

Chapter - 5
Execution of Works

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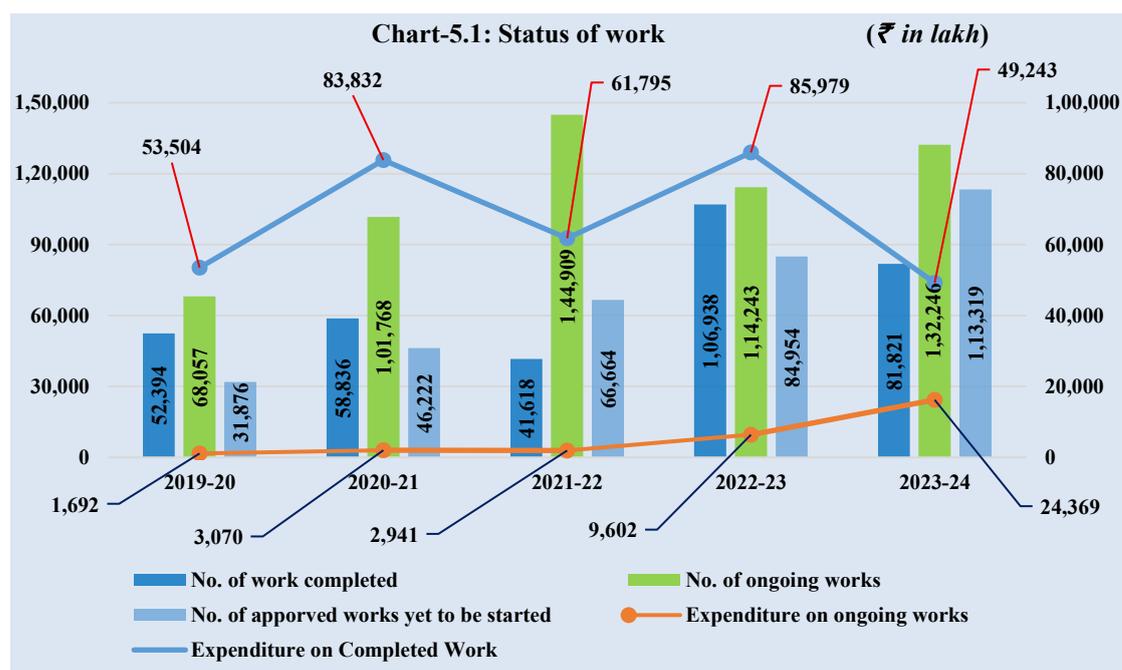
Execution of Works

MGNREGS ensure basic employment guarantee in rural areas to strengthen the livelihood resource base of the rural people. The focus of the scheme is on works such as water conversion, drought proofing, micro and minor irrigation works, renovation of traditional water bodies, rural connectivity and land development *etc.* Creation of durable assets is another important objective of MGNREGS. As per the Act, the cost of material component shall not exceed 40 *per cent* at the district level. Further, the Operational Guidelines, 2013 prescribes that the State Government should devise a mechanism for transparent method of purchase of materials to be used under the scheme. Audit noticed several deficiencies in execution of works such as shortfall in execution of work, execution of inadmissible works, doubtful execution of work, wasteful expenditure, non-deduction of royalty, non-verification of bills/ vouchers, irregularities in payment of wages of unskilled, skilled/semiskilled labour and material payment, *etc.* which are discussed in the succeeding paragraphs.

5.1 Shortfall in execution of works

Paragraph 7.17 of Operational Guidelines, 2013 provides that there should be a strategy to address incomplete works. Further, Paragraph 7.17.4 of Operational Guidelines, 2013 provides that no sanction should be given for beginning new works to those Programme Implementing Agencies (PIA) where works are lying incomplete for more than one fiscal year, after the year in which these were proposed.

The overall status of work was taken from NREGASoft. The status of works approved, completed, incomplete and not started in the State during 2019-24 is given in **Chart-5.1** below:



Source: NREGASoft.

It is evident from the above chart that:

- Out of total 12,45,865 works proposed to be executed between 2019-24, only 3,41,607 (27 per cent) works were completed and 5,61,223 (45 per cent) works were ongoing after incurring an expenditure of ₹ 416.74 crore.
- The Department failed to start 3,43,035 works (28 per cent) even after planning. It was noted that the total number of non-started works during 2019-24 were more than the completed works. This was again indicative of the fact that the works were being exhibited to fit into the budget allotted as discussed in the **Paragraph-4.2 of Chapter-4**.

Further, out of 1,76,323 sanctioned works during 2019-24, only 41,028 works (23 per cent) were completed and 79,672 works (45 per cent) were ongoing in the selected Districts. The DPCs failed to start 55,623 works (32 per cent) even after planning (*Year wise sanctioned viz-a-viz completed work is given in Appendix-5.1*). In test checked Blocks, only 22 per cent (8,285 works, out of 37,308 works) were completed, whereas 43 per cent (16,103 works) were ongoing besides 12,920 works (35 per cent) were not started at all during 2019-24 (**Appendix-5.2**).

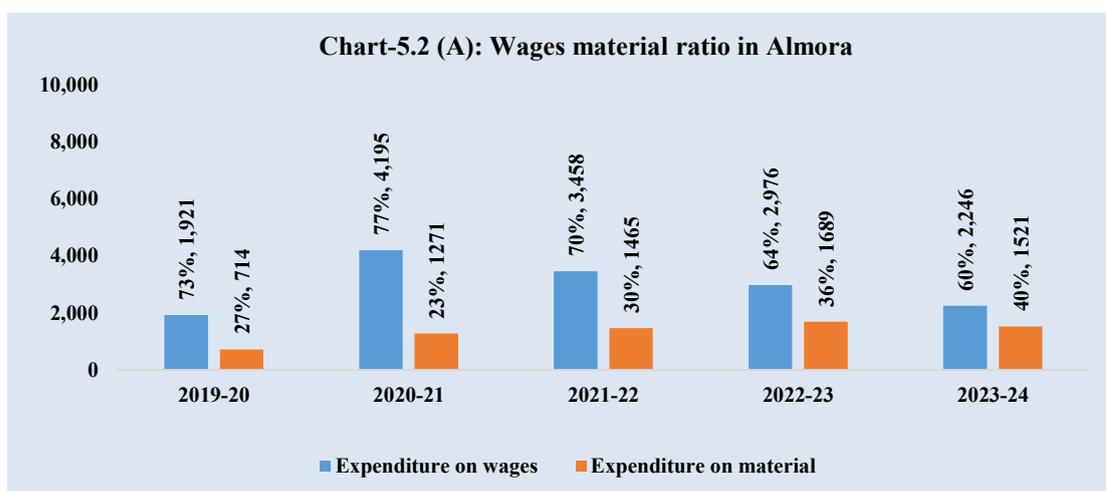
In test checked GPs, work code for execution of 930 works were generated during 2019-24, of which only 380 works (41 per cent) were completed and 70 works (7 per cent) were ongoing besides 480 works (52 per cent) were not started by the GPs (**Appendix-5.3**).

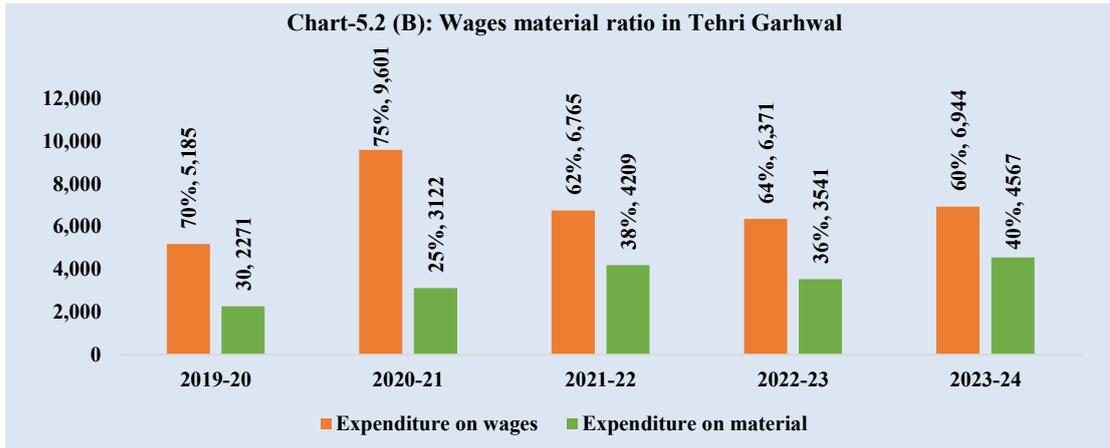
During the Exit Conference (January 2025), the Secretary, RDD stated that the efforts will be made to complete the work on time.

5.2 Wage and Material ratio

Paragraph 20 of schedule-I of MGNREGA provides that for all works taken up by the GPs and other implementing agencies, the cost of material component including the wages of the skilled and semi-skilled workers shall not exceed 40 per cent at the district level.

Analysis of MIS data revealed that the expenditure on material component did not exceed the threshold limit of 40 per cent in any of the test checked Districts during the period 2019-24 which was commendable as given in the **Chart-5.2 (A) & (B)** below:





Source: NREGASoft.

5.3 Creation of Assets

During the Performance Audit, audit team, in coordination with officials from the auditee, physically inspected 160 works executed under the scheme in the test-checked GPs. While most of the works were in satisfactory condition, certain deficiencies observed during the audit are highlighted in the succeeding paragraphs.

5.3.1 Doubtful execution of work

A. The work of construction of *Pahsubada* (work code: 3513007020/LD/2008147528) in GP Phart of Narendra Nagar Block was sanctioned (2021-22) for ₹ 0.77 lakh. The work was completed on 30.03.2023 after incurring the expenditure ₹ 0.65 lakh.

Geo-tagged photograph of first phase (before start of work) of the work showed that the work already existed as can be seen from the photograph given below. Further, during physical inspection (06.08.2024), the work already existed had no change in its built structure. Hence, the expenditure of ₹ 0.65 lakh on already existed asset was doubtful.



Figure-5.1: Status of asset before start of work as per Geo-tagging (29.10.2022).



Figure-5.2: Status of work at the time of physical inspection (06.08.2024)

B. The work of construction of *Gherwad/bhumi sudhar/Bagwani/Nursery* (work code: 3513002103/LD/2008158106) in GP *Meher Gaun* of Bhilangana Block was sanctioned (2022-23) for ₹ 7.99 lakh and ₹ 3.24 lakh as per MIS was incurred up to July 2024. The work is incomplete even after two years of being sanctioned.

According to the approved estimate, the nursery work required the planting of 500 saplings and the installation of cages for these saplings.

During the physical inspection (24.07.2024) of the above work, the audit found only a few scattered dug pits. There was no evidence of land development work such as levelling, drainage, or other activities associated with projects. Only a few saplings were planted. The actual work on the ground does not align with the sanctioned project. A critical component of the project, the nursery was non-existent, and land preparation appeared minimal even after an expenditure of ₹ 3.24 lakh as per NREGASoft on payment of wages of unskilled labour. Thus, lack of physical evidence indicated that the project funds have not been utilised effectively.



Figure-5.3: Gherbad/Bhumi Sudhar/Bhagwani/Nursery work in GP Meher Gaun (24.07.2024).

In the Exit Conference (January 2025), the Secretary of RDD assured that these matters, along with similar issues in other Blocks that were not part of the audit sample, would be investigated and action would be taken against officials found responsible.

5.3.2 Doubtful documentation

The work of *Amrit Vatika/ Shilaphalakam/ Poudhropan karya* (work code: 3507007024/DP/2008135774) in GP *Bunga* of *Takula* Block was approved in 2023-24 for ₹ one lakh.

During the physical inspection in GP, *Bunga* (10.10.2024), it was found that a "*Shilaphalakam*" was already erected at the site, signifying that the work had been completed. However, upon cross- verification the status of the work in NREGASoft, the work was listed as approved but reflected zero expenditure. Further, physical records like work order, muster rolls used, bill in respect of purchase of material, MB, etc. was not available at



Figure-5.4: Amrit Vatika/Poudhropan karya in GP Bunga (10.10.2024).

GP as well Block levels. The absence of any expenditure from the MGNREGS fund raises questions about the source of funding and adherence to prescribed processes. The completion of the project without any financial record suggests either unreported expenditures or picking up of an already completed project.

In the Exit Conference (January 2025), the Secretary of RDD assured that the matter would be investigated, and action would be taken against any officials found responsible.

5.3.3 Wasteful Expenditure

A. The work of construction work of Chahel Nirman/ Water conservation (work code: 3513007085/ WC/ 2008082236) in GP, Thanyul of Narendra Nagar Block was sanctioned in 2020-21 for ₹ 0.99 lakh. The work was completed on 31.03.2021 after incurring expenditure of ₹ 0.85 lakh. During physical inspection of the work (07.08.2024), following deficiencies were found:



Figure-5.5: Chahel Nirman/Water conservation work in GP Thanyul. (07.08.2024).

- The pond had grass and other vegetation growing inside it, indicating that it had not been maintained or utilised effectively for water conservation.
- There was no inlet channel observed at the site, which is critical for channelling water into the pond.
- Further estimate for the project included a provision of ₹ 21,205 for creating contour furrows, which are necessary for preventing soil erosion and aiding water conservation, absence of contour furrows raised concerns about the proper utilisation of the allocated funds for water conservation.

Analysis of uploaded geotagged photographs, dated 19.07.2022 (after the completion of work), corroborated these findings.

The photos revealed that there was no inlet channel, no contour furrows, and grass had already grown over the area. These observations confirm the absence of critical design features and validate the deficiencies noted during the physical inspection.

The total expenditure of ₹ 0.85 lakh which was supposed to be utilised for effective water conservation, seemed to be unfruitful.



Figure-5.6: Geotagged photograph after completion of work (19.07.2022).

B. The work of construction of Rainwater harvesting tank (work code: 3513007075/WC/2008118202) in GP Dandli of Narendra Nagar Block was sanctioned in 2022-23 for ₹ 0.49 lakh. The work was completed on 15.12.2022 after incurring the expenditure of ₹ 0.41 lakh.

The sanctioned work involved the construction of a rainwater harvesting tank at the primary school of Dandli village. During physical inspection (07.08.2024), it was found that construction of the tank did not include important features required for effective rainwater collection and storage, such as the tank missing key design

elements, particularly the inlet system, which is crucial for efficiently collecting rainwater and carrying it into the tank. Additionally, the tank did not have an adequate overflow management system, which is crucial for ensuring the longevity and functionality of the structure. This indicates lack of proper planning and adherence to the technical specifications required for such type of project. This indicates that the tank is not functional as a rainwater harvesting system, and as a result, it did not fulfil its intended purpose.



Figure-5.7: Rainwater harvesting tank in GP Dandli (07.08.2024).

C. The work of *Vanikaran* (work code: 3513007075/DP/2008060472) in GP Dandli of Narendra Nagar was sanctioned in 2020-21 for ₹ 0.99 lakh. The work was completed on 22.01.2021 after incurring an expenditure of ₹ 0.93 lakh.

The project aimed to promote afforestation by planting 500 saplings of various species such as *Amla*, *Bamboo*, and *Kachnar* in the village.

During the physical verification (07.08.2024), no surviving plant was found at the site, indicating either failure in plantation and maintenance or a complete lack of implementation on the ground. The installation of a signboard to provide details about the project was also missing, further indicating a lack of transparency.



Figure-5.8: Vanikaran work in GP Dandli (07.08.2024).

The geotagged photograph uploaded after completion of work on 08.07.2021 (after the project was declared completed) revealed no signs of plantation or saplings at the site. This strongly indicates that the Gram Panchayat did not carry out any plantation activity, corroborating the audit observations and raising serious concerns about the authenticity of the reported work.



Figure-5.9: Geotagged photograph after completion of work (08.07.2021).

Thus, expenditure of ₹ 0.93 lakh produce no durable assets or visible outcomes, rendering the expenditure unproductive.

In the Exit Conference (January 2025), the Secretary, RDD assured that these matters, along with similar issues in other Blocks that were not part of the audit sample, would be investigated and strict action would be taken against officials found responsible.

5.3.4 Creation of Useful assets

A. The work of construction of the *Puliya* (Bridge) (work code: 3513002004/RC/2008048474) in GP Akhodi of Bhilangana Block was sanctioned in 2020-21 for ₹ 3.00 lakh. The work was completed in after incurring the expenditure of ₹ 2.23 lakh.

During physical inspection (26.07.2024), it was found that the construction of the bridge has significantly benefited the local community, especially during the rainy season. The construction of the bridge has improved the accessibility for villagers, allowing them to travel safely and conveniently, even when the drain is flooded. The completion of this work under MGNREGS has not only provided essential infrastructure but also empowered the local workforce by engaging them in the construction process, thereby enhancing their livelihood opportunities while improving the overall quality of life in the area.

B. The work of construction of the irrigation channel and tank (work code: 3507007042/IC/ 2008063520) in GP *Jeetap* of Takula Block was sanctioned in 2020-21 for ₹ 0.98 lakh. The work was completed on 12.07.2022 after incurring the expenditure of ₹ 0.96 lakh.

During the physical inspection (10.10.2024), it was found that the irrigation channel and tank were both well-constructed and functional, with the irrigation channel actively channelling water into surrounding agricultural fields. This irrigation infrastructure has provided great benefits to local farmers, enhancing crop production and ensuring a more reliable water supply for cultivation. The work also led to improved crop yields and significant reductions in the unpredictability associated with water availability.

By addressing a key local need for irrigation, this work showcased the positive social and economic benefits of the MGNREGS at the grassroots level.



Figure-5.10: Construction of Puliya in GP Akhodi. (26.07.2024).



Figure-5.11: Construction irrigation channel and tank in GP Jeetap (10.10.2024).



Figure-5.12: Showing usefulness of irrigation tank (10.10.2024).

C The construction work of CC Marg Nirman (work code: 3507009121/RC/20080 84759) in GP Tatik of Hawalbag Block was sanctioned in 2022-23 for ₹ 1.97 lakh. The work was physically completed but payment was pending as per MIS.

During the physical inspection (28.09.2024), it was found that the constructed road was well-built. The road has significantly enhanced connectivity for residents, facilitating access to essential services such as schools, markets, *etc.* The project provides employment opportunities to villagers, with fulfilling the core objective of MGNREGS. This case underscores the importance of MGNREGS as a transformative tool for rural development.



Figure-5.13: Construction of C.C Marg in GP Tatik (28.09.2024),

5.4 Convergence

The objectives of MGNREGS namely creation of durable assets and securing livelihood of rural households can be facilitated through convergence of MGNREGS works with resources of other programmes/schemes available with Panchayats and other line departments. These resources are not restricted to availability of funds but include technical expertise and know-how that officials of the line departments may be endowed with.

5.4.1 Non-establishment of Institutional Arrangements for MGNREGS Convergence

MGNREGS promotes convergence with other government schemes to enhance resource utilisation and optimise impact at the grassroots level. To achieve this MGNREGS operational guidelines mandated that Districts, Blocks and villages need to have structured institutional arrangements in place to facilitate effective planning, coordination and management of convergence initiatives. Paragraph 15.3.1.3 of the guidelines highlights that District Resource Group (DRG) should be established at the district level, headed by the District Programme Coordinator (DPC) and supported by experts and technical personnel from different line departments. This group is tasked with ensuring the technical quality of convergence projects. Additionally, Block Resource Groups (BRG) and Village Resource Groups (VRG) should be constituted at Block and Village levels, with the GP serving as institutional platforms for convergence. Audit observed that the required DRGs were not established in test checked Districts. Furthermore, in test checked Blocks, BRGs were also not constituted. Additionally, no VRGs were formed in the test checked GPs across these Blocks.

The absence of institutional arrangements at these levels indicates lapses in planning and coordination by district authorities. This gap suggests that District authorities may not have adequately prioritised the creation of convergence structures or may have lacked awareness of the operational guidelines.

5.4.2 Work executed under Convergence

Information regarding the total MGNREGS works executed under convergence with other departments was not provided by the test-checked Dy. District Project Coordinator (Dy. DPC) of selected Districts and Programme Officers (POs) of selected Blocks. The lack of documentation and non-compliance with reporting requirements raise concerns about accountability and transparency in the convergence and implementation of the scheme. Without this critical data, it was not possible for audit to assess the effectiveness of convergence initiatives and their alignment with overall development goals. However, some isolated case files of work executed under convergence were available at selected district and block levels. Scrutiny of cases revealed the following discrepancies as discussed in the succeeding paragraphs:

5.4.2.1 Construction of Anganwadi Centres

The construction of Anganwadi Centres (AWCs) under MGNREGS is a key convergence effort between the Ministry of Rural Development (MoRD) and the Ministry of Women and Child Development (MoWCD). As outlined in the Annual Master Circular, this convergence aims to support the establishment of AWCs across the country, enhancing childcare and early education facilities. Joint convergence guidelines were issued on 17th February 2016.

The construction of 26 AWCs in *Hawalbagh* Block and 14 AWCs in *Takula* Block of Almora District was planned under the convergence scheme in 2019-20, with funding shared between MGNREGS (₹ 5 lakh per AWC) and the Line Department (₹ 2.5 lakh per AWC). The Line Department provided its share of the funding to the respective Blocks.

Scrutiny of records revealed numerous compliance and implementation issues as discussed below:

- The approved estimate of ₹ 7.5 lakh per AWC did not fully adhere to MGNREGS's Schedule of Rates (SOR), incorporating items from the Delhi Schedule of Rates (2018) instead, without removing contractor profit and labour cess charges. This led to an overestimation of ₹ 0.89 lakh per AWC. Consequently, excess expenditures amounted to ₹ 24.03 lakh for 27 completed AWCs in *Hawalbagh* (22 AWCs) and *Takula* Blocks (five AWCs).
- While funds had been made available by the line department in 2019-20 and 2020-21, only 22 AWCs in *Hawalbagh* were completed till date and four remained incomplete. In *Takula*, nine AWCs were incomplete, and five AWCs were completed. Consequently, ₹ 22.5 lakh was returned to the line department for the remaining nine incomplete AWCs by *Takula* Block.

These issues indicate non-compliance with the MNREGA-ICDS convergence guidelines, leading to financial irregularities, overestimation and project delays.

In the Exit Conference (January 2025), the Secretary, RDD, assured that the matter would be investigated, and action would be taken against responsible officials.

5.4.2.2 Deficiencies in the construction of Amrit Sarovar

As part of the "Azadi Ka Amrit Mahotsav" celebrating 75 years of India's Independence, the Government of India launched the "Mission Amrit Sarovar" on April 24, 2022. The mission aims to address the water crisis in rural areas by constructing or reviving at least 75 water bodies in every district. These Amrit Sarovar are intended to ensure water sustainability at the local level. Technical guidelines were issued on 23 May 2022 to streamline project execution. Key directives included catchment demarcation, treatment and the provision of specific structural elements like silt traps and inlet channels, among others.

Construction of "Amrit Sarovar" (Work Code: 3507009080/WC/2008114539) in Matena GP of Hawalbagh Block was sanctioned in May 2022 with estimated cost of ₹ 21.26 lakhs under MGNREGS convergence (₹ five lakh was allocated through the Kosi Rejuvenation Campaign and ₹ 16.26 lakh through MGNREGS). As per the estimate of the work, ₹ 9.06 lakh was estimated for wages payment, while the expenditure on material components was estimated to ₹ 12.20 lakh.

- Although the project has reportedly spent ₹ 15.55 lakh, two bills (No. 198 dated 05.09.2022 and No. 199 dated 02.12.2022) appeared suspicious. Despite a three-month gap between the dates, both invoices from the same supplier had consecutive bill number, raising concerns that they may have been prepared simultaneously on the same day, or that the materials mentioned were not procured.

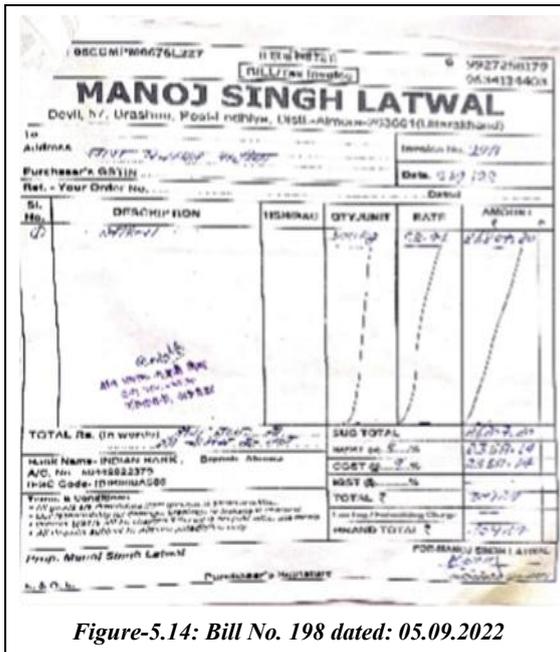


Figure-5.14: Bill No. 198 dated: 05.09.2022

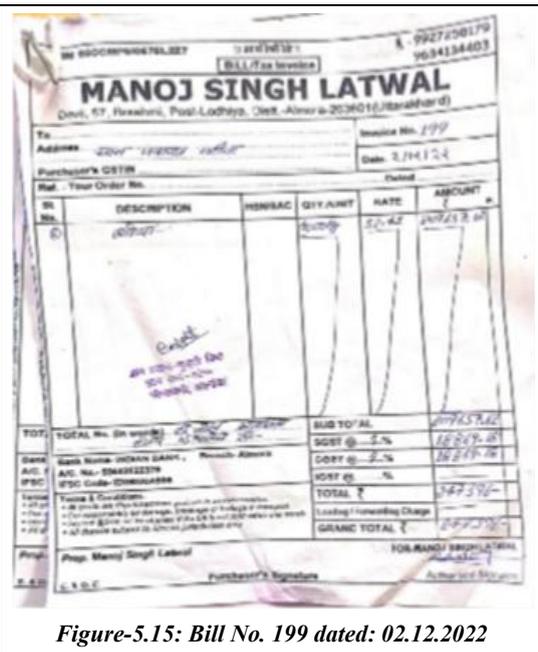


Figure-5.15: Bill No. 199 dated: 02.12.2022

- Further, it was noted that Bill No. 200 was issued on 12.11.2022, which predates Bill No. 199 (dated 02.12.2022). Though both bills were from the same supplier. This irregular sequencing contradicts standard billing practices where bill numbers should follow a chronological order. The irregularities could point to an attempt to inflate expenditures or misappropriate funds by fabricating documentation.

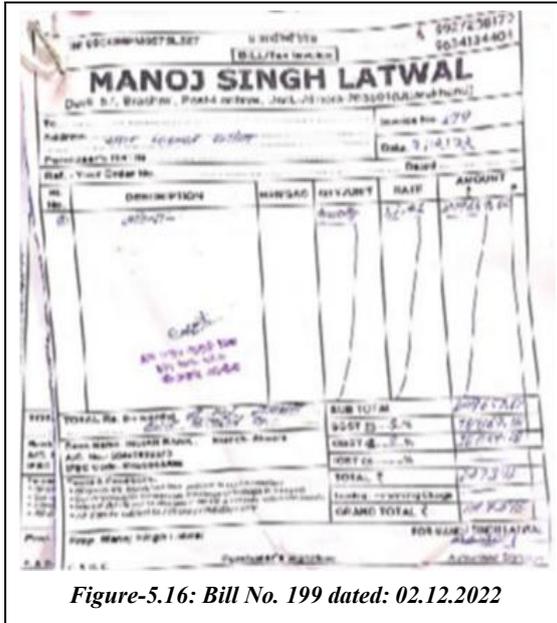


Figure-5.16: Bill No. 199 dated: 02.12.2022

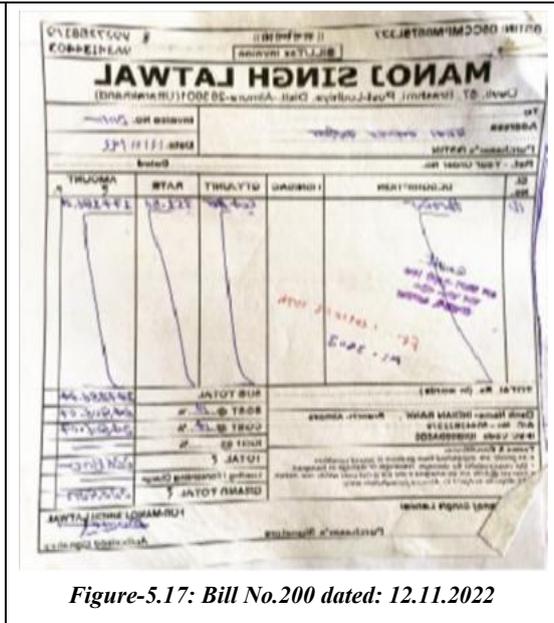


Figure-5.17: Bill No.200 dated: 12.11.2022

- Under the Kosi Rejuvenation Campaign, ₹ 4.97 lakh was spent on materials, including 897 quintals of sand and gravel similarly, under the MNREGA component, ₹ 5.22 lakh was spent on materials, including 1,608 quintals of sand and gravel. However, a royalty amounting to ₹ 17,535 (calculated at ₹ seven per quintal) and ₹ 4,384 (equivalent to 25% of the total royalty for the District Mineral Foundation) was not deducted. This was in violation of Uttarakhand Government Order No. 842/VII-1/2016, as the suppliers failed to submit Form J.
 - All materials were procured in 2022-23. However, TDS (GST) of ₹ 0.17 lakh and TDS (Income Tax) of ₹ 0.17 lakh was not deducted, violating Section 51 of the Goods and Service Tax Act and Section 194(C) of the Income Tax Act, respectively.
- The physical inspection (28.09.2024) of the Sarovar revealed significant lapses in technical compliance and planning, leading to poor outcomes despite an expenditure of ₹ 15.55 lakh. Key issues observed were:

❖ **Non-Adherence to Technical Guidelines**

- Essential provisions, such as catchment demarcation, runoff calculation, inlet channels, silt traps, and durable masonry structures, were neither included in the project estimate nor executed during construction.
- This non-compliance with Government of India guidelines may impact the Sarovar's functionality and efficiency.



Figure-5.18: Construction of Amrit Sarovar in GP Matena showing lack of inlet channel and silt trap (28.09.2024).

❖ **Ineffective Water Management**

- The lack of proper catchment demarcation and inlet channels may result in uncontrolled water flow, leading to soil erosion, formation of gullies and reduced water retention capacity.
- Without silt traps, sediment accumulated in the Sarovar, further may reduce water storage capacity and increasing maintenance costs.



Figure-5.19: Showing silt in Sarovar (28.09.2024).

❖ **Structural Deficiencies**

- The lack of berms along the embankments heightened erosion may risk and compromised the durability of the Sarovar.
- The omission of durable masonry inlets, outlets and sluices may lead to uncontrolled water discharge, embankment breaches and inefficiency during the rainy season.

❖ **Poor Planning and Site Selection**

- The Sarovar was constructed in a location having no nearby agricultural land, rendering it unsuitable for irrigation.
- Inadequate road access limited its potential for tourism or community use.

❖ **Other Observations**

- Vegetation growth within the Sarovar highlighted its ineffective water management.
- Limited water storage capacity further emphasised the poor execution of the project.

These issues reflect inadequate planning, poor site selection and non-compliance with technical guidelines, which rendered the project largely unproductive. This case underscores the critical importance of adhering to technical norms and effective planning to ensure sustainable outcomes in public infrastructure projects.

During the Exit Conference (January 2025), the Secretary of RDD assured that the matter would be thoroughly investigated and strict action would be taken against responsible officials.

5.4.2.3 *Doubtful plantation of Damask Rose*

The work of Damask rose cultivation (work code: 3507007034/DP/2008057933) in GP Esalna of Takula Block was sanctioned in 2019-20 for ₹ 1.89 lakh. The work was completed on 06.07.2020 after incurring the expenditure of ₹ 0.96 lakh.

The project aimed to promote rose farming with a departmental share of ₹ 0.54 lakh (provided by Sugandh Poudh Kendra for plant supply) and an MGNREGA allocation of ₹ 1.27 lakh for unskilled labour and ₹ 0.06 lakh for materials, covering activities such as pit digging, planting, maintenance, etc. The technical sanction was obtained in September 2019.



Figure-5.20: Work of Damask rose cultivation in GP Esalna (09.10.2024).

During a physical inspection (09.10.2024), significant deviations from the project plan were observed, such as:

- No Damask rose plant was found alive at the site, with no evidence of the 2,700 pits reportedly dug for planting.
- Analysis of uploaded geotagged photo dated 23.11.2021 (after completion of work) also revealed that there was no evidence of any dug pit and plantation of damask rose.
- Financial records also revealed discrepancies. As per the Measurement Book (MB) an expenditure of ₹ 1.06 lakh for unskilled labour under MGNREGS, was shown. However, verification with muster rolls indicated that only ₹ 0.96 lakh was spent on payment of wages to labourers, the discrepancy of ₹ 0.10 lakh highlights gaps in documentation and reporting.



Figure-5.21: Geotagged (23.11.2021) photograph after completion of work.

The above observation indicates a significant non-compliance with the approved project plan, raising concerns about the authenticity of the reported work and adherence to project objectives.

During the Exit Conference in January 2025, the Secretary of RDD assured that the matter would be thoroughly investigated, and strict action would be taken against responsible officials.

5.5 Not providing of Work site facilities

Paragraph 7.12 of the Operational Guidelines underscores the importance of providing essential worksite facilities to ensure a safe and conducive working environment. It mandates the availability of a fully equipped first aid box, should not have expired medicines and highlights the need for adequate drinking water, which in some cases may necessitate the use of trolleys to fetch water from distant sources. Further, when five or more children below the age of six, accompany women workers at a site, the provision of a crèche becomes obligatory. According to Paragraph 7.12.5, all expenses incurred for such facilities must be booked under administrative expenditure rather than as part of the work.

However, scrutiny of records revealed non-compliance in the provision of these mandated facilities at sampled worksites. No expenditure was incurred on worksite

amenities, signifying disregard for these essential provisions. Findings from beneficiary survey involving 200 participants further highlighted the lapse:

- 100 *per cent* of the respondents confirmed the absence of both shed facilities and first aid amenities at their respective sites though 95 *per cent* reported availability of adequate drinking water facilities.

The failure to adhere to the guidelines not only contravenes operational mandates but also risks the well-being and dignity of workers. Further, the absence of basic facilities like first aid, shelter reflects a systemic neglect that undermines the intent of ensuring safety and welfare at worksites.

5.6 Non-verification of the bills/vouchers

Rule 7.11.5 of Operational Guidelines, 2013 provides that when a work is in progress, the workers engaged in that work will select from among themselves, not less than five workers, on a weekly rotational basis, to verify and certify all the bills/vouchers of their worksite, at least once a week.

The scrutiny of records from selected GPs revealed a significant lapse in the operationalisation of the verification and certification processes for bills and vouchers. This deficiency highlighted a critical gap in the financial oversight mechanisms, potentially undermining transparency, accountability, and compliance with established rules. Thus, to ensure that financial records are thoroughly scrutinised and certified, thereby safeguarding the integrity of financial transactions at the grassroots level, this critical process remained largely unaddressed.

5.7 Non-Compliance with Mineral Extraction Policy in MGNREGS Projects

According to Clause 23(2) of the Uttarakhand Sub-Mineral (Sand, Gravel, Boulder) Extraction Policy, 2016, the extraction and use of local minerals such as boulders, stones, and gravel for government construction projects must be inspected and evaluated by a district-level committee. The necessary permits are to be approved by the District Magistrate.

However, the audit revealed non-compliance with this policy in the implementation of MGNREGS projects by the test-checked GPs. Local minerals were used without obtaining the requisite permissions from the competent authority. Although the measurement books recorded the royalty for these minerals, and the amounts were deposited into a dedicated bank account managed by the Block Development Officer for subsequent transfer to the government treasury, it was observed that the Programme Officer failed to deduct royalty totaling ₹ 6.38 lakh in 29 instances (*Appendix-5.4*). This lapse indicates non-adherence to prescribed guidelines and a lack of oversight, resulting in potential revenue loss for the government. Thus, the matter calls for strict enforcement of compliance measures to avoid similar occurrences in the future.

The replies of selected Blocks are yet to be received.

5.8 Payment of wages and material components

Paragraph 16 of Schedule-I of MGNREGA-2005 mandates that payments should be made based on measurements taken at the worksite by an authorised person within three days of the muster roll (MR) closure. The State Government must ensure adequate

technical personnel for timely completion. However, several discrepancies were observed:

- i. **Non-payment of wages:** 29 workers, who worked for 224 days across 12 jobs in seven GPs, were not paid wages totaling ₹ 46,237 despite work being done (*Appendix-5.5*).
- ii. **Missing muster rolls:** ₹ 1.73 lakh was paid to 83 workers for 879 days of attendance; however, muster rolls (MRs) to verify actual attendance were missing from the records (*Appendix-5.6*).
- iii. **Duplicate muster rolls:** Muster rolls were used multiple times, recording different attendances for the same workers and periods:
 - **MR No. 9877 (GP Akhodi):** Attendance for 22 days was recorded for three workers in one copy, while a second copy recorded 72 days for seven workers. Payments were based on the second copy.
 - **MR No. 5755 (GP Banchuri):** One copy showed 9 days' attendance for one worker; another showed 13 days, with payment made for 13 days.
 - **MR No. 5754 (GP Banchuri):** Attendance for 80 days was recorded for 10 workers in one copy, while another copy showed 130 days, and payments were made for 130 days. These duplications suggest possible manipulation, improper verification, and potential overpayments, raising concerns about fraudulent practices. Example is shown in **Figure-5.22** given below:

Twice use of muster roll no. 5754

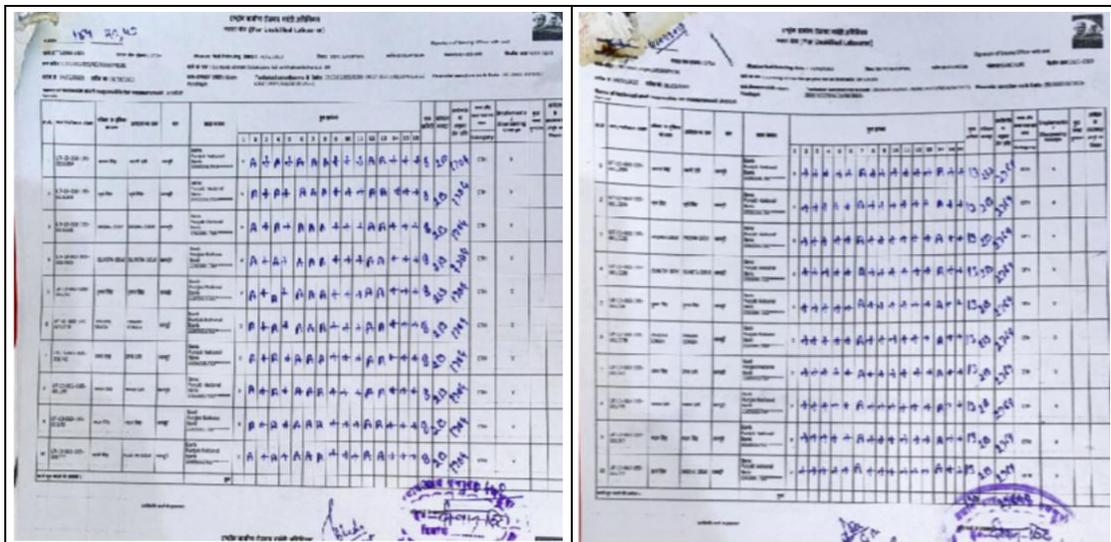


Figure-5.22: Muster roll no. 5,754 used for construction of CC Marg in GP: Banchuri of bhilangana Block (work code: 3013002196/RC/2008079196)

- iv. **Backdated attendance records:** In 21 works across six GPs, 66 muster rolls were issued after the commencement of work. Yet, 2,609 days of attendance, amounting to ₹ 5.45 lakh, were recorded for dates prior to the issuance of the muster rolls. No evidence was found to justify these backdated entries, making their legitimacy questionable (*Appendix-5.7*).

v. Delayed payments:

- Wages for 147 skilled/semi-skilled laborers were delayed by 33 to 569 days, averaging a 176 days delay. (*Appendix-5.8*).
- Payments for materials in 162 cases were delayed by 10 to 536 days, with an average delay of 202 days. In 160 cases, fund transfer orders (FTOs) were generated with delay ranged between one and 525 days (on an average 145 days) after the bill dates (*Appendix-5.9*).

The above irregularities highlight serious lapses in compliance, monitoring and financial management, undermining the program's objectives and raising the risk of misappropriation of funds.

In the Exit Conference (January 2025), the Secretary, RDD, directed the CDO/DDO of the concerned districts to investigate these matters, as well as similar issues in other Blocks that were not part of the audit sample and to take strict action against responsible officials.

5.9 Implementation of National Mobile Monitoring System

With a view to ensure more transparency in the implementation of MGNREGS, a provision for capturing of attendance at worksite wherein muster rolls are issued for 20 or more workers through National Mobile Monitoring System (NMMS) App with two-stamped and geotagged photographs of the workers in a day has been started by GoI on 21st May 2021. This was followed by the Government of India Notification No. According to File J- 11060/2/2021 -RE-VI (374151) dated 23-12-2022, the NMMS app of workplaces wherein muster rolls are issued for 20 or more workers has been made mandatory by the GoI with effect from 16 May 2022 by abolishing manual attendance. Further, provision for capturing of NMMS App attendance for all the worksite has been applied (except individual beneficiary scheme/project) from 01st January 2023. The status of NMMS implementation in the State is given in **Table-5.1** below.

Table-5.1: NMMS Implementation status

Year	Total GPs	Eligible (GPs having at least 1 worksite with >=20 workers) GPs	GPs eligible for NMMS but Devices not registered	GPs eligible for NMMS and device registered	GPs With device registration but NMMS not started (percentage)
2021-22	7823	4,949	192	4,757	4,297 (87)
2022-23	7803	6,403	207	6,196	2,736 (43)
2023-24	7798	7,339	241	7,098	244 (03)

Source: Data available on NREGASoft.

It can be seen from the above table that State has done well to bring GPs under NMMS. Further, audit noticed that attendances captured through NMMS App were not visible in NREGASoft after 15 days from the date of attendance. Audit found the discrepancies in the attendance made through NMMS App as discussed below:

- ❖ The same photograph was used for the morning attendance of muster roll number 1,146 on 04 August 2024, and muster roll number 1,145 on 03 August 2024, by Gram Panchayat Pali of Narendra Nagar Block.

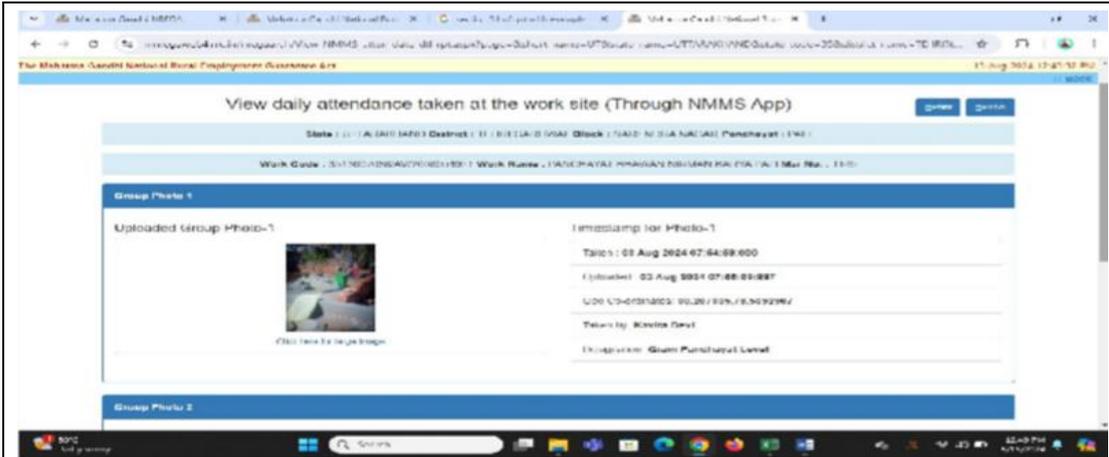


Figure-5.23: Showing same picture uploaded in muster roll number 1,145 on 03 August 2024

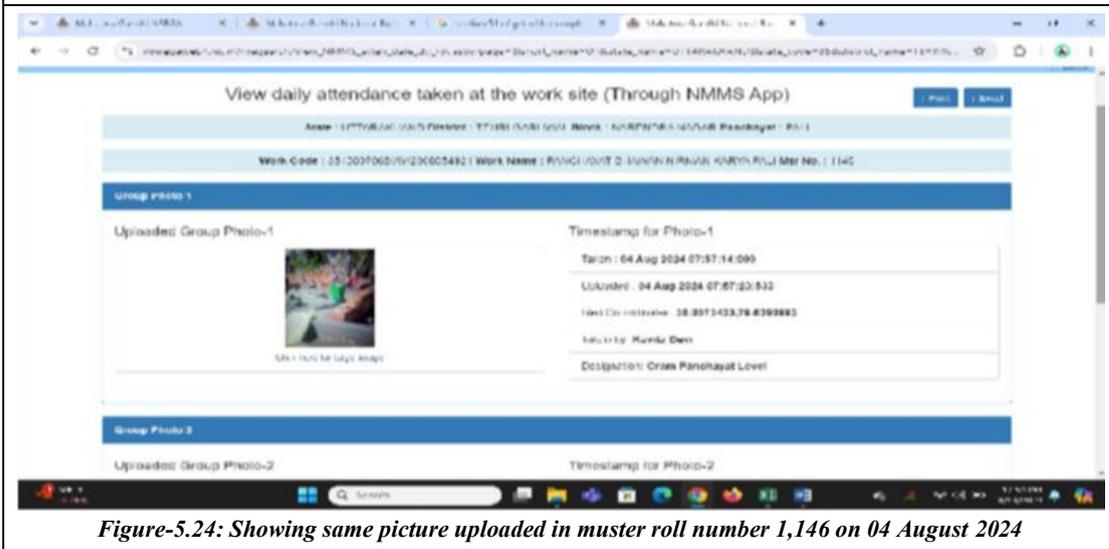


Figure-5.24: Showing same picture uploaded in muster roll number 1,146 on 04 August 2024

- ❖ On 16 July 2024, for muster roll number 1,389, only the morning session photograph was uploaded which showed the finger only, no photograph was uploaded for the evening by the gram panchayat Akhodi of Bhilangana Block.



Figure-5.25: Only morning photograph uploaded for muster roll number 1,389, dated 16 July 2024 in GP Akhodi

In the Exit Conference (January 2025), the Secretary, RDD, intimated that corrective measures are being implemented.

5.10 Conclusion

The audit highlighted deficiencies in the planning, execution, and oversight of the MGNREGS works, which have undermined its objectives. Key concerns include financial irregularities, such as discrepancies in billing, muster rolls, and delayed payments, indicating weak financial management and potential fund misuse. Non-adherence to technical guidelines has resulted in inefficiencies, poor outcomes, and non-functional assets, exposing project design and implementation flaws. Flaws in monitoring mechanisms, including in the National Mobile Monitoring System (NMMS), have led to weaknesses in transparency and accountability. Negligence regarding worker welfare, including the absence of essential worksite facilities, demonstrates a lack of commitment to ensuring the safety and dignity of MNREGS workers.

5.11 Recommendations

- 1. Special attention should be given to districts where a significant percentage of works remain incomplete. The efficiency of District Panchayat Committees (DPCs) should be improved to initiate and complete sanctioned works on time. Gram Panchayats (GPs) must be better equipped and monitored to ensure that planned works are started and completed in a timely manner.*
- 2. To prevent over-expenditure, it is recommended that construction estimates should be thoroughly reviewed to ensure that they align with MGNREGS's Schedule of Rates. A benchmarking process should be introduced to compare project costs with similar works in the region, ensuring fairness and accuracy in estimates.*
- 3. Delays in wage payments should be addressed by ensuring that funds are available and disbursed within the prescribed time frame. Automated systems for wage disbursement should be implemented to minimise delays.*
- 4. All MGNREGS works, including plantation activities should undergo rigorous verification. This process, in alignment with Social Audit, should include site inspections, cross-checking of work records, and validation of geotagged images to confirm the completion of activities.*