

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:622

ANSWERED ON:24.02.2011

AUDITING FOR MGNREGS

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Nahata Smt. P. Jaya Prada; Naik Dr. Sanjeev Ganesh; Owaisi Shri Asaduddin; Pal Shri Jagdambika; Ray Shri Rudramadhab; Reddy Shri Anantha Venkatarami; Shekhar Shri Neeraj; Singh Shri Dushyant; Singh Shri Sukhdev; Singh Shri Yashvir; Sudhakaran Shri K.; Sule Supriya; Yadav Shri Ranjan Prasad

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government is cognizant of the diversion/pilferage from the allocations made under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);

(b) if so, the details thereof including the type of audits prescribed under such scheme;

(c) whether the audit of the MGNREGS is required to be laid before the Parliament annually under the Act;

(d) if so, the details of such audit report laid during last three years and the steps that have been taken to institutionalise such audits; and

(e) the steps taken by the Government to strengthen the audit of MGNREGS and stop misuse and diversion of funds under the scheme?

Answer

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

(a) & (b): Yes, Sir. 8 cases of diversion of funds released under Mahatma Gandhi NREGA have been reported to the Ministry. State-wise details are as under:

S.No. State No. of complaints relating
to diversion of funds

1	Andhra Pradesh	1
2	Chhattisgarh	1
3	Jharkhand	1
4	Manipur	2
5	Uttar Pradesh	3

Section 17(2) of Mahatma Gandhi NREGA provides that Gram Sabha shall conduct regular social audits of all the projects under the scheme taken up within the Gram Panchayat. Section 24 of the Act provides for Audit of accounts which are as under;

(1) The Central Government may, in consultation with the Comptroller and Auditor General of India, prescribe appropriate arrangements for audit of accounts of the schemes at all levels.

(2) The accounts of the scheme shall be maintained in such form and in such manner as may be prescribed by the State Government.

(c): No, Sir.

(d): Does not arise.

(e): With a view to strengthen the audit of MGNREGS and stop misuse and diversion of funds, the following steps have been taken:

(i) A Web enabled Management Information System (MIS) (www.nrega.nic.in) has been made operational which places all critical parameters such as job cards, muster rolls, wage payments, number of days of employment provided and works under execution online for monitoring and easy public access for information.

(ii) Wage disbursement to NREGA workers through Banks/Post Office accounts has been made mandatory to ensure proper disbursement of wages to NREGA workers. To cover the gaps in financial services and outreach and also to ensure greater transparency in wage disbursement, Rural ATM, hand held devices, smart cards and biometrics have been initiated.

(iii) The Ministry has accorded utmost importance to the organization of Social Audits by the Gram Panchayats and issued instructions to the States to make necessary arrangements for the purpose. Modifications have been made in para 13 of Schedule-I of the Act to provide for procedures on conducting social audits. The Ministry has issued instructions to the State Governments for

enforcement of the new social audit provisions under NREGA

(iv) In cases of misappropriation and embezzlement of Government funds under MGNREGA, all State Governments have been requested to ensure that not only disciplinary action should be taken against the guilty officials, but simultaneously criminal prosecution should also be initiated under Indian Penal Code and Prevention of Corruption Act, besides recovering the amount involved from the persons concerned in accordance with the Law.