

Chapter –X Monitoring and internal control

10.1 Monthly progress reports (MPRs) and Management Information System (MIS) entry

The MGNREGA Operational Guidelines prescribe detailed monitoring formats for Monthly Progress Reports (for both physical and financial) in which performance was required to be compiled and sent by the State Government. In addition to ensuring transparency and accountability at the local level, the information furnished by the States is to be consolidated for public information through the Ministry's Internet website.

The MGNREGA Operational Guidelines also require that procedures are to 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.

At district and block level, there were instances of excess reporting of person days generated and fund utilized. Comparison of data regarding expenditure and status of jobs included in the MoRD website through MIS and as per MPR, disclosed that there were sizable gaps between aforesaid two data source. Neither the expenditure nor the number of households provided jobs tallied. Inflated data was reported to the government and the reporting system lacked reliability and authenticity.

Comparing of MPR with statement of MIS (both are the tools for reporting the physical and financial performance of the scheme) regarding expenditure and created mandays revealed following discrepancies:

- Variation between MIS entry and MPR in selected 14 districts in terms of expenditure ranged between the minimum of ₹ 28 lakh in Nalanda in the year 2011-12 to the maximum of ₹ 111.59 crore in Muzaffarpur in the year 2010-11 (**Annexure-LXII**).
- In the test checked districts, it was found that the MIS entry for ₹ 8.96 crore was not done by the line departments and Zila Parishad in West Champaran.
- Expenditure shown in MPR was overstated by ₹ 34.19 crore in comparison to C.A report in Munger during 2007-12.(**Annexure-LXIII**).
- In Darbhanga, against total expenditure of ₹ 13.26 crore incurred on execution of those schemes which were executed by the Line departments including Z.P, MIS entry of expenditure to the tune of ₹ 7.83 crore only was done and entry for expenditure of ₹ 5.43 crore was pending.

It was replied by the ADPC; Aurangabad that non entry of expenditure done in the month of April for the works executed in the month of March and non entry of liability was the reason for difference.

The reply is not acceptable as liability on account of due wages should have been entered under the head of "Expenditure in pipe line" in MIS to reflect the total expenditure of the year. For difference in man days, explanation was called for from P.Os concerned and it was replied that compliance would be furnished later on. Rest of the districts did not reply.

Recommendation

Target should be fixed to achieve zero difference between data of MPR and MIS. The time gap between actual expenditure and its entry into MIS needs to be reduced to the minimum.

10.2 Monitoring/inspection of work

MGNREGS Operational Guidelines para-10.3 stipulates the following procedures for monitoring and reporting. Block-level, district-level and state-level officials shall inspect *per cent*, 10 *per cent* and two *per cent* of works every year respectively. In addition to this, financial audit of all districts would be mandatory and District Internal Audit Cells should 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.

Local Vigilance and Monitoring committee (VMC), consisting of members elected by the Gram Sabha, should monitor the progress and quality of work while it is in progress. Scrutiny of records disclosed following shortcomings in monitoring/ inspection of works:-

- The works executed under MNREGS were not supervised by the state government authorities and only P.O./B.D.O. of the block had supervised the work. In eight districts, district level authorities supervised one to nine *per cent* of works against stipulated 10 *per cent*. Instead of hundred *per cent* supervision of works by block level authorities, only 10 to 97 *per cent* works were supervised. The lowest percentage of supervision of works was in Begusarai (10 *per cent*) and highest was in Sitamarhi (97 *per cent*) district. (Annexure-LXIV)
- Internal Audit Cell at district level was not found constituted in any of the sampled districts.
- Local Vigilance and Monitoring Committee was not constituted for each work in any of the sampled work.
- State as well as District Quality Monitors for verifying the quality of work executed was not appointed by the Government at the State level and in any of the sampled districts.

Recommendation

Monitoring at all levels needs to be strengthened and target of monitoring fixed by the government should be achieved. Documentation of inspection by the higher scheme functionaries may be done to check the compliance of the instructions, if any. Quality monitors may be appointed on priority basis.

10.3 Maintenance of records and registers

Proper maintenance of records is one of the critical success factors in the implementation of MNREGS. Each implementing agency has to maintain the necessary records at their level (**Annexure-LXV**).

Application Registration Register which records applications/ requests for registration of households was not maintained by any of the sampled Gram Panchayats and registration of the households was being done on verbal request. Thus, households denied registration if any, could not be verified.

Employment Register records (for each registered households) details of employment demanded, employment allotted and employment actually taken up was not maintained by any of the Gram Panchayats and P.O. office. Due to non-maintenance of the employment register, it could not be verified as to how many days of employment was actually provided to how many households in a year and how many households actually provided 100 days job in a financial year.

Asset Register: Asset register was not maintained in the sampled districts.

Muster Rolls issue & receipt register: Muster Roll issue and receipt register was to be maintained at each level. In all the sampled districts, issue register was maintained at P.O level but the receipt register was not maintained at G.Ps level.

Complaint Register: The complaint register was to be maintained at district, Panchayat Samiti and Gram Panchayat level to record the complaints made and action taken thereon. But, the Gram Panchayats did not maintain the complaint register.

Non-maintenance of mandatory central registers is the hurdle for successful implementation of the scheme. Maintenance of basic records at the G.P and Block level was poor, as a result of which the authenticity of the figure of employment demanded, employment provided, number of days of employment generated, entitlement for employment allowances could not be verified.

Recommendation

The PRS and other executing agencies need to be explicitly instructed to maintain required basic records as these are means of ensuring transparency and accountability in MGNREGS which would prevent misappropriation and siphoning of fund.

10.4 Social audits, transparency and grievance redressal

MGNREGA gives a central role to “social audits” as a means of continuous public vigilance. The Guidelines indicate two types of social audit; Periodic assemblies in the Gram Sabha for scrutinising details of projects/works (which is referred to as “Social Audit Forum”); and 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 evaluation and the Social Audit Forum and the report of the social audit is to be uploaded on website to bring the entire process in public domain.

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 pre-designed format outside offices of all agencies involved in implementing MGNREGS.

Social Audit Forums must be held twice in a year at the Gram Panchayat level for all works done in the preceding year. The State Government would consider for setting up a system of Ombudsman at the State and District levels, using people of proven integrity for grievance redressal.

As far as RTI complaints were concerned, out of 164 cases, 150 cases were disposed off and 584 complaints of general nature were pending till the date of audit (June 2012). In Darbhanga 67 per cent, in Madhubani-37 per cent, in Jehanabad-70 per cent, in Begusarai-15 per cent, in Araria-100 per cent, in West Champaran seven per cent, Kishanganj-89 per cent, in Banka-23 per cent, Munger four per cent and in Sitamarhi 38 per cent general complaints were pending. (**Annexure-LXVI**)

However, at the State level 54 per cent general complaints were pending for disposal. Social audit was not conducted as per provisions contained in MGNREGA Operational Guidelines. Of the total selected GPs, only 528 social audits were conducted by 153 GPs and initiative of social audit was not taken by 85 GPs. The reports of the social audit are not found uploaded onto website by any of the G.P and proceeding of social audit did not contain any observations. (**Annexure-LXVII**)

The state government had not appointed ombudsman at the state and the district level.

Recommendation

- Effective grievance redressal mechanism should be established.
- Ombudsman should be appointed on priority basis.
- Quality monitors at State as well as district level may be appointed to inspect the MGNREGS assets.
- Scheme functionaries should ensure conduction of social audit periodically.