

# Lack of Social Audit: Black Hole in MNREGS

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## MNREGS: INTRODUCTION

Over five years since it became operational, MNREGS has had a positive impact on the lives of millions of people across the poorest districts in the country. The act that guarantees 100 days of employment per household at minimum wages is the first place of legislation that compels the state to provide a social safety net for impoverished rural households.<sup>1</sup> Although, implementation has suffered a lot because of large scale irregularities and corruption that has been reported nationwide and mentioned in the draft report of the Comptroller and Auditor General of India. The problems associated with its implementation are teething problems. The adoption of a right-based approach to work has contributed to enhancing the quality of life in rural areas. It is evident that corruption can largely be prevented through strict enforcement of the transparency safeguards.

## OBJECTIVES OF THE STUDY

1. To study the implementation of the transparency safeguards available in the study area;
2. To pinpoint the causes responsible for ineffectiveness of MNREGS and to provide suitable suggestions for better implementation of the schemes.

## NEED OF STUDY

MNREGS is one of the instruments for improving social security at the household level in India where millions of poor suffer from persistent poverty. However, various studies highlight implementation problems at the grass root level across the states. These include delay in the distribution of job cards to target group, delay in wage payment and payment of less than minimum wage, absence of worksite facilities, non availability of muster rolls at the worksites, shortage of staff and delay in appointments. The findings of the study will help in improving the implementation and functioning of the schemes. Suggestions incorporated in the study will not only benefit the present scheme but may also help the similar types of schemes rendering the same job in the country. The study is unique in itself and the findings of the study will be a significant in the formulations of the policies and their proper execution.

## STUDY AREA

This study was carried out in Gram Panchayat Sari of Dharampur Block of Mandi District, Himachal Pradesh. Dharampur development block is one among the ten blocks of district Mandi with an area of 26743 hectare. MNREGS was started in Dharampur development block in 2007. It has a total population of 79191 among them with 37404 male and 41787 females; 16402 are SC's among them with 8090 males and 8312 females and 22 belong to ST category.

**Table 1: Population Profile Of Gram Panchayat Sari**

Village	Total Family	General		Total population	SC		Total SC	Total Population
		Male	Female		Male	Female		
Sanour	126	210	206	416	35	38	73	489
Kapahi	95	145	120	265	40	32	72	337
Fihier	146	225	235	460	39	26	65	525
Sari	255	363	314	677	209	206	415	1092
<b>Total</b>	<b>622</b>	<b>943</b>	<b>875</b>	<b>1818</b>	<b>323</b>	<b>302</b>	<b>625</b>	<b>2443</b>

Source: Data collected from the office of Gram Panchayat Sari

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Sari Panchayat came into existence in 1991. It has five villages namely Sari, Sanour, Kalyun- Kapahi and Fiher. Total population of Sari is as given in Table 1.

## **MATERIAL AND METHODOLOGY**

The sample for the present study was selected out of those households of Sari Panchayat of Dharampur block in district Mandi who worked in MNREGS. To collect the data, a schedule was prepared and administered to the workers under MNREGS. The authors also collected some information through RTI and observation method. Consistent with the study's objectives, different techniques like simple percentage method and averages have been used for the analysis of the collected data.

Out of 12 districts in the state, Mandi district has been selected on the basis of the implementation of the schemes. From Mandi district, Dharampur block was selected and from Dharampur block, Sari Panchayat was selected for a comprehensive survey. However, selection of district, block and Panchayat was influenced by the availability of running schemes and ongoing work. For selecting households, all the households were listed first. Then, purposively, MNREGS beneficiaries' households were selected for the purpose of field survey. The Sari Panchayat was selected on account of allegations of corruption, finance embezzlement, tampering in records, fake attendance, fraud signatures, bogus bills, nepotism, faulty measurement misuse of public money and post.

## **FINDINGS AND DISCUSSIONS**

This study, **"An Assessment of Implementation of NREGS in Sari Panchayat of Mandi District in Himachal Pradesh"** was conducted between February to April 2009. By way of illustration, researchers began with a case study of a work **"Pucca Rasta Sadak Sanour to Govt. Senior Secondary School Sari."**

### **❖FAKE ATTENDANCE**

As a part of the research one work in Gram Panchayat Sari namely **"Pucca Rasta Sadak Sanour to GSSS Sari"** was verified. According to the information collected through RTI by the researchers, work on this site was done in three fortnights on the following dates: 3rd to 16<sup>th</sup> October, 17th to 30<sup>th</sup> November and 7<sup>th</sup> to 20th November 2007 vide muster roll no.316, 466 and 556. In the first muster roll (316) sr. no.8 Mr. Kashmir Singh S/o Sh. Balkhu Ram has been shown present for 14 days but he refused to have worked, and even receiving any amount from the Panchayat. During the time of interview he said, *"I am a retired person and I did not work on any muster roll of Panchayat and I have already submitted my statement to the BDO Dharampur, SDM Sarkaghat and DC Mandi."* When he came to know that his name and signatures was again appearing in the muster roll no.556 vide sr. no. 22, he remarked that he always signs in English but in the muster rolls, his signature was in Hindi. For the same work, many other labourers said that they only worked for 3 to 7 days, but were shown to be present for 14 days.

Again, for the same work vide muster roll no.466 at Sr. no. 8 and Sr. no.13 in muster roll no. 556, Sh. Maher Singh S/o Sh. Ganga, who had gone through bypass surgery was shown to be present for work for 14 days in each muster roll and payment of ₹1050 in each muster roll had been shown to be disbursed against the work. When contacted by the researchers, he refused to have worked and said that those were not his signatures. He further stated that he had already given his statement in the SDM Sarkaghat court that he has never worked as a laborer in any Panchayat work. It is interesting to note that in one muster roll, the signature of Mr. Maher Singh is as Maher Singh and for the same work in another muster roll, his signature is as Maher Singh Ganga. In fact, Ganga is the name of the father of Mr. Maher Singh and his signature was totally forged.

Researchers in the same work found large scale irregularities, fake attendances, forged signatures, bogus bills, and tampering of records. For the same work in Sr. no. 24, Mr. Sher Singh, S/o Sh. Acchru was shown to be present at work for 14 days, but actually he was hospitalized during the same period and this highlights the serious corruption rampant in MNREGS. Also in the same muster roll. Sr. no. 15 and 16, Mr. Sanjay Kumar and Satya have been shown to be present during these dates, but they were with Mr. Sher Singh in the hospital. When asked about their presence in the muster roll, both of them totally refused to have worked at the above mentioned task. In the same work in Sr. no. 20, Guddi w/o Sh. Bhup Singh clearly said that she worked only for seven days and was shown to be present for 14 days. In this muster roll Sr. no. 26, Mr. Pramod Kumar, S/o Sh. Pal stated that he had no job card and he only worked for three days and his signatures were forged and he has also recorded his statement in SDM office Sarkaghat during

investigation of the concerned work. In Sr. no. 27, Mrs. Vandana, w/o Sh. Rangeela told the researcher that she did not work and even the signatures were not hers. The same statement was given by her in the SDM office. From Sr. no. 28 to 34, people have been shown to be present at work but when contacted, they denied to have worked on the above mentioned site. When the matter appeared in media, the Pradhan of the concerned Panchayat added and attested the names of the laborers from Sr. no 28 to 34, which is not permissible under NREGA. The labourers did not get their wages against the work, however, their signatures were already in the muster roll. The researchers asked the labourers during field survey how many times they had worked and got wages. A number of labourers openly said that they only had worked in one or two muster rolls and majority of them refused to have worked in the muster roll no. 556. Some of them said that they had only worked for 3 to 7 days and till date, they had not received their wages. Many labourers came forward and complained against this to the higher authorities. During the time of investigation, majority of the labourers submitted their statements to the inquiry officer. There are also several other indicators of large scale fake attendance. For instance, when researchers showed all copies of the muster roll to the labourers along with their signatures, they denied to have worked in all muster rolls and many of them denied that even the signatures were not theirs. In this work, not only cases of fake attendance were found, but the labourers alleged that the Panchayat Pradhan had forged their signatures.

**Table 2 : Fake Attendance**

Name of Worker	Job Card No. / Sr. No. Muster roll	Attendance According to Muster Roll No. 316,466 & 556		Attendance According to Worker	
		No. of days worked	Total wage payment	No. of days worked	Total wage payment
Kashmir Singh	299	14+14	1050+1050	NIL	NIL
Maher Singh	06	14+14	1050+1050	NIL	NIL
Bandana Kumari	71	14	1050	NIL	NIL
Sher Singh	219	14	1050	NIL	NIL
Parmod Kumar	305	14	1050	3	NIL
Jai Singh	74	14	1050	NIL	NIL
Sanjay Kumar	219	14	1050	Nil	Nil
Satya Devi	219	14	1050	Nil	Nil
Guddi Devi	303	14	1050	7	NIL

Source: Data collected through schedule

## ❁JOB CARDS

As per NREGA guidelines, job cards are an important element in proving job for workers and without job card, no one can be deployed on work. The main purpose of the job cards is to act as an "Employment Passbook" a written record of the number of days of work and wages earned by labourers under the NREGA, which remains in their custody. In the study area, it has been found that job cards were kept by the ward members and there is no any entry of working days and wages earned. It has been also found that Pramod Kumar, S/O Sh. Pal has been given work without job card in muster roll no. 556 at serial no. 26. In his statement in the SDM office and also during his interaction with the researcher, he confirmed that he had no job card and still he worked for three days without getting any money against the work done and his signature in the muster roll is also false. He has been shown to be present in the muster roll for

**Table 3: Knowledge About Job Card**

Entry on job card			Paid for Photograph of job card		Who kept job card		
Variable	Frequency	Percent	Frequency	Percent	Variable	Frequency	Percent
Yes	2	5.882	8	23.529	Worker	4	11.764
No	32	94.117	26	76.470	Member	30	88.235
Don't Know	NIL	0.0	NIL	0.0	Other	NIL	0.0
<b>Total</b>	<b>34</b>	<b>100</b>	<b>34</b>	<b>100</b>	<b>Total</b>	<b>34</b>	<b>100</b>

fourteen days. It has been found that people were not aware of the fact that they had to keep their job cards with themselves and had to carry the same to their workplace. It has been also found that entry on job cards were not made by the concerned officials.

### ❖ **FAKE BILLS**

For the above mentioned work, approximately 80,000 rupees had been sanctioned and out of this, ₹ 48,450 had been shown to be paid as remuneration to the labourers. For this work, a invoice of ₹ 10,000 had been attached. The invoice was in the name of Mr. Netar Singh, S/o Sh. Sangara Singh on account of raw materials i.e. Sand and Concrete. When he was informed that his signed bill was attached against the task, he refused to have supplied any raw material to the site and gave an affidavit to the concerned authorities. In his given statement in the SDM office, Sarkaghat, who is an enquiry officer in this case said that he didn't work at the above mentioned site. Very interestingly, the ward member also mentioned his affidavit and stated that Mr. Netar Singh didn't supply any raw material to this work. Bill of 45 bags of cement was also attached for this work, but during the field survey, it was found that only 20 stairs has been constructed at the spot.

### ❖ **TAMPERING IN RECORDS**

When the charges of corruption were leveled against the Panchayat president, BDO Dharampur sealed the Panchayat records on July 10, 2008. It had been found that in the muster roll no. 556, large scale tampering had been done by the President and he himself added and verified the name of 8 labourers at Sr. no.28 to34. It is an astonishing fact that tampering in the record had been done even after the Panchayat records were sealed and kept in possession of BDO Dharampur. This matter appeared in media as the copy of the original muster roll was with the complainers. Taking a serious view of this episode, D.C. Mandi set an inquiry committee and on the basis of the report of this committee, President and Secretary of G P Sari had been served a show cause notice and finally, the President had been dismissed. During the field survey, when the researcher contacted ward member and other labourers, they refused to have worked and said that their signature were also forged in the muster rolls. When the ward member came to know about all this, she submitted an affidavit to D.C. Mandi .She also gave her statement to the inquiry officer that the muster roll was in the possession of Pradhan and she maintained the record in rough copy. This case speaks of the rampant corruption due to which the benefits offered by the Government do not reach the poor.

### ❖ **SOCIAL AUDIT**

Social audit is an important element tool which provides strength to the process of accountability and transparency in the implementation of the programme (NREGA section 17). The basic objective of the social audit is to ensure public accountability in the implementation of projects, laws, and policies. This accountability and transparency controls the irregularities and corruption and handovers the real rights of labourers in their own hands. It is mandatory for the block level officials to conduct this social audit jointly with the local villagers. People in the study area were not aware about the process of social audit.

**Table 4: Social Audit In Your Panchayat**

Variable	Frequency	Percent
Yes	NIL	NIL
No	34	100%
Can't say	NIL	NIL
<b>Total</b>	<b>34</b>	<b>100</b>

Source: Data collected from the field

### ❖ **MONITORING AND INFORMATION SYSTEM**

The monitoring and information system is an important link in the intended chain of transparent record keeping, whereby all records are computerized and proactively displayed on the internet. The MIS imposes many restrictions

on the data. For instance, it does not accept names of laborers without job cards, rejects incorrect entries, audit is unable to enter more than 100 days of employment per year for a given job card. Thus, the MIS rightly tends to reject any data that implies some violation of the guidelines and is not supposed to allow any internal inconsistencies. Thus, it acts as a mean of ensuring rigorous record keeping in conformity with the guidelines. However, in the study area, this type of mechanism has yet not been developed.

### ✿WORKSITE FACILITIES

As per NREGA guidelines, it is compulsory to provide basic facilities to the laborers such as water, crèche, availability of notice board at the work site and first aid box. During the survey, it has been found that people were unaware of all these facilities and except for water, nothing is available at the worksite.

### ✿VIGILANCE

According to NREGA, it is compulsory for the State Governments to constitute a village committee who will look after the ongoing work in a particular area. For the purpose of social audit, this committee has an important role for ensuring transparency and accountability in the programme. During the field survey and process of social audit, it has been found that no such committee exists in the study area which resulted in large scale irregularities and corruption. This is a glaring example of corruption in NREGA implementation in study area. Production of fake muster rolls, bogus bills, fake attendance and false signatures, lack of awareness among people about NREGA, Tampering of records, and lack of social audit are some of the important issues which need to be addressed for fair and effective implementation of this programme.

**Table 5: Transparency Measures**

Have any VMC			Official visit		Display of sign boards	
Variable	Frequency	Percent	Frequency	Percent	Frequency	Percent
Yes	NIL	0.0	6	17.647	NIL	0.0
No	34	100	28	82.352	34	100
Can't Say	NIL	0.0	NIL	0.0	NIL	0.0
<b>Total</b>	<b>34</b>	<b>100</b>	<b>34</b>	<b>100</b>	<b>34</b>	<b>100</b>

Source: Data collected from the field

### ✿RIGHT TO INFORMATION ACT

The Right to Information Act should be followed both in letter and in spirit in all matters relating to NREGS. Requests submitted for NREGS related documents should be complied within seven days. No request should be refused under any circumstances.

Public access to key records and key information should be ensured at all levels. Updated data on demand received, registration, number of job cards issued, list of people who have demanded and been given/not given employment, funds received and spent, payments made, works sanctioned and works started, cost of works and details of expenditure on it, duration of work, person-days generated, reports of local committees, and copies of muster rolls should be made public in a pre-designated format outside all offices of all agencies involved in implementing NREGS, and should also be placed by the Gram Panchayat before the Gram Sabha once in every quarter.

In the study area, use of the RTI Act brought out in open the huge scam in the functioning of MNREGS. The whole information about NREGS was gathered by Mr. Dinga Singh, Mr. Kashmir Singh and, Mr. Yash Pal Guleria- residents of the Panchayat. Mr. Kashmir Singh, a RTI seeker, told the researcher that kept a close watch on the activities of the Pradhan and ward members regarding the ongoing work in his area and he found his name in the muster roll along with many others who were not present at work (in muster roll no.316, 466 and 556) at the above mentioned site and also many fake attendances were found.

## **PROBLEM AREAS**

Common issues identified in field studies undertaken by the researcher at site are: non-issue or faulty design of job cards, irregularity in the maintenance of muster rolls, discrepancy in maintaining job cards and muster rolls, non-receipt of applications, non-payment of wages, non-availability of muster rolls at work sites; poor facilities at work places, mismatch between muster rolls and attendance registers, non-possession of job cards by beneficiaries, fake attendance, forged signatures, tampering of records, lack of village vigilance committee, lack of awareness among NREGA workers, unavailability of notice board at work place, problems relating to work measurement and violation of minimum wages act. Other problems include low wages for certain types of works, no special wages for tough works such as earth work in summer when the soil is hard, deduction of a small percentage as service charge by the banks where payment is made through them, gap between the end of one work and the commencement of the other, non-supply of tools for work, payment of field assistant salary from NREGA wages and not from the management costs, poor workplace facilities, absence of crèche, payment for getting job cards- which require the attention of the implementing agencies and authorities.

## **AREAS THAT NEED FINE -TUNING**

This study shows that there are certain key areas requiring fine tuning and strengthening for effective implementation of NREGS at the grass root level. These include creating awareness, reducing the delays in wage payments, holding regular interactions between the officials and beneficiaries, establishment of proper grievance mechanism, strict monitoring and above all, gearing up the official machinery. This study suggests some measures to curb corruption and irregularities for its better and effective implementation of employment guarantee programme.

- ✿ Every state government was required to appoint, in each block, a full time programme officer exclusively dedicated to the implementation of NREGS with necessary supporting staff. At present, the existing Block Development Officer (BDO) has been appointed as Programme Officer and has been given an additional charge. Unfortunately, NREGS is not a programme where work can be done on an additional charge.
- ✿ Employment guarantee assistant is to be appointed in each Gram Panchayat level in view of the pivotal role of Panchayati Raj Institution in NREGS implementation.
- ✿ Adequate administrative and technical staff should be appointed at the Block and Gram Panchayat level, which is fully devoted to the work of NREGS. Due to the deficiency of the staff, planning was inadequate and delayed, which resulted in poor progress of works.
- ✿ Social audit is an important element ensuring transparency in the work. It should be made necessary for the block officer to conduct social audit at least every 3<sup>rd</sup> work under NREGS and local people should be engaged in this process at ward level.
- ✿ A uniform, well-designed muster roll be used and accountability should be fixed for ensuring that live muster rolls are kept at the work site. Daily attendance should be registered.
- ✿ Appointment of at least five civil engineers in each block for measurement of works within time bound period should be made.
- ✿ A public relations officer must be appointed to undertake the task of social mobilization.
- ✿ Display of Notice board of the on going work should be made compulsory along with full detail of the expenditure.
- ✿ Vigilance committee should be constituted ward wise and final payment of the work should be only released after approval of this committee. To curb out corruption, the person who loses by near margin should be appointed as president of this committee to exercise and check out corrupt practices.
- ✿ Regular maintenance of job cards should be strictly enforced. Responsibility should be clearly handed to a particular person.
- ✿ Alterations and tampering in the records should not be allowed in any circumstances.
- ✿ Each district and block should have a NREGS helpline number for information as well as for complaints. Helpline number should be made public and printed on the job cards of the workers.
- ✿ Awareness drives must be conducted, as most labourers are still unaware of their entitlements under NREGS.
- ✿ Close coordination between centre and state governments should be developed to defuse ideological differences opposition at the state and center level and frequent transfers of officials seriously affect the implementation machinery.

✿ Mandating a role for civil society organizations to work as support agencies for Panchayat planning, implementation and social audit of NREGS.

✿ Bigger use of information technology to infuse more transparency, accountability and gearing up at all stages, from sanction of works, release of funds, wages payment to social audit.

✿ Immediate government order should be issued to the block and district level officers mentioning the time limit for grievance redressal under the act. It has been found that during study that the inquiry process in such cases has been delayed without any solid reason.

The MNREGS reformed on these lines, holds the prospect of not only transforming livelihoods of the poorest of our country, but also heralding an era of social and economic change in India.

## CONCLUSION

We would like to conclude this discussion by saying that MNREGS has the potential to lead to the empowerment of the poor people and usher in greater democratization if the opportunity thrown up by the scheme is put to effective use. Careful identification of assets to be created is necessary to ensure that they are capable of having multiplier effects on the rural economy. The extent of mobilization and awareness building, as well as creative conflict that emerges in its implementation will determine the success of NREGS. This study suggests that for transparency mechanisms and better implementation, the process of social audit should be done before and during and after the work is undertaken. Finally, it can be said that NREGS is by far, the most ambitious attempt to tackle the unemployment problem in India. However, it has been witnessed that even best laws are powerless to bring significant changes in the lives of the poor, if not backed by the will of the political functionaries, the commitment of the bureaucracy, and most importantly, the demand of the people. The vital necessity for the success of schemes is raising the level of awareness of the people. Those for whom the act was passed should own it or otherwise, it will go down in the books of India's history as other schemes in the wish-list of the politicians, bureaucrats and academicians.

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