Implementation of MGNREGS in Andhra Pradesh
In India
India case in controlling error, fraud and corruption
MGNREGA Act

Mahatma Gandhi National Rural Employment Guarantee Act

enacted by

Indian Parliament in the year 2005
Objectives of the MGNREGS

**Primary** objective: To enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every rural household willing to do manual unskilled work.

**Auxiliary** Objective: Regenerating natural resource base and creating productive assets

**Third** is process objective: Strengthening grass root processes of democracy infusing transparency and accountability in governance
Non-Negotiables

- No contractors

- Wage Payment within a week

- Only Works identified by people at village level through local bodies

To ensure rights and entitlements of the poor given in the Act
EGS Procedure

Application for Job card → Issuing Job Card → Application for Work

Allocation of work → Opening of account in Bank/Post office

Generation of Pay Order

Distribution of Pay slip

Payment of wages

Measurement & Check Measurement at worksite

Muster roll at worksite
Payment of wages system

- Work Site
- Muster Roll & Measurement Book
- Mandal Computer Center
- Pay Slip
- Pay Order
- Post office/Bank
- Cash
Fixed Payment cycle

- **Mon Day 1**
  - Opening of Muster roll for attendance

- **Sat Day 6**
  - Closing of Muster Roll

- **Sat-Mon Day 6-8**
  - Measurement & Check Measurement

- **Sat-Mon Day 6-8**
  - Data Entry in Computer

- **Mon-Tue Day 8-9**
  - Pay Order & money transfer to Paying agency

- **Tue-Wed Day 9-10**
  - Conveyance of cash to village from paying agency to business correspondent

- **Wed-Fri Day 10-11**
  - Disbursement of wages to labourers

- **Wed - Sat (Day 10-13)**
  - Conveyance of cash to village

-  
  - Fixed Payment cycle
Points and places of Corruption in the scheme

- Attendance sheet of labourers – Muster roll – relatives names, Ghost names,
- Boosted measurements of work done
- Arranging wage payments
- Poor quality and less quantities of material in the works
- Ghost works
- Forgery of cheques by local staff
Labour groups

- Formation of labour groups with all the serious labourers.

- Each SSS will be assigned worth of 100 days work at a time, which ensures 100 days wage employment to all the pop households.

- Fixed names in each group – muster fudging is avoided

- Transparency among group members. Everybody knows who worked who didn’t.

- Group shares information of their group payments with social audit
Project mode planning

- Grouping of similar works into a project and executing all these projects in a logical manner

- The GPS coordinates are captured for every project to identify the work by check measurement officers and social audit teams

- PMP facilitates better supervision and ensures implementation of works to a logical conclusion
Farmer Centric Projects

- One farmer (land) one project – he receives material payment and he knows how much expenditure in his project
- Land development project of each farmer will be taken up on saturation basis
- This is easy to monitor and will have more transparency
Priority of projects

- Non priority projects are discouraged to create durable assets and to take up the assets of the poor on priority
- Ex: 1. Land development of lands of poor
  - 2. Ground water recharge project
  - 3. Afforestation works and Tree plantations
  - 4. Irrigation channels and canals
  - Last priority road works ( prone for corruption )
Quality Control teams

- Exclusive QC teams – 4 civil Engineers and 2 Horticulture professionals
- Conduct random inspections and check paid work done quantities and specifications of works
- Recoveries and punishment follows
Flying Squads

- Constituted with 5 activists and 5 engineers

- Will go as a team and make surprise visit and check the payments done in the recent weeks

- 60 blocks are identified as critical and black blocks – more focus in these blocks

- Make the field functionaries at field level alert
Internal Auditing

- A team of auditors visit every admin block once in 2 months and check the accounts
- They prepare the exception reports and bring to the notice of Commissioner and Director
- The process is outsourced to 4 Chartered account agencies
- A team of people in head office take follow up actions
Electronic Muster & Measurement System (eMMS)

- Obtaining LIVE data from the Worksite to the Website on day to day basis through mobiles.

- The mobile technology is customised and deployed in the mobiles of all the field functionaries.


- eMMS addresses Muster Fudging, measurements distortions and reduce delays in wage Payments;
eMMS Process

FA
Muster

E-muster

NREGS Server

E-muster verification

E-measurement

E-check measurement

MCC

Web- Exception
Reports
IT utilization tracking every rupee spent

- Comprehensive IT software that provides end-to-end IT solution
- The transaction based software
  - issues job cards,
  - generates estimates,
  - issues work commencement letters,
  - updates muster rolls and measurements and
  - generates pay orders.
- Constantly upgraded to suit the changing requirements of the program.
- At Mandal level (5000 labour) there is one Mandal computer center (MCC) manned by 2 computer operators.
- Every day once uploaded to central server through net – soon moving to total online system
Electronic Fund Transfer System (eFMS)

- eFMS - efficient fund transfer system through online money transfers
- All the MCCs are networked to the central server and through that to a central fund.
- All payments are transferred to the accounts of paying agencies and payees based on generated pay orders.) where there is a requirement and allows optimum utilization of funds.
- eFMS avoids parking of funds and addresses deficiency of funds or excess of funds at Mandal level.
- The Mandal level staff is liberated from the maintenance of cheque books and tedious accounts.
- This also avoids forgery of Bank cheques by subordinate staff
eFMS Process

Program Office

- Pay order and Fund Transfer Order (FTO)
- Reconciliation

NREGS Server

- Data Transfer of FTOs
- Acknowledgement

Bank Server

- CBS System
- UTR No

RBI Server

- Wage seeker Post Office A/c
- Smart Card Bank A/c
- Supplier A/c
- Employee A/c
Wage payments thro Biometric Technology

AXIS BANK

BLC-00-00389-01
MEKALA
NARAYANAMMA
DoB: 05-AUG-1965
D/o. Guntala Lingaiah
VILLAGE: DOMA
MANDAL: ACHAMPET

Date of Issue: 10-Aug-2005
5424561954572200

Receipt Generation Slot
Slot to capture thumb print
Slot to insert Customer card
Smart cards – Biometric identification

- Wage payments are done in the village using bio-metric – finger prints identification.
- Each labour is issued a biometric smart card with his finger print stored.
- Banks appoints a Customer Service Provider (CSP) identified equipped with a smart card reader networked to the bank server.
- All wage payments are credited electronically to the accounts of the beneficiaries.
- Banks arrange cash to the CSP through a Business Correspondent (BC)
- Actual labour receives his rightful payment
Smart Card Payments - Process Flow

Block Office → e-payorder → BANK → Business Correspondent

Cash Disbursement → Payment to Labor by Agent
Social audit

- Social audit is an audit taken up by the communities at village level
- Society for Social Audit, accountability & transparency (SSAAT) formed outside the Govt by eminent persons as board directors
- Social audit is carried out once in 6 months in all the villages
- All muster rolls and all the works are inspected by the social auditors.
- All paid labourers are contacted at their door step and take validation for the amount put in their account
- All the records and documents are obtained from program officers by the social auditors.
Social audit

- Social audit reports are read out in the village general body meeting and the public hearing in Block level.
- All local body – local Government functionaries and officials shall attend the public hearing meetings before media
- Decisions like filing Criminal cases, dismissal of employees and recovering misappropriated amount from erring functionaries are collected on the spot by presiding officers
Social audit and Vigilance Cells

- To take up follow up action on the Social audit reports, dedicated Social Audit & Vigilance cells have been created with dedicated staff, both at the State and at the District level.
- A retired senior officer has been appointed as Chief Vigilance officer for taking up follow up action on misappropriations found in social audit.
Social Audit Follow up Action

- Total Amount objected in Social Audit: $18 m
- Total Amount recovered: $3 m
- No. of officials dismissed: 4664
- No. of officials suspended: 299
- No. of FIRs booked: 641
- Departmental enquiries initiated: 167
24X7 call centre:

- A 24X7 call centre with a toll-free number has been established to register and monitor complaints.
- The moment a complaint is registered in the call center, SMS and email are sent to the officer responsible to rectify and report.
- The system automatically escalates the complaints to the higher levels if appropriate action within stipulated time is not taken at lower level.
- As on today, out of 6341 complaints registered, 6111 complaints were redressed and 230 are pending.
AP NGO Alliance (APNA) has been formed with 483 civil societies.

The NGOs are appointed as **fact-finding missions** in areas where there are complaints and reported misappropriation.

There is a cascading debriefing sessions with the APNA members: At block level a scheduled day once in a month (on last Monday); at District level on last Wednesday; and at State level on last Saturday every month.

Continues feed back from civil societies on the implementation and corruption and misappropriation
Mango plantation at Swarnavarpali (Cheruvukuvvaripalli Panchayat)
THANK YOU