

CHAPTER-III

GOVERNANCE AND STRATEGY (PLANNING PROCESS)

3.1 Governance and Strategy (Planning Process)

Participatory planning is essential for successful implementation of MGNREGS. Therefore, it is expected that Gram Panchayats (GP) should identify their own needs to create infrastructure for the community and put their demand in proposals and get them approved from Gram Sabha (GS). In the MGNREGS policy framework, bottom-up approach is adopted, and decentralisation of power is institutionalised.



3.2 Non conducting of Baseline Survey

As per para 6.2 of the Operational Guidelines, 2013, a survey of job card holders is to be mandatorily conducted in every GP to prepare baseline survey to assess the quantum and timings of demand for employment in the GP. Every State has to empanel expert institution to finalise framework and methodology for survey. Also, the reassessment should be done every five years to account for changes in livelihood patterns. The baseline assessment is mandatory component of the development plans¹ of the GP and the District.

During scrutiny of records at the CGREGC it was observed that no institution was empaneled at the State or District level for finalising the frameworks and methodology for conducting the survey. No documents were available for ascertaining that baseline surveys were conducted at the districts, JPs and GPs of selected six districts during the period from 2019-20 to 2023-24 covered in audit. In absence of survey, the quantum of demand of work from the job card holders and timing of demand for employment could not be accessed correctly due to which a realistic development plan could not be prepared at the grass root level.

The Government stated (July 2025) that all interested households had already been registered, hence door-to-door surveys were not required. However, no comment on empanelment of expert institutions was made.

Reply of the Government on registration is unacceptable, as it ignored the evolving and changing nature of rural livelihood patterns, timing and quantum of demand for employment which is essential for preparation of the realistic plans and Labour Budget (LB).

3.3 Preparation of Shelf of Project and Labour Budget

Para 6 of Operational Guidelines, 2013 and Annual Master Circulars (AMCs) for 2019-24 envisages that identification of shelf of projects and preparation of LB estimates is an essential annual work plan document that entails planning,

¹ It is an Annual Plan for MGNREGS which is prepared by every GP after considering the recommendations of GS.

approval, funding and project execution modalities and comprises details of anticipated quantum of demand for work and schedules of works. The GP submits the annual plan approved by GS to JP for consolidation at Block level.

(i) Execution of works without approval of Gram Sabha

Section 16(1) of the MGNREGA mandates that the GP shall be responsible for identification, execution and supervision of the projects taken up as per the recommendations of the GS. Also, the AMCs provide that the District Planning Committee (DPC) has to ensure strict adherence to the principle of bottom-up approach from the stage of planning to approval of shelf of projects by each GS in the district.

The *Gram Sabha Karyawahi Panji* depicts the list of works approved by the GS. Audit scrutiny of MIS report (R 6.12) revealed that many works were included in the Annual Work Plans and the Annual Development Plan without the approval of GS. The details of works approved by GS and works included in Annual Work Plan (AWP) by the test-checked JPs and GPs during 2019-24 are given in **Table 3.1**

Table 3.1: The details of works approved by selected GS and included in AWP

Name of the Selected District	Total Works sanctioned (As per MIS- R6.12)	Works approved by GS but not included in AWP	Works approved by GS and included in AWP
Balrampur	1535	95	106
Dantewada	4338	273	491
Jashpur	2777	709	171
Raigrah	1285	444	423
Raipur	1129	128	93
Surguja	1650	210	433
Total	12714	1859	1717

(Source: MIS data and data provided by GPs and compiled by Audit)

During 2019-24, out of 12,714 works sanctioned in the AWP in the test-checked 48 GPs, only 1,717 works (14 per cent) had approval of the GS, thus 10,997 (86 per cent) works were undertaken without approval from respective GS. Further, 1,859 works that were approved by GS were not included in the AWP. Analysis of works approved by the GS in the test-checked GPs revealed that 19 GPs had executed more than 90 per cent of works without GS approval, while in 24 GPs, between 50 to 80 per cent of works were executed without such approval. In one GP (Pusalda, Raigarh), 23 per cent of works were carried out without the approval of the GS.

In the test-checked districts, out of total 336 test-checked works only 83 had approval from the GS, indicating that approximately 75 per cent of the works sanctioned were executed without the requisite approval of the respective GSs.

After approval of the LB by the GoI, the district targets were reduced proportionally on ad hoc basis. Further, the inclusion or exclusion of works approved by the GS was done at GP, JP or district levels without approval of the GS. Also, no justification and need assessment of the works for inclusion in

the AWP and Labour Budget were found on records, which shows the arbitrary/ad hoc approach of the Department in preparation of plan and LB. Thus, non-compliance of the mandated planning process undermines the role of GS, bypassing the bottom-up approach in planning.

On being pointed out in audit concerned CEO, JP and ZPs replied that works proposed and approved by the GS were taken in the AWP. However, additional works proposed by GPs and other functionaries were also included in the AWP on their requirements. Further, the Government stated (July 2025) that the plans prepared by GPs were approved by the GS, and submitted to JPs and ZPs, then the consolidated plans were sent to the empowered committee, GoI for approval. Directions have been issued to the GPs for preparation of the Annual Work Plan/Labour Budget as per GoI instructions.

Reply of the Government is not tenable as the works not approved by the GS were also executed by the GPs. Further, in AWP additions and deletions were made at various levels without the approval of GS which indicates that mandated bottom-up planning process was not complied with leading to dilution of community participation.

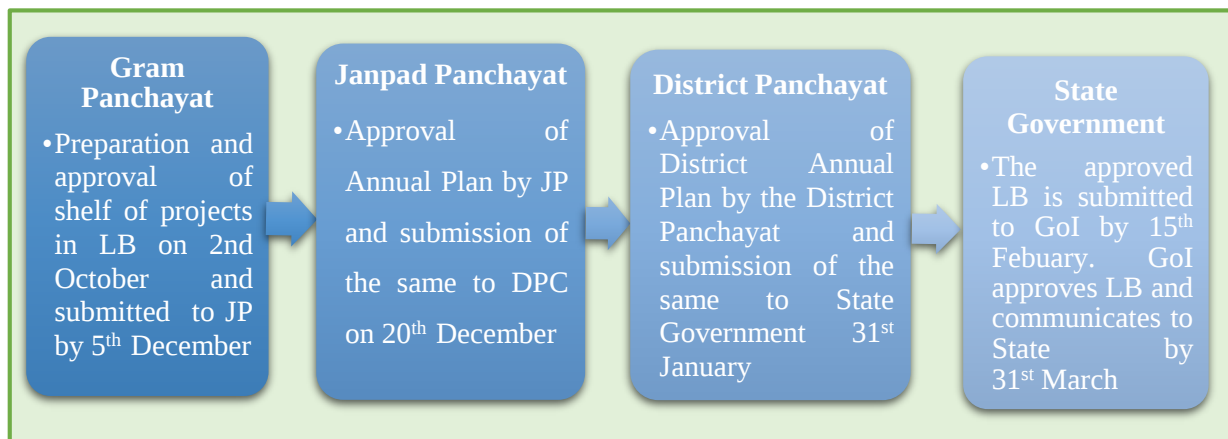
(ii) Submission of shelf of project and labour budget

The Labour Budget is a document prepared by the State Government projecting the total person-days² to be generated under the scheme. It is submitted to the Ministry of Rural Development, GoI, and subsequently placed before the Empowered Committee chaired by the Secretary, Ministry of Rural Development, GoI. The Committee discusses the projections with the Secretary of Rural Development Department of the concerned State, and a final Labour Budget for the State, expressed in person-days, is then finalised.

Para 7 of the MGNREGA provides for a systematic, participatory planning exercise at every tier of Panchayat, as per methodology laid down by the State Government. Further, AMCs also provide that all works to be executed by GPs, JPs and DPs shall be identified and placed before elected bodies i.e. GS, JPs and the District Panchayats respectively. The GoI issued time frame (September 2018) for preparation and submission of LB at every level and shown in **Chart 3.1**.

² Person-day refer to the unit of work that represent one day of employment provided to one worker.

Chart 3.1 Timeline for submission of Shelf of Project and LB



During scrutiny of records in the test-checked Districts, Audit observed the following.

- The annual development plans, which are the basis of labour budget were not prepared by any of the 48 selected GPs. Further, approval of the LB was also not taken from the concerned GS.
- The CEO, JPs were required to submit the LBs to DPCs by 20th December, however, in 12 selected JPs, no documents were found to ascertain the submission date to the DPCs. The LB was also not submitted to get approval from elected body of JP.
- The Labour Budgets were submitted by the selected DPCs to the State Government almost within the stipulated timeframe. However, these LBs were forwarded without obtaining the mandatory approval of the elected body, i.e., the Zila Panchayat.

On being pointed out CEOs of the JPs, ZPs and Secretaries of test-checked GPs stated (October 2024) that such plans would be prepared in future.

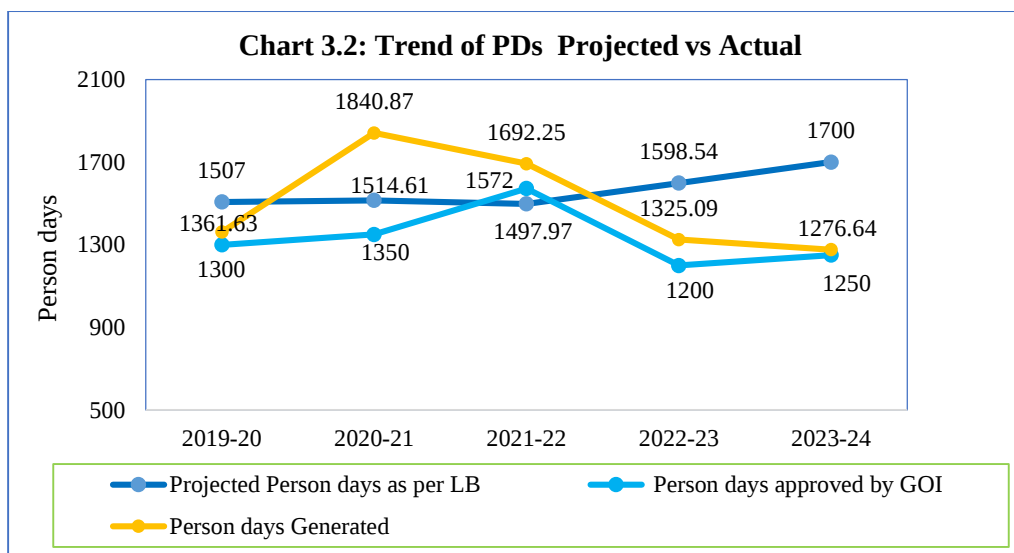
The Government stated (July 2025) that the plan was prepared following the bottom-up approach, and instructions to this effect were issued to the district authorities from time to time.

The reply of the Government is not acceptable because no documentation of preparation of plan by the GPs and approval of LB by the elected bodies was found during the audit.

3.4 Gaps in Projected and Achieved Person-days (PDs)

Para 6.1.3 of the Operational Guidelines, 2013 stipulates that District Programme Coordinator must ensure strict adherence to the principle of the bottom-up approach from planning to approval of the selected shelf of projects by each of the GS in the District.

After sanction of person-days (PD) as agreed to LB by the GoI, State Government revised the targets accordingly. Details of the approved LB and actual PDs generated during 2019-24 is depicted in **Chart 3.2**.



(Source: data provided by CGREGC and MIS)

Audit found that:

- There was significant mismatch between the PDs proposed by the State in the labour budget and PDs approved by the GoI during 2019-24. A significant cut was observed in 2023-24, where only 700 lakh PDs were initially approved against the 1,700 lakh PDs projected, though it was later revised to 1,250 lakh PDs.
- During the years 2019-20, 2022-23, and 2023-24, the actual PDs generated were lower than the projected PDs, with the highest shortfall recorded in 2023-24 (423.36 lakh PDs or 25 per cent) whereas during 2020-21 and 2021-22, actual PD generated were more than the PDs projected in the budget. In all the five years, actual PDs generated were more than the PDs approved by GoI.

This was due to non-conducting of survey at village level before preparation of labour budget to assess the actual demand of work at the GP level. Thus, the deviation between actual and projected person-days highlights flaws in the demand estimation process and inconsistencies in planning.

The Government stated (July 2025) that GoI approved the labour budget annually based on the State's estimates and sanctioned revisions according to work progress. The wages were paid based on actual person-days generated. MGNREGS is a demand-driven scheme and registered HHs were provided employment based on the demand.

The deficient estimation process led to inadequate provisioning of funds for MGNREGS in the GoI and State budget delaying the fund release and wage payment to workers.

3.5 Human Resources Management

The key to success of MGNREGS is the provision of adequate human resources at all levels of programme implementation. Section 18 of the MGNREGA provides that the State Government is mandated to make available staff and technical support as may be necessary to the District Programme Coordinator and Programme Officer for effective implementation of the scheme. Supporting staff could also be deployed, on contractual basis, to provide professional

services at the State level. The availability of some key posts against the sanctioned posts as on March 2024 is given in **Appendix 3.1** and summarised in **Table 3.2**.

Table 3.2: Deployment of manpower to implementing agency

Implementing level	Sanctioned Posts	Person-in-position	Vacant (percentage)
State level	66	43	23 (35)
District level	408	258	150 (37)
Block level	4018	2676	1342 (33)
Village level	10862	9159	1703 (16)
Total	15354	12136	3218 (21)

(Source: Data provided by CGREGC)

Audit observed that 15,354 posts of various categories like Programme Officer (PO), Assistant Programme Officer (APO), Specialists, Programmers, Accounts Officers/Clerks, Data Entry Operators, Technical Assistants, *Gram Rozgar Sahayaks* etc., were sanctioned against which 12,136 posts were filled, and 3,218 posts (21 per cent) were lying vacant. Total shortfall at State, district, block and GP level was 35, 37, 33 and 16 per cent respectively.

Further, the shortfall ranged from 25 to 54 per cent in the test-checked districts affecting the implementation of the scheme.

The Government stated (July 2025) that a proposal for the rationalisation of posts based on the expenditure on human resources is under consideration along with the funds available under the administrative head, and in proportion to the active job cards.

3.5.1 Non establishment of technical cell

As per Clause 7.12.5 (g) of the MGNREGA Annual Master Circular 2020–21, States with annual expenditures above ₹ 1,000 crore on MGNREGS are required to establish a Technical Cell headed by a Chief Engineer. This cell is essential for ensuring the design, quality, and monitoring of MGNREGS works, with supporting engineers mandated at district and block levels.

Audit observed that no dedicated Technical Cell had been established by the State Government. The State-level Empowered Committee had proposed (April 2021) to sanction 23 posts for creation of Technical Cell. The proposal for 18 posts³ was, however, forwarded (June 2022) to the Secretary, Panchayat and Rural Development Department for obtaining concurrence of the Finance Department which was awaited as of October 2024. Meanwhile, at State level, the Department had deployed (March 2022) one Chief Engineer (CE) from the Rural Engineering Services in additional charge and a Superintending Engineer (SE) already posted against an existing sanctioned post.

Despite repeated GoI instructions, only two engineers currently oversee the planning and monitoring across the State, which spends around ₹ 3,400 crore annually under MGNREGS. The non-establishment of the mandated technical cell may affect the quality and monitoring of works at various level.

³ One CE, one SE, eight Engineers and eight other staffs.

The Government stated (July 2025) that a Technical Cell is functioning under the Chief Engineer, with one Superintending Engineer and six technical assistants deputed to look after the work.

The reply is not acceptable as the technical cell functioning with inadequate manpower could not fulfil the mandated requirement to monitor the quality of works at various levels as discussed in succeeding Paragraph 6.5.1.

3.5.2 Appointment of Gram Rozgar Sahayak

Para 4.1 of the Operational Guidelines, 2013 stipulates that at the GP level, dedicated personnel, *Gram Rozgar Sahayak* (GRS) is required. It further stipulates that the State may ensure that at least one GRS is deployed in every GP except in GPs where demand for work under MGNREGA is almost non-existent.

Audit observed that there are 10,862 sanctioned posts of GRS in the State but only 9,159 GRS were deployed as of March 2024, resulting in a shortfall of 1,703 against sanctioned posts (16 *per cent*). Similarly, in the test-checked 12 JPs, 221 posts (26 *per cent*) against 872 sanctioned posts of GRS were still vacant as of October 2024. Thus, short deployment of GRS for the MGNREGS works would affect the execution of the works in the rural areas of the State.

The Government stated (July 2025) that with the increase in number of GPs, the active job cards per Panchayat have proportionally reduced, and with one GRS for every 393 of the 33.21 lakh active job cards, there is no shortage.

The reply of the Government is not acceptable as GRS has to be deployed against the sanctioned posts for every GPs and not on the basis of active job cards.

3.6 Training and Capacity Building

As per the Operational Guidelines 2013, States are required to establish a Human Resource Development and Capacity Building Division (HRDCBD) and corresponding District Units (DHRDCB) for training and capacity building.

Scrutiny of records (October 2024) at Commissioner, MGNREGS revealed that no DHRDCB was established in any of the six test-checked Districts during the period 2019-24 due to which no training plan was prepared at district level. The MGNREGS functionaries were provided trainings by the Panchayat and Rural Development Department through their five regional training institutes established (July 2011) in the State. All the MGNREGS trainings were imparted only at the state level at Nimora, Raipur. The details are given in **Table 3.3**.

Table 3.3: State Level Training conducted during 2019-24

Year	Stakeholders involved	No. of Trainees nominated for the training	No. of Trainees attended the training	Shortfall in attendance of trainees (per cent)
2019-20	Nil	Nil	Nil	Nil
2020-21	Nil	Nil	Nil	Nil
2021-22	TA, Engineers, Programmers, POs/APOs, DEOs, GRS, Accountants, BFTs, Mates, CFP technical experts, etc.	1,67,066	8,702	95
2022-23		1,09,443	269	99.86
2023-24		16,879	360	97.83
Total		2,93,388	9,331	96.82

(Source: Data provided by CGREGC and compiled by Audit)

During audit it was noticed that in 2019-20 and 2020-21 neither training calendar was prepared, nor any training was imparted at State Training Centre, Nimora, Raipur. During 2021-22 to 2023-24, a target of providing training to 2,93,388 trainees was set against which training was imparted to only 9,331 trainees with a shortfall of 97 per cent.

Out of the six selected districts, two districts i.e. Raigarh and Surguja have regional training institutes. During audit it was noticed that for the period 2019-24, neither a training calendar was prepared, nor training programmes were conducted for MGNREGS in these institutes.

The Government stated (July 2025) that continuous and need-based refresher training is being imparted to MGNREGS staff through designated institutions and master trainers.

Fact remains that district level institutes were not established and the target set for trainings of MGNREGS functionaries could not be achieved.

3.7 Conduct of Rozgar Diwas

As per Para 3.3 (i) of the MGNREGA guidelines, every GP was required to organise a Rozgar Diwas (RD) at least once a month to facilitate work applications, information, and related activities. The status of Rozgar Diwas organised during 2019-24 in the selected districts is given in **Table 3.4**.

Table 3.4: Rozgar Diwas conducted in the selected six districts

District	Number of Rozgar Diwas to be conducted	Number of Rozgar Diwas Conducted	Rozgar Diwas conducted (per cent)
Dantewada	8,352	1,560	18.68
Balrampur	28,080	24,086	88.80
Raipur	24,880	16,400	65.92
Raigarh	43,584	34,296	78.69
Jashpur	26,436	15,780	59.69
Surguja	25,380	18,999	68.34
Total	1,56,712	1,11,121	70.90

(Source: Data provided by CEO, ZPs of selected districts)

Audit revealed that during 2019-24 there were significant shortfalls in organising RD. Dantewada district did not conduct any RDs in 2019-20 and 2020-21. Overall performance in test-checked districts was ranging from 19 *per cent* (Dantewada) to 79 *per cent* (Raigarh). In the 48 test-checked GPs, only 1,699 (59 *percent*) out of the required 2,856 RDs were held, with shortfalls between 28 and 58 *per cent*. Additionally, documentation and reporting of RDs were either missing or poor.

The Government stated (July 2025) that Rozgar Diwas is being organised on the 7th of every month for activities such as providing information about the scheme, receiving demands for employment, and addressing workers' issues. A register of the activities conducted during Rozgar Diwas is also being maintained.

In view of the shortfall pointed in Audit, the Government needs to organise Rozgar Diwas as per norms prescribed in the guidelines.