

## 8 Execution of Works

### 8.1 Prescribed Procedures/Requirements

The Act and MoRD's Operational Guidelines/circulars prescribe the following criteria for planning and execution of works:

- Schedule-I lists the permissible categories of works in order of priority viz., water conservation and harvesting; drought proofing, including afforestation and tree plantation; provision of irrigation facility<sup>27</sup>, plantation, horticulture, land development<sup>28</sup>; renovation of traditional water bodies, including de-silting of tanks; flood control and protection works, including drainage in water-logged areas; and rural connectivity to provide all-weather access. Maintenance of assets created under the scheme/belonging to the above sectors would be considered as permissible works.
- The cost of material component of projects (including skilled/semi-skilled wages) should not exceed 40 *per cent* of the total project costs. Engagement of contractors is not permitted; as far as possible, tasks under the scheme shall be performed using manual labour and not machines.
- All works would be required to have administrative and technical sanction obtained in advance.
- Workers may be divided into small groups of 4 - 6 persons for easy execution of works, measurement of work, and proper calculation of wages. Measurements will be recorded in the Measurement Books maintained by qualified technical personnel in charge of the worksite. Also, States may evolve norms for measurement of work, and for this purpose, may undertake comprehensive work, time and motion studies.
- Worksite facilities (medical aid, drinking water, shade and crèche<sup>29</sup>) should be ensured by the implementing agency.
- On completion of every project, a Project Completion Report should be prepared as per a prescribed format, and the details entered therein should be verified by a senior officer.

The major audit findings in respect of execution of works are summarised below:

### 8.2 Profile of works undertaken

As per the information furnished by Director, EGS to audit, the profile of works undertaken in the State as a whole, as well as in the sampled districts, for the period 2009-10 to 2011-12 was as follows.

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<sup>27</sup> On land owned by SC/ST households, beneficiaries of land reforms, beneficiaries under Indira Awas Yojana (IAY), and Below Poverty Line (BPL) families

<sup>28</sup> On land owned by SC/ST households, and small and marginal farmers

<sup>29</sup> If there are more than 5 children below the age of six years

Table 14 - Profile of works for whole State

Category of Works	2009-10	2010-11	2011-12	Total	% of total works
Water conservation and water harvesting	3,14,011	4,21,804	9,13,736	16,49,551	43
Drought proofing and plantation	39,873	27,356	2,70,385	3,37,614	9
Irrigation canals (Micro and Minor Irrigation works)	1,20,517	1,59,616	2,69,419	5,49,552	15
Provision of Irrigation facilities to SC/ST/IAY/Land reform beneficiaries	1,12,774	1,97,036	1,68,794	4,78,604	13
Renovation of traditional water bodies	76,224	88,993	16,598	1,81,815	5
Land Development	2,12,877	1,44,838	18,500	3,76,215	10
Flood Control	6,220	4,694	2,004	12,918	-
Rural Connectivity	43,996	92,620	64,468	2,01,084	5
<b>Total</b>	<b>9,26,492</b>	<b>11,36,957</b>	<b>17,23,904</b>	<b>37,87,353</b>	

Source: AP MGNREGS MIS web reports

As can be seen, the highest proportion of works (by number) for the State as a whole was for water conservation and water harvesting; this was followed by irrigation canals (including micro and minor irrigation works), provision of irrigation facilities, etc., to SC/ST/IAY/Land reforms beneficiaries, land development and drought proofing.

### 8.3 Analysis of electronic data on works

Audit analysis of electronic data on works for the period from 2009-10 to 2011-12 relating to four districts (Ranga Reddy, Nalgonda, Vizianagaram and Anantapur) revealed the following:

#### 8.3.1 Works of an unusual nature

Audit analysis revealed several works involving only one worker, or works involving 10 or less days of work. The need for taking up such works at all as well as the actual execution of such works is, thus, open to doubt.

Table 15 - Works involving one worker

	Ranga Reddy	Anantapur	Vizianagaram	Nalgonda
Number of works	2,338	2,384	7,765	11,313
Days worked	15,559	24,663	47,763	97,579

Source: Analysis of electronic data provided by the Department

Table 16 - Works involving 10 or less persondays of work

	Ranga Reddy	Anantapur	Vizianagaram	Nalgonda
Number of works	3,391	4,031	11,174	12,118
Days worked	19,533	27,218	66,090	69,683

Source: Analysis of electronic data provided by the Department

Government, while accepting the audit observation stated (February 2013) that MR check verification would be introduced for these kind of works.

### 8.3.2 Works-in-progress

A profile of the works-in-progress in the four districts pertaining to the period from 2005-06 to 2012-13 revealed the following position.

*Table 17 – Profile of works-in-progress*

District	Number of Works	GPs involved	Average number of works in progress per GP
Ranga Reddy	77,315	651	119
Anantapur	94,909	1,001	95
Vizianagaram	80,045	927	86
Nalgonda	1,43,833	1,175	122

*Source: Analysis of electronic data provided by the Department*

The profile of work status for each of these four districts is summarised below.

*Table 18 – Profile of works status*

	Anantapur	Ranga Reddy	Vizianagaram	Nalgonda	Total
Completed	83,243	23,115	84,524	66,988	2,57,870
Closed	60,150	12,662	38,912	39,695	1,51,419
In progress	94,909	77,315	80,045	1,43,833	3,96,102
Others	126	294	43	161	624
<b>Total</b>	<b>2,38,428</b>	<b>1,13,386</b>	<b>2,03,524</b>	<b>2,50,677</b>	<b>8,06,015</b>

*Source: Analysis of electronic data provided by the Department*

***The above shows that almost half the works on which manual work has been taken up are still under progress.***

A profile of works-in-progress for the four districts from the year in which work initially commenced reveals the following position.

*Table 19 – Starting year-wise profile of works-in-progress*

Year	Anantapur	Ranga Reddy	Vizianagaram	Nalgonda	Total
2005-06	Nil	12	Nil	Nil	12
2006-07	Nil	214	Nil	1	215
2007-08	16	323	11	21	371
2008-09	181	90	47	97	415
2009-10	3,251	418	665	442	4,776
2010-11	21,173	6,681	13,385	10,621	51,860
2011-12	42,720	44,896	38,051	70,857	1,96,524
2012-13 (upto October 2012)	27,568	24,681	27,886	61,794	1,41,929
<b>Total</b>	<b>94,909</b>	<b>77,315</b>	<b>80,045</b>	<b>1,43,833</b>	<b>3,96,102</b>

*Source: Analysis of electronic data provided by the Department*

Normally, works, if taken up, should be executed and completed within a definite period of time. In the cases of works stretching over 1 year or more (and in most cases not being executed continuously), durable assets of use to the community are not created; further, the possibility of dubious MRs being generated after a considerable gap of time, cannot be ruled out.

One of the major issues with the implementation of MGNREGA is the large number of works-in-progress in a GP (around 100). Most of these works have had sporadic bursts of persondays of employment, without continuity. Admittedly, a significant proportion of these works are, in effect, dormant; the actual number of works on which work is being currently provided would be less.

Given the available administrative infrastructure, it is simply impossible for the current pool of FAs and TAs to manage/supervise so many works in a GP. The other, more, important impact of having so many works-in-progress is that attention is focused on provision of work, and not on creation of durable assets through creation of durable assets. The use of a norm for works-in-progress in a GP would also focus attention on completion of works taken up (and creation of assets) before taking up a fresh work.

This is not to say that works-in-progress should be treated en masse as completed. For such a situation, a phased programme of evaluating works (perhaps by category) and either abandoning/closing such works or creating a ‘dormant’ category of works (for being re-started later when existing works are completed) could be considered.

State Government, while admitting the fact that some of the tasks were left incomplete resulting in huge number of works-in-progress, stated (August 2012) that a project mode of plan, considering similar works of all farmers in a block with one work ID and to meet the demand in GP at a given point of time, would be taken up.

#### **8.4 Execution of High Material Component Works by Line Departments**

The majority of works (63,307) executed by the Panchayati Raj Department (a non-GP implementing agency) under MGNREGA was relating to construction of Water Bound Macadam (WBM) Grade-II level roads and Gram Panchayat Office Buildings. Considering the extra-ordinarily high material percentage ratio on these works (some ranging from 90 to 100 *per cent*) and other serious deficiencies in Muster Rolls, many of these works do not fall within the category of permissible works as Schedule I of the Act provides:

*“...9. 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 40 per cent of the total project costs...”*

The concept of such works being executed through the Work Executing Member (WEM) model, (covered in Chapter 10 of this report), further vitiates the execution of such works.

Subsequent to GoI's order of May 2012 enforcing wage-material ratio of 60:40 at the GP level, the State Government has, in June 2012, dispensed with the system of engaging WEMs of Rural Connectivity Project (RCP) works with immediate effect. Further, the State Government replied (August 2012) that necessary guidelines were issued to ensure the material ratio limit within 40 *per cent* at the GP level and accordingly, the software was amended.

## 8.5 Key audit issues by work category

The profile of works physically verified during January 2012 to August 2012 in six selected districts is as shown below.

*Table 20 – Profile of sampled works*

*(Number of Works)*

Work Category	Total	Completed	In progress
Land development	419	139	280
Water Conservation and Harvesting <sup>30</sup>	871	508	363
Horticulture	321	141	180
Formation of roads	187	88	99
Construction of BNRGSK buildings	18	1	17
<b>Total</b>	<b>1,816</b>	<b>877</b>	<b>939</b>

*Source: Sampled works*

District-wise break-up is given in **Appendix-3**.

Main audit findings, grouped by category of work, for the 1,816 sampled works are detailed below:

### 8.5.1 Land development works

Land development works involve a multiplicity of tasks on fallow lands of specified categories of households (SC/ST, small and marginal farmers); these include juliflora clearance; bush clearance; big stump removal; boulder, stone and pebble removal; continuous contour trench works, etc. Audit scrutiny of 419 selected works falling under this category was carried out, involving documents examination and physical site verification.

- Site verification of the works revealed that in 60 works (involving expenditure of ₹1.12 crore) the lands remained uncultivated despite clearance of juliflora/bushes; boulders, stones/pebbles and big stumps were noticed as not removed, and thereby the intention of bringing the lands under cultivation was not achieved. Further, land development was carried out on ineligible lands like public institutions/high schools in one case (involving expenditure of ₹2.18 lakh) and on already developed/cultivated lands in two cases (expenditure ₹0.22 lakh).

<sup>30</sup> Including construction of MI Tanks, Percolation Tanks, Farm Ponds, de-silting of Canals, feeder/field channels and check dams

	
<p>Work ID: <b>131805005004061615</b>                      GP/Mandal/District:  <b>Pendekallu/Tuggali/Kurnool</b>                      Expenditure incurred: <b>₹49,501</b>  <i>Work remained incomplete due to non-removal of stones</i></p>	<p>Work ID: <b>121723209007011086</b>                      GP/Mandal/District:  <b>Bhoginepalle/Raptadu/Anantapur</b>                      Expenditure incurred: <b>₹11,166</b>  <i>Land covered with pebbles, and is unsuitable for cultivation</i></p>
	
<p>Work ID: <b>152053603002040156</b>                      GP/Mandal/District: <b>Gadda Mallaiah Guda/Yacharam/Ranga Reddy</b>                      Expenditure incurred: <b>₹5,29,897</b>  <i>Land remained uncultivated, due to non-removal of juliflora</i></p>	<p>Work ID: <b>232864922020010672</b>                      GP/Mandal/District: <b>Bettathanda/Neredcherla/Nalgonda</b>                      Expenditure incurred: <b>₹49,195</b>  <i>Land remained uncultivated due to non-removal of stones/pebbles</i></p>

While accepting the audit findings, the State Government stated (August 2012/ February 2013) that to meet the demand of wage seekers, large number of land development works were commenced and put in to progress and some of the tasks were left incomplete, which resulted in huge number of works shown as in-progress. State Government, further, stated that some of the lands could not be cultivated due to scarcity of water and drought conditions prevailing in certain mandals, the lands were not cultivated by the farmers, and where the lands remained uncultivated despite availability of water, the farmers would be motivated to cultivate the land. Non-removal of big stones/stumps/pebbles was attributed to disinterest by the wage seekers, owing to difficulty of work. Removal of pebbles was stated to be difficult due to its being spread all over the land, software problem (not permitting re-inputting of task of continuous pebble removal work on the same land), unsuitable land for complete levelling due to flow of river across the fields, etc.

- As regards 23 Continuous Contour Trench (CCT) works (expenditure ₹39.80 lakh), audit found that the excavated earth was not placed with the required berm (appropriate gap); and breaking of clods and dressing with required side slope was not done, which is likely to result in the excavated earth falling back into the dug up area/trenches, especially with the outset of heavy rains.



Work ID: **152053601001010164**

GP/Mandal/District: **Toolekurd/Yacharam/Ranga Reddy**

Expenditure incurred: **₹3,90,046**

*Continuous contour trench works were estimated at huge cost, but not executed usefully to extend maximum benefit to the beneficiary farmers*



Work ID: **030312033040060966**

GP/Mandal/District: **Mallam/Butchayyapeta/Visakhapatnam**

Expenditure incurred: **₹63,922**

*Trenches were dug as part of rain water harvesting structures, but the clods were dumped without breaking*

With regard to the findings on CCT works, the State Government stated (August 2012) that the slopes were not necessary for the trench owing to stony soil, which is not convincing in view of photographs. Dressing was not done in some cases due to unwillingness of the beneficiaries owing to hard soil and at some places due to non-availability of HBG stone. State Government, further, stated that no provision was made for maintenance of CCT works.

Audit also noticed that a number of works relating to land development were found to be productive, as is evident from the following photographs.



Work ID: **152020214017010125**

GP/Mandal/District: **Velchal/Mominpet/Ranga Reddy**

Expenditure incurred: **₹6,97,246**

*Land found to be brought under cultivation*



Work ID: **152020208010060211**

GP/Mandal/District: **Mominpet/Mominpet/Ranga Reddy**

Expenditure incurred: **₹5,57,747**

*Land found to be brought under cultivation*

## 8.5.2 Water conservation/drought proofing

These works included Minor Irrigation (MI) Tanks, Percolation Tanks, farm ponds and check dams; de-silting of canals, feeder/field channels and trench works. Out of 871 test checked works of this category, 508 works were completed and 363 works were under progress.

- Audit scrutiny revealed that in respect of 51 works (involving expenditure of ₹3.13 crore) related to restoration of MI Tanks, Percolation Tanks and farm ponds, the bund/embankment executed was not uniform. Further, no consolidation/compacting was done and the height of the bund was increased abnormally in some cases, while the top width of bund was not maintained in other cases. This may lead to slippage during rainy seasons. Also, embankments and revetment/stone works were either not executed or noticed as damaged and sluices remained closed/not executed.



Work ID: **131812802002012770**  
GP/Mandal/District: **Pothugal/Krishnagiri/Kurnool**  
Expenditure incurred: **₹8,71,582**  
*Bunding was completed without any revetment*



Work ID: **232935613011050110**  
GP/Mandal/District: **Varkala/Chintapalli/Nalgonda**  
Expenditure incurred: **₹16,61,684**  
*No sluice was constructed and the opening was closed by construction of a wall*



Work ID: **030312020024050029**  
GP/Mandal/District: **Gunnempudi/Butchayapeta/Visakhapatnam**  
Expenditure incurred: **₹24,49,785**  
*Sluice completely closed due to soil erosion, defeating the very purpose of irrigating the ayacut*



Work ID: **121712613012010417**  
GP/Mandal/District: **KK Agraharam/Bukkarayasamudram/Anantapur**  
Expenditure incurred: **₹44,984**  
*Weakening of bund, due to soil erosion*



While responding to these comments, the State Government replied (August 2012/ February 2013) that the leftover revetment works relating to MI tanks would be completed, and due to lack of proper knowledge, the sluices, surplus went/repairs had not been proposed by engineers at the time of work estimation. As regards non-execution of revetment in farm ponds, it was stated that the farmers were not interested in getting the work owing to huge cost, which is not acceptable, as the cost of said work was not to be borne by the beneficiary. Stone bunding for farm ponds was stated as not necessary due to hard soil, which, however, was not convincing in view of provision in the estimates.

Audit also noticed that two works relating to farm ponds visited during physical verification were found satisfactory.

	
<p>Work ID: <b>40331 (Last 5 digits)</b>  GP/Mandal/District: <b>Pothugal/Krishnagiri/Kurnool</b>  Expenditure incurred: <b>₹7,95,495</b></p>	<p>Work ID : <b>40372 (Last 5 digits)</b>  GP/Mandal/District: <b>Kambalapadu/Krishnagiri/Kurnool</b>  Expenditure incurred: <b>₹3,81,036</b></p>



- With regard to 84 works (expenditure ₹1.85 crore) of de-silting of canals, feeder/field channels visited, audit found that bushes and silt had re-accumulated. The channels were either not connected to the water source (tank) or to the fields and the de-silting was taken up in canals for which there was no in-flow for 15 years indicating faulty planning of works. Lack of adequate side slope; improper compacted bund/embankment and berm Channel at lower level and tank (where water is intended to flow to) at higher level further indicative of improper designs works. Uneven de-silting and non-existing of field channel/feeder channel flattened to road level were noticed, thereby free flow of water from/to source/fields would be very remote.

<b>Field/Feeder Channels</b>	
	
<p>Work ID: <b>020212922029010273</b>                      GP/Mandal/District: <b>Budathanapalle/                      Gantyada/Vizianagaram</b>                      Expenditure incurred: <b>₹2,37,519</b>  <i>Even after de-silting, the work was not useful as the channel lacks required depth and appears like a road</i></p>	<p>Work ID: <b>121723202001030081</b>                      GP/Mandal/District: <b>Prasannayapalle/Raptadu/ Anantapur</b>                      Expenditure incurred: <b>₹1,63,340</b>  <i>Dried up field channel due to lack of water source and maintenance</i></p>
	
<p>Work ID: <b>121723210008020822</b>                      GP/Mandal/District: <b>Gandlaparthi/Raptadu/                      Anantapur</b>                      Expenditure incurred: <b>₹17,711</b>  <i>Sectioning and compaction not done</i></p>	<p>Work ID: <b>232864922020030205</b>                      GP/Mandal/District: <b>Bettathanda/                      Neredcherla/Nalgonda</b>                      Expenditure incurred: <b>₹16,402</b>  <i>Re-accumulation of bushes and silt in feeder channel</i></p>

In response, the State Government stated (August 2012/February 2013) that provision for breaking the clods was not made in the original estimates and the same would be added separately and the work would be completed in all respects. They further stated that desilted earth fell back into the channel at various places due to cattle tress pass and heavy rains and, that uneven de-silting of canals was due to non-taking up the work by the wage seekers owing to hard soil. As regards the work taken up in canal for which there was no water for 15 years, it was stated that the work was proposed in the Gram Sabha with the expectation of farmers in getting rains in those years. Certain feeder channels were stated as not required as per the decisions taken by farmers owing to existence of permanent water sources of their own, and also rare use of MI tank due to non-availability of water, which is indicative of improper identification of work.

As regards sectioning and compaction work pertaining to Raptadu mandal of Anantapur district, Government assured (February 2013) that the defects pointed out by Audit would be rectified.

- In respect of 3 works under Check Dams (expenditure ₹10.32 lakh), it was noticed that weirs to protect check dams from damage were not provided, leading to washing away of dams.

<b>Check Dams</b>	
	
<p>Work ID: <b>027050311034010001</b>            GP/Mandal/District: <b>Thittiri/Kurupam/Vizianagaram</b>            Expenditure incurred: <b>₹7,56,754</b>  <i>Flooring/lining at one side of the apron was not done to protect the surface and also free flow of water</i></p>	<p>Work ID: <b>232935616016010072</b>            GP/Mandal/District: <b>Teededu/Chintapalli/Nalgonda</b>            Expenditure incurred: <b>₹1,68,076</b>  <i>Weirs were not provided to protect the check dams from damage</i></p>

State Government replied (August 2012) that no provision was made for erection of sluice gate in the estimate, which indicated faulty planning of work.

### 8.5.3 Horticulture

Horticulture works were largely executed as convergence works with the Horticulture and Forest departments. Works of this type viz., Mahatma Gandhi bund and plantation, supply and plantation of fruit bearing saplings/plants and teak plants and tank fore shore plantation; raising of fodder maize, jowar for silage making, horticulture orchards, teak beds, primary bed and bag culture nurseries etc., were selected for test-check and physical verification with reference to records at the offices of the above departments. Out of 321 works selected, 141 works were completed and 180 works were in progress.

- **Poor survival of plantations**

During the physical verification of works, it was noticed that in 32 works (expenditure ₹29.94 lakh) of plantation, there was either no survival or poor survival of plants due to plantation during off season/non-identification of water source. In 4 works (expenditure ₹17.59 lakh), no/less efforts made to protect and maintain the bund plantations (non-provision of tree guards) and saplings planted (non-provision of inputs like fertilizers/pesticides including water, etc.) leading to their poor survival.

	
<p>Work ID: <b>131805013008040189</b>                      GP/Mandal/District:  <b>Sabhaspuram/Tuggali/Kurnool</b>                      Expenditure incurred: <b>₹4,20,738</b>  <i>Plantation work taken up under Horticulture Development was not found at site during physical verification</i></p>	<p>Work ID: <b>037012022026020011</b>                      GP/Mandal/District:  <b>Turakalapudi/Butchayyapeta/Visakhapatnam</b>                      Expenditure incurred: <b>₹1,38,000</b>  <i>25% survival of saplings of teak bed</i></p>
	
<p>Work ID: <b>121722617014040459</b>                      GP/Mandal/District:  <b>Siddarapuram/Bukkarayasamudram/Anantapur</b>                      Expenditure incurred: <b>₹90,164</b>  <i>Low survival of Plantation</i></p>	<p>Work ID: <b>121712607004042158</b>                      GP/Mandal/District: <b>Korrapadu/Bukkarayasamudram/Anantapur</b>                      Expenditure incurred: <b>₹1,63,564</b>  <i>Low survival of Plantation</i></p>

In response, the State Government, stated (August 2012/February 2013) that saplings had died due to drought conditions; however, 30 per cent of dried plants had survived with the latest monsoon rains and further efforts were being made to complete casualty replacements from the year 2012. The reply is not acceptable in view of choosing the nature of saplings without considering the required soil and climatic conditions suitable for their purpose. It was further stated that, even though amounts released to farmers towards maintenance were spent for the purpose, plants had dried up due to soil conditions; and as the farmers had not shown interest in the maintenance, maintenance grant was not released in the subsequent years. This shows improper survey of soil conditions before planting.

State Government, further, stated that the plantation of fruit bearing trees was taken up duly ensuring permanent water source of bore wells with the farmers, but due to severe drought conditions plants dried up during 2011-13. The reply is not

convincing, as the fruit bearing plants are to be grown in areas with permanent water source. Failure of the Department in not identifying the permanent water source resulted in the plants dried up.

As regards not taking up adequate measures for protecting plants, it was stated that provision was made in the estimate for repairs to tree guards and subsequent repairs in the succeeding years of maintenance. The reply of the department is not correct as the maintenance or repairs to tree guards arise only when plants survive. Further, it was stated that there was no damage of teak plants from cattle because the cattle would not prefer to graze the teak plants and further stated that the Forest Department has appointed one vana sevak for every nursery to safe guard the plants, without however, producing the evidence in support of this fact.

- ***Injudicious selection of land for raising nurseries***

In Gantiyada mandal of Vizianagaram district, scrutiny of a work (expenditure ₹1.14 lakh) revealed that selection of land was injudicious as the same was taken up on private land for raising nurseries and teak beds instead of raising in the Government land. If these nurseries are raised on Government lands, or the beneficiaries' land, the usefulness of the infrastructure developed such as sintex tank, water supply, etc., would be automatically reaped by the Government, or by the beneficiaries.

State Government stated (August 2012) that due to non-availability of Government lands with water facility the nurseries were raised in private lands. Reply is not acceptable in view of the fact of not replying to adverse consequences of raising in private lands.

Audit also noticed that some works relating to raising of fodder, avenue plantations and bund plantation were found to be satisfactory.

## **8.5.4 Others**

### ***8.5.4.1 Road formation***

Under this category, formation of road upto WBM Grade-II surface including Cross Drainage (CD) works connecting SC/ST habitation or locality in plain areas; road upto gravel surface including CD works to agriculture fields, ST colonies, single layer roads to agriculture fields and laying of gravel roads to burial grounds were selected for test-check in audit and physical verification. All the test checked works were executed by the Panchayat Raj Engineering Department (District level); out of 187 works selected, 88 works were completed and 99 works were in progress.

During physical verification of works, it was noticed that in 9 works (expenditure ₹49.79 lakh), consolidation/compacting was not done and berms at some places were not executed, while at some other places, 'camber' was not executed properly leading to many potholes/ditches. In 6 works (expenditure ₹93.60 lakh), the road formation had led to closure of feeder channel leading to MI tank and in some places construction of culvert drain for stream crossing road was not carried out, and the

roads were not connected to nearest habitations in some cases. In Vizianagaram district, Cement Concrete (CC) works were noticed in one work (expenditure ₹15.43 lakh) against the MGNREGA guidelines.

	
<p>Work ID: <b>127043210008080001</b>                      GP/Mandal/District: <b>Gandlaparthy/Raptadu/Anantapur</b>                      Expenditure incurred: <b>₹3,12,222</b>  <i>Jungle clearance was completed and the main work of laying the road was left out</i></p>	<p>Work ID: <b>232935616480066</b>                      GP/Mandal/District: <b>Melvallapalli/Chintapalli/Nalgonda</b>                      Expenditure incurred: <b>₹2,69,099</b>  <i>Defective single layer metal road</i></p>
	
<p>Work ID: <b>037072024029080001</b>                      GP/Mandal/District: <b>Kondapalem/Butchayyapeta/Visakhapatnam</b>                      Expenditure incurred: <b>₹13,86,498</b>  <i>No provision in the estimate for construction of culvert drain on this road. Without culvert, the purpose of laying the road is defeated as a portion of land would be submerged in water during rainy season</i></p>	<p>Work ID: <b>27050311082080001</b>                      GP/Mandal/District: <b>Thittiri/Kurupam/Vizianagaram</b>                      Expenditure incurred: <b>₹15,42,892</b>  <i>As per MGNREGA guidelines, Cement Concrete roads shall not be executed, contrary to the Act the CC patches was executed in some portions of the road in this work</i></p>

State Government stated (August 2012/February 2013) that the errors pointed out in audit would be rectified and all the leftover works would be completed. As regards non-maintenance of roads, it was stated that the Chief Quality controlling officer at the State level would be addressed to submit the report on this work.

#### **8.5.4.2 Bharat Nirman Rajiv Gandhi Sewa Kendras (BNRGSK) - Mandal and GP buildings**

Physical verification of 14 works selected in six districts revealed that none of the works were completed as of June 2012 though taken up between 2010 and 2011.

In some cases, slab was only laid while in other cases, the brick work, plastering, fixing of doors shutters to windows, electric wiring and sanitary items was left to be carried out. Huge quantity of construction material like sand was noticed as lying unutilised in front of one structure. An expenditure of ₹1.06 crore was incurred on these incomplete buildings. Some of the pictures of incomplete GP buildings visited during audit are shown below with Work ID, name of the GP/mandal and expenditure.

	
<p>Work ID: 037072020024090004 GP/Mandal/District: <b>Gunnempudi/ Butchayyapeta/Visakhapatnam</b> Expenditure incurred: ₹9,83,266 <i>GP Building was not completed even though the estimated amount was expended</i></p>	<p>Work ID: 037072315017090003 GP/Mandal/District: <b>Aripaka/Sabbavaram/ Visakhapatnam</b> Expenditure incurred: ₹7,34,292 <i>Incomplete GP Building - even though the estimated amount was expended</i></p>
	
<p>Work ID: 127041305004090006 GP/Mandal/District: <b>Munthi Madugu/ Garladinne/Anantapur</b> Expenditure incurred: ₹9,91,528 <i>Provision for internal electrical fittings, internal doors, plumbing and sanitary items were not included in the estimate. Only civil structure of the building was completed</i></p>	<p>Work ID: <b>Not furnished</b> GP/Mandal/District: <b>Madnapur/Chintapalli/ Nalgonda</b> Expenditure incurred: ₹4,68,786 <i>Only slab was laid, the brick wall was left unplastered, doors, shutters to windows were not affixed</i></p>

State Government replied (August 2012/February 2013) that the pending works would be completed and detailed report in this connection would be furnished in due course.

## 8.6 Procurement Activities/Payment to suppliers

MoRD, while forwarding (November 2010) instructions on the procedure to be followed for procurement of material under the scheme directed that every authority

delegated with the financial powers of procuring material should maintain the transparency by giving equal treatment to suppliers and promotion of competition in public procurement. Further, it was also stated that the principles of GFRs should be scrupulously followed while procuring material and all related records to be kept meticulously for scrutiny. State Government, while endorsing the GoI's instructions, issued several orders subsequently on procurement of material for different categories of works.

Major audit findings with regard to procurement are summarised below:

- In contravention to the provisions contained in paragraph 6.3.3 of MoRD's Operational Guidelines, various authorities (sarpanches, ward, mandal parishad territorial council members) were having huge sums of money credited to their bank accounts purportedly for material payments, after being nominated as Work Executing Members (WEMs) by GPs. In one mandal (Velgodu<sup>31</sup>), such payments to the eight joint accounts of the Sarpanch/technical assistant (for 8 GPs) amounted to ₹3.05 crore, purportedly for transportation of silt, for which either no records were available or false/fictitious records were created; such payments amount to misappropriation/embezzlement of Government funds. State Government stated (August 2012) that the misappropriation was detected by the social audit teams, and action had been taken for suspension and termination of responsible field functionaries and also to recover the misappropriated amount under the Revenue Recovery Act (RR Act). It was also stated that the material payments were now being made to the farmer/beneficiary account.
- There was complete absence of tendering processes for materials, with works being assigned directly to WEMs (who were essentially acting as contractors appointed on nomination basis). Government replied (August 2012) that the WEM system was abolished from June 2012 and tender process for procurement of material was introduced from February 2012.
- Payment of ₹33 lakh for arrangements for CM's meeting in January 2009 (including Service Tax component) were made to non-existent firms (without Service Tax Registration); material supplied at site was not checked/counted by officials. Government replied (August 2012) that the supply of entire material had been verified by the then officials and bills were scrutinised by then PD and payments were made. ***However, this payment could not be vouchsafed in audit due to non-existent firms and insufficient documentation for supply.***
- The DFO (SF) Ranga Reddy district did not choose suppliers by calling bids by publication of tender notice in newspapers. Instead of arranging for centralised purchase of materials, all the field staff were allowed to place their orders separately for supply of teak stumps, seeds, watering services, etc., that too only on particular individuals/firms. Transactions amounting to ₹3.37 crore were undertaken during 2010-12 (2 years) for the above supplies. Centralised purchase

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<sup>31</sup> Covered as part of the pilot study for MGNREGA



would have facilitated competitive bidding, ultimately resulting in savings. Further, in the same agency, prescribed norms/procedure were not followed for procurement of plastic water containers worth ₹30 lakh and above.

- DFO (Hyderabad) made payments (2011) worth ₹94.55 lakh to suppliers towards procurement of seeds/sapplings without ensuring actual receipt of stock/prior to receipt of stock.
- Payments were made to other than suppliers/WEMs in respect of nursery and Rural Connectivity Project (RCP) works for supply of sign boards of RCP works executed by PR Division, Vikarabad, Ranga Reddy district; and instances of payments to unauthorised account holders were also noticed. State Government stated (August 2012) that a detailed investigation was directed to be initiated against the responsible persons.