

## ***CHAPTER VI***

### ***Monitoring, Social Audit and Grievance redressal***



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#### 6.1 Monitoring

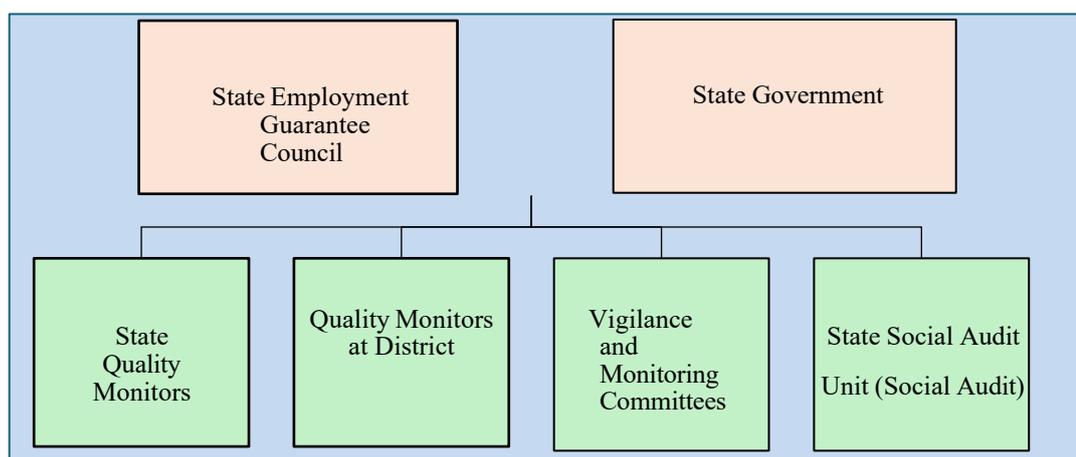
Chapter 14 of the MGNREGA Operational Guidelines, specifies the aspects of quality management and quality monitoring mechanisms. The Scheme deals with the creation of assets and hence, to ensure that the assets created are durable, quality management is important. Quality Management includes project selection, site selection, survey, project design estimates, work execution, supervision, etc.

Further, as per para 14.4 of the Operational Guidelines, Quality Management has three distinct aspects such as quality control at site, quality supervision and quality monitoring. Besides quality management, other aspects such as State Employment Guarantee Council, Social Audit, transparency and accountability through grievance redressal mechanism, system of ombudsperson also forms the part of monitoring of MGNREGS.

#### 6.2 Monitoring Mechanism

The monitoring of the Scheme in the State is fixed on various authorities at State, district and village levels such as the State Employment Guarantee Council, Social Audit by Maharashtra State –Society for Social Audit and Transparency (MS-SSAT), Vigilance and Monitoring Committees, State Quality Monitors, District Quality Monitors as shown in **Chart 6.1**.

**Chart 6.1: Monitoring framework under the Scheme**



Audit findings relating to monitoring, evaluation and review under the Scheme are discussed in succeeding paragraphs.

#### 6.3 State Employment Guarantee Council

As per Section 4 of MEGA, the State Government shall constitute a State Employment Guarantee Council. The duties and functions of the Council *inter alia* envisaged monitoring of the implementation of the Act and the Scheme.

Planning Department (EGS), GoM, constituted the Maharashtra State Employment Guarantee Council<sup>1</sup> (MSEGC) in January 2006, which was reconstituted in October 2011. MSEGC was responsible for determining the preferred works, reviewing the monitoring and redressal mechanism and recommending improvements, promoting dissemination of information, monitoring the implementation *etc.* Further, MSEGC was required to meet at least twice a year and prepare an annual report to be laid before the State Legislature by the State Government

Audit could not ascertain whether MSEGC discharged the above responsibilities except for the preparation of annual reports and its placement before the State Legislature, as no records were produced to Audit.

In reply, the Assistant Director of the Planning Department (EGS) stated (August 2024) that regular meetings were not held and no suggestions were given by the Council.

#### **6.4 Vigilance and Monitoring Committee**

As per para 13.6.1 of the MGNREGA Operational Guidelines, the State shall make an arrangement for a three-tier vigilance mechanism to proactively detect irregularities in the implementation of the Act and to follow up detected irregularities and malfeasance, including those identified during social audit, and ensure that the guilty are punished and recoveries of misspent funds duly made. The State level Vigilance Cell consisting of a Chief Vigilance Officer (CVO) and supported by a Civil Engineer and an Auditor was required to be set up. Similarly, a district level Vigilance Cell consisting of a district level officer and supported by an Engineer and an Auditor was also required to be set up. Further, at the GP level, Vigilance and Monitoring Committee (VMC), consisting of ten members, were required to be constituted.

As per the information furnished by the Planning Department (EGS), GoM, the State level Vigilance Cell was constituted. However, documentary evidence in support of the constitution of State level Vigilance Cell was not furnished to Audit. Further, in three (Nagpur, Palghar and CSN) out of six selected districts, District vigilance committee was not constituted.

#### **6.5 Quality Control by State /District Quality Monitors**

As per para 14.7 of the MGNREGA Operational Guidelines, Quality monitoring by external monitors will comprise of two parts (i) The National level Monitors (NLMs) empanelled by the Ministry and (ii) State Quality Monitoring Unit comprising of State Quality Monitors (SQM) for each district in the State and a Director (Quality Monitor) at the State level to coordinate the work of all SQM in the State. The inspection/ measurement and analysis of works with respect to technical aspects would be done by SQM. Different aspects of work design and execution had to be graded objectively by the SQMs, for each work visited. The guidelines also stipulated that at least five *per cent* of the works are to be inspected within one year of completion, to assess asset quality and utility and maintenance aspects and at least five *per cent* of the works are to be inspected while they are still in progress, to assess process quality aspects for taking corrective measures.

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<sup>1</sup> Chairman: Chief Minister, Vice-Chairman: Deputy Chief Minister, Executive Chairman: Minister (EGS), Member Secretary: Minister of State (EGS), Members: Minister (Rural Development), Minister (Water Conservation), Minister (Agriculture), Principal Secretary (Rural Development, EGS, Planning, Agriculture), Commissioner (MGNREGS).

As per the information furnished by the Planning Department (EGS), the Director (QM) was appointed in 2022. However, SQMs at the district were not appointed. The Planning Department (EGS) stated that SQMs at the district level were not appointed, as the proposal submitted (June 2022) by the Planning Department (EGS) for the appointment of SQMs, was not approved by the Finance Department, GoM. It was further stated that Third Party Inspection (TPI) Agencies were appointed in four Tribal districts *viz.* Amravati, Gadchiroli, Nandurbar and Palghar, in 2022-23 on a pilot basis for quality control and monitoring. However, out of the four districts, inspections were not conducted in Amravati district by the TPI so far.

Thus, a crucial aspect of ascertaining the quality, utility and maintenance of assets created under the Scheme was not being carried out in the State due to non-appointment of SQM in districts, non-conduct of inspection in one district where TPI was appointed.

## 6.6 Social Audit

Implementation of all conditions for guaranteed rural employment under the Scheme and provision of minimum entitlements of labourers, including all expenditure under MEGA, shall be subjected to social audit, in the manner prescribed by Central Government, at least once every six months.

Accordingly, the Planning Department (EGS), GoM, established (September 2013) an independent Directorate of Social Audit and established (December 2017) an independent society *viz.* Maharashtra State Society for Social Audit and Transparency (MS-SST) for creating awareness and strengthening, planning, implementation and monitoring of Social Audit process. The MS-SST consisted of General Body, Governing Body and Executive Committee.

### 6.6.1 Funds for Social Audit

As per the annual master circulars issued by MoRD during 2019-20 to 2023-24, up to 0.5 *per cent* of funds shall be earmarked for the State's Social Audit from the State's entitlement of six *per cent* towards Administrative Expenditure (AE).

The funds for the Social Audit Unit (SAU) are released from the Ministry to the SAU's independent bank account through the State Government.

The funds released by the State Government for Social Audit (SA) during 2019-20 to 2023-24 is shown in **Table 6.1**.

**Table 6.1: Release of funds for Social Audit**

Year	Funds received for AE (six <i>per cent</i> of total expenditure)	Funds receivable for SA considering 0.5 <i>per cent</i> of fund received	Fund received for SA	Less release of funds for SA
1	2	3	4	5(3-4)
(₹ in crore)				
2019-20	167.85	13.99	10.51	3.48
2020-21	38.63	3.22	0	3.22
2021-22	128.37	10.70	4.42	6.28
2022-23	86.70	7.22	0	7.22
2023-24	160.28	13.36	7.04	6.32
<b>Total</b>	<b>581.83</b>	<b>48.49</b>	<b>21.97</b>	<b>26.52</b>
<i>Source: Information furnished by the Planning Department (EGS) and MS-SST</i>				

As seen from **Table 6.1**, the funds received for SA by MS-SST was less than the prescribed ceiling of 0.5 per cent of the total expenditure and an amount of ₹ 26.52 crore was short received on account of Social Audit during 2020-21 to 2023-24.

The short release of funds for SA resulted in shortfall in the conduct of SA, as discussed in **paragraph 6.6.3**.

### **6.6.2 Release of funds to SAU by the State Government**

As per annual master circulars issued by MoRD, GoI, from time to time, the State Government shall ensure the transfer of funds to the bank account of SAU within 15 working days of the receipt of funds.

Further, as per the fund release order issued (28 January 2020) by the MoRD, GoI, for the year 2019-20, it was stipulated that if the fund are not transferred to the bank Account of SAU within 15 working days of the receipt of funds, the State Government would be liable to pay interest @12 per cent per annum for the period of delay.

The delay in release of funds by the State Government to MS-SST during 2019-20 to 2023-24 is shown in **Table 6.2**.

**Table 6.2: Delay in the release of funds to MS-SST**

Year	Amount of fund (₹ in crore)	Date of release of fund by MoRD	Date of credit in the account of SAU	Delay in days	Amount delayed
2019-20	4.55	14.03.2019	05.04.2019	-Nil-	-
	5.96	28.01.2020	16.03.2020	19 days	5.96
2020-21	-Nil-	-Nil-	-Nil-	-Nil-	-
2021-22	4.42	31.03.2021	29.07.2021	69 days	4.42
2022-23	-Nil-	-Nil-	-Nil-	-Nil-	-
2023-24	3.52	14.09.2023	20.09.2023	-Nil-	-
	3.52	15.02.2024	28.03.2024	12 days	3.52
<b>Total</b>	<b>21.97</b>				<b>13.90</b>

*Source: Information furnished by MS-SST*

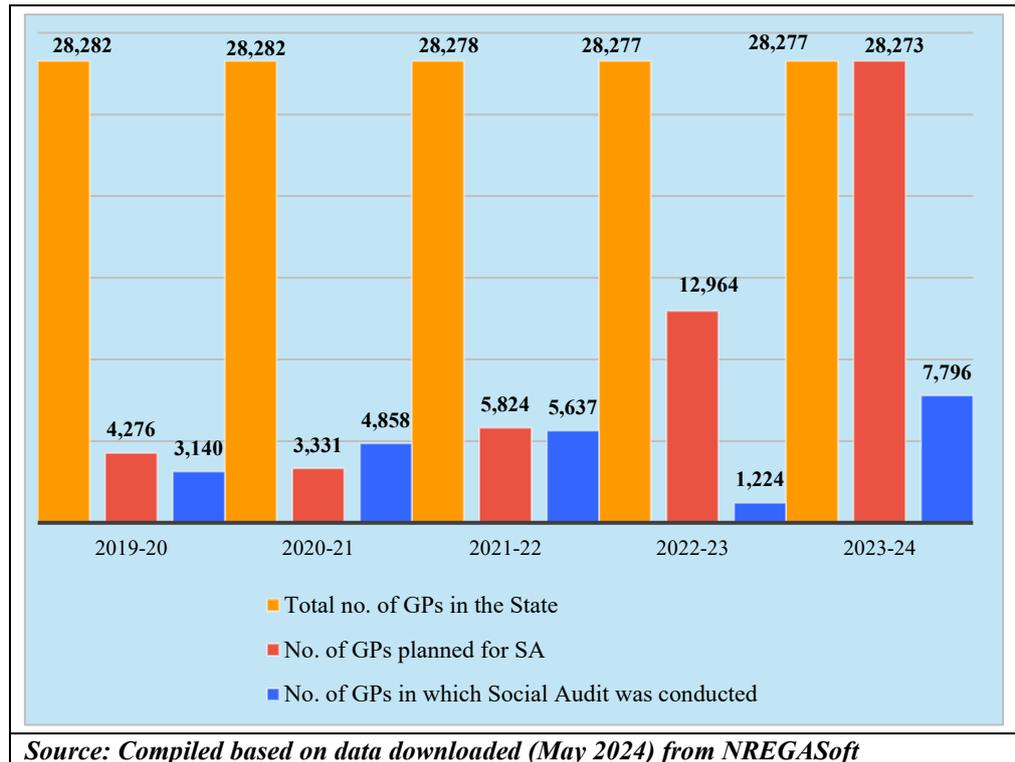
As seen from **Table 6.2**, there was delay in release of ₹ 13.90 crore out of ₹ 21.97 crore released by the State Government and the delay ranged from 12 days to 69 days. Further, interest as per the release order for the year 2019-20 amounting to ₹ 3.72 lakh was not released by the State Government to MS-SST.

### **6.6.3 Conduct of Social Audit**

As per para 24 (c) of the Scheme (schedule II of MEGA) at least one Social Audit in each Gram Panchayat should be conducted every six months.

The details of social audits planned and conducted during 2019-20 to 2023-24 is given in **Chart 6.2**.

Chart 6.2: Social audit conducted vis-a-vis planned



The number of GPs planned for SA has increased during the period 2019-20 to 2023-24. However, the number of GPs in which SA was conducted *vis-à-vis* SA planned, ranged between 9.44 per cent (2022-23) and 145.84 per cent (2020-21) while the shortfall in conducting SA of GPs with respect to total number of GPs ranged between 72.43 per cent and 95.67 per cent during 2019-20 to 2023-24.

Further, it was also noticed that in the selected 48 GPs, as against the requirement of 480 SAs during 2019-20 to 2023-24, only 25 SAs (in 21 GPs) were conducted. SA in none of the eight selected GPs in Ahilyanagar district was conducted during 2019-20 to 2023-24.

In reply, the Director, SAU, stated (June 2024) that the fund received from GoI for conducting social audit is less than one-third of the fund actually required for the year due to which the SA conducted was less than planned. Thus, not only the fund from GoI was insufficient to conduct social audit but the fund transferred by State Government to SAU was less as discussed in paragraph 6.6.1.

Thus, SA, which is an institutionalised mechanism for continuous public vigilance of the Scheme to ensure public accountability in the implementation of projects, suffered due to paucity of funds.

#### 6.6.4 Social Audit Observations

As per para 24 9 (c) (ix) of the Scheme (schedule II of MEGA), systematic follow up action on the reports of the social audit and completing recovery of amounts found misappropriated, completing suitable disciplinary or criminal action on the

irregularities brought out in social audits should be done within six months from the date of conduct of social audit.

The number of issues reported during 2019-20 to 2023-24 by MS-SST and the number of issues closed are given in **Table 6.3**.

**Table 6.3: Pendency of social audit observations in the State**

Period	Total number of issues reported	Total number of issues closed	Number of issues pending	Percentage of pending cases
2019-20	5,038	3,253	1,785	35
2020-21	7,698	4,704	2,994	39
2021-22	9,918	7,600	2,318	23
2022-23	1,772	1,077	695	39
2023-24	12,172	6,802	5,370	44
<b>Total</b>	<b>36,598</b>	<b>23,436</b>	<b>13,162</b>	<b>36</b>

**Source: Compiled based on data downloaded (September 2024) from NREGASoft**

As seen from **Table 6.3**, out of 36,598 issues reported by MS-SST 23,436 issues were closed and 13,162 (36 per cent) issues were pending disposal. In the six selected districts, 5,473 observations were made during social audits for the period 2019-20 to 2023-24 out of which 3,045 were closed while 2,428 observations (44 per cent) were pending as of September 2024.

The observations pending disposal in the State reduced to 3,636 while in the six selected districts the pending observations reduced to 233 as of September 2025.

The financial misappropriation cases pointed out during Social Audit for the period 2019-20 to 2023-24 in the State, cases decided and the amount pending recovery are shown in **Table 6.4**.

**Table 6.4: Pending recovery of financial misappropriation in the State**

Year	No. of cases pointed out and decided by MS-SST (amount ₹ in lakh)	No. of cases where Action Taken Report (ATR) was uploaded (amount ₹ in lakh)	No. of ATR cases in which recovery was done (amount ₹ in lakh)	No. of ATR cases where recovery is not required (amount ₹ in lakh)	No. of ATR cases uploaded but pending (amount ₹ in lakh)	No. of cases where ATR cases not uploaded (amount ₹ in lakh)	Total pending cases (amount ₹ in lakh)	Percentage of pending cases
1	2	3	4	5	6=3-4-5	7=2-3	8=6+7	9=(8/2*100)
2019-20	226 (194.50)	226 (194.50)	57 (28.99)	165 (162.51)	4 (3.00)	-	04 (3.00)	1.77
2020-21	152 (118.56)	131 (107.63)	27 (7.48)	52 (62.06)	52 (38.09)	21 (10.93)	73 (49.02)	48.03
2021-22	223 (136.61)	184 (128.14)	44 (25.48)	93 (85.05)	47 (17.61)	39 (8.47)	86 (26.08)	38.57
2022-23	130 (173.18)	122 (164.13)	16 (2.09)	49 (97.64)	57 (64.40)	8 (9.05)	65 (73.45)	50.00
2023-24	353 (499.35)	252 (184.84)	50 (18.26)	102 (67.46)	100 (99.12)	101 (314.51)	201 (413.63)	56.94
<b>Total</b>	<b>1,084 (1,122.20)</b>	<b>915 (779.24)</b>	<b>194 (82.30)</b>	<b>461 (474.72)</b>	<b>260 (222.22)</b>	<b>169 (342.96)</b>	<b>429 (565.18)</b>	<b>39.58</b>

**Source: Compiled based on data downloaded (January 2025) from NREGASoft**

As seen from **Table 6.4**, out of ₹ 11.22 crore to be recovered in 1,084 cases pointed out by MS-SST during 2019-20 to 2023-24, action on 429 cases amounting to ₹ 5.65 crore was pending recovery. The non-recovery of misappropriated amount in the cases pointed by MS-SST from 2019-20 onwards

was in contravention of MEGA, which stipulated that the recovery amount pointed by social audit should be done within six months of the date of conduct of social audit.

In reply, the Commissioner (MGNREGS) stated (June 2025) that instructions are given to recover the amount of misappropriated amount in a time bound manner.

As of September 2025, action on 314 cases amounting to ₹ 4.44 crore was pending recovery.

### 6.7 Grievance Redressal Mechanism

As per section 6-1F of MEGA, the State Government shall, by rules, determine appropriate grievance redressal mechanisms at the Block level and the District level for dealing with any complaints by any person in respect of implementation of the Scheme and lay down the procedure for the disposal of such complaints. Further, as per section 12 B (5) of MEGA, complaints should be disposed of within seven days.

Para 13.13.1 (xi) of the operational guidelines, monthly reports on complaints received and disposed of must be sent from Gram Panchayat to Government of India through Programme Officer, District Programme Coordinator and State Government. This should be placed on the website.

The department had established multiple modes of acceptance of complaints such as written complaints, through telephone, helplines, website *etc.*

The status of complaints received and disposed of during 2019-20 to 2023-24 in the six selected districts is shown in **Table 6.5**.

**Table 6.5: Status of complaints received and disposed during 2019-20 to 2023-24**

Name of district	No. of total complaints	Disposed	Pending
Ahilyanagar	210	150	60
Amravati	285	273	12
Chhatrapati Sambhajanagar	57	16	41
Dharashiv	11	11	0
Nagpur	22	22	0
Palghar	4	4	0
<b>Total</b>	<b>589</b>	<b>476</b>	<b>113</b>
<i>Source: Information furnished by Deputy Collector (EGS) of selected districts</i>			

As seen from **Table 6.5**, out of 589 complaints received, 476 complaints were disposed of while 113 complaints (19 *per cent*) were pending. Out of these 113 pending complaints, 62 complaints<sup>2</sup> (55 *per cent*) pertained to the period prior to 2023-24.

During survey of 480 beneficiaries, 233 beneficiaries (49 *per cent*) responded that they were unaware of the grievance redressal mechanism available at PO and DPC level.

In reply, the Commissioner (MGNREGS) stated (June 2025) that the concerned districts have been directed to increase awareness about the grievance redressal mechanism.

<sup>2</sup> 2019-20:15; 2020-21: 4; 2021-22:19, 2022-23: 24.

### 6.7.1 Appointment of Ombudsman

As per para 29 of schedule II of MEGA, there shall be an Ombudsperson for each District for receiving grievances, enquiring into and passing awards as per guidelines issued.

As per para 13.14.1 of the MGNREGA Operational Guidelines, in keeping with the principles of transparency and accountability, the State Government will establish the office of Ombudsman in all districts for expeditious redressal of grievances regarding implementation of MGNREGS.

Further, as per para 13.14.3 of the guidelines, the Ombudsman will send monthly and annual reports and list of awards passed to the Chief Secretary (CS) and Secretary in charge of MGNREGA. In the reports, the Ombudsman will highlight action to be taken against erring MGNREGA functionaries.

Audit observed from the information furnished by the Commissioner (MGNREGS) that out of 34 districts in which the Scheme is operational, the appointment of Ombudsman was made in 25 districts and in the remaining nine<sup>3</sup> districts, an Ombudsman was not appointed. Further, monthly and annual reports, along with the list of awards passed by the district Ombudsman, were not produced to audit.

The intervals during which the post of Ombudsman was vacant in the six selected districts during 2019-20 to 2023-24 are shown in **Table 6.6**.

**Table 6.6: Intervals during which the post of Ombudsman was vacant**

Name of the district	Intervals during which the post of Ombudsman was vacant during 2019-20 to 2023-24
Ahilyanagar	8 months, 3 months and 6 months
Amravati	9 months and 6 months,
Chhatrapati Sambhajnagar	17 months and 12 months
Dharashiv	10 months and one month
Nagpur	34 months and 5 months
Palghar	34 months and 5 months

*Source: Information furnished by Deputy Collectors of the selected districts*

As seen from **Table 6.6**, the post of Ombudsman was vacant for long intervals ranging from three months to 34 months in the six selected districts.

Further, 350 beneficiaries (73 per cent) out of the 480 beneficiaries surveyed, responded that they were unaware of Ombudsperson for grievance redressal.

In reply, the Commissioner (MGNREGS) stated (May 2025) that at present 12 Ombudsperson are working in the State and the Department is being requested to fill the vacant posts at the earliest.

### 6.8 Impact Study of the Scheme

The goals of the Scheme *inter alia* included social protection for the most vulnerable people living in rural India by providing employment opportunities, providing livelihood security for the poor through creation of durable assets, improved water security *etc.*

Audit noticed that an evaluation study to assess the impact of the Scheme on enhancing livelihood security, income level was not conducted by the State Government.

<sup>3</sup> Dhule, Nandurbar, Chhatrapati Sambhajnagar, Raigad, Ratnagiri, Sindhudurg, Sangli, Satara and Kolhapur.

In reply, the Commissioner (MGNREGS) stated (June 2025) that evaluation study will be undertaken.

### Conclusion

The Maharashtra State Employment Guarantee Council, mandated to monitor implementation of the Act and the Scheme, did not hold meetings regularly. For quality monitoring, while a Director, State Quality Monitoring was appointed at the State level, State Quality Monitors were not appointed for districts. Social Audit was also deficient, with shortfalls ranging between 72.43 per cent and 95.67 per cent of Gram Panchayats during 2019-20 to 2023-24. Further, of ₹11.22 crore identified for recovery in 1,084 misappropriation cases pointed out by the Social Audit Unit, recovery action in 314 cases involving ₹4.44 crore was still pending. These deficiencies highlight weak monitoring and inadequate follow-up on irregularities.

### Recommendations

**Recommendation No. 7: The Government may expedite the appointment of State Quality Monitors in all districts.**

**Recommendation No. 8: The Government may conduct Social Audits as per prescribed norms and may expedite the recovery of financial misappropriation pointed out by the Social Audit Unit as per the provisions of Maharashtra Employment Guarantee Act.**

Mumbai,  
The 03 February 2026



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Countersigned



(K. SANJAY MURTHY)

New Delhi,  
The 05 February 2026

Comptroller and Auditor General of India

