conveyed to the Ministry of Rural Development. Besides the Department of Posts on their own should also monitor the position of time taken in disbursement of wages through their own mechanisms so that the information with regard to delay in disbursement of wages by Posts is regularly maintained. Not only that the said information should be made transparent by putting the information on the website as well as through other mechanisms like display of information in Post Offices and Panchayat Offices etc.

III. **Payment of compensation in case of delay in disbursement of wages under MGNREGA**

Recommendations of the Committee (Para Nos. 9 & 10)

13. The Committee had recommended as under:-

The information furnished by the Department of Rural Development indicates that only in Jharkhand compensation to 249 persons in Khunti and Murhu blocks has so far been made whereas the labourers as per the Act are entitled to receive payment of compensation as per the provisions made under Payment of Wages Act, 1936 (4 of 1936). What is more disappointing is the fact that the Department of Rural Development on its own has never tried to find out the status of compliance of the aforesaid provision by the various State Governments. It was only when the issue was raised by the Standing Committee on Information Technology during the course of deliberations that Ministry of Rural Development agreed to seek the clarification from all States in this regard. The Committee would like the Department of Posts to follow the Department of Rural Development in this regard and the response received from the State Governments should be furnished to the Committee. Besides, efforts should be made to ensure that all the labourers where the delay is there are duly compensated as per the provisions made in the Act.

(Recommendation No. 9)

The Committee from the status of payment of compensation to labourers observe that perhaps labourers are not aware of their statutory rights. There is an urgent need to take the initiative to make the labourers aware of their rights as envisaged under MGNREGA through various mechanisms which may include print and electronic media, Gram Sabha meetings, display of information at Panchayat Headquarters etc. The Department of Posts in coordination with the Department of Rural Development should take all the initiatives for spread of awareness amongst labourers about their rights under MGNREGA so that they can put pressure on the Posts and Banks for timely payment of wages.

(Recommendation No. 10)

Replies of the Government

14. The Department of Posts and the Ministry of Rural Development in the action taken notes have stated as under:-

“Reply of DoP:

Department of Posts is making all efforts for timely payment of wages. All the circles have already been asked to identify the cases of delay and take corrective action at the earliest. The Rural Development Department has been requested to share specific cases of delay so that corrective action can be taken in such cases. As desired by the Committee, the Department of

Posts will continue to maintain close coordination with the concerned state Governments to ensure that no unreasonable delay takes place in respect of payment of wages to the MGNREGA workers.”

(Reply to Recommendation No. 9)

“Reply of MoRD:

The Ministry of Rural Development administers several schemes/programmes including Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for rural areas. Information, Education and Communication activities by the Ministry of Rural Development for all programmes of the Ministry are done in a holistic manner both in electronic and print media out of the budget allocation for each year for generating awareness across the country for effective implementation of these programmes.

As per para 30 of Schedule II of the Act, in case of delay in payment, the labourers are entitled to receive payment of compensation as per the provisions of the Payment of Wages Act 1936. Section 4 of the Act further provides that States are to make arrangements for the proper implementation of the Scheme. Ministry has, from time to time, issued instructions to the States for timely payment of wages to the workers as per the provisions of the Act. Wherever delays in payment occur, the workers need to claim compensation from the State Government as per the provisions of the Payment of Wages Act, 1936 and the States Governments are obliged to pay compensation.”

“Reply of DoP:

Ministry of Rural Development has been requested to intimate to Department of Posts, their initiatives for spreading of awareness amongst labourers about their rights under MGNREGA. If any specific suggestions/proposals are received from Ministry of Rural Development, it will be considered by Department of Posts.”

(Reply to Recommendation No. 10)

“Reply of MoRD:

The Ministry of Rural Development administers several schemes/programmes including Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for rural areas. Information, Education and Communication activities by the Ministry of Rural Development for all programmes of the Ministry are done in a holistic manner both in electronic and print media out of the budget allocation for each year for generating awareness across the country for effective implementation of these programmes.

As per para 30 of Schedule II of the Act, in case of delay in payment, the labourers are entitled to receive payment of compensation as per the

provisions of the payment of Wages Act 1936. Section 4 of the Act further provides that States are to make arrangements for the proper implementation of the Scheme. Ministry has, from time to time, issued instructions to the States for timely payment of wages to the workers as per the provisions of the Act. Wherever delays in payment occur, the workers need to claim compensation from the State Government as per the provisions of the Payment of Wages Act, 1936 and the State Governments are obliged to pay compensation.”

(Reply to Recommendation No. 10)

15. The Committee while taking note of the fact that payment of compensation in cases of delay in disbursement of wages under MGNREGA was made only in Jharkhand to 249 persons in Khunti and Murhu blocks so far had recommended to take the initiative to make labourers aware of their rights for compensation as envisaged under the Act. Even when the various mechanisms to spread awareness were indicated in the recommendation of the Committee like print and electronic media, Gram Sabha meetings, display of information at Panchayat Headquarter etc. the Department of Posts in the action taken notes has tried to avoid the specific suggestions. In an evasive way, Posts has stated that if any specific suggestion/proposal is received from the Ministry of Rural Development it would be considered by Posts. On the part of the Ministry of Rural Development too the specific suggestions have been ignored. In a casual way, the Ministry of Rural Development has tried to justify their awareness mechanisms. It has been stated that IEC activities by the Ministry of Rural Development for all programmes of the Ministry are done in a holistic manner both in electronic and print media. The Ministry has not even bothered to check whether the specific campaign contains the information about the statutory rights of the MGNREGA workers to compensation in cases of delay in wage disbursement under MGNREGA. The Committee express unhappiness over the way the suggestions of the Committee have been dealt with by the Ministry of Rural Development as well as Posts. They again exhort the Department of Posts and the Ministry of Rural Development to consider the specific mechanisms suggested by the Committee for spreading awareness amongst the MGNREGA workers about their entitlement for compensation in case of delay in disbursement of wages. The specific action as suggested should be taken and the Committee informed.

IV. Corruption and role of middleman in disbursement of wages

Recommendation of the Committee (Para No. 11)

16. The Committee had recommended as under:-

The Committee find that as per the records of the Department of Rural Development, a total 244 cases relating to corruption in disbursement of wages have so far been reported. With regard to the number of corruption cases in Posts, as per the Department of Posts, 7 cases of loss and fraud related to MGNREGA accounts have been found and in four such cases FIRs have been lodged. The Committee are surprised to note that with the aforesaid specific cases of corruption as reported during examination, the Department of Posts when specifically asked about the role of middleman, ransom money received by officials and the labourers getting wages lesser than the amount declared has chosen to be ignorant of the matter. The Committee are unhappy over the way the Department has responded to such a serious question raised by the Committee during the course of deliberations.

The Committee further feel that the number of corruption cases as reported is just the tip of iceberg and the real situation in this regard may be more serious. There may be a number of cases of role of middleman, ransom money demanded and the labourers getting wages lesser than the amount declared. Besides, Benami wage system is prevailing in the country. The Committee find that some sort of guarantee of employment has been envisaged through MGNREGA which if implemented in a proper way can help to eradicate poverty in the country. Moreover, money in the hands of the poor persons can increase their purchasing power which can boost the economy of the country. There is an urgent need to pay serious attention by all the stakeholders which include the Ministries concerned, State Governments, Banks, Post Offices and Civil Societies. The Department of Posts and Rural Development should take all the desired initiatives so that the guarantee scheme is implemented in a proper way thereby benefitting the last person of the society in the country.

Reply of the Government

17. The Department of Posts and the Ministry of Rural Development in the action taken notes have stated as under:-

“Reply of DoP:

The Department is having efficient internal mechanism to deal with all types of complaints. When a complaint is received, the same is sent for detailed enquiry after acknowledging the receipt to the complainant. Complainants are invariably contacted as part of the enquiry, which is followed by

interrogation of concerned officials and going through the relevant documents by the field officers. Appropriate action is then taken to address the grievance of the complainant and suitable action is taken against erring officials, if any.

Department is not aware of any specific complaint of the role of middleman and the ransom money received by officials for disbursement of wages. The Rural Development Department has already been requested to share specific instances of such complaint but no reply has been received so far. MORD has been again requested to share serious complaint of role of middleman and corruption cases so that corrective action may be taken in this regard.”

(Reply to Recommendation No. 11)

“Reply of MoRD:

Ministry of Rural Development has taken multipronged measures for ensuring that the rights of the workers under MGNREGA Act are protected and integrity of the process of MGNREGA administration is preserved. Complaints received in the Ministry are forwarded to concerned State Government seeking action taken report and comments thereon. For investigation into complaints of serious nature National Level Monitors are deputed by the Ministry and their reports are analysed and findings are forwarded to the concerned State Government for taking corrective measures. Grievance redressal through the Ombudsmen to be appointed by the State Governments under MGNREGA has also been established for this purpose. The Ministry has been repeatedly reminding State Governments to ensure that they establish all suitable mechanisms for redressal of grievances and disposal of complaints in accordance with the relevant provisions of MGNREG Act.

State Governments are regularly reminded about their duty under the Act to have serious complaints investigated and action taken to ensure that in cases of mis-appropriation and embezzlement of funds disciplinary action should be initiated under Indian Penal Code and Prevention of Corruption Act, besides recovering the amount involved from the persons concerned in accordance with law.”

(Reply to Recommendation No. 11)

18. The Committee are concerned to note that even when the Ministry of Rural Development during the course of examination of the subject had informed the Committee that 244 cases relating to corruption in disbursement of wages have so far been reported, the Ministry has not shared the details of the specific complaints with regard to role of middleman, ransom money received by officials with regard to

disbursement of wages under MGNREGA with Posts as informed by the Department of Posts in the Action Taken Notes.

The Committee again emphasize that the corruption cases as reported is just the tip of the iceberg and the real situation in this regard may be more serious. The action taken notes of the Ministry of Rural Development simply highlight the various mechanisms as provided under MGNREGA for redressal of grievances and disposal of complaints as per the provisions made in MGNREGA. The reply of Posts further indicate complacency with regard to tackling the serious issue of corruption which involve role of middleman, ransom money demanded, the labourers getting wages lesser than the amount declared and the Benami wage system. The Department instead of finding out the reality in this regard is quite satisfied with their mechanisms. The Committee have been informed that the Department is having efficient internal mechanism to deal with all types of corruption. The Ministry of Rural Development and Posts are quite ignorant of the reality at the ground level. The Committee again exhort the Ministry of Rural Development and Posts to pay serious attention to the issue. The system with regard to disbursement of wages should be made transparent. Moreover, the MGNREGA workers should be made aware of the grievance redressal mechanisms and their rights under the MGNREGA which would make them lodge complaints against the erring officials. Only then the Ministry of Rural Development and Posts would know the reality about the system of disbursement of wages under MGNREGA. The Committee again emphasize to have coordinated approach amongst various agencies to deal with the issue of corruption so that the real guarantee of employment is provided to the rural poor as envisaged under the Guarantee Act.

V. Toll Free Helpline Number for redressal of grievances

Recommendations of the Committee (Para Nos. 14, 15, 16 & 29)

19. The Committee had recommended as under:-

The Committee are satisfied to note that National Toll Free Helpline Number 1800110707 to enable any person to make the complaint or query has been set up by the Ministry of Rural Development and a total of 708 complaints have so far been entered on the National Helpline. The Committee would like the Department of Rural Development to give publicity to the aforesaid

helpline so that more and more persons make use of the National Helpline, to address their grievances.

(Recommendation No. 14)

With regard to the Helpline by the State Governments, the Committee note that 24 States/UTs have set the Helpline as reported by the State Governments. The Committee emphasize that the remaining States should be further motivated to set up the Helplines.

(Recommendation No. 15)

On the issue of setting up of Helpline by the Department of Posts, the Committee are unhappy to note the casual attitude of the Department. When the issue was specifically raised, the Department in an uninterested way has stated that there is no such plan to establish a Helpline. The Committee strongly recommend that on the lines of National Helpline and State Helpline, the Department of Posts should immediately set up a Helpline at the National level as well as at Circle/local level whereby the labourers can report with regard to their grievances about the payment of wages through Posts accounts, the issue being delay in payment of wages, ransom demanded by the officials or any other matter connected with the disbursement of wages by Posts.

(Recommendation No. 16)

The Committee in their earlier reports have been recommending to make Divisional Superintendent of Postal Department as a nodal officer for the purpose of disbursement of wages under MGNREGA and display the phone number of the nodal officer on the display board erected at the workplace. The Committee have been apprised that Circles have been asked to request the State Governments to arrange for display of the phone number of the postal nodal officers at the workplace in MGNREGA. The Committee in this regard may like to emphasize that there is an urgent need to coordinate with the local bodies so that the information about the nodal officer for the purpose of disbursement of wages under MGNREGA is displayed at the work site. Besides, as suggested by the Committee in this report, the toll free numbers for grievance redressal should be identified and the information displayed at the work site after duly coordinating with the local bodies.

(Recommendation No. 29)

Reply of the Government

20. The Department of Posts and the Ministry of Rural Development in the action taken notes have stated as under:-

“Reply of MoRD:

As per the latest information available with the Ministry 24 States/Union Territories have so far established help lines for MGNREGA grievance redressal.”

(Reply to Recommendation No. 14)

“Reply of MoRD:

As per the latest information available with the Ministry 24 States/Union Territories have so far established help lines for MGNREGA grievance redressal.”

(Reply to Recommendation No. 15)

“Reply of DoP:

Phone numbers of nodal officers have been circulated for display at work place. Labourers can report their grievances to nodal officers.”

(Reply to Recommendation No. 16)

“Reply of MoRD:

As per the latest information available with the Ministry 24 States/Union Territories have so far established help lines for MGNREGA grievance redressal. “

(Reply to Recommendation No. 16)

“Reply of DoP:

Details of nodal officers has been supplied to State Governments.”

(Reply to Recommendation No. 29)

“Reply of MoRD:

If post offices are able to make arrangements for payment of MGNREGA wages at the workplace, the Ministry of Rural Development would welcome it.”

(Reply to Recommendation No. 29)

21. The Committee while reviewing the facility of toll free helpline number provided for redressal of grievances under MGNREGA had raised a series of issues as elaborated below.

- (i) While appreciating setting up of a national toll free helpline number 1800110707 by the Ministry of Rural Development to enable any person to make complaint or query, the Committee had recommended for publicity of the national toll free helpline number through various mechanism so that more and more persons make use of the helpline to address their grievances;**

- (ii) While noting that 24 States/UTs had set up State Helplines, the Committee had emphasized that the remaining States should be further motivated to set up the helplines;
- (iii) The Committee had strongly recommended to set up helpline by Posts at the National level as well as Circle/local level whereby labourers can report their grievances about the payment of wages through Posts accounts;
- (iv) The coordination with local bodies was emphasized. The Committee had recommended to display the information about the nodal officers appointed by Posts for disbursement of wages as well as the toll free number at the worksite after duly coordinating with the local bodies.

The aforesaid issues have not been addressed in the right perspective by both the Department of Posts and the Ministry of Rural Development. Both the Ministry/Department have tried to sidetrack the important recommendations made by the Committee. With regard to all the issues elaborated above, the Ministry of Rural Development without understanding the recommendations of the Committee, in a vague manner has furnished the status of setting up of State Helpline by States.

On the issue of setting up of helpline by the Department of Posts, the Committee are unhappy to note the way Posts has tried to ignore the recommendation of the Committee. Instead of taking urgent and immediate steps for setting up of helpline by Posts on the line of National/State helplines set up by the Department of Rural Development, Posts has stated that phone numbers of nodal offices have been circulated for display at workplace. The Committee understand that setting up of helpline is something different from setting and displaying the number of nodal officers. The Committee while expressing displeasure over the way the Ministry of Rural Development and the Department of Posts have shown insensitivity to the important suggestions, would like both the Ministry and Department to take concrete positive steps on the suggested lines so that the labourers can contact on toll free helplines with regard to their grievances about the payment of wages under MGNREGA , the issue being delay in payment of wages, ransom money demanded by the officials or any other matter concerned.

VI. Study of social audit conducted in various States and replicating the best of the models in other States

Recommendation of the Committee (Para No. 20)

22. The Committee had recommended as under:-

It has emerged during the deliberations that State of Andhra Pradesh has set up an independent Directorate of Accounts for social audit whose effectiveness according to the Department of Rural Development is more. The Committee feel that there may be variations of conduct of social audit in various States which need to be studied and the best of the models to be replicated in other States. The desired action in this regard may be taken by the Department of Posts and Department of Rural Development.

Reply of the Government

23. The Ministry of Rural Development and the Department of Posts in the action taken notes have stated as under:-

“Reply of DoP:

Circles have been instructed to ensure that the postal officials are present during the social audits of MGNREGA”

(Reply to Recommendation No. 20)

“Reply of MoRD:

The Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules, 2011 have been notified in the Gazette on 30th June 2011. These include social audit and have been finalized in consultation with the Comptroller & Auditor General of India and Law Ministry, taking into account comments received from State Governments, Civil Society Organisations and public. These rules, inter-alia, provide as follows:-

- a. All elected members of Panchayats and staff involved in implementing the schemes under the Act (including the staff of the Non – Governmental Organisations, Self Help Groups and disbursing agencies) shall be present at the Gram Sabha during social audit and respond to queries.
- b. The Gram Sabha shall provide a platform to all villagers to seek and obtain further information and responses from all involved in implementation. It will also provide a platform to any person who has any contribution to make and relevant information to present.”

(Reply to Recommendation No. 29)

24. The Committee are anguished to note the way the Department of Posts and the Ministry of Rural Development have responded to their recommendations made in the report on such an important subject 'Disbursement of wages to labourers under Mahatma Gandhi National Rural Employment Guarantee Act by Post Offices.' On the specific recommendation of the Committee to study the variations of conduct of social audit in various States and replicating the best of the models in other States, the Ministry/Department have not responded to the specific issues. In a vague and insensitive manner the provisions with social audit made under Mahatma Gandhi National Rural Employment Audit of Scheme Rules, 2011 have been reproduced. The Committee cannot but reiterate their recommendation and emphasize that the Ministry of Rural Development and Department of Posts should take the concrete action on the specific recommendation of the Committee.

VII. Linking of MGNREGA with UIDAI

Recommendation of the Committee (Para No. 25)

25. The Committee had recommended as under:-

The Committee are happy to note that the Department of Rural Development has joined hands with UIDAI and is introducing biometric signature. As per the plan a Unique Identity Number would be provided to all MGNREGA workers, and for this UIDAI has appointed Department of Rural Development as registrar. The Committee feel that this is a step in the right direction and hence, should be implemented with right earnest. The Committee may be kept apprised about the status of its implementation.

Reply of the Government

26. The Ministry of Rural Development in the action taken note has stated as under:-

"After discussions with UIDAI, it was originally proposed that Ministry of Rural Development will carry out residuary enrolment of MGNREGA beneficiaries to complement the national enrolment by UIDAI. Since the pace of enrolment by UIDAI is not as envisaged, enrolment by Ministry of Rural Development has not taken off."

(Reply to Recommendation No. 25)

27. The Committee are unhappy to note that the initial proposal to carry out residuary enrolment of MGNREGA workers to comprehend the national enrolment by UIDAI for which the Ministry of Rural Development was appointed as Registrar has been dropped reason being the pace of enrolment by UIDAI not as envisaged. The Committee feel that the proposal to carry out residuary enrolment of MGNREGA beneficiaries to complement the national enrolment by UIDAI merits consideration and the concerned Ministry should be requested to reconsider the proposal for which the Ministry of Rural Development was appointed as Registrar.

VIII. Payment of Wages at workplace

Recommendation of the Committee (Para No. 28)

28. The Committee had recommended as under:-

The Committee in their various reports have been recommending to find out ways to disburse wages to labourers at the workplace. The aforesaid proposal do not seem to be feasible to the Department, the reason being frequent change of workplace. The Committee may like to observe that the aforesaid constraint can be addressed if the wages are paid in time. As such, the initiatives may be taken to disburse the wages timely and the Committee's recommendation to make arrangements to disburse the wages at workplace may be considered by the Department.

Reply of the Government

29. The Ministry of Rural Development and the Department of Posts in the action taken notes have stated as under:-

“Reply of DoP:

Payment of wages at workplace is not feasible because of the fact that we are receiving wage bills and cheques only after completion of the work. In the mean time work place of the labourers gets changed. The paying officials in GDS BOs have also to keep the office opened from 3-5 hours for providing various postal services to the visiting public.”

(Reply to Recommendation No. 28)

“Reply of MoRD:

If post offices are able to make arrangements for payment of MGNREGA wages at the workplace, the Ministry of Rural Development would welcome it.”

(Reply to Recommendation No. 28)

30. The Committee have been recommending to find out way and means to disburse wages to labourers under MGNREGA at the workplace in their various reports. The Department of Posts has repeatedly been stating that the proposal is not feasible the reason being frequent change of workplace. The Committee in the recent report had observed that the aforesaid concern can be addressed if the wages are paid in time. The Committee find that whereas the Ministry of Rural Development has welcomed the suggestion of the Committee, the Department of Posts has again reiterated that Posts is receiving bills and cheques only after completion of the work and in the meantime workplace of the labourers gets changed. Posts has added another reason stating that the paying officials in GDS BOs have also to keep the office opened from 3-5 hours for providing various postal services to the visiting public. The Committee find that on the one hand the Committee have been given the impression that there is no delay in disbursement of wages under MGNREGA by Posts on the other hand the reasons put forth for not agreeing to the suggestion of the Committee to disburse wages at workplace as elaborated above clearly indicate the delay in disbursement of wages. The Committee are unable to comprehend the stand of the Department of Posts in this regard and would like to reiterate their recommendation to find out ways and means to disburse the wages under MGNREGA at the workplace. The concrete initiatives on the suggested lines be taken and the Committee informed accordingly.

CHAPTER-II

RECOMMENDATIONS / OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 5)

Wages disbursed through cash

The Committee note that the Payment of wages through accounts is the statutory requirement as per MGNREGA. In spite of that to the surprise of the Committee, the wages are being disbursed by cash in some of the States. The Committee further take note of the fact that under Section 27(1) of MGNREGA some of the districts have been given exemption from payment of wages through accounts in areas experiencing left extremism in its worst form and also where Banking and Postal Branches are very few in number. The districts given exemption by the Department of Rural Development include some of the districts in Chhattisgarh and Maharashtra State as indicated by the Department of Rural Development. The scenario of disbursement of wages by cash as emerged during the course of deliberations indicates that in other States too, the disbursement of wages is being made by cash. Only in few States 100 per cent of wages are being made through accounts. In Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Tripura and Lakshadweep the wages disbursed through accounts are less than 50 per cent during the year 2009-10. In Lakshadweep, the percentage disbursement of wages through accounts is zero. Worse is the situation in Tamil Nadu where only 0.14 per cent of wages are being disbursed through accounts even when the Department of Rural Development has claimed that there is no extremism there and IT connectivity is very good. The Committee are of the firm opinion that there is much scope of corruption in case the wages are disbursed by cash. Moreover, the State Governments not complying with the statutory requirement is not understandable to the Committee. The issue needs to be taken up on an urgent basis with the respective State Governments at the highest level. The Committee strongly recommend that their concern in this regard be brought into the knowledge of the Cabinet Secretary so that the issue is taken up urgently at the highest level with the various States particularly Tamil Nadu Government.

Action Taken by the Government

With a view to ensuring timely payment, infusing transparency and enhancing the integrity of wage payment under Mahatma Gandhi NREGA, Schedule II of Mahatma Gandhi NREGA Act was amended to make wage disbursement to Mahatma Gandhi NREGA workers through institutional accounts in Banks or Post Offices a statutory requirement. It is mandatory to make payment of wages to MGNREGA workers through their individual or joint accounts in Banks/Post Offices unless exempted on account of poor coverage of bank/post office network. The Ministry of Rural Development has exempted some districts in different states from this wherever requests for exemption supported by reasonable grounds were made to the Ministry. Apart from Tamil Nadu, the Ministry does not have reports of cash payments from other States. The issue of wage disbursement in cash in

Tamil Nadu in contravention of the provisions has been taken up strongly with the State Government by the Ministry.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 7)

On the issue of wage earners not withdrawing wages within the stipulated time of three days, the Committee observe that perhaps labourers are not being properly informed about the deposit of their wages in their Post Office accounts. The Department of Posts needs to review their system and find out some mechanism to inform the labourers about depositing of their wages in their accounts on the same day. The display of information with regard to depositing of wages at the workplace can be one of the proposed mechanism in this regard. The Department should take the desired action as suggested and inform the Committee accordingly.

Action Taken by the Government

Reply of DoP:

One copy of the wage list is made over to the presenter of the cheque. Thereafter, the representative of the State Government informs workers about the deposit and as also suggested by the Standing Committee action to display the information is taken by pasting information on the notice board of Post Office/ Gram Panchayat. In addition following measures are also taken :-

Munadi through Gram Panchayat authorities.

Spreading information through Rozgar Sahayak/ Panchayat Sevak.

Reply of MoRD:

The State Governments have been advised by the Ministry of Rural Development to identify such Branch Post Offices and Sub Post Offices where cash limit and line limit are inadequate leading to delay in wage payments and take up the matter with concerned Chief Post Master General(CPMG). In addition to this, the Minister of Rural Development has also met the Minister of Communication & IT to discuss issues relating to speedy disbursement of MGNREGA wages through post offices. The State Governments have also been advised to place cash equivalent to one month average wage payment in advance with post offices to address delay, if any, arising due to time taken between release of payment by State Government and actual receipt of funds by Post Offices.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 12)

Appointment of Ombudsman

The Ministry of Rural Development on 7th September 2009 issued an order under Section 27(1) of MGNREGA regarding the establishment of the office of Ombudsman in various districts within three months of the date of order. Even when the stipulated timeline for appointment of Ombudsman was given, the deliberations held by the Committee reveal that Ombudsman has not been appointed so far in all the districts. From the information furnished by the Department, the Committee note that only in 5 States viz. Punjab, Sikkim, Manipur, Mizoram and Himachal Pradesh Ombudsman has been appointed in all the districts. Non-availability of suitable candidates as per the prescribed qualifications in the order has been cited as reason by the Department of Rural Development for non-appointment of Ombudsman in all the districts. The Committee feel that qualification criteria need to be reviewed by the Government so as to ensure that the Ombudsman is appointed in all the districts which would definitely help in effective implementation of MGNREGA.

Action Taken by the Government

The Central Government had vide letter dated 7th September 2009 directed all state governments to appoint Ombudsman in districts for redressal of Grievance in a time bound manner. The Central Government is monitoring the appointment of Ombudsman by the State Governments. Details regarding appointing Ombudsman in all or majority of districts are enclosed. 16 states have appointed Ombudsman in all or majority of districts. Keeping in view the importance of duties and responsibilities attached with the post of Ombudsman, the Ministry of Rural Development is not in favour of relaxation of prescribed qualifications, as this would invite applications even from non-serious and unsuitable candidates. The concerned States have been re advertising with the aim to reach to well qualified candidates who missed out in the earlier rounds of selection.

The States where Ombudsmen have already been appointed in districts have been advised to send details of the redressal cases handled by Ombudsmen with their comments on working of the Scheme to the Ministry of Rural Development.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 13)

The Committee further note that guarantee scheme is the flagship scheme of the Central Government and all the outlay required for the scheme is being provided to the State Governments by the Central Government. Even then the Department of Rural Development is least bothered to find out the details of the redressal cases handled by Ombudsman. When specifically asked, the Committee have been apprised that Ombudsman is supposed to send a monthly report to the Chief Secretary and Secretary of State Nodal Department recommending appropriate action. The Committee are of the firm

view that the Department of Rural Development should monitor the functioning of the various mechanisms established under the Central Act i.e. MGNREGA. The Department of Rural Development cannot be contended with formulating the scheme and issuing guidelines. The concerns of the Committee should adequately be conveyed to the Department of Rural Development so that the desired action is taken on their part.

Action Taken by the Government

The Central Government had vide letter dated 7th September 2009 directed all state governments to appoint Ombudsman in districts for redressal of Grievance in a time bound manner. The Central Government is monitoring the appointment of Ombudsman by the State Governments. Details regarding appointing Ombudsman in all or majority of districts are enclosed. 16 states have appointed Ombudsman in all or majority of districts. Keeping in view the importance of duties and responsibilities attached with the post of Ombudsman, the Ministry of Rural Development is not in favour of relaxation of prescribed qualifications, as this would invite applications even from non-serious and unsuitable candidates. The concerned States have been re advertising with the aim to reach to well qualified candidates who missed out in the earlier rounds of selection.

The States where Ombudsmen have already been appointed in districts have been advised to send details of the redressal cases handled by Ombudsmen with their comments on working of the Scheme to the Ministry of Rural Development.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 17)

Monitoring and Vigilance Committees

Operational Guidelines of MGNREGA provides setting up of a Local Vigilance and Monitoring Committee composing of the members of the locality or village where the work is undertaken to monitor the progress and quality of work while it is under progress. The Committee observe that setting up of Monitoring Committee at the village level is the most effective monitoring mechanism. There is an urgent need to monitor and study the working of these Committees. Besides, the Committee during the course of deliberations have been informed that State level Monitoring Committee meets twice a year and District level Monitoring Committee meets on a quarterly basis. To make the meetings of these Committees really effective, the representatives of Posts and Banks and other related State Governments and local Government officials along with local MLAs and MPs should also be invited at the sittings of the Committees. The desired specific guidelines in this regard should be formulated and circulated to the State Governments for compliance. Besides, the outcome of the sittings of these Committee should be constantly monitored by the Union Department of Rural Development and the Department of Posts. The structured mechanism to review the functioning of the various levels of monitoring Committees need to be formulated.

Action Taken by the Government

Reply of DoP:

The Committee has been reconstituted in the year 2010 by MORD and the Chief Postmaster General of the Circle concerned is a member of the State level Vigilance & Monitoring Committee. Senior Superintendent/ Superintendent of the Post Offices in the district is the member of district level Vigilance & Monitoring Committee. With the consent of Ministry of Rural Development, Department of Posts has agreed to make the postal Circles and Divisions a part of the State/District Vigilance & Monitoring Committees under the aegis of the Ministry of Rural Development to monitor the Centrally Sponsored Schemes.

Reply of MoRD:

The Vigilance and Monitoring Committees (V&MCs) at State and district levels are expected to review the implementation of the programmes of Ministry of Rural Development, wherein Members of Parliament and other elected representatives are given crucial role in the implementation process. In order to facilitate these Committees to function more effectively, the guidelines were revised in the year 2010. Under the revised guidelines, the Chief PostMaster General of the Circle in the State is Member of the State level V&MC. Senior Superintendents/Superintendent in the Post Department of the district and the Lead Bank Officer in the district are Members of the district level V&MC. Instructions have been issued to also invite the Convener of the State level Bankers Committee for the meeting of the State level V&MC. The Meetings of V&MC at State and district level are to be held every quarter. Any gross violation noticed by the Committee, are to be conveyed to the Ministry of Rural Development. The guidelines already stipulate that one Member of Parliament (Rajya Sabha) representing the State and exercising the option to be associated with the district level Committee of that district on fist come basis, would be designated as Co-Chairman.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 18)

The Committee note that District and State level Monitoring Committees have been set up whereby the local Member of Parliament is Chairperson and if there are more Members of Parliament they are called co-Chairpersons. The Committee in this regard would like to recommend that the similar status of co-Chairperson should be provided to the Rajya Sabha M.P. also. The Department of Posts should follow the Department of Rural Development in this regard.

Action Taken by the Government

Reply of DoP:

The Committee has been reconstituted in the year 2010 by MORD and the Chief Postmaster General of the Circle concerned is a member of the State level Vigilance & Monitoring Committee. Senior Superintendent/ Superintendent of the Post Offices in the district is the member of district level Vigilance & Monitoring Committee. With the consent of Ministry of Rural Development, Department of Posts has agreed to make the postal Circles and Divisions a part of the State/District Vigilance & Monitoring Committees under the aegis of the Ministry of Rural Development to monitor the Centrally Sponsored Schemes.

Reply of MoRD:

The Vigilance and Monitoring Committees (V&MCs) at State and district levels are expected to review the implementation of the programmes of Ministry of Rural Development, wherein Members of Parliament and other elected representatives are given crucial role in the implementation process. In order to facilitate these Committees to function more effectively, the guidelines were revised in the year 2010. Under the revised guidelines, the Chief PostMaster General of the Circle in the State is Member of the State level V&MC. Senior Superintendents/Superintendent in the Post Department of the district and the Lead Bank Officer in the district are Members of the district level V&MC. Instructions have been issued to also invite the Convener of the State level Bankers Committee for the meeting of the State level V&MC. The Meetings of V&MC at State and district level are to be held every quarter. Any gross violation noticed by the Committee, are to be conveyed to the Ministry of Rural Development. The guidelines already stipulate that one Member of Parliament (Rajya Sabha) representing the State and exercising the option to be associated with the district level Committee of that district on first come basis, would be designated as Co-Chairman.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 19)

Social Audit

Section 17(2) of MGNREGA provides that the Gram Sabha shall conduct regular social audit of all the projects taken up within the Gram Panchayat. As per the notification of the Department of Rural Development social audit shall be held at least once in every six months. The details of the number of social audits held indicates that the Guideline to hold two sittings in a year is not being complied with. Not only that all the districts in various States have not started social audit. The Committee observe that the provision of social audit is an important monitoring provision which provides the opportunity to the beneficiaries to inspect the accounts. It is a mechanism where all the details of the projects are scrutinized by the assembled public. Moreover, holding of two sittings in a year is the statutory requirement. As such the State Governments should ensure that the stipulated

number of social audits are held in every Gram Panchayat. Besides, the Committee would also like to recommend that the officials of the Department of Posts and the Banks which are the wage disbursing authority under MGNREGA are also mandated to be present at the social audit of MGNREGA so that there is direct interaction between the public and the respective officials and the grievances of the public are addressed on the spot. Not only that this mechanism would further help to find solutions to the problems being faced in implementation of the programme and very good suggestions would emerge for the effective implementation of MGNREGA.

Action Taken by the Government

Reply of DoP:

Circles have been instructed to ensure that the postal officials are present during the social audits of MGNREGA.

Reply of MoRD:

The Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules, 2011 have been notified in the Gazette on 30th June 2011. These include social audit and have been finalized in consultation with the Comptroller & Auditor General of India and Law Ministry, taking into account comments received from State Governments, Civil Society Organisations and public. These rules, inter-alia, provide as follows:-

- a. All elected members of Panchayats and staff involved in implementing the schemes under the Act (including the staff of the Non – Governmental Organisations, Self Help Groups and disbursing agencies) shall be present at the Gram Sabha during social audit and respond to queries.
- b. The Gram Sabha shall provide a platform to all villagers to seek and obtain further information and responses from all involved in implementation. It will also provide a platform to any person who has any contribution to make and relevant information to present.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 21)

Structured mechanism for inspection by the Senior Officers

The Committee take note of the structured mechanism for inspection by the senior officers of Posts. In this regard, the Committee may like to recommend to the Department to have a system of analyzing the inspection reports of the officers with regard to disbursement of wages to labourers under MGNREGA by Posts. The suggested system would help the Department in analyzing the ground reality with regard to disbursement of

wages and taking the desired corrective measures for the efficient system of disbursement of wages by Posts.

Action Taken by the Government

Detailed inspection questionnaire has been prescribed to check the work of MGNREGA wage disbursement in post offices during their mandatory annual inspections. The questionnaire includes questions on time taken to disburse the wages after receipt of wage bills and the funds, record management, and timely submission of reports. The inspecting authorities are also required to check a specified number of passbooks to ensure that amount intended for the account holders has actually been entered in the passbooks and disbursed to the concerned wage earner only. The inspection reports of inspectorial officers are being examined by next higher level officer and corrective action is being taken on actionable Para.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 22)

The obligation on the part of State Governments as per MoU entered between the State Government and Department of Posts

The Committee observe that a MoU has been entered between State Governments and the Department of Posts whereby the obligation of the Department of Posts and State Governments and MGNREGA authority has been explained. The Department of Posts during the course of deliberations has enumerated the details whereby MGNREGA authorities do not comply with their obligations as enshrined in MoU which include State Governments not depositing the amount of rolling fund with Post Office, non-availability of the wage list relating to the works performed under MGNREGA, non-intimation of requirement of cash in advance, non-depositing of the amount with the Head Post Office in advance. The Committee while taking note of the non-compliance of the obligations on the part of the State Governments/MGNREGA authorities would like the Department of Rural Development to take up the issue with the various State Governments so that the labourers can get the timely wages.

Action Taken by the Government

The State Governments are being advised by the Ministry of Rural Development from time to time to coordinate with postal authorities for fulfillment of mutual responsibilities and obligations in various aspects relating to disbursement of MGNREGA wages

through post offices for which States have also entered into MOUs with the postal authorities. They have been advised inter-alia, to identify such Branch Post Offices and Sub Post Offices where cash limit and line limit are inadequate leading to delay in wage payments and take up the matter with concerned Chief Post Master General (CPMG). The State Governments have also been advised to place cash equivalent to one month average wage payment in advance with post offices to address delay, if any, arising due to time taken between release of payment by State Governments and actual receipt of funds by post offices.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 23)

The Department of Rural Development on their part have also raised some of the bottlenecks identified by them regarding disbursement of wages by Posts. During the course of deliberations, one of the concerns identified is limited outreach of Posts and Banks. The Committee are constrained to note that when aforesaid constraint was specifically brought to the knowledge of the Department of Posts, they seem contented with the existing status of outreach of Post Offices whereby Posts has claimed that there is no area in the country which is not covered with the Post Office and their delivery staff. The Committee again caution the Department over their contentment on the various issues. Providing financial services to every nook and corner of the country is the challenge before the country and Posts' contention that there is no scope for further extension of Post Offices is not appreciable particularly when only 25 per cent of the villages in the country as per the Government's own data are covered by Banks/Post Offices. The Committee strongly recommend that the financial services through Posts should be made available to each and every person of society by taking the suitable measures.

Action Taken by the Government

In order to strengthen the network it is proposed to open 11460 post offices in 12th Five Year Plan. This includes opening of post offices in all 8042 Gram Panchayat villages in Integrated Action Plan districts which do not have post offices as of now. The Circles have been instructed to open SB accounts of all BPL households with the post offices in order to provide financial services to such households. POSB services are provided in all villages of the country through a network of more than 1,52,000 Post Offices. Every village of the country is connected with one post office through which POSB services are being provided.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 27)

Inadequate Manpower

The Committee note from the information furnished by the Department of Posts that 31903 Posts which include Group 'A' service 86 posts, Postal Superintendent Service Group 'B' 2404 posts and Group 'C' 29413 posts are lying vacant. With regard to the vacancies of Gramin Dak Sewaks 32862 posts are lying vacant. The Committee have further been apprised during the course of deliberations that the Department was facing problems in filling the vacancies due to optimization policy of the Government whereby direct recruitment vacancies could be filled up to the extent of 1/3rd of the direct recruitment vacancies arising in the year subject to a further ceiling that does not exceed 1 per cent of the total sanctioned strength of the Department. The aforesaid restriction has been lifted w.e.f. 1 April, 2009 and the Department is making efforts to fill up the vacancies. In this direction 12,000 vacancies were filled up during the previous year and during the current year another 7,000 vacancies are planned to be filled up. The Committee may like to recommend to the Department to take the desired initiatives to fill up the vacancies in a time bound manner so that Posts can further increase their area of activity particularly under MGNREGA and the wages to the labourers are disbursed effectively.

Action Taken by the Government

The department has 31903 vacant Posts, 8378 posts are to be filled up by direct recruitment and remaining 23525 posts are to be filled up by promotion according to the provisions in the recruitment rules. Upto March, 2011 22153 posts in various grades have been filled up.

- a. Action is being taken by the Department to fill up the vacant posts by direct recruitment as well as by promotion on a regular basis. The Heads of Postal Circles have been directed to take necessary action to fill up the vacant posts by expediting the process. also, wherever such examinations are prescribed, the Departmental Examinations are held regularly to fill up promotional posts.
- b. The filling up of the posts which fall vacant due to promotions, retirement, resignation, death or leave of the incumbents during the year, is an ongoing process. Till the time, the vacant posts are filled up on regular or adhoc basis, the work is managed by redistribution and combination of duties, rationalization of procedures etc. In addition to this, Short Duty Staff is also engaged in the Post Offices and paid substitutes for delivery of postal articles.
- c. The vacancies meant to be filled up by direct recruitment are also being filled up in accordance with the policies of the Government. It is further intimated that since 2009 vacancies in various Groups are being filled up. Vacancies for the year 2011 in various cadres will be filled up as per the calendar of examination.
- d. The vacant posts of Multi Tasking Staff which could not be filled up earlier are being filled up as per the new Recruitment Rules notified in January, 2011.
- e. It may, therefore, be seen that department is taking necessary steps to fill up the vacancies whenever arising as per the existing Recruitment Rules.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 30)

Helping the Labourers in opening of MGNREGA accounts

The Committee find that services of Gram Rozgar Sevak/ Gram Panchayat Secretary/Members of the village Organization/SHGs/NGOs and other social workers are being used to help the labourers in completing the formalities to open their accounts as well as filling up of withdrawal forms etc. The initiatives are in the right direction and need to be continued so that illiterate labourers can be assisted in opening the accounts and withdrawing money from their Posts accounts.

Action Taken by the Government

Postal officials in rural post offices have also been instructed to extend all help to labourers while opening their accounts and while withdrawing their money. The postal officials help MGNREGA labourers in filling up account opening and withdrawal forms etc.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 31)

Training to employees of Posts in handling the task of disbursement of wages under MGNREGA

While taking note of the initiatives taken by the Department to train the employees of Posts in handling MGNREGA accounts, the Committee may here like to emphasize that illiterate labourers need a different approach from the respective officers/staff of Posts. As such, the training curriculum should include ways to sensitize the officers/staff of Posts about the type of clients they are dealing with while disbursing the wages under MGNREGA. The right approach on the part of the officers/staff would certainly increase the satisfaction level of the labourers and thereby would help Posts in extending their place under MGNREGA throughout the country.

Action Taken by the Government

An extensive training programme named 'Rural Entrepreneurship Prograame' has been formulated for training 2,50,000 (approximate) Gramin Dak Sewaks who are largely responsible for disbursement of wages under MGNREGA during 12th plan.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 32)

The Committee may further like to emphasize that MGNREGA has given lot of opportunities to Posts to extend their saving account network throughout the country. There is an urgent need to capture the opportunity by taking the benefit of vast coverage of Posts throughout the country. The Posts need to act proactively to take benefit of the opportunity provided to them.

Action Taken by the Government

The Circles have been instructed to open SB accounts of all the BPL households at the post offices. Our GDS staff are motivating the people to open more and more number of accounts with post offices.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

CHAPTER –III

**RECOMMENDATION / OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO
PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT**

--NIL--

CHAPTER –IV

RECOMMENDATION / OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation (Para No. 2)

Contradiction between the data as furnished by the Department of Rural Development and the Department of Posts with regard to number of accounts and amount disbursed under MGNREGA

The input provided by both the Departments i.e. Department of Posts and Department of Rural Development indicates contradiction on various aspects, particularly on the number of accounts and amount disbursed through Posts. During the year 2008-09 there is a difference of 10 lakh in the number of accounts and Rs.289.94 crore in the amount disbursed. During the year 2009-10 such gap is much wider. In the number of accounts there is gap of 13 lakh and in respect of amount disbursed, the gap is Rs. 1026.25 crore. During the year 2010-11 although the Department of Rural Development has furnished the data one month beyond the data furnished by the Department of Posts such gap is 29 lakh in respect of number of accounts and Rs. 1221.99 crore in respect of the amount disbursed. The representative of the Department of Rural Development during the course of deliberations agreed that there is discrepancy in the data. However, the representative of Posts tried to justify the discrepancy by stating that there is a time lag between actual disbursement of wages through Post Offices and Banks and the loading of the figures on the website. The Committee observe that the aforesaid reasoning of Posts can be accepted in case of the year 2010-11. Such a huge gape in the data furnished by the Department of Rural Development and Posts is not understandable in case of the years 2008-09 and 2009-10 which have been over long back. The Committee feel that huge gaps in the data of the two Departments raises question mark about the system of maintaining as well as monitoring of accounts under MGNREGA, one of the biggest centrally sponsored scheme of the Union Government. While expressing strong displeasure over the matter, the Committee desire explanation from both the Departments i.e. the Department of Rural Development and the Department of Posts.

Action Taken by the Government

Reply of DoP:

The data available with Department of Posts (DoP) was compiled from the reports received from the Postal Circles which indicates actual number of MGNREGA accounts and amount disbursed from these accounts. Circles have reconfirmed the data provided earlier. It is further submitted that all transactions including those involving transfer of money from State Governments to Head Offices (HOs), are checked at HO level by Savings Bank Control Organisation (SBCO).

The details of number of accounts and amounts disbursed under MGNREGA during the last three years are as under:

Year	No. of accounts	Amount disbursed
2008-09	2.92 crores	Rs. 3,863 crores
2009-10	4.25 crores	Rs. 7,900 crores
2010-11	4.90 crores	Rs.9,179 crores

Discrepancy in data available with MoRD and DoP can be removed if State Governments transfer data online to post offices. MGNREGA software (NREGASOFT) was installed in three Head Post Offices (Ajmer HO, Doranda HO and Raipur GPO) on pilot basis. MGNREGA data with respect to these HPOs has already been entered into the software but it could not be operationalized in real time as the concerned State Governments have not been able to supply their data in the soft form. The matter has been taken up with MoRD to instruct the State Governments for supply of wage lists in soft form.

Reply of MoRD:

The data regarding MGNREGA accounts with post offices and MGNREGA wages disbursed through post office accounts with the Ministry of Rural Development is based on Monthly Progress Report (MPR) and MIS reports entered/furnished by the State Governments. It is not possible for the Ministry of Rural Development to physically verify this data with the data available with the Department of Posts. The Ministry of Rural Development has to rely on data furnished by the States. Unless the Department of Posts and the State Governments use the same platform for MIS reporting and transactions, there are bound to be discrepancies and mismatch in the data among both sources. The Ministry of Rural Development has already offered the MGNREGA software for sharing with the Department of Posts to shift to a single data source.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

**Comments of the Committee
(Please see Para No. 9 of Chapter I)**

Recommendation (Para No. 3)

The Committee further note that as per the Operational Guidelines 2008 there is an elaborate provision for audit and review of accounts maintained under MGNREGA at various levels by Local Fund Auditors, Chartered Accountants, District Programme Coordinator and Gram Sabhas. From the discrepancy of the data as mentioned above it

seems that all the provisions made in the Operational Guidelines are not being strictly complied with. Not only that the representative of the Department of Rural Development do not seem to be serious with the discrepancy in the data as pointed out during the course of deliberations. He tried to argue that such discrepancy cannot be eliminated unless online real time entry system is implemented. From the status of computerization and the connectivity scenario, the analysis of which has been done in the later part of the report, the Committee find that it would take years to have online real time entry of the accounts throughout the country. The Committee observe that the country cannot wait and sit silently till online system is operational particularly when the discrepancy in the data is very large. The Committee are of the firm opinion that there is disconnect between the Department of Rural Development and Posts with regard to the maintenance of MGNREGA wage accounts. While expressing unhappiness over the way the wage accounts are being maintained, the Committee strongly recommend that the audit of accounts as per the prescribed procedure should be undertaken at various levels. Not only that the data with regard to the wages disbursed under MGNREGA by the Rural Development and Posts should be reconciled by proper coordination between the said two Departments and there should be transparency in the system. All the desired initiatives should be taken to address the issue and the Committee informed accordingly.

Action Taken by the Government

As far as Department of Posts is concerned it has an elaborate provision for audit of all accounts. MGNREGA accounts are treated as SB accounts for procedural purposes. All transactions relating to these accounts are checked by Savings Bank Control Organization (SBCO). In addition, there is a provision for annual audit by P&T audit and half yearly inspections by administrative/ accounts officers.

Reply of MoRD:

The data regarding MGNREGA accounts with post offices and MGNREGA wages disbursed through post office accounts with the Ministry of Rural Development is based on Monthly Progress Report (MPR) and MIS reports entered/furnished by the State Governments. It is not possible for the Ministry of Rural Development to physically verify this data with the data available with the Department of Posts. The Ministry of Rural Development has to rely on data furnished by the States. Unless the Department of Posts and the State Governments use the same platform for MIS reporting and transactions, there are bound to be discrepancies and mismatch in the data among both sources. The Ministry of Rural Development has already offered the MGNREGA software for sharing with the Department of Posts to shift to a single data source.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

**Comments of the Committee
(Please see Para No. 9 of Chapter I)**

Recommendation (Para No. 6)

Delay in payment of wages under MGNREGA

Section 3(3) of the MGNREG Act provides for disbursement of daily wages on weekly basis or in any case not later than a fortnight after the date on which the work was done. Besides, as per Para 7.2 of Annexure II of MoU, payments are to be completed within 3 days from the date of receipt of wage list and availability of funds. Besides, the flow chart indicating the specific time limit for each of the activity has been suggested to the States by the Department of Rural Department to ensure payment of wages within a fortnight. In spite of the statutory requirement and the specified time limit at each level as suggested, there have been cases of delay in payment of wages. Whereas CAG Performance Audit Report number 11 of 2008 undertaken in 17 States has pointed out delay in payment of wages in 213 GPs, to the surprise of the Committee, the Department of Rural Development has received only 40 complaints in this regard. Even when as per the Department of Rural Development one of the bottlenecks in timely disbursement of wages is delay in payment of wages through Post Office even after timely issuance of payment advice to sub-Post Office, the Department of Posts do not seem to be serious on the issue of delay in disbursement of wages under MGNREGA. At one point Posts claimed that no specific complaint of delay has been received. At another point during the course of examination, the Department while acknowledging the delay has stated that there are cases where wage earners could not withdraw the amount within the stipulated timeframe of three days.

With regard to the onus of delay, the Department of Posts has tried to shift the major burden to the State Governments. The Committee conclude from the aforesaid scenario that efforts are not being made by Posts to know the ground reality with regard to the disbursement of wages. The Committee observe that the ground reality in this regard is much worse. There are cases of delay in payment of wages. There is an urgent need on the part of the Department of Rural Development and Department of Posts to find out the actual scenario and take all the desired initiatives so that the labourers who are poorest of the poor in the country get timely wages to meet their day to day requirements.

Action Taken by the Government

As soon as post offices receive wage bills and funds are made available by the State Government, disbursement of the wages starts. In some exceptional cases where cash is not readily available due to law and order problem or inability of Banks to provide cash, it may be delayed for a few days. However wages of the wage earners get credited in their respective accounts immediately and these accounts start earning interests.

The mechanism of mandatory inspections and visits serves the purpose of finding ground reality regarding time taken in disbursement of wages to the labourers under MGNREGA through Post Offices. Payments of wages start from the next day of receipt of wage list if funds are made available. As stipulated in MOU, payments are completed in 3 days if wage earner attends post office for payment. It has been noticed that there are cases where wage earners do not withdraw the amount within 3 days. In most of these

cases, delay in payment is due to non-appearance of wage earner on the dates of payment made by post offices.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

**Comments of the Committee
(Please see Para No. 12 of Chapter I)**

Recommendation (Para No. 8)

Average time taken for disbursement of wages under MGNREGA

The Committee note that as per the reply given by the Department of Posts, the average time taken in disbursement of wages to one labourer in Post Office is six minutes. When the issue of average time taken for disbursement of wages was addressed to the Department of Rural Development, the representative during the course of deliberations responded that the delay with regard to wages can be captured through MIS data and assured the Committee that the status of average time in disbursement of wages would be submitted. When the question was specifically raised through post evidence question, the Department instead of furnishing the details about the average time taken in disbursement of wages has furnished the status of delay with regard to disbursement of wages. Whereas in the earlier replies furnished by the Department of Rural Development, it has been stated that 40 complaints relating to delay in payment of wages have been received in the Department, the post evidence replies states that in 86 per cent of the cases wages have been paid within the stipulated time which means that in 14 per cent cases there is delay in disbursement of wages. Not only that in 1.61 per cent of the cases, the delay has been reported to be beyond 90 days. The sum total of number of accounts in Post Offices for the three years i.e. 2008-09, 2009-10 and 2010-11 (upto November) is 11.78 crore as per the data furnished by the Department of Rural Development. Even if the number of Bank accounts is not taken into consideration, and it is presumed that in one MGNREGA account payment has only been made once in each year, in 1.6492 crore cases (14 per cent of the 11.78 crore accounts) there has been delay. The said data clearly indicates that the situation is alarming. The ground situation in this regard may be further worse. What is more disappointing to the Committee is the lack of seriousness on the part of the Department of Rural Development and Posts. The Committee at the various stages of examination of the subject have been furnished various data with regard to delay in disbursement of wages under MGNREGA. The initial information furnished by both the Departments indicated a very satisfactory position. However, when the issue was dug further by the Committee, the aforesaid data which indicates the delay in as much as 14 per cent of the cases has been furnished by the Department of Rural Development.

While expressing serious concern over the ground situation in this regard, the Committee strongly recommend to identify the districts, blocks, villages where the number of delay cases are much more and identify the reasons for the delay so that the corrective

action can be taken. The action on the suggested line should be taken and the Committee apprised accordingly.

Action Taken by the Government

Reply of DoP:

The Ministry of Rural Development has been requested to share the data which indicates the delay in as much as 14 percent of the cases relating to payments through post offices so that corrective action may be taken in this regard. As per our reports, some delay in payment by Post Offices occurs only in difficult areas. MoRD has also been requested to intimate the basis on which delay is worked out which may be with reference to the date of completion of work or it may be with reference to receipt of wage bills and availability of cash at post office. DoP works out delay with regard to the receipt of wage bill and availability of cash. The desired information from MoRD is still awaited. However, data available on MoRD website has been examined by some Circles. In case of Haryana, delay was reported by MoRD to have occurred in post Offices of Ambala, Hisar, Jind, Kaithal and panchkula districts. However, Haryana Circle has reported that no account has been opened in the Panchayats of Ambala, Hisar, Jind and Panchkula districts. In case of Kaithal district Circle has reported that there has been no case of delayed payment. In case of other Circles too, the delay has been found in some cases only.

Reply of MoRD:

The total number of accounts in post offices indicated by Ministry of Rural Development as on 31st March of a financial year is the cumulative number of accounts on that date and include accounts opened in previous years also. As on 31st March 2011, 4.36 crore MGNREGA accounts were reported to be opened. This includes all post office accounts opened till 31st March 2011. Delay in disbursement of wage payment is a result of delays that occur at different stages of processes involving various agencies. In order to ensure timely payment, State Governments have been advised by the Ministry of Rural Development to make use of Information Communication and Technology enabled models like Business Correspondent, Rural ATM, handheld devices, smart cards, bio-metrics, mobile banking etc, for easy wage payments to MGNREGA workers. To strengthen the institutional outreach for MGNREGA wage disbursement, it has also been decided that State Governments will roll out the Business Correspondent Model to make wage payment through Banks with Bio-metric authentication at village level on competitive bid basis from Banks by inviting Expression of Interest (EOI)/Request for Qualification (RFQ).

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

**Comments of the Committee
(Please see Para No. 12 of Chapter I)**

Recommendation (Para No. 9)

Payment of compensation in case of delay in disbursement of wages under MGNREGA

The information furnished by the Department of Rural Development indicates that only in Jharkhand compensation to 249 persons in Khunti and Murhu blocks has so far been made whereas the labourers as per the Act are entitled to receive payment of compensation as per the provisions made under Payment of Wages Act, 1936 (4 of 1936). What is more disappointing is the fact that the Department of Rural Development on its own has never tried to find out the status of compliance of the aforesaid provision by the various State Governments. It was only when the issue was raised by the Standing Committee on Information Technology during the course of deliberations that Ministry of Rural Development agreed to seek the clarification from all States in this regard. The Committee would like the Department of Posts to follow the Department of Rural Development in this regard and the response received from the State Governments should be furnished to the Committee. Besides, efforts should be made to ensure that all the labourers where the delay is there are duly compensated as per the provisions made in the Act.

Action Taken by the Government

Reply of DoP:

Department of Posts is making all efforts for timely payment of wages. All the circles have already been asked to identify the cases of delay and take corrective action at the earliest. The Rural Development Department has been requested to share specific cases of delay so that corrective action can be taken in such cases. As desired by the Committee, the Department of Posts will continue to maintain close coordination with the concerned state Governments to ensure that no unreasonable delay takes place in respect of payment of wages to the MGNREGA workers.

Reply of MoRD:

The Ministry of Rural Development administers several schemes/programmes including Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for rural areas. Information, Education and Communication activities by the Ministry of Rural Development for all programmes of the Ministry are done in a holistic manner both in electronic and print media out of the budget allocation for each year for generating awareness across the country for effective implementation of these programmes.

As per para 30 of Schedule II of the Act, in case of delay in payment, the labourers are entitled to receive payment of compensation as per the provisions of the Payment of Wages Act 1936. Section 4 of the Act further provides that States are to make arrangements for the proper implementation of the Scheme. Ministry has, from time to time, issued instructions to the States for timely payment of wages to the workers as per the provisions of the Act. Wherever delays in payment occur, the workers need to claim compensation from the State Government as per the provisions of the Payment of Wages Act, 1936 and the State Governments are obliged to pay compensation.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Comments of the Committee
(Please see Para No. 15 of Chapter I)

Recommendation (Para No. 10)

The Committee from the status of payment of compensation to labourers observe that perhaps labourers are not aware of their statutory rights. There is an urgent need to take the initiative to make the labourers aware of their rights as envisaged under MGNREGA through various mechanisms which may include print and electronic media, Gram Sabha meetings, display of information at Panchayat Headquarters etc. The Department of Posts in coordination with the Department of Rural Development should take all the initiatives for spread of awareness amongst labourers about their rights under MGNREGA so that they can put pressure on the Posts and Banks for timely payment of wages.

Action Taken by the Government

Reply of DoP:

Ministry of Rural Development has been requested to intimate to Department of Posts, their initiatives for spreading of awareness amongst labourers about their rights under MGNREGA. If any specific suggestions/proposals are received from Ministry of Rural Development, it will be considered by Department of Posts.

Reply of MoRD:

The Ministry of Rural Development administers several schemes/programmes including Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for rural areas. Information, Education and Communication activities by the Ministry of Rural Development for all programmes of the Ministry are done in a holistic manner both in electronic and print media out of the budget allocation for each year for generating awareness across the country for effective implementation of these programmes.

As per para 30 of Schedule II of the Act, in case of delay in payment , the labourers are entitled to receive payment of compensation as per the provisions of the payment of Wages Act 1936. Section 4 of the Act further provides that States are to make arrangements for the proper implementation of the Scheme. Ministry has, from time to time, issued instructions to the States for timely payment of wages to the workers as per the provisions of the Act. Wherever delays in payment occur, the workers need to claim compensation from the State Government as per the provisions of the Payment of Wages Act, 1936 and the State Governments are obliged to pay compensation.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

**Comments of the Committee
(Please see Para No. 15 of Chapter I)**

Recommendation (Para No. 11)

Corruption and role of middleman in disbursement of wages

The Committee find that as per the records of the Department of Rural Development, a total 244 cases relating to corruption in disbursement of wages have so far been reported. With regard to the number of corruption cases in Posts, as per the Department of Posts, 7 cases of loss and fraud related to MGNREGA accounts have been found and in four such cases FIRs have been lodged. The Committee are surprised to note that with the aforesaid specific cases of corruption as reported during examination, the Department of Posts when specifically asked about the role of middleman, ransom money received by officials and the labourers getting wages lesser than the amount declared has chosen to be ignorant of the matter. The Committee are unhappy over the way the Department has responded to such a serious question raised by the Committee during the course of deliberations.

The Committee further feel that the number of corruption cases as reported is just the tip of iceberg and the real situation in this regard may be more serious. There may be a number of cases of role of middleman, ransom money demanded and the labourers getting wages lesser than the amount declared. Besides, Benami wage system is prevailing in the country. The Committee find that some sort of guarantee of employment has been envisaged through MGNREGA which if implemented in a proper way can help to eradicate poverty in the country. Moreover, money in the hands of the poor persons can increase their purchasing power which can boost the economy of the country. There is an urgent need to pay serious attention by all the stakeholders which include the Ministries concerned, State Governments, Banks, Post Offices and Civil Societies. The Department of Posts and Rural Development should take all the desired initiatives so that the guarantee scheme is implemented in a proper way thereby benefitting the last person of the society in the country.

Action Taken by the Government

Reply of DoP:

The Department is having efficient internal mechanism to deal with all types of complaints. When a complaint is received, the same is sent for detailed enquiry after acknowledging the receipt to the complainant. Complainants are invariably contacted as part of the enquiry, which is followed by interrogation of concerned officials and going through the relevant documents by the field officers. Appropriate action is then taken to

address the grievance of the complainant and suitable action is taken against erring officials, if any.

Department is not aware of any specific complaint of the role of middleman and the ransom money received by officials for disbursement of wages. The Rural Development Department has already been requested to share specific instances of such complaint but no reply has been received so far. MORD has been again requested to share serious complaint of role of middleman and corruption cases so that corrective action may be taken in this regard.

Reply of MoRD:

Ministry of Rural Development has taken multipronged measures for ensuring that the rights of the workers under MGNREGA Act are protected and integrity of the process of MGNREGA administration is preserved. Complaints received in the Ministry are forwarded to concerned State Government seeking action taken report and comments thereon. For investigation into complaints of serious nature National Level Monitors are deputed by the Ministry and their reports are analysed and findings are forwarded to the concerned State Government for taking corrective measures. Grievance redressal through the Ombudsmen to be appointed by the State Governments under MGNREGA has also been established for this purpose. The Ministry has been repeatedly reminding State Governments to ensure that they establish all suitable mechanisms for redressal of grievances and disposal of complaints in accordance with the relevant provisions of MGNREG Act.

State Governments are regularly reminded about their duty under the Act to have serious complaints investigated and action taken to ensure that in cases of misappropriation and embezzlement of funds disciplinary action should be initiated under Indian Penal Code and Prevention of Corruption Act, besides recovering the amount involved from the persons concerned in accordance with law.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Comments of the Committee
(Please see Para No. 18 of Chapter I)

Recommendation (Para No. 14)

Toll Free Helpline Number for redressal of grievances

The Committee are satisfied to note that National Toll Free Helpline Number 1800110707 to enable any person to make the complaint or query has been set up by the Ministry of Rural Development and a total of 708 complaints have so far been entered on the National Helpline. The Committee would like the Department of Rural Development to give publicity to the aforesaid helpline so that more and more persons make use of the National Helpline, to address their grievances.

Action Taken by the Government

As per the latest information available with the Ministry 24 States/Union Territories have so far established help lines for MGNREGA grievance redressal.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Comments of the Committee (Please see Para No. 21 of Chapter I)

Recommendation (Para No. 15)

With regard to the Helpline by the State Governments, the Committee note that 24 States/UTs have set the Helpline as reported by the State Governments. The Committee emphasize that the remaining States should be further motivated to set up the Helplines.

Action Taken by the Government

As per the latest information available with the Ministry 24 States/Union Territories have so far established help lines for MGNREGA grievance redressal

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Comments of the Committee (Please see Para No. 21 of Chapter I)

Recommendation (Para No. 16)

On the issue of setting up of Helpline by the Department of Posts, the Committee are unhappy to note the casual attitude of the Department. When the issue was specifically raised, the Department in an uninterested way has stated that there is no such plan to establish a Helpline. The Committee strongly recommend that on the lines of National Helpline and State Helpline, the Department of Posts should immediately set up a Helpline at the National level as well as at Circle/local level whereby the labourers can report with regard to their grievances about the payment of wages through Posts accounts, the issue being delay in payment of wages, ransom demanded by the officials or any other matter connected with the disbursement of wages by Posts.

Action Taken by the Government

Reply of DoP:

Phone numbers of nodal officers have been circulated for display at work place. Labourers can report their grievances to nodal officers.

Reply of MoRD:

As per the latest information available with the Ministry 24 States/Union Territories have so far established help lines for MGNREGA grievance redressal.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Comments of the Committee (Please see Para No. 21 of Chapter I)

Recommendation (Para No. 20)

It has emerged during the deliberations that State of Andhra Pradesh has set up an independent Directorate of Accounts for social audit whose effectiveness according to the Department of Rural Development is more. The Committee feel that there may be variations of conduct of social audit in various States which need to be studied and the best of the models to be replicated in other States. The desired action in this regard may be taken by the Department of Posts and Department of Rural Development.

Action Taken by the Government

Reply of DoP:

Circles have been instructed to ensure that the postal officials are present during the social audits of MGNREGA.

Reply of MoRD:

The Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules, 2011 have been notified in the Gazette on 30th June 2011. These include social audit and have been finalized in consultation with the Comptroller & Auditor General of India and Law Ministry, taking into account comments received from State Governments, Civil Society Organisations and public. These rules, *inter-alia*, provide as follows:-

- a. All elected members of Panchayats and staff involved in implementing the schemes under the Act (including the staff of the Non – Governmental Organisations, Self Help Groups and disbursing agencies) shall be present at the Gram Sabha during social audit and respond to queries.
- b. The Gram Sabha shall provide a platform to all villagers to seek and obtain further information and responses from all involved in implementation. It will also provide a platform to any person who has any contribution to make and relevant information to present.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

**Comments of the Committee
(Please see Para No. 24 of Chapter I)**

Recommendation (Para No. 24)

Technological Interventions, usage of ICT Devices and Integration of MGNREGA MIS with Postal Department MIS

The Committee during the course of deliberations with the representatives of the Department of Posts and Department of Rural Development have been apprised that the payment system not connected on a real time basis with the MGNREGA ICT system was the major deficiency resulting into discrepancy in the data being maintained by both the Departments. Besides, the Department of Rural Development has acknowledged that integration of MGNREGA MIS with the Postal Department MIS is proposed for tracking fund flow and wages crediting into accounts of wage beneficiaries. Not only that computerization and the proposed ICT induction in rural Post Offices is considered a panacea to address the various problems which include limited outreach of financial services in the country, complicated and lengthy procedures for disbursement of wages and above all delay in disbursement of wages to labourers etc.

Even when such a great importance has been given to the computerization of Post Offices, the progress in the task of computerization does not seem to be very optimistic. As per the data furnished by Posts out of 25538 Departmental Post Offices, 12604 Departmental Post Offices could be computerized so far. What is more disappointing is that out of the computerized 12604 Departmental Post Offices 9483 Post Offices could be provided broadband/dial-up connectivity. So far as the issue of computerization of Extra Departmental Post Offices is concerned, the Department's proposal to provide ICT device to

Gramin Dak Sewaks, Branch Post Master is still on the proposal stage. Integration of MGNREGA MIS with Postal Department MIS which would provide better coordination between the two Departments and address to various issues as highlighted above is possible when all the Post Offices are computerized. The information furnished by Posts indicates that data entry for the Post Offices in account jurisdiction of Ajmer HO (Rajasthan), Doranda HO (Jharkhand) and Raipur GPO (Chhattisgarh) could only be completed on NREGASoft. The system in these Post Offices could not be integrated with the system of State Governments for want of submission of wage list in electronic form from the concerned State Government Offices. The Committee conclude from the aforesaid scenario that computerization of Post Offices and the various technological interventions suggested by both the Departments are still on initial stage. It would take years together when all the Post Offices would actually be computerized. The Committee here may like to emphasize to speed up the process of computerization of Post Offices so as to make the system of disbursement of wages effective.

Action Taken by the Government

Reply of MoRD:

The Ministry of Rural Development has already offered the MGNREGA software for sharing with the Department of Posts for shifting to a single platform and data source.

Reply of DoP:

In all 24015 Departmental post offices have been computerized. The rest of 1279 Departmental post offices would be computerized considering the space availability in these post offices. The Department of Posts has undertaken an end to end IT Modernisation Project (India Post 2012) to equip itself with requisite modern tools and technologies. A part of the larger initiative (India Post 2012) is the Rural Information and Communication Technology (ICT) solution which shall enable Department of Post to connect various Extra Departmental Post Offices. The rural post offices will be provided with Rural ICT devices with required applications for performing Postal, Banking, Insurance and MGNREGS and Retail operations. The Rural ICT will enable electronic networking of 129497 rural post offices.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

**Comments of the Committee
(Please see Para No. 9 of Chapter I)**

Recommendation (Para No. 25)

Linking of MGNREGA with UIDAI

The Committee are happy to note that the Department of Rural Development has joined hands with UIDAI and is introducing biometric signature. As per the plan a Unique Identity Number would be provided to all MGNREGA workers, and for this UIDAI has appointed Department of Rural Development as registrar. The Committee feel that this is a step in the right direction and hence, should be implemented with right earnest. The Committee may be kept apprised about the status of its implementation.

Action Taken by the Government

After discussions with UIDAI, it was originally proposed that Ministry of Rural Development will carry out residuary enrolment of MGNREGA beneficiaries to complement the national enrolment by UIDAI. Since the pace of enrolment by UIDAI is not as envisaged, enrolment by Ministry of Rural Development has not taken off.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Comments of the Committee (Please see Para No. 27 of Chapter I)

Recommendation (Para No. 28)

Payment of Wages at workplace

The Committee in their various reports have been recommending to find out ways to disburse wages to labourers at the workplace. The aforesaid proposal do not seem to be feasible to the Department, the reason being frequent change of workplace. The Committee may like to observe that the aforesaid constraint can be addressed if the wages are paid in time. As such, the initiatives may be taken to disburse the wages timely and the Committee's recommendation to make arrangements to disburse the wages at workplace may be considered by the Department.

Action Taken by the Government

Reply of DoP:

Payment of wages at workplace is not feasible because of the fact that we are receiving wage bills and cheques only after completion of the work. In the mean time work place of the labourers gets changed. The paying officials in GDS BOs have also to keep the office opened from 3-5 hours for providing various postal services to the visiting public.

Reply of MoRD:

If post offices are able to make arrangements for payment of MGNREGA wages at the workplace, the Ministry of Rural Development would welcome it.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

**Comments of the Committee
(Please see Para No. 30 of Chapter I)**

Recommendation (Para No. 29)

The Committee in their earlier reports have been recommending to make Divisional Superintendent of Postal Department as a nodal officer for the purpose of disbursement of wages under MGNREGA and display the phone number of the nodal officer on the display board erected at the workplace. The Committee have been apprised that Circles have been asked to request the State Governments to arrange for display of the phone number of the postal nodal officers at the workplace in MGNREGA. The Committee in this regard may like to emphasize that there is an urgent need to coordinate with the local bodies so that the information about the nodal officer for the purpose of disbursement of wages under MGNREGA is displayed at the work site. Besides, as suggested by the Committee in this report, the toll free numbers for grievance redressal should be identified and the information displayed at the work site after duly coordinating with the local bodies.

Action Taken by the Government

Reply of DoP:

Details of nodal officers has been supplied to State Governments.

Reply of MoRD:

If post offices are able to make arrangements for payment of MGNREGA wages at the workplace, the Ministry of Rural Development would welcome it.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

**Comments of the Committee
(Please see Para No. 21 of Chapter I)**

CHAPTER –V

RECOMMENDATION / OBSERVATIONS IN RESPECT OF WHICH REPLIES ARE OF INTERIM IN NATURE

Recommendation (Para No. 4)

The share of Posts in disbursement of wages under MGNREGA

The Committee note that there are around 6.5 lakh villages in the country, while the number of Bank Branches is 72165 and the number of Post Offices is 1.55 lakh. The Banks with even half of the Branches of Posts are able to capture almost 60 per cent of the MGNREGA accounts in the country. The share of Posts is marginal in some of the big States. In Uttar Pradesh, the share of Posts is just 2 per cent and in Kerala it is 5 per cent. The State-wise position further indicates that the share of Posts in some of the difficult States is quite dismal, whereas Posts has claimed that there is no area in the country which is not covered by Post Offices and their delivery staff. The aforesaid position clearly indicates that Posts have failed to leverage their access to every nook and corner of the country.

The Committee further find from the deliberations that whereas the Department of Rural Development has indicated the specific reasons for preference of Banks over Post Offices, the Posts seem contended with the prevailing situation and find their system very effective and systematic. Even when a study by Dreze and Khara undertaken in four States has found that payment in Banks was better than Post Offices and the complaints of the clients were less, Posts during the course of deliberations seemed ignorant of the aforesaid study. Not only that Posts do not seem interested to undertake a study to find out the satisfaction level of labourers in the near future when suggested by the Committee.

From the aforesaid scenario, the Committee conclude that the comparative share of Posts and Banks is the conclusive evidence with regard to choice of Banks over Posts by the various State Governments. As such, there is no point in simply arguing that it is the prerogative of State Governments to choose Banks or Posts for the purpose of disbursement of wages. The State Governments' apparent choice for Banks is due to their efficiency, better connectivity and their expertise in handling accounts and finance as stated by the Department of Rural Development. The Committee strongly emphasize that the Department of Posts need to act promptly and take the desired initiatives so as to compete with Banks on the issue of disbursement of wages under MGNREGA otherwise it would lose its place in the country. The concrete initiatives in this regard should be taken and the Committee informed accordingly. Besides a study to know the satisfaction level should be undertaken expeditiously by Posts which would help to know the ground reality and in addressing the various problems.

Action Taken by the Government

Action Taken by the Government

Department of Posts is having same operating procedure throughout the country for dealing with MGNREGA accounts. In some states post offices have large number of

accounts whereas in some other states Post Offices have less number of accounts. The choice of banks or post offices as the medium of wage payments under MGNREGA in a particular State rests with the State Government concerned.

The Department has not undertaken any specific study to find out the satisfaction level of labourers with regard to the task of disbursement of wages under MGNREGA but the mechanism of mandatory inspections and visits serves the purpose. The supervisory officers such as mail overseers, Inspectors of Post Offices/Assistant Superintendents of Post Offices, Superintendents and Sr. Supdts. Of Post Offices, Directors of Postal Services, Post Masters General, Chief Postmasters General while visiting and inspecting Post offices and Postal Divisions contact the MGNREGA wage earners on a random basis and enquire about the effectiveness and efficiency of the wage payments system. These issues are also discussed in periodical coordination meetings with State Govts and remedial measures are taken whenever any deficiency is noticed in the system. In addition, Department has devised a proforma to be filled in by Rojgar Sahayak / Gram Pradhan to find the feedback of wage earners. Further, M/s IMRB International who are already engaged for consumers' satisfaction survey, is being advised to survey satisfaction level for NREGS beneficiaries.

In order to further widen and deepen an already unmatched reach of this network India Post has embarked upon an ambitious programme of ICT induction in all its post offices. The programme involves computerizing and digitally connecting all the post offices including those in rural areas. The Rural ICT segment of this programme will bring in efficiencies in the way business is transacted. It will add value to our existing services, make the service delivery more efficient and will provide us with opportunity to initiate new services to meet the needs of our rural customers. The computerization of rural Post Offices will enable India Post to deliver much-needed social security schemes including MGNREGA even more efficiently.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 26)

Business Correspondent Model

The Committee during the course of deliberations have been informed by the Department of Rural Development that in some States Business Correspondent Model is being implemented on a pilot basis. As per the RBI guidelines, the Banks appoint agencies like Self-Help Groups which can become Business Correspondent for the purpose of disbursement of wages under MGNREGA through hand held devices (mobile ATM) using biometrics or/and the smart cards. The Committee have also been apprised that Post Offices can also become Business Correspondent Models for the Banks.

So far as the Post Office becoming Business Correspondent Model for the Banks is concerned, the Committee again note the contradiction between the position explained by the representatives of the Department of Rural Development and Posts. Whereas the Secretary, Posts acknowledged that they do not want to become Business Correspondent,

the representative of the Department of Rural Development apprised the Committee that there is one district where Banks are having the Business Correspondent Model for Post Offices. While appreciating the stand of the Department of Posts for not being interested in becoming Business Correspondent for Banks, the Committee may like to emphasize to use the services of Gramin Dak Sewaks for the purpose of disbursement of wages under MGNREGA. So far as the contradiction between the stand of the Department of Posts and the actual position whereby the representative of the Department of Rural Development has stated that in one district Banks are having Post Offices as Business Correspondent, the Committee would like the Department of Posts to clarify the position in this regard.

Action Taken by the Government

DoP has already clarified its position that it does not want to become Business Correspondent of banks. However Rural Development has been requested to provide the details of the district where according to them Banks are having Post Offices as Business Correspondent for payment of wages.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

Recommendation (Para No. 33)

Support for payment of wages to MGNREGA workers through Post Offices

The Committee note that in addition to incurring administrative maintenance expenses on MGNREGA accounts, the Department of Posts has to also incur administrative expenses to meet the legal obligations under MGNREGA for making timely payment to wage earners which include making special arrangements for conveyance of cash, security arrangements for cash during its conveyance as well as its storage, providing additional manpower to ensure that all the procedural requirements are timely met so that the payment to wage earners is not delayed. The Committee are perturbed to learn that for the year 2010-11, unlike 2008-09 and 2009-10, no plan support has been provided to Department of Posts for carrying out MGNREGA work. Besides, Ministry of Finance who had earlier conveyed the approval of Union Finance Minister on the EFC Memo for remuneration of Rs. 100 crore to be paid to the Department of Posts on account of operational and administrative cost for disbursement of wages under MGNREGA, has said that this entire fund of Rs. 100 crore would come from the administrative expenses part of the budget of Ministry of Rural Development under MGNREGA.

In this connection, a meeting was held in July 2010 under the Chairmanship of Principal Secretary to Prime Minister, and it was decided that for payment of service charges to Post Offices, Ministry of Rural Development would be sending a proposal separately to the Department of Expenditure, Ministry of Finance, which is still under process. The Committee are of the firm opinion that since the Department has to incur additional expenditure for prompt disbursal of wages, apart from the cost of opening and servicing the MGNREGS account, the decision on providing remuneration to Department of

Posts on account of operational and administrative costs for disbursement of wages under MGNREGA should be positive and be taken immediately.

Action Taken by the Government

In order to meet the administrative expenditure while disbursing MGNREGA wages by the Department of Posts, a Plan scheme 'Support for payment of wages to MGNREGS workers through post offices' was introduced by the Planning Commission during the financial year 2008-09. An amount of Rs. 80 crore was approved by EFC for the 2008-09 Annual Plan under the aforesaid scheme. A provision for Rs. 100 crores was made at BE stage for this plan scheme under the Annual Plan for 2009-10. Memo for consideration of EFC was approved by Ministry of Finance. The Finance Minister conveyed his approval with the observation that the entire fund of Rs. 100 crore would come from the administrative expenses part of budget of Ministry of Rural Development under MGNREGA. MoRD however expressed its inability to set aside this amount from the administrative expenses part of MGNREGA and referred the matter to the Prime Minister's Office.

Details of administrative expenses incurred year-wise have again been intimated to MoRD by DoP and the matter is under consideration of MoRD.

Reply of MoRD: The matter is being examined in the Ministry of Rural development.

(Ministry of Communications & Information Technology /Department of Posts O.M. No. 5-5/2011-CP dated 13/12/2011)

New Delhi;
8 August, 2012
17 Shrawana, 1934 (Saka)

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2011-2012)**

MINUTES OF THE SIXTEENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 18th June, 2012 from 1500 hours to 1645 hours in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Rao Inderjit Singh– Chairman

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Dr. Charles Dias
5. Shri A. Ganeshamurthi
6. Smt. Darshana Vikram Jardosh
7. Dr. Tarun Mandal
8. Shri P.R. Natarajan
9. Shri Tathagata Satpathy
10. Shri Rajiv Ranjan Singh *alias* Lalan Singh
11. Smt. Seema Upadhyay

Rajya Sabha

12. Shri M.P. Achuthan
13. Shri Salim Ansari
14. Shri Mohammad Adeb
15. Shri Rajkumar Dhoot
16. Dr. Bhushan Lal Jangde
17. Prof. Alka Balram Kshatriya
18. Shri Jesudasu Seelam

SECRETARIAT

1. Smt. Sudesh Luthra - Director
2. Shri Y.M. Kandpal - Additional Director

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2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee, then, took up for consideration and adoption the Draft Action Taken Report on the subject 'Disbursement of wages to the labourers under Mahatma Gandhi National Rural Employment Guarantee Act by Post Offices'. After deliberations, the draft Report was adopted by the Committee without any modification. The Committee, then, authorized the Chairman to finalize and present the Report to the House on a date convenient to him.

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3. ***** ***** ***** *****.

4. ***** ***** ***** *****.

3. ***** ***** ***** *****.

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A copy of verbatim proceedings of the sitting has been kept.

The Committee, then, adjourned.

**** **Matter not related to the Report.**

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS
CONTAINED IN THEIR TWENTY-FIFTH REPORT
(FIFTEENTH LOK SABHA)**

[Vide Paragraph No. 5 of Introduction]

(i)	Recommendations/Observations which have been accepted by the Government		
	Para Nos.:- 1 [@] , 5, 7, 12, 13, 17, 18, 19, 21, 22, 23, 27, 30, 31 and 32		
		Total	15
		Percentage	45.45
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government		
	Para No.:- Nil		
		Total	Nil
		Percentage	0.00
(iii)	Recommendations/Observations in respect of which replies of the government have not been accepted by the Committee and require reiteration		
	Para Nos.:- 2, 3, 6, 8, 9, 10, 11, 14, 15, 16, 20, 24, 25, 28 and 29		
		Total	15
		Percentage	45.45
(iv)	Recommendations/Observations in respect of the reply which is of interim nature		
	Para Nos.:- 4, 26 and 33		
		Total	03
		Percentage	9.10

@Recommendation No. 1 was just the introductory recommendation.