

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:3476
ANSWERED ON:16.08.2010
UTILISATION OF FUNDS
Jindal Shri Naveen

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the Government has any inkling that only Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has altered the dynamics of Panchayat politics due to quantum leap of funds being almost single handedly controlled by Sarpanches;
- (b) if so, the details thereof and steps being considered by the Government to ensure corruption free utilization of funds;
- (c) whether the Government is aware of the village level mafias which have sprung up and are threatening to undermine the mega scheme with extortion and corruption;
- (d) whether the Government is mindful that it is the purchasing and hiring of `material` by sarpanches which is essentially leading to large sums of money being manipulated and siphoned off; and
- (e) if so, remedial measures proposed to be taken in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN `ADITYA`)

(a) to (c): Section 13(1) of Mahatma Gandhi NREGA provides that the Panchayats at district, intermediate and village levels shall be the principal authorities for planning and implementation of the schemes made under the Act. Gram Panchayat has been given the pivotal role of registration and issue of job cards, accepting applications for work and issue of dated receipts, providing work to the applicant, maintenance of records, identification of projects as per recommendations of Gram Sabha/Ward Sabha, preparation of development plan and maintain shelf of projects. In accordance with Section 16(5) of the Act, atleast 50% of the projects by cost are to be executed by the Gram Panchayats. In addition, Section 17(2) of the Act provides that Gram Sabha shall conduct social audit of all the projects taken up within the Gram Panchayat.

(d) & (e): With a view to ensure proper utilisation of funds under Mahatma Gandhi NREGA by the Gram Panchayats, the following provisions have been made in the Operational Guidelines:

- (i) Each Gram Panchayat will have a single bank account for the purpose of implementing MGNREGS works. This account will be operated jointly by the President and the Secretary of the Gram Panchayat.
- (ii) Funds from the account may be spent on MGNREGS works only after these works have received the required Administrative and Technical Sanction from the competent authorities. President of the Gram Panchayat is personally liable for any expenditure made without such sanctions.
- (iii) MGNREGA related accounts of the Gram Panchayat are to be presented at the biannual social audit by the Gram Sabha.
- (iv) MGNREGS funds at the Gram Panchayat level cannot be used for other purposes under any circumstances.