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**IMPLEMENTATION OF NATIONAL  
RURAL EMPLOYMENT  
GUARANTEE ACT**

**MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)**

**PUBLIC ACCOUNTS  
COMMITTEE  
2009-2010**

**EIGHTH REPORT**

**FIFTEENTH LOK SABHA**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

# EIGHTH REPORT

PUBLIC ACCOUNTS COMMITTEE  
(2009-10)

(FIFTEENTH LOK SABHA)

IMPLEMENTATION OF NATIONAL RURAL  
EMPLOYMENT GUARANTEE ACT

MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)



*Presented to Lok Sabha on 11 March 2010*

*Laid in Rajya Sabha on 10 March 2010*

LOK SABHA SECRETARIAT  
NEW DELHI

*February 2010/Phalguna 1931 (Saka)*

**PAC No. 1903**

*Price: Rs. 45.00*

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Published under Rule 382 of the Rules of Procedure and conduct of Business in Lok Sabha (Thirteenth Edition) and Printed by the General Manager, Government of India Press, Minto Road, New Delhi-110 002.

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2009-10)**

PRESENT

\*Shri Gopinath Munde — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Khagen Das
5. Shri Naveen Jindal
6. Shri Satpal Maharaj
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8. Dr. K. Sambasiva Rao
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21. Shri N.K. Singh
22. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Ashok Sarin — *Joint Secretary*
2. Shri Raj Shekhar Sharma — *Director*
3. Shri M.K. Madhusudhan — *Additional Director*

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\* Appointed as the Chairman of the Committee *w.e.f.* 6th January, 2010 *vice* Shri Jaswant Singh resigned from the Chairmanship of the Committee.

## INTRODUCTION

I, the Chairman, Public Accounts Committee as authorized by the Committee, do present this Eighth Report (15th Lok Sabha) on "Implementation of National Rural Employment Guarantee Act" based on Report No. PA-11 of 2008 of the Comptroller and Auditor General of India, Union Government (Civil Performance Audit).

2. The Report of the Comptroller and Auditor General of India for the year ended March, 2007, Union Government, No. PA 11 of 2008, (Civil—Performance Audit) was laid on the Table of the House on 24.10.2008.

3. The Committee took evidence of the representatives of the Ministry of Rural Development (Department of Rural Development) on the subject at their sitting held on 5th November, 2009. The Committee considered and finalized this Report at their sitting held on 28th January, 2010. Minutes of the sittings form Appendices to the Report.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

5. The Committee would like to express their thanks to the representatives of the Ministry of Rural Development (Department of Rural Development) for tendering evidence before the Committee and furnishing information that the Committee desired in connection with the examination of the subject.

6. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;  
26 February, 2010  
6 Phalgun, 1931 (Saka)

GOPINATH MUNDE,  
*Chairman,*  
*Public Accounts Committee.*

**PART-I**  
**REPORT**  
**BACKGROUNDANALYSIS**

**I. Introductory**

The National Rural Employment Guarantee Act, (NREGA) was enacted with the objective of enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year, to every household whose adult members volunteer to do unskilled manual work. The Act aims to supplement wage employments opportunities in rural areas and provide a safety net to rural poor and to create sustainable rural livelihoods through rejuvenation of natural resource base land, water and forests. The Act initially came into force in 200 districts with effect from 2nd February 2006 and was later extended to additional 130 districts in the financial year 2007-2008. The remaining districts have been notified under the NREGA with effect from 1st April, 2008. The NREGA thus covers the entire country with the exception of districts that have a hundred per cent urban population. According to the Act, rural households have a right to register themselves with the local Gram Panchayats (GPs), and seek employment. Work is to be provided within 15 days from the date of demand, failing which the State Government will have to pay unemployment allowance at the stipulated rates. It is a unique and laudable Act of Parliament which confers a right on the rural households to demand up to 100 days of employment as a matter of their statutory right. The Act requires every State to formulate a State Rural Employment Guarantee Scheme (REGS), which should conform to the minimum features specified under the Act. The State Rural Employment Guarantee Schemes are implemented as Centrally Sponsored Schemes on a cost sharing basis between the Centre and the States. The Central Government will bear all costs, other than the following:—

- 25 per cent of the cost of material and wages for semi-skilled/skilled worker;
- unemployment allowance; and
- administrative expenses of the State Employment Guarantee Council.

2. The Detailed Operational Guidelines under the Act have been issued by the Ministry of Rural Development. Together with the provisions of the Act, they prescribe:

- the types of works that can be covered under NREGA (subject to additions in respect of different States);
- the minimum entitlements of labour;
- the roles and responsibilities of different functionaries right from the State Government to the District, Block and Panchayati Level functionaries, including those of the Panchayati Raj Institutions (PRIs) at various levels;
- the detailed procedures for planning, financial management, registration and employment allotment, execution of works and payment of wages and unemployment allowance;

- the detailed records to be maintained at different levels; and
- the mechanisms for social audit, as well as monitoring and evaluation of outcomes.

3. The Government of India (GoI) has established a fund namely the National Employment Guarantee Fund, from which grants are released directly to Districts. Revolving funds are to be set up under REGS at the District, Block and Gram Panchayat Levels, with separate bank accounts being opened for such funds at each level.

## **II. Audit Review**

4. A Performance review of the implementation of NREGA in the initially notified 200 districts was taken up by the Audit during May-September 2007, in response to a request from the Ministry of Rural Development, so as to provide assurance that the processes under the Act were put in place and were being adopted effectively by the State Governments.

5. The performance audit of the implementation of NREGA was carried out for the period February 2006 to March 2007, covering 558 Gram Panchayats (GPs) in 141 blocks in 68 districts in 26 States.

6. The main objectives of the Performance Audit were to ascertain whether:—

- Effective preparatory steps for planning, implementation and monitoring/evaluation of outcomes were taken by the Central and State Governments;
- The procedures for preparing perspective and annual plan at different levels for estimating the likely demand for work, and preparing a shelf of projects are adequate and effective;
- There was an effective process for registration of households, allotment of job cards, and allocation of employment in compliance with the guidelines;
- NREGA works were properly planned, and executed in compliance with the Act and the guidelines, and durable assets were created and properly accounted for;
- Wages and unemployment allowance were paid in accordance with the Act and the guidelines, and the intended objective of providing 100 days of annual employment at the specified wage rates was effectively achieved;
- Funds released for NREGA were accounted for, and utilized in compliance with the guidelines;
- There was an adequate and effective mechanism at different level for monitoring and evaluation of NREGA outcomes; and
- There was an adequate and effective mechanism for social audit and grievance redressal.

7. The important findings of the Performance Audit Review are as under:—

- The Ministry's figures relating to the registration and employment under the Scheme—3.81 crore household had registered under the Act, out of which



2.12 crore households demanded employment and 2.10 crore households were provided employment during 2006-07, cannot be said to be very reliable or verifiable, as the record maintenance particularly at GP level, was poor and there is a high probability of only partial capturing of the demand for work;

- There were significant delays in affixing of photographs on job cards which is an important control against fraud and misrepresentation;
- The applications for demand for work were not documented or dated, and dated receipts for such applications were not issued in most cases, as a result the eligibility of rural households for unemployment allowance, in these cases, was unverifiable;
- There were several cases of delayed payment of wages, for which no compensation was paid. There were also instances of non-payment of unemployment allowance which became due to the employment seekers;
- Deficiencies were noticed in the set up of implementing machinery, particularly at the Block and GP levels like non-appointment of Gram Rozgar Sewaks. This insufficiency of manpower, particularly at GP level, had adverse impact on the maintenance of records at GP level, which made it difficult to verify compliance with the legal guarantee of 100 days of employment on demand;
- There were deficiencies in the planning process, particularly in the preparation of the 5 year District Perspective Plans (DPPs);
- Most States had not prepared District-wise Schedule of Rates and had adopted the Schedule of Rates of PWD/Rural Development Department, which may not necessarily ensure minimum wages for seven hours of work by labourers of weaker build like women in difficult geo-morphological condition;
- The systems for financial management and tracking were deficient, with significant cases of failure to conduct monthly squaring and reconciliation of accounts. Several instances of diversion and misutilisation of funds and non-rendering of Utilisation certificates and expenditure details were noticed.
- The status of inspection of works at the State, District and Block levels was poor, and most States had not designated State and District Quality Monitors. Also, in most cases, Gram Sabha was not held twice a year to conduct Social Audit Forums.

These issues alongwith the other related matters pertaining to the implementation of the scheme are discussed at length in the succeeding paragraphs.

#### ***Physical Performance***

8. According to the Ministry's reports, during the year 2006-07, 3.81 crore rural households had registered under the scheme. While 2.12 crore households demanded employment under the scheme, 2.10 crore households received employment, 0.22 crore households received the full 100 days of legally guaranteed employment.

### ***Financial Performance***

9. The total financial assistance provided by the Government of India to all the State Governments up to 31 March, 2007 under the scheme was Rs. 12073.56 crore (including Opening Balance of Rs. 2052.92 crore, Central Share of Rs. 8958.02 crore, State Share of Rs. 813.42 crore and Miscellaneous Receipts of Rs. 249.20 crore). Of this, the State Governments could utilize Rs. 8823.36 crore (73 per cent).

The details of physical and financial performance under the NREG Scheme is given in **Annexure-I**.

### **III. Resource Support**

10. According to the provisions of the NREGA, every State Government was required to appoint a full-time dedicated Programme Officer (PO), not below the rank of Block Development Officer (BDO), in each Block, with necessary supporting staff for facilitating implementation of the Scheme at Block level. The Operational guidelines of NREGA also provided that it would be advisable to appoint an "Employment Guarantee Assistant" (EGAs) or "Gram Rozgar Sevak" (GRSs) in each GP, in view of the pivotal role of the GP in the implementation of REGS. The suggested model for administrative expenses included a technical assistant for every 10 Gram Panchayats. The State Government could also constitute panels of accredited engineers at the District and Block levels for the purpose of assisting with the estimation and measurement of works. The State Government could consider appointing Technical Resource Support Groups at the State and District levels to assist in the planning, designing, monitoring, evaluation and quality audit of various initiatives and also assist in training and handholding, with a view to improving the quality and cost effectiveness of the scheme.

11. Audit review has revealed that in 20 States *viz* **Arunachal Pradesh, Assam, Bihar, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Orissa, Punjab, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand and West Bengal** no full-time dedicated Programme Officers (POs) were appointed in 102 test checked blocks. The existing Block Development Officers (BDOs) were appointed as POs and given the additional charge of the Scheme; Further 11 States did not appoint Technical Assistants in 57 test checked blocks and in 18 States dedicated Gram Rozgar Sevaks were not appointed in 303 test checked GPs. While 18 States did not constitute panels of Accredited Engineers for the purpose of assisting with the estimation and measurement of work, 22 States did not set up a Technical Resource Support Group of State/District level.

12. Audit found that in Andhra Pradesh, as a measure of good practice two computer operators cum assistants per block, three technical assistants per block and one dedicated technical assistant for 6-7 GPs had been appointed. At the district level, orders for appointing a panel of 10 engineers as District Resource Persons (DRPs) had been issued. At the State level, an EGS units and a technical support unit had been established.

13. In response to the aforesaid Audit observation, the Ministry of Rural Development (Department of Rural Development) has stated that their advisories to the State Governments to enable them to deploy adequate staff for NREGA at all levels

were broad suggestive framework, and the States had the option to determine their administrative arrangements, based on their own needs/requirements.

14. The Committee desired to know as to what steps the Ministry have taken to ensure that adequate and full time dedicated staff *viz.* Programme Officer, Technical Assistants and Employment Guarantee Assistants/Gram Rozgar Sevaks are appointed by all States/UTs. In their response, the Ministry in a note stated as under:—

"Ministry of Rural Development has regularly directed the States/UTs to deploy adequate staff at different levels so as to implement the NREGA effectively and efficiently. Engagement of personnel at different level is constantly monitored by Ministry through MIS and Monthly Progress Reports. In addition, Ministry of Rural Development has formulated a proposal to strengthen management of NREGA through enhancement of administrative expenditure limit from 4 per cent to 6 per cent. The proposal prescribes a model core dedicated administrative and technical staff structure at each level starting from Gram Panchayat up to State. The proposals have been considered and approved by the Expenditure Finance Committee (EFC) in its meeting held on 10th December, 2008. Based on the proposals approved by EFC, Ministry of Rural Development has moved a Cabinet Note with the approval of Ministry (Rural Development) and referred it to Ministry of Finance for taking approval of Finance Minister. Upon receipt of approval, the Cabinet Note will be placed before Cabinet for consideration and approval. Ministry of Rural Development has also approved proposal to strengthen technical support for implementation of NREGA at State level. Funds have released to the States/UTs to establish NREGA Cell at State level to efficiently and effectively implement the programme."

15. A Statement showing detailed State-wise position of deployment of different personnel is given at **Annexure-II**.

16. On being asked about the initiative taken by the Ministry/State Governments to ensure that there is reliable assessment of staff requirement for implementation of NREGA, the Ministry in a note stated that with a view to strengthening State capacity in ensuring quality, efficiency and transparency in the implementation of NREGA, States have been issued detailed guidelines on staff assessment. As per guidelines issued, Gram Rozgar Sevak for each Gram Panchayat for key functional areas like registration, job card issue, employment demand and provision, work implementation, payment, social audit and records has been provided for. Similarly at Block level, Programme Officer for each block, technical assistants pooled to service GPs, Computer assistant for IT, MIS functions and Accountant for finance has been provided. Provision for Works Manager with technical assistants, IT Manager with computer assistants, Accounts Manager with Accounts Assistant, Training Coordinator for training, social audit, grievance redressal etc. have also been made at district level. One of the proposals approved by Expenditure Finance Committee related to discussion of Ministry of Rural Development with each State individually to assess reasonable administrative support required for implementation of NREGA. Once the proposals are approved by Cabinet, the exercise of assessing realistic requirement of staff at different levels for

implementation of NREGA would be undertaken in consultation with States. States have been issued detailed guidelines on staff assessment.

#### **IV. Registration and issue of job cards**

17. The NREGA Operational Guidelines stipulate that before demanding employment under the scheme rural households have to register themselves, and get a job card. The process for registration of households and issue of job cards, involves that households may submit an application for registration or submit an oral request. A Gram Sabha shall be convened for the purpose of explaining the provisions of the Act, mobilize applications for registration and conduct verifications. A door-to-door survey may also be undertaken to identify persons willing to register under the Act. Job Cards should be issued within a fortnight of the application for registration. Photographs of adult member applicants should be attached to the job cards.

18. Audit review has revealed that while an introductory Gram Sabha meeting at the time of commencement of the Act was to be convened, such a meeting was not conducted or no documentary evidence of such a meeting was available in 120 GPs in 12 States. Door-to-door survey to identify persons willing to register was not conducted in 323 GPs in 20 States. Delays in issue of job cards were noticed in 196 GPs in 16 States and Photographs of the applicants were not attached to job cards in 251 GPs in 13 States.

19. As regards the measures/steps taken by the Ministry of Rural Development and the respective State Governments to give adequate publicity to the programme so as to ensure that all the BPL households are registered under NREGA, the Ministry in a note stated as under:—

"NREGA is open to all and is not confined to BPL households. However, Ministry of Rural Development has intensified the information. Education and Communication (IEC) campaign throughout the country to ensure all the BPL households are registered under NREGA. For this purpose, TV spots, radio jingles, periodic print advertisements on different aspects of NREGA, have been developed. In addition, IEC project with department of Posts has also been taken up to accelerate the awareness particularly about the post office accounts any payment. Communication folder has also been prepared for dissemination. In addition, States have also been advised to take all requisite action to create more and more awareness about the programme. Monthly monitoring of employment provided as a ration of BPL households district wise is done and where this is a low ration, States are specifically directed to ensure better outreach through closer inspection and acceleration of IEC activities. Regular visits are also being undertaken by Area Officers of Ministry as well as National Level Monitors to oversight the implementation of the programme and wherever awareness is required to be intensified States have been advised accordingly."

20. When asked about the steps taken to ensure affixing of photographs on all Job cards, the Ministry in a note informed the Committee that they have advised States/ UTs to initiate time bound exercise to ensure affixing of photographs on all job cards.

Also, Ministry of Rural Development *vide* Notification dated 2nd April 2008 has effected amendments in Schedule II of the NREG Act with *inter-alia* provides for affixing of photographs of registered adult members of a household on Job Cards issued.

21. While apprehending that there is scope for misuse of job cards by the GP/Department officials, the Committee desired to know about the steps taken to ensure that the job cards are retained by the registered households and not by the GP/Departmental officials. In their response, the Ministry have stated that they have brought out amendments through Notification in Schedule II of the NREG Act which *Inter-alia* provides that II job cards shall be in the custody of the Job Card holders to whom they belong. Any violation in this regard shall be considered contravention of the provisions of Act. In addition, monitoring and review is regularly held to ensure that job cards are retained by registered households. Through continued and vigorous IEC activities, NREGA beneficiaries are enlightened in this regard also. Regular social audit of works also ensure that job cards are retained by the beneficiaries.

#### **V. Works**

22. The NREGA Operational Guidelines stipulate that a unique identity number should be given to each work to avoid duplication; administrative and technical sanction should be obtained for all works in advance, by December of the previous year; worksite facilities (medical aid, drinking water, shade and creche, if there are more than five children below the age of six years) are to be ensured by the implementing agency; use of contractors is prohibited; as far as practicable, tasks shall be performed by using manual labour, and not machines; and the ratio of wage costs to material costs should be not less than 60:40, preferably at the GP, block and district levels.

23. Audit scrutiny has revealed that out of 558 GPs test checked, unique identity members were not allotted to works in 331 GPs in 19 States; in 19 Districts in 7 States the wages-material ration of 60:40 was not maintained at the district level. Further, 39 test-checked blocks in 11 States did not maintain a wage-material ratio of 60:40 at the block level; out to 558 GPs test checked, administrative approval and technical sanction of works was not obtained in advance in 95 GPs in 12 States; and in respect of 558 GPs worksite facilities were not provided or only partly provided in 227 GPs in 14 States.

24. When asked about the measures taken to ensure that unique identity number is given to each work and duplication of work is avoided, the Ministry in a note have stated that they have effected amendments through notification in Schedule I of the NREG Act which *inter- alia* provide that a unique identity number shall be given to each work. MIS code is also given to each work to facilitate avoidance of duplicate work.

25. On being asked about the steps taken to ensure that administrative and the technical sanctions are accorded well in advance to the works, the Ministry in a note stated that as per NREG Act, the District Programme Coordinator shall prepare in the month of December every year a labour budget for the next financial year containing the details of anticipated demand for unskilled manual work in the district and the plan for engagement of labourers in the works covered under the scheme. Ministry of Rural Development estimates the requirement of funds on the basis of projections, made in the labour budget. Central Funds are sanctioned after examining the labour budgets

and taking into account utilization of funds previously released. It was further stated that they have also formulated the draft National Rural Employment Guarantee Financial Rules 2008, where under administration and technical sanctions are one of the necessary conditions for release of funds.

26. Explaining the steps taken to ensure compliance with the 60:40 ratio of wages and material cost in respect of the works undertaken under NREGA, the Ministry in a note have informed the Committee that as per Para 9 Schedule I of NREG Act the cost of material component of projects including the wages of the skilled and semi-skilled workers taken up under the Scheme shall not exceed forty per cent of the total project costs. This is the mandatory requirement and the States are legally bound to ensure its compliance. Ministry of Rural Development ensure this by way of analyzing the wage material costs indicated by the State Governments in the monthly progress reports. MIS developed also capture data in this regard. Release of Central funds is also subject to compliance with the given ratio of wages and material.

27. The Committee desired to know about the steps taken by the Ministry to ensure that worksite facilities are provided to all the workers. In response, the Ministry have stated that schedule II of NREG Act stipulates conditions for guaranteed rural employment under a scheme and minimum entitlements of labourers. Implementing authorities at different levels are required to ensure that basic minimum facilities are provided to workers at worksites. As and when any deficiencies are noticed. State Government concerned is advised accordingly. The guidelines issued for administrative expenses also provide that worksite facilities are to be provided as per provisions of the Act. In addition, this aspect is taken care by the periodical studies conducted by the Ministry as well as visits of National Level Monitors.

28. The Ministry have further informed the Committee that the States have regularly been directed to provide facilities of drinking water, sheds for children, creche facilities, first aid box with adequate material for emergency treatment for minor injuries and other health hazards connected with the work being performed and period of rest at the worksite. In case of number of children below the age of six is more than five at the worksite, provision shall be made to depute one of such women worker to look after the children.

29. The Committee expressed their concern that the quality of assets created under NREGA were by and large very poor and sub-standard. The Committee enquired about the measures taken to create qualitative, durable and tangible assets under the scheme. In response, the Ministry in a note stated as under:—

"Water conservation and water harvesting are one of the important permissible works under NREGA. The works undertaken in NREGA are labour intensive with a 60:40 labour material ratio. The Act also allows for maintenance of these assets to ensure the assets are reserved and useful.

**Convergence for creation of durable and productive assets**

In view of the inter-sectorality of NREGA, the need to create durable assets and the common target group of certain development programmes, possibilities of convergence were considered by the Ministry of Rural Development.

The Ministry has developed and disseminated Guidelines for convergence of NREGS with different Schemes and specific programmes viz. Indian Council of Agricultural Research, National Afforestation Programme and other schemes of the Ministry of Environment & Forests, Schemes of the Ministry of Water Resources, PMGSY (Department of Rural Development), SGSY (Department of Rural Development), Watershed Development Programmes (Department of Land Resources, Ministry of Rural Development). 115 pilot districts in 23 States have been identified by the Ministry of Environment and Forests, MoWR and ICAR.

Joint Guidelines have also been issued with the Ministry of Agriculture and Fisheries.

17 Professional Institutions having technical competence & resources have been enlisted for monitoring of convergence pilots.

#### ***Monitoring to ensure quality of assets***

- Technical Personnel: the administrative limit under NREGA has been increased from 4 per cent to 6 per cent. The focus is on deployment of dedicated staff for NREGA, strengthening of management and administrative support structures for better implementation and monitoring of the Scheme. The States have been advised to deploy Gram Rozgar Sahayaks and Technical Assistants for day to day monitoring and measurement of works.
- Regular Inspections: Inspections are conducted to monitor works at the level of the block, district and State. Upto October 2009, a total of 2443183 works have been inspected at State, District and Block level.
- Social Audits: Social Audit enable the rural communities to monitor and analyse the quality, durability and usefulness of NREGA works. The Ministry has accorded utmost importance to the organization of Social Audits by the Gram Panchayats and issued instructions to the States to make necessary arrangements for the purpose. The Act was amended to provide for procedures on conducting social audits. Initiation of social audit in accordance with the new social audit provision make it mandatory to conduct social audit once in every 6 months.
- Independent Institutions: A Professional Institutional Network (PIN) has been constituted for steady, sustainable interventions that enhance the quality of the programme.
- National Level Monitors (NLMs) periodically monitor the execution of works which helps in supervision and monitoring of NREGA. National Level Monitors has undertaken 9 round of visit since the inception of the scheme in 2006 and have submitted a total of 921 reports.
- MIS: Work data including sanctioned shelf of works, work progress, measurement, status of works/assets are monitored online.
- NSSO Census: A works survey has been taken up in Andhra Pradesh, Madhya Pradesh and Rajasthan.

- According to the findings of the pilot study conducted in Chitradurga district of Karnataka, there is an increase in groundwater level, increase in water percolation, improvement in soil fertility leading to improved land productivity. In addition to this the findings also suggest a reduction in water vulnerability and livelihood vulnerability in these areas.

### ***Expansion of Scope of Works***

As per an Amendment to the NREG Act, work related to provision of irrigation facility, horticulture plantation and land development facilities may now be taken up on land owned by small and marginal farmers.

Small & Marginal Farmers account for 80 per cent of all land holdings and operate about 40 per cent of all cultivated land. Permitting private works on lands of small & marginal farmer implies coverage of 40 per cent of all cultivated area. With improved productivity on lands of small and marginal farmers, more employment will be generated on farmers fields as farmers capacities are increased through use of modern technologies and agronomic practices. This is a step in the direction of moving from unskilled manual labour to skilled farming practices.

In order to encourage creation of social infrastructure under NREGA, Ministry has notified construction of Bharat Nirman Rajiv Gandhi Sewa Kendra (BNRGSK) as Village Knowledge Resource Centre at block and panchayat level and Gram Panchayat Bhavan at panchayat level.”

## **VI. Employment and Wages**

### ***District Schedule of Rates***

30. The NREGA operational guidelines stipulate that District Schedules of Rates (DSRs) should be prepared for each district, and should be posted at worksites in the local language. The States should prepare exhaustive and detailed list of tasks required for undertaking works under REGS in different geomorphological conditions, and the productivity norms for the District Schedule of Rates (DSRs) should be worked for each locale in such a way that seven hours of normal work earns minimum wages on a piece rate basis. Implementing agencies may provide a description of daily work requirements to facilitate the fulfillment of productivity norms.

31. Audit examination of the records have revealed that 16 States *viz.* Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Manipur, Meghalaya, Punjab, Sikkim, Tripura, Uttar Pradesh, and Uttarakhand did not prepare separate District-wise Schedules of Rates (DSRs) specifically for NREGA works.

32. Audit had noticed a good practice in Andhra Pradesh wherein 158 works were taken up for conduct of time and motion studies by the Engineering Staff College of India, based on which a Rural Standard Schedule of Rates (RSSR) had been prepared and notified. Further, tasks were identified for various works under eight categories of NREGA, and productivity norms devised and circulated in the form of task sheets



prepared in the local language. Salient features and rates were also painted on the Village Information Wall. According to the State Government, use of locally understood terminologies in the task sheets enabled labour to understand the payment structure for a given outturn better than displaying DSRs at the worksite.

## **VII. Payment of Wages**

33. Every person working under REGS is entitled to wages at the minimum wage rate fixed by the State Government for agricultural labourers. Wages may be paid either on a time rate or piece rate basis. The NREGA Operational Guidelines further stipulate that:—

- Wages should be paid on time. In the case of delay beyond 15 days, workers are entitled to compensation as per the provisions of the Payment of Wages Act, 1936; and
- measurements must be recorded transparently, whereby individuals may verify their measurement on a daily basis.

34. Audit review has pointed out that in 79 GPs in 12 States, the workers, even after working for seven hours, were paid wages less than the minimum wage rate. Further in 213 GPs in 17 States, workers were not paid wages on time *i.e.* within a fortnight of the date on which the work was done and no compensation was paid to them.

35. Audit found that as a measure of good practice Andhra Pradesh was now making all payments to NREGA wage seekers through individual postal savings accounts. 66 lakh postal accounts have been opened, with separate accounts for women and men. Wage seekers were issued pay slips (indicating the period of work, No. of days worked and authorized pay) by village-level EGS functionaries. Payment of wages through postal accounts was also noticed in Karnataka and Jharkhand (one GP in Hazaribagh District), while payment through bank accounts was noticed in Karnataka and Kerala. In Andhra Pradesh, work-wise computer generated measurement sheets were used for recording measurements; each payment has a corresponding measurement sheet. In West Bengal the payment of wages in Dakshin Dinajpur District was now being made entirely through Bank and Post Offices and the system had been started in Birbhum and Bankura Districts.

36. When asked about the steps taken to ensure preparation of separate District Schedule of Rates and fixing of productivity norms for tasks in different geomorphological conditions, the Ministry in a note stated that as per para 7 Schedule I of NREG Act when wages are directly linked with the quantity of work, the wages shall be paid according to the schedules of rates fixed by the State Government for different types of work every year in consultation with the State Council. States may also evolve norms for measurement of work. However, while doing so, factors indicated in Para 6.7 of the Operational Guidelines may be kept in view. Preparation of separate district schedule of rates and fixing productivity norms for tasks in different

geomorphological conditions is the responsibility of State Government and the Ministry has no significant role in this regard.

37. On being asked to explain as to how timely measurement of work can be ensured so that wages to the beneficiaries can be paid on time, the Ministry in a note stated that timely measurement of work is essential to ensure timely payment of wages. However, this is possible when qualified technical personnel in charge of the worksite are adequately available. The proposed increase in administrative expenses from 4% to 6% will adequately taken care of this aspect. Measurement of work may be done on a daily basis and in a transparent manner. However, this should be done by qualified personnel a week before payment of wages. Measurement is required to be recorded in the Measurement Book maintained by qualified technical personnel. Ministry of Rural Development has notified necessary provisions in this regard in Schedule I of NREG Act.

38. The Committee desired to know the steps taken by the Ministry to ensure that payment of wages is not delayed, and in case of delay, suitable compensation is paid to the workers. To this, the Ministry in a note have stated as under:—

"Section 3(3) of NREG Act provides that the disbursement of wages shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work was done. Similarly, Para 30 of Schedule II of the Act also provides that in case the payment of wages is not made within the period specified under the scheme, the labourers shall be entitled to receive payment of compensation as per the provisions and State Governments/implementing authorities are responsible for the compliance of the same. Ministry of Rural Development also constantly monitors this through MIS developed. To contain any cases of delayed payment in wages, training modules for functionaries of Department of Posts have also been developed in consultation with National Institute of Rural development, Hyderabad. Inter-departmental coordination meetings are regularly held with Department of Posts at the level of Secretary to facilitate timely payment of wages and to consider other related issues."

39. When asked how is it ensured that seven hours of work earns at least the minimum wage rate, and under no circumstances are the workers paid less than the minimum wage rate, the Ministry in a note stated as under:—

"Schedule I of NREG Act prescribes the minimum features of a Rural Employment Guarantee Scheme which are statutorily required to be incorporated in the Employment Guarantee Scheme by State Governments. In view it is for the State Governments and other implementing agencies to ensure compliance with the statutory provisions of NREG Act. Ministry of Rural Development has also effected amendment in Schedule I of NREG Act which *inter-alia* provides that the schedule of rates of wages for various unskilled labourers shall be so fixed that an adult person working for nine hours would normally earn a wage equal to the wage rate. Ministry of Rural Development, based on the feedback received from different sources regularly advised State Governments on the different aspects of the NREGA so as to ensure efficient and effective implementation of the programme."

40. The Committee desired to know the wage rate under the NREGA and whether the wage rate stipulated under the Act will correspond to the minimum wage as notified by the each State. In response, the Secretary, Department of Rural Development during the Briefing stated as under:—

"On the issue of what is the minimum guaranteed wage per person, I would like to clarify that there is a provision within the Act under Section 6(1) which says that the Centre may notify a central wage rate for NREGA and till such time as it notifies that central wage rate, the minimum wages rate, the minimum wages which are prevalent in the States will be used as the NREGA wage rate. Sub-section (2) of that provision given the States the provision of the use of the minimum wage to be used as NREGA wages. This position continued till 01.01.09 till that time the NREGA wage rate was the same as the wage rates of the States which they have notified under the minimum wages of their own State for agricultural labour. On 1st January, 2009, the Central Government said that we are now notifying the Central Wage Rate, but they said that the Central Wage Rate is the same as the minimum wage which existed on 1.12.2008 in that State. That, then, became the central wage till a more recent announcement by the Finance Minister that we are committed to providing Rs. 100 real wage as the NREGA wage rate. Under the present circumstances different wage rates which were notified as on 1.1.2009. A majority of the States had wage rates less than Rs. 100 during this time period, between 1.01.2009 and now, the States revised their minimum wages upwards. Some revised it from, say for example, Rs. 70 to Rs. 85 and some revised it from Rs. 70 to Rs. 110. The general policy which the Ministry followed was that if the State Governments revised upwards, but below Rs. 100, that is what their State can take. They have looked at their agricultural position, they have looked at what their States can afford, what their agricultural real wage can be looking at the market. So, we agreed to whatever the State is recommending saying that we will go along with that provided it does not cross Rs. 100 wage cap which was indicated by the Finance Minister. If a State went beyond Rs. 100, the Central Government's position was that up to Rs. 100 we will reimburse, but if you are to go beyond Rs. 100, then the additionality, over and above Rs. 100, is something which the State Government must pay from its own coffers. So, this is the position as far as the issue of wage is concerned. The matter has been referred for its final decision to the Ministry of Finance. As soon as we get their final approval on it, we will formally inform the State Governments."

41. On being asked whether there have been any cases where the minimum wage paid to the beneficiaries is less than the minimum wage notified in each State, the Ministry in a note has stated that Section 6(1) of NREG Act delinks Minimum Wages Act, 1948 from the wage rate to be paid to the workers engaged under NREG Act. Central Government in accordance with Section 6(1) of NREG Act have notified the wage rate on 1st January, 2009. The wage rate so notified serve as a cap on the basis of which funding of the scheme may be done by the Central Government. Wages are paid as per the task performed by the workers based on the schedule of rates (SORs). In case the workers do not perform as per the task rate prescribed, naturally they will be paid less than the minimum wages notified by States.

42. As regards the steps taken to ensure that all payment to beneficiaries are made exclusively through postal savings accounts or bank accounts so as to reduce the chances of leakage, the Ministry in a note stated that they have made it mandatory for all States/UTs to disburse payment of wages to NREGA workers through institutional accounts opened in Post Offices and Banks. States were also instructed to ensure compliance failing which Central funds shall not be released. As per information received, all States/UTs are complying with the instructions issued. Ministry of Rural Development is also contemplating effecting amendments in Schedule II of NREG Act. About 5.77 crores accounts have been opened in banks and post offices.

43. The Committee enquired as to how the Ministry propose to make payment to labourers in respect of those villages where there is no Post Office or Bank. In response, the Ministry in a note stated as under:—

"Ministry of Rural Development has regularly taken up the limited outreach of banks and post offices with Department of Financial Services and Department of Posts so that compliance with statutory payment of wages through post offices and banks could be ensured and workers do not face any difficulty in getting their wages timely. The issue has also been taken up with Reserve Bank of India. Engagement of business correspondent and mobile post offices/banks is also being encouraged for areas having no post office or banks. Ministry has also given exemption temporarily in a few justifiable cases for cash payment."

44. In so far about the difficulties being faced in making timely payment for wages upfront to the labourers, the Ministry in a note has stated the Section 3(3) of NREG Act *inter alia* provides that the disbursement of daily wages shall be made on a weekly basis or in any case not later than of fortnight after the date on which such work was done. So the Ministry cannot do payment of wages upfront to the labourers.

### **VIII. Unemployment Allowance**

45. As per NREG Act, the State Government is required to provide employment to a registered applicant within 15 days of demand, failing which unemployment allowance at stipulated rates is payable. Unemployment allowance is to be paid from State Government funds, and not from Government of India funds.

46. However, Audit review has revealed that in 282 GPs in 21 States, dated receipt of applications for demand for work were not given, and in 329 GPs in 19 States, Employment Registers were not maintained. In the absence of recorded date of demand, the entitlement to unemployment allowance could not be easily established. Audit scrutiny further revealed that in 58 blocks in 17 States unemployment allowance was not paid to those workers, who could not be provided with employment within 15 days from the date on which work was requested for.

47. Asked as to whether it is ensured that payment of unemployment allowance is paid automatically in all eligible cases by the States without requiring applications from the beneficiaries, the Ministry in a note state as under:—

"NREG Act does not require any application from the beneficiary to claim unemployment allowance. Section 7(1) of the Act provides that if an applicant

for employment under the scheme is not provided such employment within fifteen days of receipt of his application seeking employment or from the date in which the employment has been sought in the case of an advance application, whichever is later, he shall be entitled to a daily unemployment allowance in accordance with this section. Payment of unemployment allowance shall be made or offered not later than fifteen days from the date on which it became due for payment in terms of Section 7(5) of the Act."

48. The statement showing details of unemployment allowance paid to the registered applicants, State-wise, is given in **Annexure-III**.

## **IX. Record Maintenance and Reports**

### ***A. Maintenance of Registers at GP and Block Levels***

49. The NREGA operational guidelines envisage maintenance of various records which is critical to ensure verifiable compliance with the legal guarantee of 100 days of employment on demand and payment of unemployment allowance. The Guidelines have specified details of records and registers to be maintained at different levels.

In particular, the most important records are:

- Application Registration Register—which records applications/requests for registration of households;
- Job Card Register—which gives details of job cards issued to households;
- Employment Register—which records (for each registered household) details of employment demanded, employment allotted and employment actually taken up;
- Asset Register—which is a register of all works sanctioned, executed and completed;
- Muster Rolls—which is a record of attendance and payment of wages for individual works;
- MR Issue/Receipt Registers—which record issue and receipt of Muster Rolls (from the PO to the GP/implementing agency); and
- Complaint Register—which records details of complaints made, and action taken.

50. Audit review has revealed that in 200 GPs in 19 States, the Application Registration Register was not maintained, or was not properly maintained *i.e.* it did not contain, at the very least, the names of the applicant, date of receipt of application/request and date of issue of job card. In 253 GPs in 14 States, the photographs of applicants were not found attached to the job cards, as per the Job Card Register and in 293 GPs in 21 States, the Job Card Register was not found properly maintained. Further in 329 GPs in 19 States, the Employment Register was not maintained, or did not indicate the details of employment demanded, employment allotted and employment actually taken up. It was also noticed that in 327 GPs of 21 States, dated receipts of applications

for demand for work were not given to the applicants. In 223 GPs in 19 States, the applications for employment did not have the job card registration number, date from which employment was required, and the number of days of employment required. In 319 GPs in 21 States the Asset Register was not maintained or was incompletely maintained. In 206 GPs in 16 States the Muster Roll Receipt Register was not maintained or was incompletely maintained. Also in 312 GPs in 20 States the Complaint Register was not maintained or was incompletely maintained.

### ***B. Reports***

51. The NREGA Operational Guidelines also prescribe detailed monitoring formats for Monthly Progress Reports (for both physical and financial) performance to be compiled and sent by the State Governments. In addition to ensuring transparency and accountability at the local level, the information furnished by the States is consolidated for public information through the Ministry's Internet website. The Operational Guidelines also require that procedures be framed to ensure that data on work requested and allotted by the PO and GP are properly maintained, and also for sharing of information on employment allotments between the PO and GP on a weekly basis.

52. However, audit scrutiny revealed that in 89 blocks of 21 States, procedures had not been framed to ensure sharing of information on employment allotments between the PO and GP on a weekly basis. It was noticed that in most cases, the information between PO and GP was not being shared on a weekly basis. Mostly, the information was being shared on a monthly basis or during meetings. Further deficiencies were also noticed in furnishing of MPRs by blocks and districts in 7 States.

### ***C. Further Limited Scrutiny of Record Maintenance***

53. Subsequent to the original audit, a limited scrutiny of record maintenance for one month (November, 2007) was conducted by the audit between February and March 2008, covering 24 GPs in 12 blocks in 12 districts in 6 States from within the original audit sample. The objective of this exercise was to assess the improvement in maintenance of records as a result of the performance audit.

54. The focus of the limited scrutiny was on:—

- (i) Reconciliation of MPRs with the data of basic records submitted at various levels *i.e.* GP/Block and District;
- (ii) preparation of Annual Plans for 2007-08; and
- (iii) checking the maintenance of important records *viz.* Employment Register, Applications for Employment, Asset Register, Job Card Register, Muster Rolls etc.

55. The main findings of the limited scrutiny of records were as follows:—

- At district and block levels there were either instances of excess reporting in mandays generated, household demanding employment, household provided employment, and funds utilized or there were no sufficient records to verify the details, except in Uttar Pradesh, where records were maintained properly.

- Annual plan was found to have been prepared and approved by GS in most of the GPs, except Bihar where data was not available.
- In most of the GPs of West Bengal, photographs of the workers were not found in the Job Card Register. Uttar Pradesh had all the photographs in place while in Rajasthan 10-20 per cent photographs were missing.
- Employment register was not maintained in Maharashtra and Bihar. While other States GPs maintained the register, the crucial data on employment demanded was missing in both West Bengal and Jharkhand.
- In Maharashtra, Jharkhand and Bihar records of application demanding employment were poorly maintained. West Bengal had 50 per cent records, while Rajasthan had all the details.
- Reconciliation of households demanding work, households provided work and households with 100 days of employment could not be ascertained from the employment register of the GPs in 5 test checked states, except in Uttar Pradesh.
- In Maharashtra and Bihar and 3 out of 4 GPs of West Bengal, Asset Registers were not maintained properly.
- Photographs of work were missing in most of the States, except Jharkhand.
- Muster Rolls had few details of Job Card Number, classification of labour (SC/ST, women) in most of the States, except in Uttar Pradesh and Maharashtra where no work was in progress in November, 2007.

56. The scrutiny revealed that while there was a definite improvement in record maintenance especially in Uttar Pradesh, after the conduct of initial audit, the maintenance of basic records at the GP level, in particular the employment register was still deficient and there was considerable scope for improvement. Further, the reliability of MPRs from the block and district levels was in serious doubt, as they could not be reconciled with the relevant basic records.

57. Audit has also noticed that as a measure of good practice, the State Government of West Bengal had now made a provision for outsourcing of maintenance of different registers at GP level. In Orissa, every GP had since been provided with a digital camera for pasting of photographs in JCs.

58. Audit has pointed out that as there are deficiencies in the process of reporting from the GPs to POs, and onwards, and documentary records of transmitting of information was, in many cases, not produced to audit. In the absence of such information, the reliability of information being furnished to Ministry is adversely affected. They have also stated that in the absence of maintenance of critical registers, especially at the GP level, it is impossible to authentically verify: How many households demanded employment; how many households were provided employment, and for how many days; how many households got 100 days of employment, what was the break-up of SC, ST and women beneficiaries and how much employment did they demand and receive; and what was the entitlement of individual households to

unemployment allowance. Thus according to audit the compliance with the legal guarantee of 100 days of employment on demand is not verifiable, based on available documents. In addition, transparency and accountability is adversely affected.

59. When enquired about the steps take to ensure proper maintenance as well as online data entry of all necessary records *viz.* Muster Rolls, Job Card Register, Employment Register, Complaint Register and Assets Register, the Ministry in a note has stated as under:—

"Proper maintenance of records is one of the critical success factors in the implementation of NREGA. Para 20 of Schedule II of NREG Act provides that the Gram Panchayat shall prepare and maintain or cause to be prepared and maintain such registers, vouchers and other documents in such form and in such manner as may be specified in the scheme. The specified registers are maintained at the level of Gram Panchayat and Programme Officer. Computer based Management Information System also capture relevant records/information electronically. Regular monthly review meetings are held with Nodal Officers of State Governments on MIS. In addition video conferencing is held with State Governments to review the progress regarding online data entry of all relevant records."

60. On being asked as to whether any system has been devised to make these records available publicly, in addition to being available at the PO and GP officers, the Ministry in a note have stated that as per Notification dated 31st December, 2008 all accounts and records relating to the scheme shall be made available for public scrutiny free of cost. Computer based Management Information System also capture relevant records/information electronically.

#### **X. Social Audit, Transparency and Grievance Redressal**

61. Social audits as a means of continuous public vigilance has been assigned a key role in the implementation of NREGA. The operating guidelines of the scheme indicate the following two types of social audit:—

- (i) Periodic assemblies in the Gram Sabha for scrutinizing details of projects (which is referred to as "Social Audit Forum"); and
- (ii) social audit as a continuous process of public vigilance involving potential beneficiaries and other stakeholders, which covers verification of 11 stages of implementation right from registration of families through to evaluation and the Social Audit Forum.

62. The scheme guidelines also stipulate that:—

- (i) Updated data on demand received, registration, number of job cards issued, list of people who demanded and had been given/not given employment, funds received and spent, payments made, works sanctioned and works started, cost of works and details of expenditure on it, duration of work, person-days generated, reports of local communities and copies of muster roll should be made available in a predesigned format outside offices of all agencies involved in implementing REGS; and



- (ii) Social Audit Forums must be held twice a year at the Gram Sabha level for all works done in the preceding year.

63. Audit scrutiny has found that in 354 GPs in 20 States, a Gram Sabha once in every six months to conduct a Social Audit Forum was not held. The updated data on demand received, registration, number of job cards issued, list of people who demanded and been given/not given employment, funds received and spent, payments made, works sanctioned and works started, cost of works and details of expenditure on it, duration of work, person-days generated, reports of local communities and copies of muster rolls were not made public in 376 GPs in 21 States.

64. Audit scrutiny of the records has also revealed that no grievance redressal forum/mechanism has been put in place or devised in respect of 4 States *viz* Arunachal Pradesh, Jammu & Kashmir, Jharkhand and Rajasthan.

65. When asked about the steps taken to ensure that timely social audit forums are conducted, the Ministry in a note stated as under:—

"Social Audit Forums not only give an opportunity to review compliance with the ongoing requirements of transparency and accountability but also serve as an Institutional forum where people can conduct a detailed public audit of all NREGA works that have been carried out in their area in the preceding six months. For this purpose, Ministry has effected amendments through Notification in Schedule I of NREG Act in respect of conducting social audit. An amendment to Schedule II of Act is also under consideration to ensure regular holding of Gram Sabha for the purpose of social audit. Regular conducting of social audit forum is monitored through quarterly review as well as field monitoring."

66. On being asked about the measures taken to improve the quality of social audit conducted under the scheme as also the quality of evaluation of the scheme, the Ministry in a note have stated that detailed instructions have been issued *vide* notification dated 31st December 2008 to improve the quality of social audit. Ministry of Rural Development has prescribed format for conducting of social audit. During June to September 2009, 37 National Level Monitors were sent to 37 districts in different States to monitor the social audit.

67. When enquired about the measures taken to ensure setting up as also effective functioning of grievance redressal mechanism in all the States, the Ministry in a note states as under:—

"As per Section 19 of NREG Act the State Government shall by rules, determine appropriate grievance redressal mechanisms at the block and district levels for dealing with any complaint by any person in respect of implementation of the scheme and lay down the procedure for disposal of such complaints. To ensure proper functioning of grievance redressal mechanism, Ministry of Rural Development has amended Schedule II of NREG Act through notification. State Governments are repeatedly asked to establish a suitable mechanism for redressal of grievances and disposal of complaints in accordance with the relevant provisions of NREG Act. In all cases, of misappropriation and embezzlement of Government funds, not only

disciplinary action are taken but also criminal proceedings are simultaneously initiated under the Indian Penal code and Prevention of Corruption of Act."

68. The Ministry have further stated:—

"Receipt of complaints and their time bound disposal is constantly monitored by Ministry of Rural Development so as to make grievance redressal system more effective and efficient. National level monitors are also deputed to look into the specific complaints. In addition, Ministry has initiated setting up the office of ombudsman to expeditiously dispose the complaints within the statutory prescribed time frame. Instructions have been issued to States in this regard. Ministry of Rural Development has also set up a national helpline to facilitate the lodging of complaints and their disposal in a time bound manner. States have also been advised to set up similar helpline."

#### **XI. Monitoring**

69. The Operational Guidelines of the NREGA stipulate the following procedures for monitoring and reporting:—

- Block-level officials shall inspect 100 per cent of works every year, District-level officials 10 per cent of works, and State level officials 2 per cent of works;
- Financial audit of all districts is mandatory;
- District Internal Audit Cells shall be constituted to scrutinise the reports of the Gram Sabhas;
- Verification and quality audit by external monitors must be undertaken at the Central, State and District levels through National State and District Quality Monitors. Terms of reference for quality monitors have been fixed separately by the Ministry; and
- Local Vigilance and Monitoring Committees (VMCs), consisting of members elected by the Gram Sabha, should monitor the progress and quality of work while it is in progress.

70. Audit scrutiny has revealed that State-level inspection of works was not conducted, or documented in respect of 19 States. In 43 districts in 19 States, the district level officials did not conduct 10 per cent inspection of the works Further, in 105 blocks in 22 States, the block level officials did not conduct 100 per cent inspection of the works. Financial audit was not carried out in 39 districts in 19 States and in 57 districts in 24 States, District Internal Audit Cells were not constituted. It was also found that both State and District Quality Monitors had not been designated by the State Governments of 20 States, while District Quality Monitors had not been designated in West Bengal. Local VMCs were not constituted by 141 GPs in 14 States.

71. Enumerating the system of inspection that has been put in place under the NREGA Scheme at various levels *i.e.*, Gram Sabha, Block, District and State level, the Ministry in a note furnished to the Committee have stated as under:—

"The following targets are fixed for internal verification of works at the field level by the official functionaries to be achieved within a quarter. 100 per cent

of works at the Block Level 10 per cent of works at the District level, 2 per cent at the State level. Verification and quality audit by National Level Monitors is also taken up at the Central, State and District levels. Area Officers from the Ministry of Rural Development undertake regular visits to States to supervise implementation of the programme. National Level Monitors also make periodic visits and inspection of NREGA works being carried out in the districts. In addition, members of the Central Employment Guarantee Council also make regular visits to districts to oversee the implementation of NREGA."

72. To a query whether any format has been prescribed for conducting the inspection at various levels, so that there is uniformity in the way the same is conducted, the Ministry in a note replied in affirmative.

73. On being asked about the steps taken by the Ministry to ensure conducting of requisite level of inspection at all levels, the Ministry in a note stated as under:—

"Provision for regular inspection and supervision of works taken up under the scheme are made in Schedule I of NREG Act to ensure proper quality of work as well as to ensure that the total wages paid for the completion of work is commensurate with the quality and quantity of work done. Vigilance and Monitoring Committees are also constituted for each work undertaken to monitor the progress and quality of work. Ministry has also prescribed targets for inspection of works viz. 100 per cent at block level, 10 per cent at district level and 2 per cent at State level by the official functionaries to be achieved within a quarter. The information in this regard is also obtained through monthly progress reports, visit of area officers of the Ministry as well as visits by National Level Monitors. Any deficiency on this account is taken up with State Government concerned and they are asked to take corrective and remedial action under intimation to Ministry of Rural Development. An amendment to Schedule II of the Act is under consideration of the Ministry whereby High Level Coordination Committee under the Chief Secretary shall be set up to ensure inter-departmental coordination in the implementation of the Act. It will also ensure that prescribed percentage of inspection of works at all levels and records of the scheme at the State/District/Block is conducted once a quarter and all deficiencies are removed and all grievances are redressed."

74. Elaborating the measures taken for streamlining/strengthening the monitoring system under NREGA at various levels, the Ministry in a written note stated as under:—

**"1. Internal Monitoring**

- (i) Management Information System: A web enabled MIS [www.nrega.nic.in](http://www.nrega.nic.in) has been developed. The village level household data base has internal checks for ensuring consistency and conformity to normative processes. All critical parameters get monitored in public domain: (a) workers entitlement data and documents such as registration, job cards, muster rolls, (b) shelf of approved and sanctioned works, works under execution, measurement (c) employment provided (d) financial indicators including wage payment;

- (ii) Monthly Progress Reports from districts on physical and financial performance indicators;
- (iii) Inspections: State, District and block level functionaries conduct regular inspections of the NREGA works; and
- (iv) Social Audits: Social Audits enable the rural communities to monitor and analyse the quality, durability and usefulness of NREGA works and the overall implementation of the Scheme. The Ministry has accorded utmost importance to the organization of Social Audits by the Gram Panchayats and issued instructions to the States to make necessary arrangements for the purpose. Act was amended to provide for procedures on conducting social audits. Initiation of social audit in accordance with the new social audit provisions makes it mandatory to conduct social audits once in every 6 months.

## **2. External Monitoring**

- (a) Central Employment Guarantee Council: At the National level Central Employment Guarantee Council has been set up with the statutory mandate of monitoring and reviewing the Act. The Council members have undertaken 14 visits to the States of Uttar Pradesh, Gujarat, Orissa, Haryana, Jharkhand, Madhya Pradesh, Maharashtra in the year 2009. Council members have also actively participated in review, studies and trainings and social audits;
- (b) National Level Monitors and Area Officers: The National Level Monitors, Area Officers and officials of the Ministry of Rural Development undertake annual field visits to NREGA Phase I, II and III districts. Performance Review with States. Feedback on programme implementation is discussed and analysed with State Governments through quarterly Performance Review Committee meeting and periodic state level reviews. In the current year so far two Performance Review Meetings have been organized;
- (c) Eminent Citizens: The Ministry has initiated a scheme wherein independent monitoring by eminent citizens for strengthening the implementation of NREGA will be done;
- (d) Professional Institutional Network: A Professional Institutional Network (PIN) has been constituted for steady, sustainable interventions that enhance the quality of the programme. The institutions conduct impact assessment, concurrent monitoring and appraisal, research, capacity building to identify both good practices factors that have or will limit the optimal performance of the Scheme. The main focus will be on strengthening the capacity of the district to implement the programme and create positive impact; and
- (e) Currently the network has 18 member institutions including IITs, IIMs, ASCI, IIPA, IIFM agriculture universities and other professional institutions. In its first phase 13 institutions have conducted an NREGA appraisal in 13 States and around 50 districts across the country. Proposals have been received for the second phase of the network."

## **PART-II**

### **OBSERVATIONS AND RECOMMENDATIONS**

1. With an objective of enhancing livelihood security in rural areas the National Rural Employment Guarantee Act (NREGA) was enacted for providing at least 100 days of guaranteed wage employment in a financial year, to every household whose adult members volunteer to do unskilled manual work. The Act aims to supplement wage employment opportunities in rural areas and provide a safety net to rural poor and to create sustainable rural livelihoods through rejuvenation of natural resource base—land, water and forests. The Act initially came into force in 200 districts with effect from 2 February 2006 and was later extended to additional 130 districts in the financial year 2007-08. The remaining districts have been notified under the NREGA with effect from 1st April, 2008. The NREGA thus, covers the entire country with the exception of districts that have a hundred per cent urban population. According to the Act, rural households have a right to register themselves with the local Gram Panchayats (GPs), and seek employment. Work is to be provided within 15 days from the date of demand, failing which the State Government will have to pay unemployment allowance at the stipulated rates. It is a unique and laudable Act of Parliament which confers a right on the rural households to demand up to 100 days of employment as a matter of their statutory right. The Act requires every State to formulate a State Rural Employment Guarantee Scheme (SREGS), which should conform to the minimum features specified under the Act.

2. The examination of the NREG Scheme by the Committee has revealed several deficiencies in its implementation. It was found that the Ministry's figures relating registration of the households and employment provided to them in the initial phase of the scheme cannot be said to be very reliable or verifiable given the poor record maintenance at particularly at the Gram Panchayat (GP) level, besides high probability of only partial capturing of the demand for work. Significant delays were found in affixing of photographs on job cards which is an important control against fraud and misrepresentation. The applications for demand for work were not documented or dated, and dated receipts for such applications were not issued in most cases, as a result the eligibility of rural households for unemployment allowance, in these cases, was unverifiable. There were several cases of delayed payment of wages, for which no compensation was paid. There were also instances of non-payment of unemployment allowance which became due to the employment seekers. Deficiencies were noticed in the set up of implementing machinery, particularly at the Block and GP levels like non-appointment of Gram Rozgar Sewaks, which had an adverse impact on the maintenance of records at GP level, thereby making it difficult to verify compliance with the legal guarantee of 100 days of employment on demand. Apart from deficiencies in the preparation of the 5 year District Perspective Plans (DPPs), several States had not prepared District-wise Schedule of Rates and had adopted the Schedule of Rates of PWD/Rural Development Department, which may not necessarily ensure minimum wages for seven hours of work. The status of inspection of works at the State, District and Block levels was poor, and most States had not designated State and District Quality Monitors. Also, in most cases, Gram Sabha was not held twice a year to conduct Social Audit Forums. The Committee's examination of these deficiencies and their findings are dealt with at length in the succeeding paragraphs.

3. The NREG Scheme envisages that as a part of implementing machinery, every State Government shall appoint a full-time Programme Officer (PO), in each Block; "Employment Guarantee Assistant" (EGA) or "Gram Rozgar Sevak" (GRS) in each GP; a technical assistant for every 10 Gram Panchayats; a panel of accredited engineers at the District and Block levels; and Technical Resource Support Groups at the State and District levels for facilitating proper functioning of the scheme. However, the Committee are concerned to note that in 102 test checked blocks in 20 States no full-time dedicated Programme Officers (POs) was appointed and the existing Block Development Offices (BDOs) were appointed as POs and given the additional charge of the Scheme. Further 11 States did not appoint Technical Assistants in 57 blocks and in 18 States dedicated Gram Rozgar Sevaks were not appointed in 303 GPs. While 18 States did not constitute panels of Accredited Engineers for the purpose of assisting with the estimation and measurement of work, 22 States did not set up a Technical Resource Support Group at State/District level. The Committee are of the considered view that successful implementation of NREGA is critically dependent on the setting up of an adequate infrastructure at the block and Gram Panchayat level, notably the appointment of full time Programme Officers, Technical Assistants and Gram Rozgar Sevaks besides constitution of panels of accredited engineers. The deficiencies in the setting up of the implementation machinery, particularly at the Gram Panchayat Level has had an adverse impact on the provision of the legally guaranteed 100 days of employment on demand and the proper maintenance of various associated records and also on the effective conduct of the social audit and transparency mechanism at the grassroots level. The Committee recommend that State Governments should assess the staffing requirement for implementation of NREGA, and accordingly take steps to address the gaps, if any. The State Governments should particularly consider appointing full-time POs at each Block, with adequate supporting staff and EGAs for each GP. According to the Ministry, a proposal to strengthen management of NREGA through enhancement of administrative expenditure limit from 4 per cent to 6 per cent is stated to have been cleared by the Expenditure Finance Committee (EFC) and after its approval by the Ministry of Finance the proposal would be placed before cabinet for consideration. The Committee expect the Ministry to pursue this proposal vigorously so that the same is approved expeditiously by the Government.

4. Under the NREGA Operational Guidelines rural households before demanding employment have to register themselves, and get a job card. The Committee are concerned to note that while an introductory Gram Sabha meeting at the time of commencement of the Act was to be convened such a meeting was not conducted or no documentary evidence of such a meeting was available in 120 GPs in 12 States. Door-to-door survey to identify persons willing to register was not conducted in 323 GPs in 20 States. Delays in issue of job cards were noticed in 196 GPs in 16 States and Photographs of the applicants were not attached to job cards in 251 GPs in 13 States. The Ministry are stated to have intensified the information, Education and Communication (IEC) campaign throughout the country to ensure that all the BPL households are registered under NREGA. It was further stated that States/UTs have been advised to initiate time bound exercise to ensure affixing of photographs on all

job cards. Amendments to Schedule II of the NREG Act have been made which *inter alia* provides for affixing of photographs of registered adult members of a household on Job Cards issued and that all job cards shall be in the custody of the Job Card holders to whom they belong. The Committee recommend that Ministry should not be just content with mere issue of instruction to States. They should hold frequent meetings with the States so as to ensure that they take steps to provide adequate publicity to the programme and to persuade as many BPL households as possible to register under NREGA. The door-to-door surveys, even at this stage, would be useful. The Committee are of the view that since the beneficiaries under the scheme are mostly rural households and are susceptible and gullible to fall prey to the GP and other department officials and middlemen who may lure them to hand over their job cards, the Committee urge upon the Ministry to issue strict instructions to the States to ensure that under no condition are job cards retained by GP/other Department officials for any purpose.

5. As per NREGA Operational Guidelines, unique identity number should be given to each work to avoid duplication and administrative and technical sanction should be obtained for all works in advance, by December of the previous year. Worksite facilities such as medical aid, drinking water etc. are to be ensured by the implementing agency. Use of contractors is prohibited and as far as practicable, tasks shall be performed by using manual labour, and not machines. The ratio of wage costs to material costs should be not less than 60:40; preferably at the GP, block and district levels. However, the Committee are concerned to note that out of 558 GPs test checked, unique identity members were not allotted to works in 331 GPs in 19 States and in 19 Districts in 7 States, the wages-material ratio of 60:40 was not maintained at the district level. Further, 39 test-checked blocks in 11 States did not maintain a wage-material ratio of 60:40 at the block level and out of 558 GPs test checked, administrative approval and technical sanction of works was not obtained in advance in 95 GPs in 12 States. In respect of 558 GPs worksite facilities were not provided or only partly provided in 227 GPs in 14 States. The Ministry have informed the Committee that they have effected amendments to NREG Act and Rules framed thereunder, with a view to rectify/remedify the various deficiencies pointed out by the Audit. The Committee trust that these measures would help plug the loopholes in the execution of works under the scheme. The Committee recommend that Government may consider adding additional/new categories of works for being taken up under the NREG Scheme and also permit State Government/State Employment Guarantee Councils to add other region-specific works, after keeping the Ministry informed. They also recommend that in order to avoid duplication of NREGS works with other schemes, durable signboards with cement concrete base may be preferred over temporary/less durable signboards.

A disquieting feature of the programme is the fact that the quality of assets created under NREGA is by and large very sub-standard, non-durable and non-productive. It appears that the Government in their eagerness to provide employment had overlooked the importance of the quality of the assets that are being created under the scheme. In this connection the Ministry have informed that guidelines have been formulated and disseminated for convergence of NREG scheme

with different schemes/programmes of various Ministries/Departments so as to create durable and productive assets. For this, 115 pilot districts in 23 States have been identified by the concerned Ministries/Departments. The Committee would like to be apprised of the outcome of these initiatives and their impact in creating durable and tangible assets.

6. The Committee note that every person working under NREG scheme is entitled to wages at the minimum wage rate fixed by the State Government for agricultural labourers. The Operational Guidelines further stipulate that wages should be paid on time and in case of delay beyond 15 days, workers are entitled to compensation as per the provisions of the Payment of Wages Act, 1936. However, the Committee are constrained to note several discrepancies in the payment of wages to the labourers under the scheme such as, workers, even after working for seven hours, were paid wages less than the minimum wage rate in 79 GPs in 12 States. Further in 213 GPs in 17 States, workers were not paid wages on time *i.e.* within a fortnight of the date on which the work was done and no compensation was paid to them. The Committee deprecate that despite the NREG Act and the Operational Guidelines minimum wages were not paid to the labourers in a large number of cases. Since non-payment of minimum wages or delayed payment of wages is a clear violation of the NREG Act, the Committee recommend that the offenders need to be identified and punished in terms of provisions of the Act.

The Ministry have informed the Committee that they have now made it mandatory for all States/UTs to disburse payment of wages to NREGA workers through institutional accounts opened in Post Offices and Banks. State Governments have also stated to be instructed to ensure compliance failing which Central funds shall not be released. While appreciating this move of the Government the Committee recommend that Ministry of Rural Development should take up the matter with the Ministry of Finance and Department of Posts so that adequate staff is posted at the rural branches to meet the additional work load of disbursement of wages to the beneficiaries. Keeping in view the poor financial condition of the rural households, the Committee would like the Government to consider per-account payment to the Department of Posts as handling charges, to ensure that no minimum account balances are stipulated for REGS postal account holders. The Committee have been given to understand that REGS works were not being measured on daily basis. In this regard, Andhra Pradesh and Orissa have stated that it was not practicable to measure works on daily basis. To counter such difficulties, the Ministry may consider the feasibility of amending the NREGA guidelines for measurement of works on a weekly basis, keeping in view the availability of technical staff and other practical considerations.

7. As per NREG Act, the State Government is required to provide employment to a registered applicant within 15 days of demand, failing which unemployment allowance at stipulated rates is payable by the State Government from their funds. However, Audit review has revealed that in 282 GPs in 21 States, dated receipt of applications for demand for work were not given, and in 329 GPs in 19 States, Employment Registers were not maintained. The Committee note that in the absence of recorded date of demand, the entitlement to unemployment allowance could not be easily established. It was also found that in 58 blocks in 17 States unemployment allowance was not paid



to those workers, who could not be provided with employment within 15 days from the date on which work was requested for. The Committee feel that undated applications and non-maintenance of employment registers leads to a situation where the right to unemployment allowance cannot be verified defeating the very purpose of the Act to provide employment guarantee. Proper maintenance of records at GP level, needs to be given top priority. For this, Ministry should impress upon the State Governments to appoint Employment Guarantee Assistant (EGA) in each GP. The EGAs should ensure that all applications are dated and dated receipts of applications are given to the job applicants. The Ministry should also suitably take up the matter with the State Governments for ensuring *suo moto* payment of unemployment allowance to the eligible labourers. The Ministry may also consider suitable amendment to the NREG Act for partial reimbursement out of Government of India funds of payment of unemployment allowance while instituting controls to minimize need for payment of unemployment allowance by the States.

8. With a view to ensuring verifiable compliance with the legal guarantee of 100 days of employment on demand and payment of unemployment allowance under NREG Scheme, proper maintenance of various records and registers such as Application Registration Register, Job Card Register, Employment Register, Asset Register etc. assumes critical importance. The Committee regret to observe that there have been innumerable instances where either the records were not maintained or the records did not contain requisite details. The audit scrutiny has revealed that the maintenance of basic records at the GP level, in particular the employment register was deficient and the reliability of MPRs from the block and district levels was in serious doubt, as they could not be reconciled with the relevant basic records. Deficiencies were also noticed in the process of reporting from the Gram Panchayats to Programme officers, and onwards and documentary records of transmitting of information was, in many cases, not produced to them, the reliability of information being furnished to Ministry has been adversely affected. The Committee are constrained to observe that in the absence of maintenance of critical registers, especially at the GP level, it is impossible to authentically verify as to how many households demanded employment, how many households were provided employment and for how many days and how many households got 100 days of employment. As a result, the compliance with the legal guarantee of 100 days of employment on demand is not verifiable, based on available documents besides the transparency and accountability is also adversely affected. The Committee therefore recommend that suitable steps are necessary to ensure that online data entry of the various documents is done to increase transparency and accountability and minimize fictitious/duplicate entries, besides providing a basis for physical verification of Muster Rolls (with job-card numbers and other details), Job Card Register, Employment Register (to indicate employment demanded) and Asset Register. Further, National Quality Monitors may, during their visits, be asked to cross-verify MPRs furnished by POs alongwith the documents furnished by GPs to POs for specified months, specifically for households demanding and provided employment.

9. As a means of continuous public vigilance Social audits have been assigned a pivotal role in the implementation of NREGA. The Operating Guidelines of the scheme

indicate two types of social audit — (i) Periodic assemblies in the Gram Sabha for scrutinizing details of projects, commonly referred to as "Social Audit Forum" and (ii) social audit as a continuous process of public vigilance involving potential beneficiaries and other stakeholders, which covers verification of 11 stages of implementation right from registration of families through to evaluation and the Social Audit Forum. The Scheme guidelines also stipulate that social Audit Forums must be held twice a year at the Gram Sabha level for all works done in the preceding year. The Committee noticed that in 354 GPs in 20 States, A Gram Sabha once in every six months to conduct a Social Audit Forum was not held. The updated data on demand received, registration, number of job cards issued, list of people who demanded and been given/not given employment, funds received and spent, payments made, works sanctioned and work started cost of works and details of expenditure on it, duration of work, person-days generated, reports of local communities and copies of muster rolls were not made public in 376 GPs in 21 States. The scrutiny of the records has also revealed that no grievance redressal forum/mechanism has been put in place or devised in respect of 4 States viz Arunachal Pradesh, Jammu & Kashmir, Jharkhand and Rajasthan. The Ministry have informed the Committee that they have effected amendments to NREG Act in respect of conducting social audit and another amendment to Schedule II of Act is also under their consideration to ensure regular holding of Gram Sabha for the purpose of social audit. The Committee are of the considered view that since social audit and Social Audit Forum in Gram Sabha are important means of ensuring transparency and accountability at the GP level, the State Governments should therefore, ensure conduct of Social Audits Forum mandatorily in all Gram Sabhas, twice a year. They also recommend that the Ministry of Rural Development should release funds to the State Governments and implementing agencies on the pre-condition of holding regular Social Audits by them. If necessary, the Ministry may also make suitable amendments in the Act to this effect.

10. The Operational Guidelines of the NREGA stipulate that Block-level officials shall inspect 100 per cent of works every year, District-level officials 10 per cent of works, and State level officials 2 per cent of works. Financial audit of all districts is mandatory and District Internal Audit Cells shall be constituted to scrutinise the reports of the Gram Sabhas. Verification and quality audit by external monitors must be undertaken at the Central, State and District levels through National, State and District Quality Monitors. Local Vigilance and Monitoring Committees (VMCs) consisting of members elected by the Gram Sabha, should monitor the progress and quality of work while it is in progress. The Committee are constrained to point out that Audit Scrutiny has revealed number of instances in different States where these guidelines have not been followed. The Ministry have informed the Committee that an amendment to the Act is under consideration whereby High Level Coordination Committee under the Chief Secretary shall be set up to ensure inter departmental coordination in the implementation of the Act. It will also be ensured that prescribed percentage of inspection of works at all levels and records of the scheme at the State/ District/Block is conducted once a quarter and all deficiencies are removed and all grievances are redressed. The Committee expect that the Ministry will carry out necessary amendments to the NREG Act expeditiously. They also expect that the various measures taken by the Ministry for strengthening the monitoring system

will yield desirable results and help in proper functioning of the scheme. The Committee recommend that Ministry should direct State Government to ensure that the requisite level of inspection by different levels of officials are conducted at all the levels and VMCs should be formed, wherever these are not formed as yet.

11. During the course of implementation of the initial phase of NREG Scheme, the audit has brought to light several good practices being followed by some States such as Andhra Pradesh, West Bengal, Orissa, Karnataka and Kerala. The Committee recommend that Ministry should conduct a detailed study of these good practices with a view to examine the feasibility of incorporating the same in the operational guidelines of the scheme so that these can be followed by other States.

12. The Committee are given to understand that in Several States, during the agricultural crop season, labourers are not available for agricultural operations, due to their employment under NREGA works, and as a result agricultural operations are in the dock. In this regard the Ministry have informed the Committee that NREG scheme guarantees only 100 days of employment, hence the workers are free to work anywhere in the rest of the year. The average person day per household in the year 2008-09 was only 48 days which means a worker had the leverage to work anywhere for the remaining days. The Committee do not accept the contention of the Ministry and recommend that they may in coordination with other concerned agencies should conduct a season-wise survey of the number of days on which employment was provided to the labourers including agricultural season so as to assess the extent to which NREGA had adversely affected Agricultural activities. The Ministry may consider the feasibility of amending the operational guidelines with a view to ensure that the labourers are engaged in NREGA works only during Non-Agricultural season.

13. The Committee are concerned to note that there is a regional disparity in the implementation of NREG Scheme. While certain States like Andhra Pradesh and Rajasthan have performed very well, the performance of other States such as Maharashtra, Punjab and Haryana are far from satisfactory. The Committee recommend that the Ministry should conduct a comprehensive reiev to examine the reasons for such wide variations in the implementation of scheme in consultation with the State Governments concerned and immediate corrective measures should be taken to ensure that the programme is implemented uniformly across the States.

14. As per the NREG, if a person employed under the Scheme dies or becomes permanently disabled by accident arising out of and in the course of employment, he shall be paid by the implementing agency any *ex-gratia* payment at the rate of twenty-five thousand rupees shall be paid to the legal heirs of the deceased or the disabled, as the case may be. The Committee are of the considered view that since the compensation paid to the victim or the next of kin of the decesed, as the case may be, is very paltry the Committee therefore, recommend that this amount should be enhanced to Rs. 1 lakh by suitably amending the Act.

NEW DELHI;  
26 February, 2010  
6 Phalguna, 1931 (Saka)

GOPINATH MUNDE,  
Chairman,  
Public Accounts Committee.

## ANNEXURE - I

## NREGA - NATIONAL OVER VIEW

	(FY 2006-07) 200 Districts	(FY 2007-08) 330 Districts	(FY 2008-09) 615 Districts	(FY 2009-10) 619 Districts up to Sep. 09
Employment provided to households:	2.10 crore	3.39 crore	4.51 crore	3.37 crore
<b>PERSONDAYS (in crore)</b>				
Total:	90.5	143.59	216.32	135.85
SCs:	22.95 [25%]	39.36 [27%]	63.36 [29%]	40.92 [30%]
STs:	32.98 [36%]	42.07 [29%]	55.02 [25%]	29.11 [21%]
Women:	36.79 [41%]	61.15 [43%]	103.57 [48%]	69.97 [52%]
Others:	34.56 [38%]	62.16 [43%]	97.95 [45%]	65.81 [48%]
Average personday per household	43 Days	42 Days	48 Days	40 Days
<b>FINANCIAL DETAIL</b>				
Budget Outlay (Rs in crore):	11300	12000	30000	39100
Central Release (Rs in crore):	8640.85	12610.39	29939.60	16790.86
Total available fund [including OB]: (Rs. in crore)	12073.55	19,305.81	37397.06	29611.81
Expenditure (Rs. in crore.)	8823.35	15856.89	27250.1	16747.4
Average wage per day	Rs. 65	Rs. 75	Rs. 84	Rs. 89
<b>WORKS DETAIL</b>				
Total works taken up (In Lakhs):	8.35	17.88	27.75	25.74
Works completed:	3.87	8.22	12.14	6.85
Water conservation:	4.51 [54%]	8.73 [49%]	12.79 [46%]	13.44 [52%]
Provision of Irrigation facility to land owned by				
SC/ST/BPL/ S & MF and IAY beneficiaries:	0.81 [10%]	2.63 [15%]	5.67 [20%]	4.22 [16%]
Rural Connectivity:	1.80 [21%]	3.08 [17%]	5.03 [18%]	4.27 [17%]
Land Development:	0.89 [11%]	2.88 [16%]	3.98 [15%]	3.47 [14%]
Any other activity:	0.34 [4%]	0.56 [3%]	0.28 [1%]	0.33 [1%]

## ANNEXURE - II

## MONTHLY PROGRESS REPORT UNDER NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (NREGA) PART VI A

		Capacity Building—Personnel under NREGA DURING THE YEAR 2009-10												Upto The Month	
		Gram Panchayat Level						Block Level							
Sl. No.	State	Gram Rozgar Sahayak		Accountant		Engineers/Technical Assistants		Programme Officer		Computer Assistant		Target	Achievement		
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement				
1	2	3	4	5	6	7	8	9	10	11	12				
1.	Andhra Pradesh	21942	20630	1098	889	3099	3037	1098	1063	1098	1061				
2.	Arunachal Pradesh	137	2	14	5	11	4	14	7	6	0				
3.	Assam	2378	1445	1344	775	1286	859	202	199	1564	1034				
4.	Bihar	8460	6780	530	431	1265	857	528	368	548	339				
5.	Chhattisgarh	9756	8723	146	98	578	276	153	114	293	216				
6.	Gujarat	13590	9941	203	67	1021	701	223	205	409	276				
7.	Haryana	2640	1788	165	151	149	145	102	100	43	38				
8.	Himachal Pradesh	1077	1045	103	103	1126	971	77	77	78	77				
9.	Jammu and Kashmir	2515	1365	72	49	464	250	82	80	139	98				
10.	Jharkhand	4556	4273	213	141	570	276	433	321	245	157				
11.	Karnataka	3674	2832	125	93	859	752	113	112	613	377				
12.	Kerala	2022	1992	152	151	151	139	131	89	8	8				
13.	Madhya Pradesh	39192	34329	535	402	2173	1517	394	341	633	358				
14.	Maharashtra	26508	22549	498	445	4427	2697	401	355	542	455				
15.	Manipur	1871	1815	32	17	71	41	24	24	35	20				

1	2	3	4	5	6	7	8	9	10	11	12
16.	Meghalaya	4820	4468	61	48	184	130	39	39	82	67
17.	Mizoram	336	301	21	21	79	79	36	33	43	43
18.	Nagaland	1122	914	52	47	86	54	88	65	75	45
19.	Orissa	6198	6021	202	80	835	735	303	303	338	304
20.	Punjab	4368	1640	56	11	374	61	128	100	159	119
21.	Rajasthan	9153	8680	520	413	1280	935	235	131	689	564
22.	Sikkim	163	163	8	0	27	21	8	8	8	8
23.	Tamil Nadu	12758	12675	396	365	893	862	385	385	874	632
24.	Tripura	1926	1260	55	42	154	135	38	38	56	44
25.	Uttar Pradesh	50597	43272	2367	1130	15055	4725	784	571	716	336
26.	Uttarakhand	2616	752	78	41	665	265	89	59	95	84
27.	West Bengal	2875	2334	282	231	784	646	333	333	333	324
28.	Andaman and Nicobar	86	86	9	9	9	9	9	9	9	9
29.	Dadar & Nagar Haveli	10	10	1	0	1	1	1	1	1	1
30.	Daman & Diu	0	0	0	0	0	0	0	0	0	0
31.	Goa	235	227	28	28	32	18	23	23	63	42
32.	Lakshadweep	10	10	1	0	6	0	10	0	11	0
33.	Puducherry	26	26	1	1	4	4	0	0	3	3
34.	Chandigarh	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>237617</b>	<b>202348</b>	<b>9368</b>	<b>6284</b>	<b>37718</b>	<b>21202</b>	<b>6484</b>	<b>5553</b>	<b>9809</b>	<b>7139</b>

(contd.)

MONTHLY PROGRESS REPORT UNDER

Sl. No.	State	Latest															
		Works Manager & Technical Assistants						IT Manager & Computer Assistant				District Level					
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement		
1	2	13	14	15	16	17	18	19	20	21	22						
1.	Andhra Pradesh	44	41	44	38	22	18	813	766	484	439						
2.	Arunachal Pradesh	4	0	4	0	4	0	2	0	12	0						
3.	Assam	89	57	53	32	36	21	43	27	138	68						
4.	Bihar	304	214	86	28	71	64	2	2	2	5						
5.	Chhattisgarh	3	3	10	8	7	4	8	7	19	16						
6.	Gujarat	45	40	25	21	31	27	4	0	1	0						
7.	Haryana	9	6	28	24	13	12	4	4	15	15						
8.	Himachal Pradesh	5	3	13	12	7	7	1	0	3	2						
9.	Jammu and Kashmir	31	6	16	7	7	2	18	0	18	0						
10.	Jharkhand	16	8	13	11	3	1	274	272	855	90						
11.	Karnataka	21	14	151	76	24	21	29	22	40	33						
12.	Kerala	10	1	24	21	4	4	0	0	0	0						
13.	Madhya Pradesh	132	59	119	87	125	75	33	5	37	12						
14.	Maharashtra	186	169	113	95	87	82	116	106	138	136						
15.	Manipur	32	19	33	12	13	7	9	7	11	6						

1	2	13	14	15	16	17	18	19	20	21	22
16.	Meghalaya	10	6	19	17	10	6	21	12	25	12
17.	Mizoram	9	9	9	9	1	1	8	8	3	3
18.	Nagaland	39	34	35	31	26	23	17	17	26	20
19.	Orissa	21	19	22	22	11	1	4	4	18	18
20.	Punjab	15	5	22	14	18	4	9	4	11	5
21.	Rajasthan	56	34	106	77	58	42	34	23	40	24
22.	Sikkim	4	3	3	2	2	1	1	0	1	0
23.	Tamil Nadu	31	29	48	27	31	30	1	1	0	0
24.	Tripura	66	65	24	24	22	21	20	20	21	21
25.	Uttar Pradesh	184	158	61	32	48	12	44	23	41	40
26.	Uttarakhand	3	0	6	3	1	3	2	1	1	0
27.	West Bengal	49	43	36	31	19	13	8	7	17	16
28.	Andaman and Nicobar	3	3	3	3	3	3	3	3	0	0
29.	Dadar & Nagar Haveli	1	1	1	1	0	0	0	0	0	0
30.	Daman & Diu	0	0	0	0	0	0	0	0	0	0
31.	Goa	10	10	2	0	2	0	1	0	0	0
32.	Lakshadweep	2	0	0	0	0	0	0	0	0	0
33.	Puducherry	0	0	0	0	0	0	0	0	0	0
34.	Chandigarh	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>1434</b>	<b>1059</b>	<b>1129</b>	<b>765</b>	<b>716</b>	<b>515</b>	<b>1529</b>	<b>1341</b>	<b>1977</b>	<b>981</b>



## ANNEXURE-III

## UNEMPLOYMENT ALLOWANCE PAID BY THE STATES UNDER NREGA

Sl. No.	Name of State	Details of Un-employment allowance paid
1.	Madhya Pradesh	During 2006-07, In Badwani district, 1574 applicants were paid a sum of Rs. 4,75,386 as unemployment allowance.
2.	Orissa	A total of 543 job seekers have been paid Rs. 1,03,462 as unemployment allowance in three districts viz. Nawarangpur, Kalahandi and Bolangir.
3.	Karnataka	679 applicants have been paid Rs. 1,68,068 as unemployment allowance in 8 Gram Panchayats of Raichur district.
4.	West Bengal	Eight job card holders in South 24-Parganas district of the State have been paid 14 days unemployment allowance each in 2007-08.
5.	Kerala	An amount of Rs. 1063 was sanctioned to a job seeker (Sri. A.P. Vimlan, Ajnailikkal House, Padichira P.O., Pulpally, Wayanad district) as unemployment allowance for 32 days during the year 2006-07.
6.	Tripura	Unemployment allowance has been paid by the Government of Tripura during the year 2008-09 upto 31st December, 2008 to 51 registered job seeker.
7.	Jharkhand	Unemployment allowance of Rs. 138330.00 paid to 78 workers of Jerua & Kope villages in Latehar district of Jharkhand.
8.	Maharashtra	Unemployment allowance has been paid in Bhandara district in November 2007. Rs. 2,72,272 were paid to 1144 labours.

## APPENDIX-I

### MINUTES OF THE FOURTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2009-10) HELD ON 5TH NOVEMBER, 2009

The Committee sat from 1100 hrs. to 1300 hrs. on 5th November, 2009 in Room No. 62, First Floor, Parliament House, New Delhi.

#### PRESENT

Shri Jaswant Singh — *Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri Naveen Jindal
3. Shri Satpal Maharaj
4. Shri Bhartruhari Mahtab
5. Shri Jitendra Singh (Alwar)
6. Shri Aruna Kumar Vundavalli

##### *Rajya Sabha*

7. Shri Prasanta Chatterjee
8. Shri Sharad Anantrao Joshi
9. Shri Ashwani Kumar
10. Dr. K. Malaisamy
11. Prof. Saif-ud-Din Soz

#### SECRETARIAT

1. Shri Ashok Sarin — *Joint Secretary*
2. Shri Raj Shekhar Sharma — *Director*
3. Shri M.K. Madhusudhan — *Additional Director*
4. Shri Sanjeev Sharma — *Deputy Secretary*

#### **Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri K.R. Shriram — *Principal Director*
2. Shri Bhavani Shankar — *Director*

#### **Representatives of the Ministry of Rural Development (Department of Rural Development)**

1. Dr. Rita Sharma — *Secretary*
2. Ms. Anita Sharma — *Joint Secretary*

2. At the outset, the Chairman, PAC welcomed the Members, Officers of Comptroller and Auditor General of India and the Representatives of the Ministry of Rural Development (Department of Rural Development) to the sitting of the Committee. The Chairman then stated that the sitting had been convened to hear the views of the Representatives of the Ministry of Rural Development (Department of Rural Development) on Report No. PA 11 of 2008, Union Government (Civil—Performance Audit) relating to "Implementation of National Rural Employment Guarantee Act (NREGA)".

3. The Secretary, Department of Rural Development gave a detailed powerpoint presentation highlighting, the salient features of the 'National Rural Employment Guarantee Act (NREGA)' and its implementation at the field level and also clarified the Ministry's position with regard to the various observations made in the Audit Report.

4. Thereafter, Members raised various queries on the subject some of which were duly explained by the Secretary. The Hon'ble Chairman, then, directed the representatives of the Ministry to furnish detailed written information to all the points raised by the Members, at the earliest for consideration of the Committee.

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

*The Committee then adjourned.*

## APPENDIX-II

### MINUTES OF THE EIGHTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2009-10) HELD ON 28TH JANUARY, 2010

The Committee sat on Thursday, the 28th January, 2010 from 1130 hrs. to 1415 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Gopinath Munde — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Khagen Das
5. Shri Naveen Jindal
6. Shri Satpal Maharaj
7. Shri Bhartruhari Mahtab
8. Kunwar Rewati Raman Singh
9. Shri Yashwant Sinha
10. Shri K. Sudhakaran
11. Shri Aruna Kumar Vundavalli

#### *Rajya Sabha*

12. Shri Prasanta Chatterjee
13. Shri Sharad Anantrao Joshi
14. Dr. K. Malaisamy
15. Prof. Saif-ud-Din Soz

#### SECRETARIAT

1. Shri Ashok Sarin — *Joint Secretary*
2. Shri Raj Shekhar Sharma — *Director*
3. Shri M.K. Madhusudhan — *Additional Director*
4. Shri Sanjeev Sharma — *Deputy Secretary*
5. Shri D.R. Mohanty — *Under Secretary*

**Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri Vinod Rai — Comptroller & Auditor General of India
2. Ms. Rekha Gupta — Dy. C & AG (Report Central)
3. Shri H. Pradeep Rao — Director General of Audit  
(Central Expenditure)
4. Shri P.K. Kataria — Pr. Director (Report Central)
5. Shri K.R. Sriram — Pr. Director of Audit  
(Economic & Service Ministries)

**Representatives of the Ministry of Health and Family Welfare  
(Department of Health and Family Welfare)**

1. Ms. K. Sujatha Rao — Secretary (Health and Family Welfare)
2. Shri R.K. Srivastava — DGHS
3. Shri Naved Masood — Additional Secretary (Finance)
4. Shri V. Vekatachalam — Additional Secretary
5. Shri B.K. Prasad — Joint Secretary
6. Shri Vineet Chawdhry — Joint Secretary
7. Ms. Shakuntala Gamlin — Joint Secretary
8. Dr. H.C. Goel — Addl. DG DGHS
2. \*\*\* \*\*\* \*\*\* \*\*\*
3. \*\*\* \*\*\* \*\*\* \*\*\*
4. A copy of the verbatim proceedings of the sitting has been kept on record.

*The representatives of the Ministry then withdrew.*

5. Thereafter, the Committee took up for consideration the following Draft Reports:—

- (i) C&AG's Report No. PA-11 of 2008—Union Government (Civil—performance Audit) relating to "**Implementation of National Rural Employment Guarantee Act**";
- (ii) \*\*\* \*\*\* \*\*\* \*\*\*
- (iii) \*\*\* \*\*\* \*\*\* \*\*\*

6. After some deliberations, the Committee adopted the same with some modifications/changes and authorized the Chairman to finalise these Reports in the light of suggestions made by the Members and the consequential changes arising out of factual verification by the Audit and present the same to the Parliament.

7. \*\*\* \*\*\* \*\*\* \*\*\*

*The Committee then adjourned.*

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\*\*\* Matters not related to this Report.