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## Executive Summary

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The Mahatma Gandhi National Rural Employment Guarantee Act was notified and enacted in the year 2005 with the objective of enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year, to every registered household whose adult members volunteered to do unskilled manual work. The Act initially came into force in five districts of the State with effect from 2 February 2006 and was expanded to cover all the districts by 1 April 2008. According to the Act, rural households have a right to register themselves with the local Gram Panchayats, and seek employment. Work is to be provided within 15 days from the date of demand, failing which the State Government will have to pay unemployment allowance at the stipulated rates.

This is the second performance audit of the Scheme. The first performance audit was undertaken in 2007-08 and covered the period from February 2006 to March 2007. The present performance audit covered the period from April 2007 to March 2012. Implementation of the Scheme was checked in 157 Gram Panchayats in eight districts of the State.

### **The performance audit showed the following deficiencies:**

- Analysis of the data related to the Scheme showed that there has been significant decline in the number of households who demanded employment and persondays generated in the last two years. The number of households who demanded employment had declined from 36.26 lakh in 2009-10 to 16.64 lakh in 2011-12. During the same period the persondays generated declined from 20.04 crore to 7.00 crore. The share of both Scheduled Castes (SCs) and Scheduled Tribes (STs) showed a declining trend, with the share of STs declining from 19 to 8 *per cent* and that of SCs from 30 to 16 *per cent* during the period from 2007-08 to 2011-12.
- An analysis of the works taken up under the Scheme showed that while the number of works taken up increased year after year (with the exception of 2010-11), the number of works completed declined by 63 *per cent* in 2011-12 with reference to the previous year and stood at 14 *per cent* of the total works undertaken in 2011-12. Evidently the focus was on taking up more works rather than completing works already taken up.
- An analysis of the Management Information System (MIS) data sets of 30 districts showed that 3.49 lakh job cards and 8.23 lakh individuals had been permanently deleted during 2008-12 on grounds of wrong entries. However, as per the data available in the MIS, wages aggregating ₹22.48 crore had been disbursed in respect of permanently deleted job cards and ₹2.90 crore in respect of deleted individuals till the date of deletion.

- The District Perspective Plans were not prepared and the Annual Plans prepared by Gram Panchayats were driven by the cost of works than the need to create durable assets.
- The State Employment Guarantee Council, Governing Council and Executive Council constituted to oversee the implementation of the Scheme did not meet regularly.
- The Technical Resource Support Group at all the levels was not appointed to assist the implementation of the Scheme.
- The State Government had not drawn up any Information, Education and Communication Plan which had an adverse effect on the awareness levels of the beneficiaries.
- The maintenance of basic records at all levels was poor and erroneous entries were made in the data uploaded in the MIS. This indicated the lack of reliability and authenticity of the reported figures. In addition, the MIS suffered from missing validation controls.
- There were cases of delayed payment of wages for which no compensation was paid. Unemployment allowance was not paid in cases where work was not provided within 15 days from the date of demand for work.
- The financial management was deficient as monthly squaring and reconciliation of accounts at all levels was not done.
- Monitoring of the implementation of the Scheme was not adequate. The status of inspection of work and holding of Gram Sabha to conduct Social Audit Forum was not up to the mark.