Chapter II

STRUCTURE OF NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME
2.1. Introduction

The National Rural Employment Guarantee Act, 2005 (NREGA) guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The Act will come into force initially in 200 districts, and will be extended gradually to other areas notified by the Central Government. At present it covers most of the country.

The National Rural Employment Guarantee Act is a “People’s Act” in several senses. The Act was prepared through a wide range of consultation with people’s organisations. Second, the Act addresses itself chiefly to working people and their fundamental right to life with dignity. Third, the Act empowers ordinary people to play an active role in the implementation of employment guarantee schemes through gram sabhas, social audits, participatory planning and other means. More than any other law, NREGA is an Act of the people, by the people and for the people.

This Act is an important step towards the realization of the right to work. It is also expected to enhance people’s livelihoods on a sustained basis, by developing the economic and social infrastructure in rural areas. The choice of work seeks to address the causes of chronic poverty such as drought, deforestation and soil erosion. Effectively implemented, the employment generated under the Act has the potential of transforming the geography of poverty.

2.2. Objective of the NREGS Act

The basic objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to
every household whose adult members volunteer to do unskilled manual work. This work guarantee can also serve other objectives: generating productive assets, protecting the environment, empowering rural women, reducing rural urban migration and fostering social equity, among others.

2.3. Formulation and Status of Employment Guarantee Schemes

Each State Government shall formulate an Employment Guarantee Scheme. This is required under Section 4 of the Act. The Act defines the legally non-negotiable parameters within which the State Governments have the flexibility of drawing up the Employment Guarantee Scheme according to their contextual requirements. Schedule I of the Act specifies the minimum features of a State Rural Employment Guarantee Scheme, and Schedule II defines the entitlements of workers employed under the Scheme.

The Scheme so formulated will be called the State (Name of the State) Rural Employment Guarantee Scheme (....REGS). In Andhra Pradesh it is called A.P. Rural Employment Guarantee Scheme (APREGS). In these Guidelines, it is referred to as the ‘Rural Employment Guarantee Scheme (REGS)’, or simply ‘the Scheme’. The State Government will also make Rules pertaining to those aspects of the Act that determine the functions of the State Government.

2.4. Status of the State Employment Guarantee Scheme

The Scheme will be implemented as a Centrally Sponsored Scheme on a cost sharing basis between the Centre and the States as determined by the Act.
2.5. Collaborative Partnership and Public Accountability

The Act envisages a collaborative partnership between the Central Government, the State Governments, the Panchayats and the local community. Broadly, the main implementation activities are at the village and Block levels, while coordination activities are mainly at the Block and District levels. Planning, supervision and monitoring take place at all levels (village, Block, District and State). At each level, the concerned authorities are accountable to the community.

2.6. Community Participation

The gram sabha is the statutorily mandated institutional mechanism for community participation. In addition, other methods of community participation could be evolved: local Vigilance and Monitoring Committees, workers’ associations, local beneficiary committees, self-help groups, user groups and other grass-roots structures. Active community participation is particularly important for ensuring transparency and public accountability.

2.7. Role of gram panchayats

The gram panchayats at each level will be the ‘Principal Authorities for planning and implementation of the Schemes under the Act’ (NREGA, Section 13(1)). Where Part Nine of the Constitution does not apply, local councils/authorities as mandated by the State concerned will be invested with corresponding responsibilities.
2.8. District Programme Coordinator and Programme Officer

The overall responsibility for ensuring that the Scheme is implemented according to the Act belongs to the District Programme Coordinator (DPC) at the District level, and to the Programme Officer at the Block level.

2.9. Coordination among Agencies

The Panchayats at different levels will need to coordinate with each other for the effective implementation of the Act. Similarly, the gram panchayats and the District/Block administration will have to work together. Each REGS must stipulate clearly the institutional mechanisms for effective coordination, appropriate to the context.

2.10. Resource Support for REGS

The Central and the State Governments will facilitate the implementation of the Act through timely and adequate resource support.

2.11. Key Agencies and their respective roles

The key agencies involved in the implementation of REGS, and their respective roles, are mentioned below. For the implementation of the scheme, the gram panchayats at the bottom level, Mandal Parishad at the block level, Zilla Parishads at the district level along with concerned state governments at the state level and also the Central Government at the top.
2.12. Village Level Supporting Agencies for NREGA Scheme

The village level supporting agencies for NREGA are gram sabha and gram panchayat. These bodies identify the job seekers and also identify the works to be undertaken under NREGA.

2.12.1. Gram Sabha

The Act authorizes the gram sabha to recommend works to be taken up under REGS, to monitor and supervise these works, and to conduct social audits of the implementation of the Scheme. In addition, it is suggested that the gram sabha be used extensively for facilitating the implementation of the Scheme. The gram sabha should be used as a forum for sharing information about the Scheme, for instance, to help people to apply for registration. In addition, the gram sabha has a crucial role to play in ensuring transparency and accountability. This involves, for instance verifying applications for registration and conducting social audits.

2.12.2. Gram Panchayat

The gram panchayat has a pivotal role in the implementation of REGS. It is responsible for planning works, registering household, issuing job cards, allocating employment, executing 50 percent of the works, and monitoring the implementation of the Scheme at the village level. The implementation of NREGA involves a considerable organizational burden at the level of the gram panchayat. This involves registering families, issuing job cards, receiving applications for work, maintaining records, allocating employment and so on, aside from planning and executing the 'Panchayat works'. It will be very difficult for these tasks to be effectively discharged by the ordinary staff of the gram panchayat. Therefore, it may be advisable to appoint an 'employment guarantee assistant', in each gram panchayat for
this purpose. The employment guarantee assistant could be called ‘Gram Rozgar Sevak’, or an equivalent term in the local language (Annexure A-4).

2.13. BLOCK LEVEL SUPPORTING AGENCIES for NREGA

The block level supporting agency for NREGA works is the middle tier of Panchayati Raj Institution. In Andhra Pradesh Mandal Parishads are the block level supporting agencies.

2.13.1. Intermediate Panchayat

The Intermediate Panchayat will be responsible for planning at the Block level, and for monitoring and supervision. It can also be given the responsibility of executing works from among the 50 percent that are not to be executed by the gram panchayat.

2.14. DISTRICT LEVEL SUPPORTING AGENCIES

In some status in India, the top level Panchayati Raj institute at the district level is District Panchayat and in some another states it is called as Zilla Parishad. In Andhra Pradesh Zilla Parishad is the top level body.

2.14.1. District Panchayats / Zilla Parishads

District Panchayats (Zilla Parishads in Andhra Pradesh) will be responsible for finalizing the District Plans and for monitoring and supervising the Employment Guarantee Scheme in the District. District Panchayats can also execute works from among the 50 percent that are not to be executed by gram panchayats.
2.14.2. Implementing Agencies

In addition to Panchayats, Line Departments, NGOs, and Central and State Government Undertakings, Self-Help Groups (SHGs) can also be identified as Implementing Agencies.

2.14.3. Delegation of Powers

The State Government shall delegate financial and administrative powers to the District Programme Coordinator and Programme Officer, as is deemed necessary for the effective implementation of the Scheme.

2.15. STATE LEVEL AGENCIES

At the state level State Employment Guarantee Council is the major agency to look after the NREGA works.

2.15.1. State Employment Guarantee Council (SEGC)

A State Employment Guarantee Council (or ‘State Council’ for short) is to be set up by every State Government under Section 12 of NREGA. The SEGC shall advise the State Government on the implementation of the Scheme, and evaluate and monitor it. Other roles of the State Council include deciding on the ‘preferred works’ to be implemented under REGS, and recommending the proposals of works to be submitted to the Central Government by the State Government under Schedule I Section 1 (ix) of the Act. The State Council will prepare an Annual Report on REGS, to be presented to the State Legislature.

2.15.2. The State Government

The State Government will formulate REGS, and the Rules pertinent to its implementation, in consonance with the Act. It will set up the SEGC and may
establish a State Employment Guarantee Fund to ensure timely resource support to the Scheme. It will ensure that the State Share of the REGS budget is released on time. It will ensure wide communication of the Scheme and dissemination of information regarding its implementation. It will ensure all administrative, financial and technical support to the District Programme Coordinator, Programme Officer, PRIs and all other agencies involved in implementation. The State Government will ensure that the agencies involved are trained for their tasks. It will establish a network of professional agencies to ensure technical support to the Implementing Agencies as well as for quality-control measures. It will undertake the regular review, monitoring and evaluation of EREGS processes and outcomes. It will also ensure that the implementation of the Scheme at all levels is transparent and accountable to the public.

2.15.3. Employment Guarantee Commissioner

The State Government will designate an officer, not below the rank of a Commissioner, as the State Rural Employment Guarantee Commissioner responsible for ensuring that all activities required to fulfill the objectives of the Act are carried out. The Commissioner may also function as the Member Secretary of the SEGC, and be authorized to hear appeals that may lie against the decisions or actions of the DPC. He may also be directed to ensure that the system of grievance redressal, social audit, application of the right to information, and other measures of public accountability and transparency are effective as well as responsive to the demands of REGS workers and the community.
2.16. Central Level Agencies

The Central Employment Guarantee Council is the central level agency to look after the NREGA works throughout the country.

2.16.1. Central Employment Guarantee Council (CEGC)

A central Employment Guarantee Council (or ‘Central Council’ for short) will be set up by the Central Government. The Central Council shall be responsible for advising the Central Government on NREGA–related matters, and for monitoring and evaluating the implementation of the Act. It will prepare Annual Reports on the implementation of NREGA and submit these to Parliament.

2.17. Training of Key Agencies and Institutions

All key agencies will need to be trained in discharging their responsibilities under the Act. This will include gram panchayats, other PRIs, District–and State–level department personnel involved in implementing REGS, as well as local committees/groups formed for the purpose of vigilance, monitoring and social audit. Basic training on core issues pertinent to the Act must be arranged by the State Government with priority accorded to its key functionaries, especially the District Programme Coordinator, the Programme Officer and PRIs.

In addition to helping various agencies in performing their duties under the Act, training programmes should give priority to the competencies required for effective planning, work measurement, public disclosure, social audits and use of the Right to Information Act, 2005.
2.18. Communication of NREGA and the Rural Employment Guarantee Scheme

For people to know their rights under the Act, effective communication of information about the Act and the Scheme is essential. The basic features of the Act and the Scheme should be widely publicized in local languages. Special attention should be paid to deprived areas and marginalized communities. Multimeda communication processes appropriate for different stakeholders must be designed and implemented. Local cultural forms and intensive interpersonal communication such as discussions and conventions must be organized to generate awareness.

While intensive communication should precede the introduction of the Act, communication is also an integral part of the implementation process, aimed at making this legislation a ‘People’s Act’. The effectiveness of this communication process will be evident in the extent to which people who need work under this Act register and apply for work. The communication process should be designed to help people articulate their demands and claim their entitlements.

2.19. Planning for NREGA Scheme

Planning is critical to the successful implementation of the Rural Employment Guarantee Scheme (REGS). A Key indicator of success is the timely generation of employment within 15 days while ensuring that the design and selection of works are such that good quality assets are developed. The need to act within a time limit necessitates advance planning. The basic aim of the planning process is to ensure that the District is prepared well in advance to offer productive employment on demand.

Section 16(4) of the Act requires the gram panchayats to forward proposals for REGS projects to the Programme Officer for scrutiny and preliminary approval prior
to the commencement of the year in which these projects are to be executed. The Programme Officer is responsible, under Section 15(3) of the Act, for matching the demand for work in the Block with the employment opportunities arising from REGS projects.

Under Section 14(6) of the Act, the District Programme Coordinator is required to prepare a 'labour budget' by the end of December for the net financial year. This labour budget would contain the details of the anticipated demand for unskilled manual work in the District, and the plan for engagement of labourers in REGS works. It should be submitted to the District Panchayat/ Zilla Parishad. The Annual Plan will be like a rolling plan, since the approved shelf of projects will carry over from one financial year to the next.

2.19.1. The District Perspective Plan

The District Perspective Plan (DPP) is intended to facilitate advance planning and to provide a development perspective for the District. The aim is to identify the types of REGS works that should be encouraged in the District, and the potential linkages between these works and long-term employment generation and sustained development. The District Perspective Plan will serve as a framework of long-term planning, but it will be flexible enough to respond to the new emerging needs of the area, the experience of implementation, and the new works approved by the Central Government.

2.19.2. Annual Plan

The Annual Plan will be working plan that identifies the activities to be taken up on priority in a year. The Perspective Plan will provide the frame work for
facilitating this identification. Every year the gram panchayat shall convene a meeting of the gram sabha to estimate the demand for labour, and to propose the number and priority of works to be taken up in the next financial year.

The recommendations formulated in the gram sabha will be forwarded to the gram panchayat. Based on these recommendations, the gram panchayat will prepare an Annual Plan and forward it to the Programme Officer. The Annual Plan should indicate clearly the existing demand for work, the demand in the previous year, the works taken up in the previous year, on going works and work proposed for the next year, likely costs and the proposed Implementing Agencies. The gram panchayat will also identify the 50 percent of the works in its area that it may wish to take up. The Programme Officer will scrutinize the Annual Plan for its technical feasibility. He will ascertain that the employment opportunities arising from the projects in the area under his jurisdiction match the demand for employment.

The Intermediate Panchayat (Mandal Parishad) will maintain the priority indicated by the gram panchayat. It is possible that there may be a need for works that involve more than one gram panchayat. Such works may be included by the Mandal Parishad. It is, however, reiterated that the priority of works in a gram panchayat will be as determined by the gram panchayat. On the basis of these discussions, the plan for the area of the Mandal Parishad will be approved by the Mandal Parishad and forwarded to the District Programme Coordinator.

**The District Programme Coordinator**

The District Programme Coordinator will scrutinize the plan proposals of all the Mandal Parishad, examining the appropriateness and adequacy of works in terms
of likely demand as well as their technical and financial feasibility. The District Programme Coordinator will coordinate the preparation of detailed technical estimates and sanctions and enduring outcomes (e.g. area irrigated, villages connected). The District Programme Coordinator will communicate the sanctioned Plan to the Programme Officer. This will carry full project cost, time frame person-days to be generated and the name of the Implementing Agency. Planning for projects must give priority to low-wages areas, where the demand for work at minimum wages is likely to be large.

2.20. Registration and Employment under NREGA

The Rural Employment Guarantee Scheme (REGS) will be open to all rural households in the areas notified by the Central Government. The entitlement of 100 days of guaranteed employment in a financial year is in terms of a household. This entitlement of 100 days per year can be shared within the household; more than one person in a household can be employed (simultaneously or at different times).

All adult members of the household who register may apply for work. To register, they have to:

- Be local resident: ‘Local’ implies residing within the gram panchayat. This includes migrant families of that area, including those that may have migrated some time ago but may return.
- Be willing to do unskilled manual work.
- Apply as a household at the local gram panchayat.
'Household' will mean a nuclear family comprising mother, father, and their children, and may include any person wholly or substantially dependent on the head of the family. Household will also mean a single-member family.

2.21. Job Cards

The gram panchayat will issue job cards to every registered household. The timely issue of well-designed job cards is essential; this is a critical legal document, which also helps to ensure transparency and protect laborers against fraud. The job card should be issued immediately after verification, i.e. within a fortnight of the application for registration. Job cards should be issued in the presence of the local community.

Photographs of adult members who are applicants have to be attached to the job cards. The identity portion of the job card may be laminated. The cost of the job cards, including that of the photographs, will be borne as part of the programme cost. A copy of the job card will be maintained at the gram panchayat.

2.22. Application for Work

Applications for work should generally be submitted to the gram panchayat. In addition, as prescribed by the Act (Schedule II< Section9), workers should have the option of submitting an application directly to the Programme Officer, but this should be treated as a ‘fallback’ option only.

2.23. Employment Guarantee Day

It is recommended that in each gram panchayat, a particular day of the week ('employment guarantee day') should be earmarked for processing work applications
and related activities such as disclosure of information, allocation of work, payment of wages and payment of unemployment allowances. However, these activities should not be restricted to 'employment guarantee day'. In particular, applications for work should be accepted at any time. Work applications received on 'employment guarantee day' should be forwarded immediately to the Programme Officer, along with an indication of the number of applications that can be met at the gram panchayat level itself. The President of the gram panchayat and any staff appointed with the gram panchayat (Gram Rozgar Sevak) to assist with REGS should be present on 'employment guarantee day'.

2.24. Allocation of Employment Opportunities

The work entitlement of '100 days per household per year' may be shared between different adult members of the same household. If several members of a household who share the same job card are employed simultaneously under the Scheme, they should be allowed to work on the same worksite. If unusual circumstances arise whereby members of the same household have to be allocated work on different worksites, the gram panchayat should ensure that the job card is duly processed at both worksites. If the gram panchayat decides that employment cannot be given under its own shelf of works, and that employment needs to be given outside the gram panchayat, it will inform the Programme Officer.

2.25. Time -- Bound Employment

The gram panchayat / Programme Officer shall be responsible for providing wage employment to the applicant within 15 days of the date of receipt of the application. In the case of advance applications, employment will be provided from the date that employment has been sought, or within 15 days of the date of application.
whichever is later. If a gram panchayat is unable to provide employment within 15 days, it will be the responsibility of the Programme Officer to do so. The employment allotted by the Programme Officer will be intimated to the gram panchayat and vice versa.

2.26. Record of Employment

Every agency making payment of wages must record on the job card without fail the amount paid and the number of days for which payment has been made. A copy of the muster roll of every work will be sent by the Programme Officer to those gram panchayats from which workers are employed and in whose jurisdiction the work is executed. The gram panchayat will consolidate household – wise employment data in the Employment Register.

2.27. Works and their Execution

The intention of the National Rural Employment Guarantee Act (NREGA) is to provide a basic employment guarantee in rural areas. The Act indicates the kinds of works that may be taken up for this purpose. They are:

- Water conservation and water harvesting;
- Drought proofing, including afforestation and tree plantation;
- Irrigation canals, including micro and minor irrigation works;
- Provision of irrigation facility to land owned by household belonging to the SC/ST, or to land of the beneficiaries of land reforms, or to land of the beneficiaries under the Indira Awas Yojana;
- Renovation of traditional water bodies, including de-silting of tanks;
- Land development;
• Flood – control and protection works, including drainage in waterlogged areas;
• Rural connectivity to provide all – weather access. The construction of roads may include culverts where necessary, and within the village area may be taken up along with drains;
• Any other work that may be notified by the Central Government in consultation with the State Government.

The above list of permissible works represents the initial thrust areas. In some circumstances, locations or seasons, it may be difficult to guarantee employment within this initial list of permissible works.

2.28. Implementing Agencies

At least 50 per cent of the works in terms of costs will be allotted to the gram panchayat for execution. This is the statutory minimum, and the Programme Officer or the District Programme Coordinator may allot more if deemed feasible. The other Implementing Agencies can be Intermediate and District Panchayats, line departments of the Government, Public Sector Undertakings of the Central and State Governments, Cooperative Societies with a majority shareholding by the Central and State Governments, and reputed NGOs having a proven track record of performance. Self – Help Groups may also be considered as possible Implementing Agencies.

2.29. Sanctioning of Works

As mentioned earlier, works shall be of two types: those implemented by the gram panchayats (‘Panchayat works’) and those implemented by other implementing Agencies (‘general works’). In each Block (mandal), the Programme Officer shall
allot at least 50 per cent of the works in terms of its cost under a Scheme to be implemented through the gram panchayats (NREGA, Section 16(5)).

All works on both lists (Panchayat works and general works) will be required to obtain Administrative Sanction and Technical Sanction in advance, by December of the year preceding the proposed implementation.

2.30. The Wage – Material Ratio

The ratio of wage costs to material costs should be no less than the minimum norm of 60:40 stipulated in the Act. This ratio should be applied preferably at the gram panchayat, Block and District levels. Wages of skilled labourers and mates should be included in the ‘material costs’.

2.31. Worksite Facilities

Worksite facilities are to be ensured by the Implementing Agency. Medical aid, drinking water, shade, and crèche if there are more than five children below the age of six years will have to be provided. If more than five children below the age of six years are present at the worksite, a person (preferably a woman) should be engaged under REGS to look after them. Suitable provisions should be made for this in the cost estimates.

2.32. Weekly Report on Worksites

The Programme Officer should attempt to arrange to collect data on labour employed and material received on a weekly basis from each REGS worksite. This information should be collated in a prescribed format and displayed on the notice –
board at the office of the Programme Officer. It should also be posted in summary form on the REGS website on a regular basis.

2.33. Payment of Wages

Every person working under the Scheme shall be entitled to wages at the minimum wage rate fixed by the State Government (or the competent authority concerned) for agricultural labourers under the Minimum Wages Act, 1948. Equal wages shall be paid to both men and women workers, and the provisions of the Equal Remuneration Act, 1976 shall be complied with. The State Government may provide for a portion of the wages to be paid to the labourers on a daily basis during the period of employment.

It is recommended that wages should be paid on a weekly basis on a pre-specified day of the week in each gram panchayat. In any case, wages should be paid in a public place, with muster rolls being read out aloud and displayed at the time of payment. In case, wages are paid through the Bank / Post network, the details of wages paid should be made public.

2.34. Unemployment Allowance

If a worker who has applied for work under NREGA is not provided employment within 15 days from the date on which work is requested, an unemployment allowance shall be payable by the State Government at the rate prescribed in the Act. This entitlement comes into effect as soon as the Act is notified in a particular District or area.
The Programme Officer shall be responsible for the prompt payment of unemployment allowances throughout the Block. The payment of unemployment allowances should follow the same pattern as the payment of wages. In particular, it is recommended that unemployment allowances should be paid on a weekly basis at the gram panchayat level, on 'employment guarantee day'.

2.35. FINANCING PATTERN

The Central Government will bear the following costs

• The entire cost of wages for unskilled manual workers
• 75 percent of the cost of material and wages for skilled and semi-skilled workers.
• Administrative expenses as may be determined by the Central Government. These will include, inter alia, the salary and allowances of Programme Officers and their support staff and work site facilities
• Administrative expenses of the Central Employment Guarantee Council.

The State Government will bear the following costs

• 25 percent of the cost of material and wages for skilled and semi-skilled workers.
• Unemployment allowance payable in case the State Government cannot provide wage employment within 15 days of application.
• Administrative expenses of the State Employment Guarantee Council.

2.36. Release of Funds

The Rural Employment Guarantee Scheme differs from SGRY and NFFWP in that the release of funds is based on State proposals rather than on predetermined allocations. The initial installment as seed money of the Revolving Fund under the
Scheme will be released in a single installment to the Receptacle Fund, as may be decided by the Ministry of Rural Development.

After utilizing 60 per cent of the funds earlier released, the District Programme Coordinator (with the recommendation of the State Government) or the State Government (in the event that a State Employment Guarantee Fund is established) may apply to the Ministry of Rural Development for the next instalment out of the Central Employment Guarantee Fund.

The Central Government will normally release funds equal to the expenditure incurred and admissible under the Scheme. The State Share of funds will be released by the State Government within 15 days of the release of the Central funds. Central assistance to REGS will be on the works and processes permissible under the Act and these Guidelines.

2.37. Gram Panchayats

Each gram panchayat will have a single bank account for the purpose of implementing REGS works. This REGS account will be operated jointly by the President and the Secretary of the gram panchayat. Funds from the REGS account may be spent on REGS works after only these works have received the required Administrative and Technical Sanction from the competent authorities. The President of the gram panchayat will be personally liable for any expenditure made without such sanctions. REGS funds at the gram panchayat level cannot be used for other purposes under any circumstances.
The gram panchayat will be authorized to spend the money released to them on the works that have been sanctioned for them to execute. After 60 percent of the allocation given to any gram panchayat has been spent, the gram panchayat may apply to the Programme Officer for release of additional funds. The Programme Officer, after satisfying himself about the proper utilization of the earlier allocations, will ensure the release within 15 days of the next installment, equal to the amount utilized by the gram panchayat. The gram panchayat shall be responsible for carrying out any amendment in the proposal as directed by the Programme Officer.

2.38. Monitoring at Various Levels

The gram sabha will monitor all the works at the village levels as well as the employment provided to each person who has applied for work. It will also monitor the registration and issue of job cards and the timely payment of wages.

The gram panchayat will monitor works executed by other Implementing Agencies, muster rolls maintained by them at worksites, and the payments made.

The Intermediate Panchayat i.e., Mandal Parishads in Andhra Pradesh and the Programme Officer will monitor the registration of households, employment provided to each applicant, unemployment allowances paid, social audits, flow of funds, timely and correct payment of wages, and progress and quality of works.

The District Panchayat (Zilla Parishad) and the District programme Coordinator will monitor all aspects of implementation, including registration, employment, unemployment allowances, social audits, flow of funds, progress and
quality of works, qualitative aspects of implementation, timely and correct payment of wages, and timely payment of unemployment allowances.

The State Government shall monitor the performance of all Districts on the quality and pace of Implementation as laid down in the Nation Monitoring System, the State Rural Employment Guarantee Scheme, and the directives of the State Employment Guarantee Council. The State Government will send consolidated reports and returns to the Central Government.

The maintenance and timely updating of information will require a comprehensive computerized Monitoring and Information System (MIS). The Centre will develop a core MIS for this purpose, and the States may make suitable additions to suit their respective needs.

2.39. Right to Information and Proactive Disclosure

The Right to Information Act should be followed both in letter and in spirit in all matters relating to NREGA. Section 4 of the Act, which concerns proactive disclosure of information, should be strictly complied with at all levels. Requests for copies of REGS – related documents submitted under NREGA should be complied with within seven days. No request should be refused under any circumstances. In particular, no information should be withheld by invoking Clause 8 of the Right to Information Act. All NREGA – related information is in the public domain.

2.40. Annual Reports

The Central Employment Guarantee Council is required to prepare an Annual Report on the implementation of the Act. This report is to be laid before parliament by
the Central Government. Every State Employment Guarantee Council is required to prepare an Annual Report for the State Legislature. The Annual Reports should be placed before Parliament and the State Legislatures by 31 December of the succeeding year.

2.41. Financial Audit

Financial Audit is mandatory. This must be carried out at the end of the financial year by each District. The audit will be done either by Local Fund Auditors or by the Chartered Accountants appointed by the State Government. A copy of the Audit Note will be sent to the State Government. A concurrent audit will be undertaken in addition to this.

The Accountant General will also conduct the Audit of Accounts of NREGA in addition to the audit conducted by the Chartered Accountants. The audit team of the Accountant General shall be supplied with a copy of the audit conducted by the Chartered Accountants. The Audit Report of the Chartered Accountant and the Utilization Certificate for the previous year must be submitted latest by September next year by the District Programme Coordinator.

2.42. Processing of reports of social audit by the gram sabha

A District Internal Audit Cell in the office of the District Programme Coordinator shall be constituted to scrutinize the reports of the gram sabha and conduct a special audit, if necessary. A Monthly Report will be compiled and sent to the District Programme Coordinator, State Programme Coordinator and the State Government. These authorities will initiate action to address serious irregularities and also take appropriate preventive action.
2.43. Physical Audit

A Physical Audit of the works undertaken will be conducted to verify the quality of works and to check that the expenditures incurred have led to the creation of durable assets. The state Government will ensure speedy action against the concerned officials / non – officials misappropriation of funds, frauds, incorrect measurement, false entries in the muster rolls and other irregularities of a serious nature, resulting in the leakage of Government / public funds / resources and the denial of entitlements to workers. The State Government will also take appropriate steps to prevent such irregularities.

2.44. Vigilance and Monitoring Committees

For every work sanctioned under the Scheme, there should be a local Vigilance and Monitoring Committee, composed of members of the locality or village where the work is undertaken, to monitor the progress and quality of work while it is in progress. The gram sabha will elect the members of this Committee and ensure that SC/ST's and women are represented on it.

The Implementing Agency should apprise this Committee of estimates regarding the work, time frame and quality parameters. The Final Report of the Committee should be attached along with the Completion Certificate of the work, and should also be placed at the next meeting of the gram sabha in the Pnachayat where work has been executed. A copy of the Report will also be sent to the Programme Officer and the District Programme Coordinator.

Local Beneficiary Committees may also be constituted for effective articulation of their entitlements and their access to information. The Programme
Officer will be responsible for ensuring that local Vigilance and Monitoring Committees / Beneficiary Committees are constituted.

2.45. Social Audit as a Continuous Process

In the context of NREGA, the process of social audit should include public vigilance and verification of the following 11 stages of implementation:

- Registration of families
- Distribution of job cards
- Receipt of work applications
- Preparation of shelf of projects and selection of sites
- Development and approval of technical estimates and issuance of work order
- Allotment of work to individuals
- Implementation and supervision of works
- Payment of unemployment allowance
- Payment of wages
- Evaluation of work
- Mandatory social audit in the gram sabha (Social Audit Forum)

At each these stages, there are various ways in which the implementation process may fail to meet the norms spelled out earlier.

2.46. Technical Resource Network

The Central Government may appoint a Technical Advisory Group at the Central level to advise the Government about technical norms, procedures, nature of works and quality – related issues. The State Governments may consider setting up Technical Resource Support Groups at the Groups at the State and District levels to
assist in the planning, designing, monitoring, evaluation and quality audit of various initiatives. The Groups will assist in training and handholding with a view to improving the quality and cost effectiveness of the Scheme.

To facilitate technical resource support to the Implementing Agencies, especially at the District level, it is suggested that Resource Institutions be identified by the Government concerned. A panel of institutions / agencies for technical resource support may be prepared. The panel may constitute a Technical Resources Network.

2.47. Use of Information Technology

Active use of Information Technology (IT) should be made for improving the efficiency and transparency of operational processes, including:

- Preparation of project proposals and their execution;
- Digitization of muster rolls, job cards and other important documents;
- Financial Managements Systems;
- Communication and access to information;
- Grievance – redressal systems;
- Monitoring and evaluation;
- Creation of a Monitoring and Information System (MIS) with a database on preferred works, resource requirements, registered households, payment of wagers, person – days of employment provided to the registered employment seekers, funds received and expended at different levels, and related matters.
The full possible applications of IT to the implementation of NREGA will be explored and appropriate modules developed into a comprehensive system to be continuously up-graded as required.

2.48. Expenditure on Technical Resource Support

The expenditure on quality control may be met out of allocations for administrative expenses, based on the norms that may be specified by the Ministry from time to time.

2.49. Conclusions

The national Rural Employment Guarantee Act, 2005 was introduced in India in 2005 with an objective of providing 100 days of employment for the job seekers who are willing to do unskilled work in a financial year. The Act empowers ordinary people to play an active role in the implementation of employment guarantee schemes through gram sabhas, social audits, participatory planning and other means. The Act is an important step towards the realization.

Each State Government shall formulate an Employment Guarantee Scheme. The Act envisages a collaborative partnership between the Central Government, the State Governments, the Panchayats and the local community. The gram sabha is the statutorily mandated institutional mechanism for community participation.

For the implementation of REGA, the gram panchayats at the bottom level, Mandal Parishads at the block level, Zilla Parishads at the district level along with concerned state government at the state level and also the Central Government at the top.
The work entitlement of ‘100 days per household per year’ may be shared between different adult members of the same household. At least 50 percent of the works in terms of costs will be allotted to the gram panchayats for execution. Worksite facilities are to be ensured by the Implementing Agency. Medical aid, drinking water, shade and creche if there are more than five children below the age of six years will have to be provided.

Equal wages to be paid both men and women workers and the provisions of the equal remuneration Act, 1976 shall be complied with. It is recommended that wages should be paid on a weekly basis or a pre-specified day of the week in each gram panchayat.

The central government will normally release funds equal to the expenditure incurred and admissible under the scheme. The share of the concerned state government will be released by the state government within 15 days of the release of the central funds. The NREGS funds at the gram panchayat level can not be used for other purposes under any circumstances.

The gram sabha will monitor all the works at the village levels as well as the employment provided to each person who has applied for NREGA work. The gram panchayats will monitor works executed by other implementing agencies, muster rolls maintained by them at work sites and the payments made.

The financial audit is mandatory and this must be carried out at the end of the financial year by each district. A physical audit of the works undertaken will be
conducted to verify the quality of works and to check that the expenditures incurred have led to the creation of durable assets.

In the context of NREGA, the process of social audit should include public vigilance and verification of registration of families, distribution of job cards, selection of sites, receipt of work applications, allotment of work to individuals, supervision of works, payment of unemployment of allowance, payment of wages and evaluation of NREGA work.
2.50. References


