

CHAPTER – 10
MONITORING AND EVALUATION



Chapter 10

Monitoring and Evaluation

10.1 Monitoring

Effective monitoring is essential for the success of any scheme, as it provides reasonable assurance that operations are being carried out effectively and efficiently. Along with inspection, field visits and sample checks were also required to be performed on a regular basis to ensure comprehensive and continuous assessment of the scheme as per the Act. Proper maintenance of records is also one of the critical success factors in the implementation of the Scheme especially with a view to bring in transparency and accountability.

However, contrary to the provisions of the Scheme, we found that the monitoring system at the State, district and GP level was improper and inadequate. During audit of the scheme several deficiencies were noticed, as discussed below:

10.1.1 Inspection of works

Paragraph 10.3 of the Operational Guidelines, 2008 prescribes 2, 10 and 100 *per cent* internal verification of works at the field level by the State, district and block level officers respectively.

Information furnished by DPCs in five¹ out of the six test checked districts regarding status of inspection of works carried out by the State, district and block level officers was as detailed in **Table 15**:

Table 15 Inspections carried out by State/District/Block level authorities during 2007-12

| Year | Total sanctioned works | Inspection of works | | | | | |
|---------------------------------|------------------------|---------------------|-----------|----------------|-----------|-------------|-----------|
| | | State level | | District level | | Block level | |
| | | Required | Conducted | Required | Conducted | Required | Conducted |
| 2007-12 | 1,86,809 | 3,736 | Nil | 18,680 | 31,087 | 1,86,809 | 1,08,052 |
| Shortfall (in <i>per cent</i>) | | NA | | Nil | | 42 | |

Source: DRDAs

No inspections were carried out by the State level officer whereas shortfall in inspections by block level officers was 42 *per cent*

As can be seen from **Table 15**, inspections carried out by the State level authorities during 2007-12 was shown as 'Nil' since the districts did not have any information in respect of inspections carried out by the State level officers, whereas inspections by district level officers were reported to have been more than the requirement. However, shortfall in inspections carried out by block level officers was 42 *per cent*.

¹ Dumka, Pakur, Palamu, Ranchi and West Singhbhum

We noticed that no records of inspection carried out were available at district and block levels. Thus, the effectiveness of the inspections cannot be vouchsafed in the absence of documented directions and their follow up.

DPC, Ranchi stated (September 2012) that inspections have been carried out but records of inspection are not available. DPCs Pakur, Dumka and Gumla accepted the audit observations.

10.1.2 State and District Quality Monitors

Paragraph 10.3.2 of the Operational Guidelines, 2008, envisages appointment of State and District Quality Monitors, a mechanism for grievance redressal and Social Audit for quality and transparent monitoring system.

State Quality Monitors (SQM) at the State level and District Quality Monitors (DQM) at district level were to be designated with the approval of the State Government for quality monitoring.

We however, noticed that SQM and DQMs were not appointed in the State and at districts level as of July 2012. In the absence of SQM and DQMs, regular monitoring and quality concerns of the assets created could not be addressed as audit found cases of substandard works in the test checked districts (refer to para 7.1.3).

SQM and DQMs were not appointed at State and districts levels for quality monitoring

During the exit conference, the Principal Secretary accepted (July 2012) the facts and assured to appoint SQM and DQMs shortly.

10.1.3 Slow disposal of complaints

As per Section 23 (6) of MGNREG Act, the programme officer shall enter every complaint in a complaint register maintained by him and shall dispose of the disputes and complaints within seven days of their receipt. However, the State Government, in July 2010, fixed a maximum time limit of one month for disposal of complaints. In this connection, the following observations are made:

Out of 964 complaints made, only 150 complaints (16 per cent) were disposed of during 2007-12

- As per information furnished to audit by RDD, 964 were complaints received by the State Government during the period 2007-12, out of which only 150 (16 per cent) were disposed within a year (March 2012). The reasons for delay in disposal were not on record.
- In Ranchi district, 91 cases of complaints relating to 13 blocks of the district were lodged in MGNREGS MIS during May 2009 to July 2010. There was delay in disposal of complaints ranging between 25 days to more than one year against the permissible seven to 30 days.

The DPC, Ranchi accepted the observation and stated (September 2012) that clarifications are being sought from the concerned POs. In other districts complaint registers were not found maintained.

- A public hearing (*Jan Sunwai*) at Sadar-Medininagar block, Palamu district was organised on 19 May 2012 which was chaired by *Pramukha, Panchayat Samiti*. The public hearing was attended by the representatives of *Panchayat Samiti* and officials of the block. We however, noticed that the public hearing was completed without the involvement of rural people, though notice for the said programme was circulated to all citizens in April 2012. This fact has been incorporated in the minutes² of *Jan Sunwai* provided to audit.



Photograph showing non-participation of rural people in Jan Sunwai organised at Sadar block in Palamu district held on 19 May 2012

Thus, grievances of the people remained unaddressed due to delay in disposal of complaints and without adequate people's participation.

10.1.4 Citizens' Charter

As per 11.6 of the Operational Guidelines, 2008 a model 'Citizens' Charter' was to be developed covering all aspects of the duties of Panchayats and officials under the Act. The Citizens' Charter should describe the specific steps involved in implementing the provisions of the Act, and lay down the minimum service levels mandated by these provisions on the Panchayats and the officers concerned.

Citizens' Charter was not prepared in the State

However, as per information furnished to audit by the Department, the Citizens' Charter was not prepared in the State. As a result MGNREGS in the State had been implemented without specific duties and timeframes for execution.

During the exit conference the Principal Secretary accepted (July 2012) the fact and instructed his officials to prepare the Citizen's Charter and upload it on the official website.

² Jointly signed by *Pramukha, up-Pramukha* of Panchayat Samitee, Sadar Block, Palamu and BDO, Sadar Block

10.1.5 Social Audit

Out of 11786, only 5660 nos. of social audit (48 per cent) were conducted during 2007-12

As per paragraph 12.4 of the Operational Guidelines, 2008, Social Audit was required to be conducted at least once in every six months in every GP.

We noticed that in the six test checked districts, against the prescribed 11,786 social audits, only 5,660 (48 per cent) were conducted during the period 2007-12. Out of the six test checked districts, in four³ districts 10,747 objections involving money value of ₹ 47.43 lakh was raised during the course of social audit against which 22 FIRs were lodged, and disciplinary action was initiated against defaulting officials.

During the Social Audit held between July and August 2009 in West Singhbhum district, charges of preparation of bogus muster rolls and non-payment of wages were leveled against different officers/ officials.⁴ Subsequently charges were proved by the Special Investigation Team (SIT) constituted by DPC. SIT also imposed penalties amounting to ₹ 1,000 on three erring officers under section 25 of the Act and recommended suspension of two concerned officers to their controlling departments i.e. Agriculture and Panchayati Raj. However, due to lackadaisical attitude of the district authorities, neither was the amount recovered from the erring officers nor was format K⁵ furnished to the concerned controlling department for suspension of the concerned officials.

In reply DDC, West Singhbhum stated (August 2012) that action had been initiated to recover the amount from the persons concerned and Proforma K would be framed against the concerned officers (June 2012).

³ Dumka, Pakur, Palamu and West Singhbhum

⁴ 1-Shri Swapan Kumar Kar, Junior Engineer, Zila Parishad; 2-Shri Anand Kishore, Block Agriculture Officer Jhinkpani; 3-Shri Sona Ram Gop Panchayat Sevak, Dopai Panchayat Khutpani; 4-Shri Nagendra Prasad Singh, Junior Engineer, Minor Irrigation Division, Chaibasa; 5-Shri Niral Marshal Soy, Panchayat Sevak, Bara Guntia, Khutpani; 6-Shri Abhimanyu Barik, Panchayat Sevak, Khutpani.

⁵ Format K is designed to frame charge sheet.

10.1.5.1 Non constitution of District Internal Audit Cell

As per 11.3.6 of the Operational Guidelines, 2008, in order to process reports of social audit by the Gram Sabha, a District Internal Audit Cell in the office of the District Programme Coordinator (DPC) was to be constituted to scrutinise the reports of the Gram Sabha and to conduct special audit, if necessary.

As per information furnished (January 2012) by the RDD, no internal cell for examining social audit records was constituted in any of the districts of State. Thus, non-compliance with the provision of the guidelines posed limitations to the role of social audit as a means of continuous public vigilance and ensuring transparency and accountability.

10.1.6 Non-functional High Level Inter-departmental Coordination Committee

MoRD, GoI (February 2009) directed to set up a high level inter-departmental coordination committee for overall monitoring and supervision of the scheme and video documentation of the proceedings of all Gram Sabhas including social audit.

Under the direction of MoRD, GoI (February 2009), RDD, GoJ constituted a High Level Coordination Committee in July 2009⁶ under the Chairmanship of Chief Secretary consisting of Secretaries of Rural Development Department, Finance, Agriculture & Sugarcane, Forest, Fisheries, Home, Human Resources Development, Welfare, Tribal Welfare, Convener SLBC and Chief Post Master General as members. The Commissioner, MGNREGA was nominated as convener of the committee.

However, we noticed that no meetings/ inspections were held by the Committee (March 2012), reasons for which were not on record. Thus, the State was deprived of the benefits of supervision and directions emanating from high level monitoring and inspection of schemes which would have brought effectiveness in implementation of the scheme at the ground level, particularly in the area of convergence with the other schemes.

During the exit conference the Principal Secretary accepted (July 2012) the fact regarding non-convening of meeting during 2009-12. However, he stated that a meeting was held after March 2012.

No meetings / inspections were held by the High Level Inter-departmental Coordination Committee during 2009-12

⁶ Notification number 4903 dated 1 July 2009

10.1.7 Video documentation of the Gram Sabha proceedings

Proceeding of Gram Sabhas were not video-graphed in test checked districts, blocks and GPs

MoRD vide instructions issued in (February 2009) stressed the need for video documentation of the proceedings of all Gram Sabhas including Social Audit. Copies of the video footage (tape, CD or any other media) were to be properly coded and kept at GP, BPO and DPC level. Video footage was to be utilised to ensure enforcement of decisions of the Gram Sabhas and proper implementation of the Act.

However, on scrutiny of records of the test checked districts, blocks and GPs we noticed that proceedings of Gram Sabhas were not video-graphed, indicating lack of transparency in implementation of the scheme.

DPCs (Palamu, Pakur, Dumka, Gumla & West Singhbhum) accepted the audit observations during the exit conference held between July and August 2012.

10.1.8 Irregular maintenance of records

10.1.8.1 Discrepancies in records

There was variation between opening balances and closing balances in Utilisation Certificates, Audit Report of Chartered Accountants and MPRs

As per paragraph 11.3.4 of the Operational Guidelines, 2008 the DPCs were required to ensure that the amount shown in the opening and closing balances included in both the Audit Report of the Chartered Accountants (CA) and the Utilisation Certificate (UC) tally. In case of variation due to any unavoidable reason, it has to be clearly explained to the satisfaction of the Ministry of Rural Development, duly supported with the documentary evidences, if any, failing which MoRD may stop further release of funds in the next year.

Scrutiny of utilisation certificates, Audit Reports of Chartered Accountants and Monthly Progress Reports of five⁷ test-checked districts revealed variations between the opening balances and closing balances during 2007-12, without any proper justification on record (*Appendix 10*). Thus, in absence of any reconciliation of accounts, financial accountability and transparency in records in the districts had been affected.

DPC, Ranchi accepted (September 2012) the fact and stated that matter is being reviewed with the concerned CA.

⁷ Dumka, Palamu, Pakur, Ranchi and West Singhbhum.

10.1.9 Monitoring Information System (MIS)

10.1.9.1 Deficiency in Monitoring Information System

MoRD had implemented a web based Monitoring Information System-NREGA Soft for data entry and consolidating the information related to the financial and physical aspect of the scheme at State and district levels. With a large and complex scheme such as MGNREGS, the use of computerised MIS was not just a facilitator but the only meaningful way of consolidating the information generated in the basic records. The MIS was to be used as a tool for monitoring the implementation of the scheme and to bring in transparency by ensuring wider dissemination of the collected information.

Large numbers of discrepancies were noticed between MIS and MPR

Information furnished by the RDD disclosed a large number of discrepancies between the data uploaded in the MIS and the information furnished in the Monthly Progress Report (MPR). These discrepancies were noticed in various records such as number of households registered, number of job cards issued, job card number, employment demanded, employment provided, number of works etc. (*Appendix 11*).

10.2 Evaluation

Para 10.4 of the Operational Guidelines, 2008 stipulates that the objective of MGNREGS is the creation of durable assets and strengthening the livelihood resource. Investments made under the Scheme were expected to generate employment and raise purchasing power, increase economic productivity, promote women's participation in the workforce, strengthen the rural infrastructure through the creation of durable assets, reduce distress migration, and contribute to the regeneration of natural resources. Thus evaluation is necessary to assess the outcomes of scheme.

10.2.1 Impact assessment

No action was taken by SEGC at the State level to assess the performance of the scheme and its impact

As per paragraph 10.4 of the Operational Guidelines, 2008, State Employment Guarantee Council (SEGC) was required to develop its own evaluation system in collaboration with research institutions of repute and review evaluations conducted by other agencies. District-wise studies and Block-wise evaluation were required to be ensured by SEGC and DPCs respectively. Regular evaluations and sample surveys of specific NREGS works were to be conducted to assess outcomes.

We however, observed that no action was taken by SEGC at the State level to assess the performance of the scheme and its impact on individual life. In the test-checked districts no such assessment was made till July 2012.

During the exit conference the Principal Secretary stated (July 2012) that State Institute of Rural Development (SIRD) had been entrusted with the impact assessment study.

10.2.2 *Sensitivity to error signals*

Every organisation needs to have an effective mechanism to respond to error signals to rectify the persisting irregularities. We, however, found that such a mechanism was largely absent in the implementation of schemes. Several irregularities viz. non-payment of wages, non-payment of unemployment allowances, diversion of funds, irregularities in muster rolls and job cards, etc. were pointed out in para no.3.1 of Comptroller and Auditor General's State Civil Audit Reports for the year ending 31 March 2007 on the Implementation of National Rural Employment Guarantee Scheme. However, in the absence of corrective steps from the Department, similar irregularities still persisted (July 2012).

10.3 *Conclusion*

The status of inspection of works and social audit was inadequate. SQMs and DQMs were not appointed in the State and at district level as of July 2012. A Citizens' charter was not prepared as a result of which MGNREGS was implemented without specific duties and timeframe in the State. No meetings/inspections were held by the High level coordination committee. Thus the State was deprived of the benefits of supervision and directions emanating from the committee. Delayed disposal of the complaints defeated the very purpose of the Act of conferring statutory rights of the rural people. There were discrepancies between the data available in the MIS and that depicted in the MPR rendering the information generated unreliable. Corrective measures against error signals were not taken. Due to deficient monitoring and evaluation system the objectives of the scheme could not be achieved.

10.4 Recommendations

- The required number of inspections of the schemes at each level should be ensured;
- State and District Quality Monitors may be appointed and required number of social audits may be ensured;
- Proper maintenance of records should be ensured; and
- Independent evaluation of implementation of schemes for assessment of its impact/ benefits may be conducted.

Ranchi
The

(MRIDULA SAPRU)
Principal Accountant General (Audit)
Jharkhand

Countersigned

New Delhi
The

(VINOD RAI)
Comptroller and Auditor General of India