

CHAPTER III

***Planning and Financial
Management***

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3.1 Planning

Gram panchayat is the pivotal body for planning and implementation of the Scheme. It is a demand driven public wage employment programme, where the works are opened on demand, and jobs are offered.

The meeting of demand for work and supply of work is the process of planning under the Scheme and has to be achieved through the preparation of labour budget. This involves, prior assessment of the quantum of work likely to be demanded and the timing of such demand while simultaneously preparing a shelf of projects prioritised to meet this demand. The shelf of projects to be taken up as part of labour budget should emerge from the development plan¹.

3.1.1 Annual Action Plan and Labour Budget

The Annual Action Plan and Labour Budget (AAP&LB) was prepared at GP level, which was consolidated at the Block and Zilla Parishad level. As per para 6.1.3 of the Operational guidelines, the DPC has to ensure strict adherence to the principles of bottom-up approach from planning to approval of the selected shelf of projects by each of the Gram Sabhas in the district. Labour Budget should comprise a month-wise anticipated quantum of demand for work along with a plan that outlines the quantum and schedule of work to be provided for those who demand work. This involves identification of projects and preparation of Labour Budget (LB) estimates. After approval of Labour budget by the Zilla Parishad, the same is submitted to the Collector for onward submission to the Commissioner (MGNREGS). Commissioner (MGNREGS) consolidates and submits the State Labour Budget to GoI.

Audit observed various shortcomings in preparation of labour budget and perspective plan as discussed in the succeeding paragraphs.

(i) *Baseline survey*

As per para 6.2 of the MGNREGA Operational Guidelines, GP is required to mandatorily conduct a survey of job card holders in order to prepare a baseline to assess the quantum and timing of demand for employment in the GP. The survey had to elicit information on the seasonal demand for labour from each job card holder in the GP. The baseline survey was to be reassessed once every five years to account for changes in the local pattern of livelihoods and opportunities for work in production activities.

The guidelines also provided that expert institutions could be empanelled to finalise the framework and methodology for the pilots for the baseline survey and once the methodology is finalised, these institutions would train teams from each District to conduct the surveys. The guidelines also provided that leading Civil Society Organizations (CSOs) could also assist in this process.

¹ The development plan is an annual plan prepared by matching the prioritised needs with the resources available.

Scrutiny in audit revealed that the GoM had neither empanelled any expert institution/Civil Society Organisations to finalise the framework and methodology for conducting baseline survey nor conducted any baseline survey.

As per para 6.1.1 of MGNREGA Operational Guidelines, a labour budget must include (i) anticipated quantum of demand for work, (ii) timing of the demand for work and (iii) a plan that outlines the quantum and schedule of work to be provided to those who demand work.

Scrutiny of AAP&LB in six selected districts revealed that the labour budget included taluka-wise number of works to be undertaken by various implementing agencies, total estimated cost of works, percentage of the cost of works for unskilled and skilled component portion, expected person days. However, the anticipated quantum and timing of the demand for work and a plan outlining the quantum and schedule of work to be provided to the wage seekers were not included in the labour budget. Thus, the AAP&LB did not consider the demand for work in the absence of baseline survey to match the work to be provided to those who demand work. Audit noticed that in 192 AAP&LBs furnished by GPs, the quantum and timing of demand for employment were not available.

In reply, the Commissioner (MGNREGS) stated (June 2025) that instructions are given to the districts for conducting baseline survey by carrying door to door survey while preparing Labour budget.

(ii) Shelf of projects

Audit scrutinised AAP&LB in 48 selected GPs for the year 2019-20 to 2023-24. As against 240 AAP&LB, which were required for scrutiny, only 192 AAP&LB were produced for audit scrutiny. Scrutiny of 192 AAP&LB revealed that the shelf of projects was not included in 153 (80 per cent) AAP&LB.

In reply, the Commissioner (MGNREGS) stated (March 2025) that 153 GPs might not have furnished the shelf of projects in AAP&LB but they have submitted the same to their respective districts through block level authority. It was further stated that the shelf of projects would be furnished to Audit. The absence of shelf of project is fraught with the risk of selection of works under the Scheme in an adhoc manner.

In reply, the Commissioner (MGNREGS) stated (June 2025) that the annual action plan includes individual and community works and in future, precaution would be taken to take work on shelf.

(iii) District Perspective Plan

Para 15.3.1.1 of Operational Guidelines, 2013 provides that for implementation of convergence, a District Perspective Plan (DPP) should be prepared by the Districts which identifies the needs and gaps in the districts in all the sectors. This plan is a multi-year plan for different departmental projects.

Scrutiny of records revealed that the DPP was not prepared in any of the six selected districts, though the convergence works had been included in Labour budget. In the absence of the District Perspective Plan, the needs and gaps in

the works to be taken up in the district in all sectors were not identified thereby facilitating convergence of work.

In reply, the Commissioner (MGNREGS) stated (June 2025) that the State Government has given instructions to prepare a 10 year plan to selected GPs in every district of the State and necessary action would be taken.

3.1.2 Block Resource Centre

As per para 4.3.2 of MGNREGA Operational Guidelines, Block Resource Centre (BRC) was required to be set up for (i) providing technical inputs for planning, (ii) maintaining database on local natural resource endowment (*viz.* groundwater, rainfall, soils, *etc.*) needed for planning (iii) ensuring convergence between MGNREGS and other production-oriented schemes of the government.

As per the information furnished (August 2024) by the Planning Department (EGS), GoM, BRCs were not set up in the State. As BRC was the prime source of vital information required for planning, non-setting-up of BRC had left the GPs without any support system required for planning.

In reply, the Commissioner (MGNREGS) stated (June 2025) that action would be taken to establish Block Resource Centre with available resources.

3.1.3 Timeline for preparation and submission of Annual Action Plan and Labour Budget

The timeline stipulated for the preparation and submission of AAP&LB as per the master circular issued by the MoRD each year during 2018-19 to 2023-24 is given in **Table 3.1**.

Table 3.1: Timeline for preparation and presentation of Annual Action Plan and Labour Budget

Sr. No.	Action to be taken	Time
1	Submission of GP level Plan by GP to the Block Panchayat	By 5 th December
2	Submission of Block Level consolidated Annual Plan to District Programme Coordinator/Joint District Programme Coordinator	By 20 th December
3	Submission of District Annual Plan by the District Panchayat to State Government.	By 31 st January
4	Submission of State Plan to MoRD, GoI	By 10 th February

Source: Compiled from Master Circulars issued by MoRD, GoI

Scrutiny in Audit revealed the following:

- Out of 240 GP level AAP&LBs for the period 2019-20 to 2023-24, 192 GP level AAP&LBs was furnished to Audit. Scrutiny of 192 GP level AAP&LBs revealed delays in the submission of 23 AAP&LBs² in respect of 11 GPs. The delays in submission ranged between one day and 37 days.

² In 24 GP level AAP&LBs furnished to Audit, the date of forwarding the AAP&LBs to Blocks was not available.

- Out of 60 Block level AAP&LBs during 2019-20 to 2023-24, there were delays in the submission of 23 AAP&Bs³ in six blocks. The delays ranged between one day and 72 days.
- Scrutiny of 29 district level AAP&LBs⁴, furnished in the six selected districts out of 30 district level AAP&LBs during 2019-20 to 2023-24, revealed delays in the submission of eight AAP&LBs⁵ in four districts. The delays ranged between six days and 139 days.
- There were delays in the submission of the State Labour budget ranging between 16 days and 47 days, as shown in **Table 3.2**.

Table 3.2: Delay in submission of AAP&LBs to MoRD

Year	Due date for submission of AAP&LB to MoRD by GoM	Actual date of submission of AAP&LB to MoRD	Delays in submission of LB (in days)
2019-20	10.02.2019	26.02.2019	16
2020-21	10.02.2020	02.03.2020	21
2021-22	10.02.2021	26.02.2021	16
2022-23	10.02.2022	29.03.2022	47
2023-24	10.02.2023	20.03.2023	38

Source: Information furnished (August 2024) by Planning Department (EGS)

Audit noticed that in the test-checked district of Dharashiv, CSN and Amravati, the District AAP&LBs for the years 2020-21, 2021-22 and 2023-24 were submitted to the State Government after the State AAP&LBs were submitted to MoRD, as shown in **Table 3.3**.

Table 3.3: Submission of district AAP&LB after the date of submission of AAP&LB to MoRD

District	AAP&LB year	Date of submission AAP&LB by district to State	Date of submission of AAP&LB to MoRD
Dharashiv	2020-21	19-06-2020	02-03-2020
Chhatrapati Sambhajinagar	2021-22	01-04-2021	26-02-2021
Amravati	2023-24	24-03-2023	20-03-2023

Source: Information furnished (July 2024) by respective district Collectors and Planning Department (EGS)

In reply, the Commissioner (MGNREGS) stated (March 2025) that AAP &LBs are submitted in NREGASoft within the prescribed time. However, districts took time for approval in their General Body Meeting. The reply is not acceptable as the AAP &LB is to be submitted only after the approval by the district panchayats. As regards the delay in submission of AAP&LBs to MoRD, the Commissioner stated (June 2025) that precaution would be taken in future to submit on time.

3.2 Availability of staff

The provision of adequate human resources at all levels of programme implementation holds the key to the success of the Scheme. As per Section

³ In nine Block level AAP&LBs furnished to Audit, the dates of forwarding the AAP&LBs to District were not available.

⁴ AAP&LB of CSN district for the year 2019-20 was not furnished.

⁵ In nine District level AAP&LBs furnished to Audit, the dates of forwarding the AAP&LBs to the State Government was not available.

6-1E of MEGA, the State Government shall make available to the District Programme Co-ordinator (DPC), the Programme Officer, Joint Programme Officer, *etc.*, the necessary staff and technical support as may be necessary for effective implementation of the Scheme.

3.2.1 Additional District Programme Coordinator

As per para 4.4.1 of the MGNREGA operational guidelines, a full-time Additional DPC exclusively appointed for the Scheme should look into the day-to-day operations of the Scheme and provide leadership in programme implementation at the district level.

Audit observed that Additional DPCs were not appointed in any of the selected districts. The absence of shelf of project in the AAP&LB of GPs, non-preparation of District Perspective Plan, delay in submission of AAP&LB and non-conduct of door-to-door survey to identify eligible households under the Scheme as commented in paragraphs 3.1.1(ii), 3.1.1(iii), 3.1.3 and 4.3 respectively could have been addressed effectively with the appointment of full-time Additional DPC.

In reply, the Commissioner (MGNREGS) stated (March 2025) that the Chief Executive Officers are designated as Additional District Programme Coordinators. Audit is of the view that since the Chief Executive Officers are already designated as Joint District Programme Coordinators, a full-time Additional DPC would have facilitated implementation of the Scheme.

3.2.2 Appointment of Assistant Programme Officer, Technical Assistant and Clerk-cum Data Entry Operator

The Planning Department (EGS), GoM, vide circular dated 11 February 2013, laid down guidelines for hiring of contractual staff such as Assistant Programme Officer (APO), Technical Assistant (TA), Clerk-cum Data Entry Operator (CDEO). The Planning Department (EGS), GoM, vide GR issued in November 2021, fixed the requirement of APO and CDEO on the basis of person days generated during the last financial year and requirement of Technical Assistance on the basis of number of active job cards. The TA was responsible for the preparation of estimates, measurement of works, ensuring work quality *etc.*

The availability of APO, TA and CDEO in the selected districts is shown in **Table 3.4**.

Table 3.4: Availability of staff in the selected district as of July 2024

Particulars	Designation	Ahilyanagar	Amravati	CSN	Dharashiv	Nagpur	Palghar	Total shortfall (-)/excess (+)
Sanctioned Strength	APO	28	42	40	21	23	27	181
	CDEO	54	51	64	32	26	48	275
	TA	56	178	87	30	43	54	448
Person-in-position	APO	23	36	32	21	22	14	148
	CDEO	51	87	86	38	42	50	354
	TA	58	107	75	40	46	34	360
Shortfall (-)/Excess (+)	APO	-5	-6	-8	0	-1	-13	(-33)
	CDEO	-3	36	22	6	16	2	(+79)
	TA	2	-71	-12	10	3	-20	(-88)

Source: Information furnished by the Collectors in the six selected districts

As seen from **Table 3.4**, there was a shortfall of 33 APOs in the selected districts except Dharashiv. There were 82 excess CDEOs in five districts while there was shortage of three CDEOs in one district (Ahilyanagar). Similarly, there was shortage of 103 TA in three districts (Amravati, Chhatrapati Sambhajinagar and Palghar) and excess of 15 TAs in three districts (Ahilyanagar, Dharashiv and Nagpur).

The reasons for the appointment of excess staff and the non-posting of staff in the districts having shortage were not furnished by the Department.

The TA was responsible *inter alia* for the measurement of works while the APO had to ensure that there is no delay in receipt of muster roll from Gram Panchayat and payment of wages. The shortage of TA and APO would therefore have an adverse impact on the payment of wage bill. The Commissioner (MGNREGS) has accepted shortage of staff as one of the reasons for the delay in the payment of wages.

3.2.3 Gram Rozgar Sahayaks

As per para 4.1.1 of MGNREGA Operational Guidelines, the State may ensure that at least one Gram Rozgar Sahayak (GRS) is deployed in every GP, except in GPs where demand for work under the Scheme is almost non-existent. More than one GRS may be deployed in GPs that have high labour potential and GPs with scattered habitations and tribal areas.

A GRS has to oversee the process of registration, distribution of job cards, provision of dated receipts against job applications, allocation of work to applicants, facilitating Gram Sabha meetings and social audits, recording attendance of labourers, ensuring availability of worksite facilities, updating job cards of the workers, maintaining all Scheme related registers *etc.*, and is therefore an important field level functionary. The cost towards the recruitment of GRS is the first charge on the administrative expenditure under MGNREGS.

Audit noticed that out of 28,279 GPs in the State, 2,258 GPs (eight *per cent*) in which works were executed did not have GRS (August 2024). Audit also noticed that 13 GPs out of 951 GPs in the selected 12 blocks, where works were executed, did not have GRS (August 2024).

Thus, an important field-level functionary was not appointed in 2,258 GPs in the State to ensure effective implementation of the Scheme.

In reply, the Commissioner (MGNREGS) stated (June 2025) that instructions have been issued to the districts to appoint GRS in the remaining GPs as per requirement.

3.2.4 Appointment of Mates

As per para 7.11.1 of MGNREGA Operational Guidelines, for helping the GRS in managing worksite facilities including taking attendance of the workers, a Mate should be appointed for each work. The Operational Guidelines also stipulated (para 5.3) training for Mates covering measurement of work, worksite facilities, maintenance of records *etc.*

The Commissioner (MGNREGS) had issued a circular in June 2020, *inter alia* detailing the eligibility conditions for appointment of Mate, appointment procedure, and engagement of one Mate for a group of 50 unskilled

workers. As per the eligibility condition for appointment of Mate, the person should be an active worker under the Scheme (should have worked for at least 60 days), should not be related to GRS/ Sarpanch and should be able to read and write and have basic knowledge of arithmetic.

The MoRD, GoI vide its master circular issued (January 2022), stipulated the appointment of one Mate for every 20 workers for works having 20 to 40 worker's attendance and for works having 41 to 80 workers attendance, an additional Mate for every 10 worker. However, it was only in February 2023, that the Planning Department (EGS), GoM issued a circular stipulating the appointment of Mates as specified in the master circular issued by GoI, appointment of minimum 50 *per cent* women as Mates. Further, the registered Mates were required to be trained for usage of National Mobile Monitoring System Application⁶ mobile app.

The year-wise status of Mates registered, number of women Mates registered, number of women Mates employed and payment pending to Mates in the State are shown in **Table 3.5**.

Table 3.5: Status of Mates registered during 2021-22 to 2023-24 in the State

As of	Total no. of Mates registered	No. of women Mates registered (Percentage)
March 2022	13,871	2,680 (19)
March 2023	49,008	8,884 (18)
March 2024	62,617	11,623 (19)
<i>Source: Information furnished (September 2024) by the Planning Department (EGS)</i>		

Audit observed the following:

- Despite the provisions in the Operational Guidelines and circular issued by the Commissioner, MGNREGS in June 2020, Mates were not appointed/registered in the State during 2020-21. Out of the selected 48 GPs, audit noticed that in 26 GPs (54 *per cent*), Mates were not appointed during 2021-22 to 2023-24. Inadequate work site facilities as discussed in **paragraph 5.9** could not be ruled out due to non-appointment of Mates. In reply, the Commissioner (MGNREGS) stated (June 2025) that there is no designated post of Mates and is solely based on the number of workers for a particular work. The reply is not acceptable as in 12 out of these 26 GPs, audit noticed that works having more than 20 workers were executed during 2023-24 but no Mates were appointed.
- Audit also noticed that despite instructions to appoint minimum 50 *per cent* Mates from women, the registration of women Mates ranged from 18 *per cent* to 19 *per cent* during 2021-22 to 2023-24 as shown in **Table 3.5**. Out of 22 selected GPs, where Mates were appointed, women Mates were not appointed in 14 GPs. In six GPs the appointment of women ranged between 11 *per cent* and 47 *per cent* while in two GPs it was above 50 *per cent*. In reply, the Commissioner (MGNREGS) stated (June 2025) that compliance to the instructions would be ensured.

⁶ National Mobile Monitoring System Application captures attendance at worksite through mobile application.

- Information furnished by the Assistant Director of the Planning Department (EGS) revealed that out of 62,782 Mates appointed till August 2024, 25,906 Mates (41 *per cent*) were not trained. In reply, the Commissioner (MGNREGS) stated (June 2025) that training would be provided to untrained Mates.
- As per the NREGASoft report for the month of September 2025, in 124 GPs out of 960 GPs in the selected 12 blocks, ₹ 1.99 crore was paid though no Mates were registered while ₹ 4.50 lakh was pending payment for the period 2021-22 to 2023-24. In five out of 48 selected GPs, ₹ 5.14 lakh was paid for the period 2021-22 to 2023-24 though no Mates were registered while ₹ 0.10 lakh was pending payment for the period 2023-24. This indicated a flaw in the system which allowed payment of wages to unregistered Mates.

3.3 Information Education and Communication

As per para 5.4 of the MGNREGA Operational Guidelines, an important precondition to ensure effective implementation of the Scheme is the creation of awareness among rural people and other stakeholders, particularly workers in respect of the Scheme provisions as well as their rights and entitlements. Information Education and Communication (IEC) activities should aim at facilitating dissemination of right-based provisions of the Act to ensure that the workers know their right to demand wage employment and exercise their right by applying for jobs as per their need. As per para 5.4.2 of the guidelines, the IEC plan should clearly indicate State, District, Block and local level activities. Further, as per the master circulars issued by GoI, the State Government was required to prepare IEC plans every year and send reports at regular intervals to the Ministry.

Though the Assistant Director of the Planning Department (EGS) stated (August 2024) that IEC plans were prepared, copies of the IEC plans were not furnished to Audit. During 2019-20 to 2023-24, the State had incurred an expenditure of ₹22.86 crore (three *per cent*) towards IEC out of the total administrative expenditure of ₹ 818.67 crore. Audit noticed that IEC activities such as banner and wall painting, public awareness through moving vehicles *etc.*, were taken up in four (Amravati, Dharashiv, Nagpur and Palghar) out of the six selected districts in one or more years during 2019-20 to 2023-24, while in Ahilyanagar and CSN districts, no IEC activity was taken up during 2019-20 to 2023-24.

3.3.1 Rozgar Diwas

As per para 7 of Schedule II of MEGA ‘Rozgar Diwas’ (Employment Guarantee Day) has to be conducted at every Ward and Gram Panchayat level at least once a month, leading to provisions of work as per demand.

As per the information furnished by the 48 selected GPs, as against 2,880 ‘Rozgar Diwas’ (at least once a month) to be conducted during 2019-20 to 2023-24, 1,573 ‘Rozgar Diwas’ were conducted. Thus, there was shortfall in the conduct of 1,307 ‘Rozgar Diwas’ (45 *per cent*) during 2019-20 to

2023-24. This included 10 GPs⁷ (in three selected districts) where 'Rozgar Diwas' was not conducted during the period 2019-24.

In reply, the GPs stated that because of lockdown due to covid-19 pandemic from March 2020, the 'Rozgar Diwas' could not be conducted.

Audit however noticed that even excluding the Covid year of 2020-21 and 2021-22, there was shortfall in conduct of 173 'Rozgar Diwas' (2019-20:124; 2022-23:34 and 2023-24:15).

The shortfall in conduct of 'Rozgar Diwas' which is a mechanism to pro-actively invite applications for work from workers could be one of the reasons for low participation of registered households under the Scheme as discussed in paragraph 4.6.2.

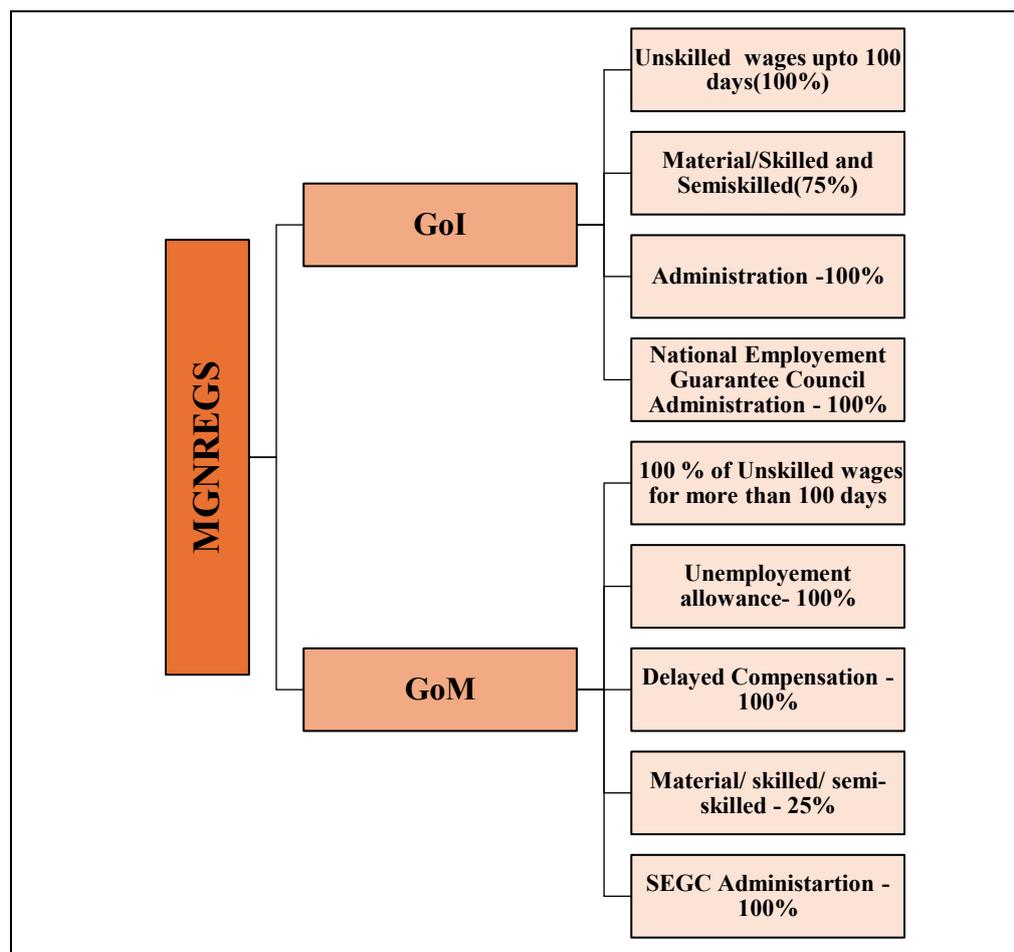
In reply, the Commissioner (MGNREGS) stated (June 2025) that strict adherence to the calendar for 'Rozgar Diwas' in all GPs would be ensured.

3.4 Financial Management

MGNREGS is implemented as a Centrally Sponsored Scheme on a cost-sharing basis between the Centre and the States. Section 22 of the MGNREGA provides for the framework for the funding pattern. As per Section 22 of the MGNREGA, GoI had to bear the entire cost of wages for unskilled manual workers and up to 75 per cent of the cost of material, including wages for skilled and semi-skilled workers. Administrative expenses (up to six per cent of total expenditure including expenditure on Social Audit) had to be borne by the GoI. The State Government had to bear 25 per cent of the cost of material and wages for skilled and semi-skilled workers. The State Government had to bear the compensation allowance for the delay in payment of wages to the workers, unemployment allowance for inability to provide employment on demand, administrative expenses of the State Employment Guarantee Council and unskilled wages to the workers for work done beyond 100 days.

⁷ Amravati district: Bhamadehi, Churni, Gangarkheda, Hatru; Dharshiv: Bavi, Bhikar Sarol, Nitali, Upala (Makdacha) and Diksal; Ahilyanagar: Samangaon.

The funding pattern under the Scheme is shown in **Chart 3.1**.



As per the provisions of Section 21 of the MGNREGA, the State Government, was to establish, by a Notification, a fund called State Employment Guarantee Fund. The State established a fund in March 2012 wherein the Central and State shares including miscellaneous receipts (interest accrued *etc.*), were to be credited.

3.4.1 Release and utilisation of funds

The release of Central Share of funds is based on the projection of labour demand in Labour Budget. The release of the 1st tranche (including upfront money) of central share is based on proportionate fund requirement as per the Labour budget, to take care of requirements for the first six months of the financial year, subject to a maximum of 50 *per cent* of the total fund required for a whole year. The release of the 2nd tranche is based on (i) unspent balances and (ii) actual performance against the agreed LB during the year.

The funds for unskilled wages are allocated by GoI to the State but retained centrally. Once the wages are approved by the implementing agencies and electronic fund transfer order is generated, the wages are directly credited through National Electronic Fund Management System to workers account via Direct Benefit Transfer (DBT).

Funds for material and administrative components are released to the State Consolidated Fund. The Central Funds and the corresponding State share in

respect of material component, from the State treasury is released by the State to the concerned State Employment Guarantee Fund Account (State Nodal account) maintained by the Commissioner (MGNREGS). Based on the electronic fund transfer orders generated by the project implementing agencies in NREGASoft, the funds are disbursed directly to vendors, contractors *etc.*

As per the fund release orders of the MoRD, GoI, the Central funds and corresponding State share, from the State treasury is to be released by the State to the concerned State Nodal Account within a maximum period of 15 days from the receipt of Central fund in the State treasury.

Funds for administrative expenditure are released by the Commissioner (MGNREGS) to the districts, based on demand received. Funds for social audit are released by the State Government directly to the Director, Social Audit.

The details of funds received from GoI and GoM for the years 2019-20 to 2023-24, the expenditure under the Scheme and the liability towards unskilled and material components are given in **Appendix 3.1**.

The fund released and expenditure incurred under the Scheme revealed the following:

- As against total fund of ₹ 13,957.47 crore (including opening balance of ₹ 369.42 crore) received during the period 2019-20 to 2023-24, the expenditure incurred was ₹ 13,518.30 (96.85 *per cent*) crore leaving a balance of ₹ 439.17 crore.
- There was delay ranging between four days and 242 days in the release of ₹ 415.73 crore (45 *per cent*), out of State's share of ₹ 926.51 crore (material component) released during 2022-23 (₹ 504.82 crore) and 2023-24 (₹ 421.69 crore). The date-wise release of Central and State's share from 2019-20 to 2021-22 was not furnished to Audit by the Commissioner (MGNREGS). The information was also not furnished by the Planning Department (EGS).
- The pending liability towards cost of unskilled wages and material/wages for skilled/semi-skilled was ₹ 1,736.63 crore (Unskilled wages: ₹ 761.05 crore; material/wages for skilled / semi-skilled workers: ₹ 975.58 crore) as at the end of March 2024. The reasons for pending liability towards unskilled wages were wrong and dormant/closed accounts of the workers *etc.* (paragraph 4.12). The pending liability towards material component was due to wrong and dormant/closed accounts of workers/vendors and late receipt of funds as stated by the State Government (paragraph 5.13). The liability decreased to ₹ 230.72 crore as of September 2025 (unskilled wages: ₹ 14.04 crore, material component: ₹ 216.68 crore including ₹ 2.24 crore towards skilled wages).

Conclusion

There were significant delays in the submission of Annual Action Plans and Labour Budgets by the Gram Panchayats. Moreover, baseline survey, critical for assessing the anticipated quantum and timing of demand for work, was not conducted. The submitted annual action plans and labour budgets did not include details about the quantum and timing of the demand for work, schedule of work to be provided and shelf of projects duly prioritised aligned with potential demand which adversely impacts planning for effective implementation of the Scheme.

Gram Rozgar Sahayaks (GRSs), who play a critical role in supporting the Gram Panchayats in the execution and monitoring of the works under the Scheme, were not appointed in 2,258 out of 28,279 Gram Panchayats in the State. Additionally, mates responsible for supervising work at the worksite were not registered during the year 2020-21. The absence of these key functionaries affects the implementation of the Scheme activities. There were delays in release of funds by the State Government.

Recommendations

Recommendation No. 1: Government may take appropriate action to conduct baseline survey to ensure assessment of quantum and timing of demand of works to be included in the Annual action plan and labour budget.

Recommendation No. 2: The Government may take action to appoint Gram Rozgar Sahayaks in all Gram Panchayats, to strengthen the execution and monitoring capacity at the grassroots level.