

Executive Summary

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a flagship programme of Government of India executed by Ministry of Rural Development (MoRD) under NREGA Act, 2005. This programme, which aims at providing livelihood security to the rural poor, was being implemented with effect from 2 February 2006 initially in 200 most backward districts of the country. This Act was later extended in two phases. The Act covered the entire country with effect from 1st April 2008 with the exception of districts having a hundred percent urban population. In Assam, all the 27 districts were brought under the Act by 1st April 2008. MGNREGS aims at enhancing livelihood security of the people in rural areas by guaranteeing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

The performance audit on MGNREGS under the said Act in Assam was aimed at reviewing the efforts of the State Government for effective implementation of the Scheme as envisaged, and highlighting the areas and issues of concern which need to be addressed for successful implementation of the objectives of the scheme. Against the total funds of ₹4152.54 crore available in the State under MGNREGS during the period of 2007-12, ₹4060.48 crore (98 *per cent*) was reported to have been spent on generation of employment opportunities and creation of assets under the scheme in the State. Out of the total 39.21 lakh households in the State, 13.53 lakh to 21.55 lakh households demanded employment during the period 2007-12 and were provided employment on an average of 12 to 37 days per households per year. Significant findings are summarised below.

Planning

The performance audit revealed that neither any specific demand (Labour Budget) for the years 2007-08 and 2008-09 was placed with the ministry nor any Labour Budget approved during these years. During 2009-12, funds released fell short of approved Labour Budget. The estimates in the Labour Budget had no significance or application in the planning of annual action plan. District Perspective Plans (DPPs) as envisaged were either not prepared or prepared but not approved by State Employment Guarantee Council (SEGC). Annual Development Plan/Action Plans were prepared without considering the basic information required to assess the

benefits expected in terms of employment generated. Works were executed outside the Development Plan.

(Paragraph 3.1, 3.2, 3.3, 3.4)

The State Government should direct all the districts to ensure timely preparation of Annual Plans and also for preparing DPPs so as to develop long-term shelves of projects. The State Government should also direct all District Programme Coordinators (DPCs) to ensure that only the works included in the Plans, are sanctioned and executed.

Release and Utilisation of fund

There were instances of non/short release of both Central as well as State share and issues relating to diversion of fund, delay in transfer of fund to NREGA account in addition to other gross financial irregularities like irregular administrative expenses, doubtful expenditures, under utilisation of funds by executing agencies and non reconciliation of Post Office accounts.

(Paragraph 5.1, 5.2, 5.4, 5.5, 5.10, 5.12, 5.16)

The State Government should streamline and regulate the process of release of funds as per norms and should undertake periodical reviews to ensure utilization of funds in compliance with the provisions of NREGA Act/Rules.

Registration and Issue of Job Cards

Job Cards were not issued properly and in a timely manner. There were cases of generation of excess Job Cards and fraudulent payment of wages through fake Job Cards. Besides, the registration list was never updated to add eligible workers or to delete ineligible workers. There was also lack of awareness of the provision of the scheme amongst the job seekers.

(Paragraph 7.2, 7.3, 7.6, 7.8)

The State Government should direct all the POs/GP Secretaries to maintain Job-Card Registers as per the prescribed format, undertake periodical review of the status of Job Cards issued, ensure affixing of photographs in the existing Job Cards and deletion of the fake Job Cards from MIS to avoid further fraudulent payments. State Government must ensure that under no condition Job Cards are retained by GPs/other departmental officials for any purpose. State Government may also

involve PRIs for opening of the Bank/Post Office accounts of those willing workers who have been issued Job-Cards but accounts are not opened.

Employment

Average number of days of wage employment provided to each household annually varied from 8 to 63 days during 2007-12 in 10 selected districts against the guaranteed provision of at least 100 days wage employment to every household whose adult members volunteer to do unskilled manual work. In the Sixth Schedule districts of Karbi Anglong and Chirang, the employment provided to women workers, however, ranged between 23 and 41 *per cent*, which reflected a positive impact of the scheme. Unemployment allowance and compensation for delay in payment of wages were not paid in the 10 test-checked districts.

(Paragraph- 8.1, 8.3, 8.4, 8.5)

The State Government needs to critically review (at all levels) the deficiencies leading to non-providing of 100 days wage employment to all workers demanded the job and put in place a clearly defined monitoring mechanism so as to fulfill the primary objective of the scheme to enhance livelihood security of rural households by providing at least 100 days guaranteed wage employment in a year to willing households.

Execution of works

Numbers of non-permissible works were executed disregarding the provision of the Act. Most of the works remained incomplete mainly due to non-release of funds to executing agencies. Materials were procured at higher rates and remained unaccounted for. There were cases of less execution of works, wasteful expenditure, non-existence of works stated to have been executed, doubtful expenditure and unauthorized execution of works. No attempt was also made for the maintenance of works executed. The State Government had not prepared any guidelines for convergence of schemes/funds with other departments. Efforts made by DPC, Lakhimpur to create durable assets under convergence scheme with other department could not fructify.

(Paragraph- 9.1.1, 9.1.3, 9.1.7, 9.1.10, 9.1.11, 9.1.15, 9.1.19 and 9.1.21)

The State Government should ensure that works are executed economically, efficiently and effectively within the development plans by revisiting the existing monitoring mechanism and specifying responsibility centers clearly with the aim of

creating durable assets in compliance with the Act and Rules. Efforts towards ensuring convergence of schemes/funds under MGNREGS with other rural Development Programme needs to be taken by the State Government for ensuring sustainable livelihood to the targeted rural community.

Auxiliary Objectives

Empowering rural women and protecting environment as envisaged in the scheme guidelines remained unachieved in the test checked districts. While there was an increasing trend in issue of Job Cards in eight out of 10 test-checked districts, the demand for job by the job seekers gradually came down every year in all the test-checked districts, which is a contra indication of implementation of the scheme.

(Paragraph-10.1 to 10.3)

A separate action plan with time lines would need to be put in place by the State to monitor the extent of fulfillment of the auxiliary objectives of the Scheme. The problems of the workers also need to be looked into and steps taken to motivate them to work under MGNREGS to avoid migration for the employment.

Monitoring and Evaluation

There was deficiency in ensuring conduct of targeted inspections and maintenance of inspection records/reports. Besides, lack of vigilance/deficiency in checking of Muster Rolls, conducting Social Audit, grievance redressal etc., reflected poor monitoring and evaluation of the programmes both at State and the district level.

(Paragraph-12.3.1, 12.3.2, 12.3.3, 12.4.1, 12.5)

The beneficiaries need to be facilitated to avail the full benefits of the Scheme through a time bound monitoring of grievances and by making payment of wages timely. The system of physical verification of assets and works executed also needs to be strengthened on priority basis. The State Government should direct all DPCs and POs to ensure requisite level of inspection, besides maintaining records thereof to prevent/avoid fraudulent payment of wages. The Directorate of Social Audit should also be set up urgently to ensure conduct of Social Audits in all Gram Sabhas twice a year as per norms in order to maintain transparency.