

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:1938  
ANSWERED ON:11.08.2011  
AUDIT OF MGNREGS BY CAG  
Botcha Lakshmi Smt. Jhansi

**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

- (a) whether the Government envisages to hand over audit of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) to the Comptroller and Auditor General of India;
- (b) if so, the details thereof;
- (c) whether the Government also proposes to set up a separate directorate for this purpose; and
- (d) if so, the details thereof?

**Answer**

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

(a) to (d): As per Section 24 of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005, the Central Government may in consultation with the Comptroller and Auditor General (CAG) of India, prescribe appropriate arrangements for audits of the accounts of the Schemes at all levels. The Ministry has, accordingly in consultation with the Comptroller & Auditor General of India, notified on 30th June, 2011, the Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules, 2011. The Ministry has also requested for audits by CAG in the States of Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Uttar Pradesh and West Bengal.

As per rule 2 of MGNREGA Audit of Schemes Rules, 2011, the audit of the accounts of scheme under the Act for each district as well as of the State Employment Guarantee Fund shall, for each year, be carried out by the Director, Local Fund Audit or equivalent authority or by Chartered Accountants who shall submit reports to the State Government which shall be forwarded to the CAG of India and the Central Government by the State Government. As per rule 3, the State Government shall also facilitate conduct of social audit of the works taken up under the Act in every Gram Panchayat at least once in six months in the manner prescribed under these rules and a summary of findings of such social audits conducted during a financial year shall be submitted by the State Government to the CAG of India.