

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:34

ANSWERED ON:22.11.2012

AUDIT UNDER MGNREGS

Devappa Anna Shri Shetti Raju Alias;Swamygowda Shri N Cheluvarya Swamy

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) the details of the provisions made for audit of account under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);
- (b) whether accounts are being audited by Comptroller and Auditor General of India (CAG) only in respect of some States while others have been left unaudited;
- (c) if so, the details thereof indicating the reasons for such disparity;
- (d) the manner in which and the agencies deputed to conduct audit in the States where CAG is not conducting such audit;
- (e) the details of the audit report of various States for each of the last three years and the current year indicating the irregularities noticed therein, State-wise; and
- (f) the steps taken by the Government to infuse transparency in utilising the funds released under the Scheme?

Answer

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

(a): As per Section 24(1) of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005, the Central Government may in consultation with the Comptroller and Auditor General (C&AG) of India, prescribe appropriate arrangements for audits of the accounts of the Schemes at all levels. The Ministry has, accordingly, in consultation with the C&AG, notified on 30th June, 2011, the Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules, 2011. MGNREG Audit of Scheme Rules, 2011 has following key provisions:

- (i) The audit of accounts of a 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.
- (ii) The Director, Local Fund Audit, or equivalent authority, or the Chartered Accountant, as the case may be shall submit accounts of the scheme together with the audit report thereon to the State Government.
- (iii) The accounts of the schemes of every State Government as certified together with the audit report thereon shall be forwarded to the Comptroller and Auditor General of India and the Central Government by the State Government. The Central Government shall cause the audit report to be laid, as soon as may be after they are received, before each House of Parliament.
- (iv) The Comptroller and Auditor General of India, or any other person appointed by him in this behalf, shall have the right to conduct audit of the accounts of schemes at such intervals as he may deem fit.
- (v) The State Government shall 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 in the Audit of Scheme Rules, 2011.
- (vi) A summary of findings of such social audit conducted during a financial year shall be submitted by the State Government to the Comptroller and Auditor General of India.
- (vii) The State Government shall identify or establish an independent organization to facilitate conduct of social audit by Gram Sabhas.
- (viii) The State Government shall be responsible to take follow up action on the findings of the social audit and State Employment Guarantee Council shall monitor the action taken and report it in the annual report to be laid before the State Legislature.

(b): The C&AG of India are doing Performance Audit of MGNREGS in respect of all States.

(c): The Performance Audit report is yet to be laid on the Table of the House.

(d): Does not arise.

(e): The State Government annually get audit of District Accounts of MGNREGS conducted annually by Chartered Accountant/Chartered Accountant firms. Main irregularities noticed by them are of the following nature:-

(i) Mismatch of opening balance and closing balance.

(ii) Assets register for assets acquired/created out of Programme Fund not being updated.

(iii) Job cards are not in the custody of Programme Officers of the District and as such updating of entries in the relevant job cards is not ensured.

(iv) Concerned Government agency/District Development Officer should submit a detailed utilization certificate stating the details of the amount received, amount utilized and the balance amount. Certificate should also state that the amount has been utilized against the approved projects and they have not made any deviations.

(f): Following steps has been taken to infuse transparency in utilizing the funds released under the Scheme:

(i) All important information related to the scheme are proactively disclosed by erecting sign boards at scheme site as well as by posting them on the MGNREGA's website. Financial and physical achievements of the Scheme, annual reports, circulars/ advisories/guidelines issued to States/UTs, minutes of various meetings/ workshops etc. are on this website (www.mgnrega.nic.in).

(ii) All documents and records of MGNREGS have been declared to be covered under the Right to Information Act(RTI) Act, 2005 and Ministry of Rural Development has designated Principal Information Officers(PIOs), Assistant Principal Information Officers(APIOs) and appellate authorities for this purpose. Most of the information is proactively disclosed as per Section 4 of the RTI Act.

(iii) The Ministry of Rural Development has developed and disseminated Information, Education & Communication(IEC) materials/ films on MGNREGS for the benefit of wage seekers and common citizens.

(iv) Audit of Scheme Rules have been notified. Under these Rules, Social Audit to ensure transparency in implementation of MGNREGS is to done at the Gram Panchayat level.

(v) For grievance redressal, including those related to transparency in implementation of MGNREGS, the Ministry has issued Orders to appoint Ombudsman in all the districts where MGNREGS is being implemented.

(vi) MGNREGA helplines have been set up by State Governments of Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Orissa, Uttar Pradesh, Sikkim, Goa, Uttarakhand, West Bengal, and UT Administrations of A&N Islands and Puduchery for information sharing and grievance redressal.