

CHAPTER – 6
MUSTER ROLLS AND PAYMENT
OF WAGES

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6.1 Muster Rolls

As per paragraph 9.4 of the Operational Guidelines, 2008, a Muster Roll (MR) with a unique identity number will be issued by the Programme Officer (PO) to the Gram Panchayats and all executing agencies. Muster rolls were to be maintained by the GPs and other executing agencies containing, *inter alia*, information in respect of names of the persons engaged at the worksite, job card number, days of presence and absence and amount of wages paid. The original MR will form part of the expenditure record of the executing agency. However, photocopies of the MR will be kept/ sent for data co-ordination and for public inspection in every GP and to the office of the PO. Any MR that is not issued from the office of the PO shall be considered unauthorised.

6.1.1 Irregularities in Muster Rolls

Scrutiny of records in six test checked districts revealed deficiencies in the use of MRs. Some instances are as under:

Use of muster rolls prior to issue from POs resulted in unauthorised wage payment of ₹ 9.20 lakh

- In nine test checked GPs¹ of Sadar blocks of Pakur and Dumka districts, MRs were utilised prior to the date of their issue from the POs. This had resulted in unauthorised payment of wages of ₹ 9.20 lakh against 250 MRs².
- In two GPs³ of Jama Block in Dumka district, wages amounting to ₹ 31,624 were paid through seven MRs whose unique serial numbers were tampered by cutting and overwriting, while in MESO, West Singhbhum district, expenditure of ₹ 0.76 lakh was incurred on six MRs during May 2008 to August 2009 although the unique identity number of MRs was not mentioned.
- In 55 MRs relating to 11 GPs⁴ of four districts, 238 numbers of workers were shown to have been engaged twice/thrice for the same period resulting in fraudulent wage payment of ₹ 2.11 lakh.

BDOs (Chakardharpur, West Singhbhum, Sadar block, Dumka and Bharno, Gumla) in June 2012 stated that matter would be examined. However, reply from BDO, Sadar block Palamu was not received.

- In Bondo GP of Sisai block in Gumla district, two copies of the same MRs with the same unique number were used twice for the same period with the same labourers for the same work. The second payment of ₹ 3,840 was

¹ Madanmohanpur, Sitapahari, Nawada, Kumarpur, Bhawanipur, Kalidaspur and Rahaspur in Pakur district and Haripur, Lakhi Kundi in Dumka district

² Pakur Sadar block (7 GPs, ₹ 8.66 lakh, 240 MRs) and Dumka Sadar block (2 GPs, ₹ 0.54 lakh, 10 MRs)

³ GPs: Thanpur and Simra.

⁴ Four GPs of Chakradharpur block of West Singhbhum district, one GP of Sadar block of Palamu district, one GP of Sadar block of Dumka district and five GPs of Bharno block of Gumla district.

Several other deficiencies in Muster rolls were observed during test check Blocks and GPs

paid fraudulently. Similarly, in Polpol GP of Sadar block in Palamu district, two copies of similar MRs were used twice for the same period under the same work but with different set of labourers and ₹ 10,098 was paid to them leading to fraudulent payment. Thus, the total payment of ₹ 13,938 made appears to have been drawn fraudulently.

- In Sitapahari GP of Sadar block in Pakur district, the names of 55 labourers, mentioned in three advices prepared by GRS for payment in Post Office, Nagar Nabi were different from the names of 163 labourers entered in 46 MRs. This resulted in fraudulent payment of ₹ 2.19 lakh to 55 other persons besides non-payment of wages to 163 labourers. Similarly, in Rampur GP of Sadar block of Dumka district, ₹ 8,784 was fraudulently paid to six persons as per the advice to Post Office, Kurwa which were different from 20 other names mentioned in four MRs.

- In seven GPs⁵, signature/thumb impressions in 95 cases were not found on the 29 MRs though ₹ 0.52 lakh were paid to the labourers.

The BDOs (Jarmundi and Kanke) accepted (June-August 2012) the audit observations.

- In 21 GPs of five blocks⁶, ₹ 22.08 lakh was paid to labourers through 376 numbers of MRs which did not contain signatures of the competent authorities (Panchayat Sevak and Mukhiya) authenticating the payment.
- In Kaseera GP⁷, ₹ 65,640 was paid against 17 MRs for 17 labourers whose names were not recorded on the MRs.
- In 46 GPs⁸ and two line departments (DFO, Pakur and DFO (Territorial), Dumka), tampering of important information in 331 MRs like names of labourers, job card numbers and period of engagement of labourers was done by using correction fluid and cutting/overwriting, without any authentication, involving ₹ 18.48 lakh paid towards wages. DFO (Pakur) in August 2012 stated that matter would be examined while DFO Territorial Dumka accepted the observations and stated (August 2012) that the persons responsible for maintenance of MRs were Forest Guards/Mates who were not having sufficient educational qualification.

⁵ GPs Thekcha Ghongha, Singhni, Shankarpur (block Jarmundi of district Dumka), Jodapokhar and Choya (Jhinkpani block of W. Singhbhum district) and Arsande (Kanke block, Ranchi district) and Angara GP of Angara block of Ranchi

⁶ Sisai, Bharno (Gumla district), Palamu Sadar, Chainpur (Palamu district), Boreya (Kanke block, Ranchi)

⁷ Sadar Block of Gumla district.

⁸ Five GPs of Chainpur block (Palamu), 4 GPs of Lesligunj block (Palamu), 3 GPs of Sadar block of Palamu district, 9 GPs of Bharno, 7 GPs of Sisai, 3 GPs respectively of Gumla district, Sadar block (Gumla), 4 GPs of Kanke block (Ranchi), 5 GPs of Jama Sadar (Dumka), 3 GPs of Pakur Sadar (Pakur), 3 GPs of Chakradharpur block (W. Singhbhum).

- In 12 GPs⁹ of four districts, ₹ 5.35 lakh was paid through 85 MRs without mentioning the period of engagement of labourers.
- As per the Operational Guidelines, 2008 (paragraph 9.4.1) MRs should be in the prescribed format¹⁰ having seven days columns for marking attendance with a printed instruction on the top of MRs that “workers may put their signature or LTI below the day’s column”.

We, however, observed that in Pakur and West Singhbhum districts, MRs with 15-days column for presence of labourers were printed and used, instead of 7-days column. Similarly, in two districts¹¹, the instruction “to mark attendance workers may put their signature or LTI below the day’s column” was neither printed on MRs nor signature/ thumb impression were taken as proof of their presence. The space provided for daily signature/thumb impression was not adequate and only ‘P’ or ‘1, 2, 3’ were written¹² on these columns violating the prescribed format of the guidelines.

Similarly in Dumka district, the column for Bank/Post office account number of labourers was not printed on the MRs¹³ utilised during the period 2007-12 in violation of the Operational Guidelines, 2008. As such transparency in payment of wages could not be maintained.

- In three GPs¹⁴ of Jarmundi Block in Dumka district, persondays as mentioned in the MRs did not tally with the persondays as measured by the Junior Engineer in Measurement Books.

The irregularities noticed in the MRs were discussed with DPCs (Dumka, Gumla, Pakur, Palamu and West Singhbhum) in the exit conferences held during July to August 2012. All the DPCs accepted the irregularities of MRs and stated that the cases would be examined except DPC, West Singhbhum who did not furnish any reply.

6.2 *Payment of wages*

As per the Act, every person working under the Scheme shall be entitled to wages at the minimum wage rate fixed by the State Government. Payment of wages will be made through Bank/Post Offices by issuing pay orders addressed to the Branch Manager/Post Master of the concerned Banks/Post Offices, requesting him to make payment to the workers on demand. A wage slip for labourers will also be generated for intimation of payment. The

⁹ Tutugutu GP of Jhinkpani block of West Singhbhum, Theckcha Ghongha GP of Jarmundi block and 3 GPs of Jama block of Dumka, Chianki GP of Palamu Sadar block of Palamu, Arsande, Malsiring, Boreya, Gagi Kanke block of Ranchi, 2 GPs of chakradharpur block of West Singhbhum.

¹⁰ According to the Annexure B-3 of Operational Guidelines, 2008

¹¹ Pakur for 2007-12, Dumka from M.R. No.17,001-3,98,000

¹² Instead of marking signature or LTI only "P" (Short form for Presence) or 1,2,3 was marked.

¹³ MR Serial No. 163126 to 163876.

¹⁴ Hathnama, Putlidaber and Kharbilla

amount should be disbursed to the worker only on production of wage slip by the labourer or his authorised representative.

Scrutiny of records in the six test checked district revealed various instances of discrepancies in wage payments, as detailed in the following paragraphs:

6.2.1 Non-payment of wages

As per paragraph 7.1.5 of Operational Guidelines, 2008, it is essential to ensure that wages are paid on time. Workers are entitled to being paid on a weekly basis and in any case within a fortnight of the date on which work was done (NREGA, Section 3(3)). In the event of any delay in wage payment workers are entitled to compensation.

We however noticed from the records¹⁵ that in four out of six test checked districts workers were not paid wages of ₹ 4.92 lakh even after 15 days of completion of work as of May 2012 as per details given in **Table 11**:

Table 11: Non-payment of wages to workers

District	Block	No. of GP	Schemes	Wages required to be paid (₹ in lakh)
Gumla	Sisai	8	31	1.94
	Lesliganj ¹⁶	0	2	0.80
Palamu	Sadar	2	5	1.30
Pakur	Sadar	1	3	0.24
Dumka	Sadar block	4	4	0.40
	Jama	1	1	0.24
		16	46	4.92

The DPCs further stated that no compensation was paid. This indicated systemic inefficiency which needs to be addressed.

The DPCs, Dumka and Pakur stated (July 2012) that the matter will be examined whereas the other concerned DPCs did not furnish any reply.

6.2.2 Delay in payment of wages

Paragraph 7.1 of the Operational Guidelines, 2008, provides for payment of wages on a weekly basis, and in no case more than a fortnight from the date of work. In the event of any delay in wage payments, workers are entitled to compensation as per the provisions of the Payment of Wages Act, 1936 (NREGA, Schedule II, Section 30) which shall be borne by the State Government.

Contrary to the above, during audit in six test checked districts we noticed that in 79 GPs payment of wages amounting to ₹ 2.15 crore was made to labourers in 324 works during 2007-12 after delays ranging between 1 and 468 days. However, in terms of provisions of the Act, no compensation was paid to the labourers by the State which was in contravention of the Act (**Appendix 6**).

During the beneficiary survey conducted during April to June 2012, 601 out of 1,670 beneficiaries had also confirmed delay in payment of wages.

Besides, during audit we observed that delayed payment of wages was one of the reasons for declining trend of demand for employment in the State of

¹⁵ Scheme records, Muster Rolls, Bank / Post Office payment advice.

¹⁶ Lesliganj is a block.

Jharkhand as evident from the fact that number of households which demanded employment during the year 2007-08 was 17.21 lakh which declined to 15.69 lakh during the year 2011-12. Similarly, in the test checked districts during the same period, the number of households demanding employment decreased from 6.09 lakh to 5.30 lakh. Thus, in absence of timely payment of wages the objective of ensuring livelihood security could not be achieved.

The matter was discussed with DPCs¹⁷ in the exit conferences held during July to August 2012. DPCs (Gumla, Palamu and West Singhbhum) accepted the delay in payment of wages (July-August 2012) while others did not furnish any reply.

6.2.3 Short payment of wages to labourers

As per paragraph 7.1.1 of the Operational Guidelines, 2008 every person working under the Scheme is entitled to wages at the minimum wage rate fixed by the State Government to be paid through Banks or Post Offices. During scrutiny of records we noticed that:

- The Government notified revision of wage rates thrice¹⁸ during the period 2007-12. In the test checked 16¹⁹ GPs of five blocks²⁰ and in five line departments,²¹ labourers were paid less wages amounting to ₹ 2.28 lakh against 33,205 person days²² during the period 2008-11 due to non-adherence to the revised wage rate notified by the Government from time to time.
- Scrutiny of records in Sisai and Bharno blocks of Gumla district revealed that during the period 2009-12, wages amounting to ₹ 2.14 crore were paid through “Large Area Multipurpose Society²³ (LAMPS)” to labourers. LAMPS deducted service charges at the rate of four to five *per cent* from the wages. This resulted in short payment of wages to labourers amounting to ₹ 8.81 lakh.

Payment of wages to the labourers through LAMPS resulted in short payment of wages to labourers amounting to ₹ 8.81 lakh

During the exit conference, the Principal Secretary accepted (July 2012) the audit observation and stated that recovery of service charges by LAMPS was irregular.

¹⁷ Dumka, Gumla, Pakur, Palamu and West Singhbhum.

¹⁸ ₹ 76 from 2005-06; ₹ 92 w.e.f. 1 January 2009; ₹ 99 w.e.f. 2 June 2009; ₹ 120 w.e.f. 1 January 2011.

¹⁹ Sikitia, Lagla, Arsande, Boreya, Gagi, Omar, Itor, Hathiya, Gopinathpur, Baipi, Kulitorang, Bondo, Bargaon (North), Rerwa, Lekiya and Nagar (in GPs wages paid at the rate of ₹ 90 to ₹ 100 instead of ₹ 92 to ₹ 120).

²⁰ Chainpur, Chakradharpur, Jama, Kanke and Sisai blocks.

²¹ Zila Parishad, Dumka; MI Division, Gumla; RDS, Gumla; DFO, Pakur; Zila Parishad, Ranchi.

²² 10178 person days in 16 GPs and 23027 person days in 5 line departments.

²³ Large Area Multipurpose Society (LAMPS) is a society registered under Jharkhand Cooperative Societies Act, 1935. The aim of the society is to help and promote its members in agricultural activities etc.

6.2.4 Short payment of wages to mates

As per paragraph 6.4.4 of the Operational Guidelines, 2008, the wages of mates should generally be similar to those of semi-skilled workers and in any case not less than those of unskilled workers.

The payment of wages to mates less than the wages paid to unskilled labourers

We however noticed in three sampled blocks²⁴ and in Forest Division, Pakur, that payment of wages to mates was made at the rate of ₹ 103.57 per day while unskilled labourers were being paid wages at the rate of ₹ 120 per day (from January 2011). Thus, the payment of wages to mates was made at lesser rates than what was paid to unskilled labourers.

DPC Dumka stated that wages were paid as per the approved rate of the Government while DPC Pakur accepted the audit observations (July 2012). No reply was furnished by DPC West Singhbhum.

The reply of DPC Dumka was unacceptable since as per Guidelines mates were to be paid wages of semi skilled workers but not lesser than unskilled workers.

6.2.5 Payment of wages of more than one job card into single account

As per paragraph 7.2 of the Operational Guidelines, 2008 payment of wages are required to be made through bank or post office accounts opened on behalf of the concerned labourers/job card holders.

However, in contravention to the provision, in 10 GPs of Sadar block of Dumka district and in one GP of Sadar block of Pakur district, separate post office accounts for each job card holder are not opened for payment of wages. As a result, payment of wages of ₹ 1.19 lakh relating to 89 job cards holders were sent to 44 accounts in the post office (Dumka) instead of 89 bank/post office accounts. Similarly, payment of wages of ₹ 0.11 lakh relating to 12 job cards were sent to five accounts of post offices in Pakur district instead of 12 bank/post office account.

Thus, the payments procedures need to be examined to rule out irregular or fraudulent payments.

DPCs (Pakur and Dumka) accepted (July 2012) the audit observation and stated that each individual labour should have either joint or separate account.

6.2.6 Payment of wages without issue of wage slips

As per paragraph 7.2 of the Operational Guidelines, 2008 payment should be made through pay orders issued to banks/post offices, as the case may be. Besides a wage slip is also to be generated for intimation to the workers. The amount should be disbursed only on production of wage slips and the withdrawal slip by the worker or his authorised representative.

²⁴ Chakradharpur: ₹ 2,856 (16 cases), Jama block, Dumka and Sadar block, Pakur: ₹ 16,167 (27 cases)

No wage slips to workers were issued in all the test checked districts. In absence of wage slips, payment of wages is fraught with the risk of payments being made to ineligible persons

During audit we however, noticed that no wage slips to workers were issued in the 167 GPs test checked districts. In absence of wage slips, payment of wages is fraught with the risk of payment to other persons as noticed in the following instances:

- In Jhinkpani block of West Singhbhum district, bank advices of 10 labourers was sent to banks²⁵, but as per Muster Roll No. 02785 only nine labourers were engaged in the work during July 2010²⁶. Had wage slips been issued to the labourers, fictitious payment of ₹ 600 could have been avoided.
- In Dumka district, payments on different job cards were credited into a single account which could have been prevented by generation of wage slip.

DPCs (Dumka and West Singhbhum) accepted (July-August 2012) the audit observations in respect of wage slips.

6.3 Employment Generation

6.3.1 Non-payment of unemployment allowances

As per paragraph 1.4 (vi) of the Operational Guidelines, 2008 employment is to be provided within 15 days of application for work. If this is not done, then daily unemployment allowance as per the Act has to be paid. The liability of payment of unemployment allowance is on the State.

We however noticed that in three districts²⁷, 206 workers were provided employment after a delay of 33 to 1218 days. However, unemployment allowance amounting to ₹ 22.63 lakh was not paid to them during 2007-11. Thus, beneficiaries were deprived of legally guaranteed employment as well as unemployment allowance.

In reply the DPC, Ranchi stated (September 2012) that the concerned blocks have been asked to furnish the reasons. BDO, Chainpur accepted the audit observations whereas BDO, Bharno stated that concerned Panchayat Secretary was asked to furnish clarification.

6.4 Conclusion

The rules prescribed for handling of muster rolls (MRs) were not strictly adhered to which led to deficiencies such as use of MRs prior to their issue by the Programme Officer, use of irregular format of MRs, fraudulent payment, etc. Timely and adequate payment of wages by issuing wage slips to labourers was also not ensured. The beneficiaries were deprived of legally guaranteed employment as well as unemployment allowance.

²⁵ Punjab National Bank, Jhinkpani – Wage amount of 9 labourers and Jharkhand Gramin Bank, Jorapokhar – wage amount of 1 labour

²⁶ Period from 4 July 2010 to 10 July 2010.

²⁷ Gumla, Palamu and Ranchi.

6.5 Recommendations

- Prescribed norms for Muster Rolls should be strictly followed to ensure transparency and accountability in payment of wages;
- Government should ensure timely payment of wages failing which compensation should be paid;
- Issue of wage slips to labourers should be ensured as per the scheme guidelines; and
- Government should ensure provision of employment on demand failing which unemployment allowance should be granted.