

D R A F T

(Notification will be posted on the website shortly)

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART-II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT

NOTIFICATION

New Delhi, the 23rd March , 2011

G.S.R. (E).—The following draft of certain rules which the Central Government, in consultation with the Comptroller and Auditor General of India, proposes to make in exercise of the powers conferred by the sub-section (1) of section 24 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Central Act 42 of 2005), is hereby published as required by sub-section (1) of section 32 of the said Act, for information of all persons likely to be affected thereby and notice is hereby given that the said draft rules will be taken into consideration after the expiry of a period of thirty days from the date on which copies of the Gazette in which this notification is published, are made available to the public;

Objections or suggestions, which may be received from any person in respect of the said draft rules within the period specified above, will be considered by the Central Government;

The objections and suggestions, if any, may be addressed to the Under Secretary, Ministry of Rural Development, Government of India, Room No. 366-A, Krishi Bhawan, Dr. Rajendra Prasad Marg, New Delhi-110001(Tel. 23073787, Fax 23388431, E-mail rk.sood@nic.in).

DRAFT RULES

1. Short title and commencement.— (1) These rules may be called the Mahatma Gandhi National Rural Employment Guarantee Audits of Schemes Rules, 2011.

(2) They shall come into force on the date of their final publication in the Official Gazette.

2. Audit of accounts.—The audit of the accounts of a Scheme under the Act for each district for each year shall be carried out by either by the Director, Local Fund Audit or equivalent authority or by Chartered Accountants to be appointed by the State Government from amongst the list of Chartered Accountants or Chartered Accountant firms empanelled with the Comptroller and Auditor

General of India and the Controller Auditor General of India may specify from time to time such criteria and terms and conditions for selection and appointment of the Chartered Accountants.

(2) The Comptroller and Auditor General of India shall issue directions and instructions to the Chartered Accountants regarding the conduct of audit and the format, structure and contents of the audit report thereon.

(3) The Chartered Accountant or the Director, Local Fund Audit, as the case may be, shall submit copies of the Audit Report to the State Government and the State Accountant General (Audit), may comment upon such Audit Report.

(4) The Comptroller and Auditor General of India or any person appointed by him in this behalf shall have the right to conduct audit of the accounts of Schemes at such frequency as they may deem fit.

3. Social audit facilitation.—(1) The State Government shall establish a Directorate of Audit of Schemes under MGNREGA (hereinafter referred to as the Directorate of Audit) to facilitate and oversee the process of audit of accounts including the social audits throughout the State and act as a co-coordinator between the Comptroller and Auditor General and State Accountant General (Audit).

(2) The Directorate of Audit shall select the resource persons from community and other civil society organisations at district level and at State level who are having knowledge and experience of working on strengthening and establishing the rights of people at the grassroots and provide training in social audit processes, scrutiny and analysis of documents, physical verification of sites or stock of materials, preparation of reports, recording of proceedings of social audit.

(3) The Directorate of Audit also function as facilitator to review ongoing requirements of each Scheme implemented in the State, prepares estimates of required entitlements of workers, monitors proper utilization of funds at grassroots and also provided the following, namely:—

(a) capacity building of village community to conduct continuous social audit;

(b) vigilance, monitoring and other associated activities which facilitate transparency and accountability;

(c) resource material, guidelines and manuals in respect of the social audit process;

(d) impart training to the members of the Social Audit Committee by the resource persons;

(4) The Directorate of Audit shall monitor the action taken by the State Government on Social Audit and shall host the information in the public domain.

(5) The costs of establishing the Directorate of Audit shall be met by the Central Government as a Central assistance as per Government of India guidelines.

4. Social Audit Process. – (1) The Social Audit shall be a process independent of any process undertaken by the agency implementing the Scheme.

(2) The implementing agency at no time, whether prior to, during or after the conduct of social audit, interfere with the Social Audit.

(3) Notwithstanding anything contained in sub-rule (2), the agency implementing the Scheme shall provide requisite information to the Directorate of Audit or conducting the Social Audit.

5. Procedure for conducting Social Audit.—(1) The Directorate of Audit shall frame an annual calendar to conduct at least one audit in every six months and a copy of the calendar shall be sent to all the District Programme Coordinators and to the State Accountant General (Audit) for information and necessary arrangements.

(2) The social audit resource persons trained by the Directorate of Audit shall facilitate the social audit along with the representatives of the Directorate of Audit in Gram Panchayats other than their own Gram Panchayats. The formats for the audit report of the resource persons may be specified by the Directorate of Audit.

(3) Social Audit Gram Sabha will provide an opportunity to review compliance with ongoing requirements of transparency and accountability, fulfillment of the entitlements of labourers (including payment of unemployment allowance), and proper utilisation of funds at the grassroots level, as well as serving as an institutional Gram Sabha for conduct of a detailed public audit of all Schemes under the Act that have been carried out in their area.

(4) It shall be the responsibility of the Programme Officer to ensure that all the required information and records are properly collated in the requisite formats and provided, along with photocopies of all related records, to the Gram Sabha conducting social audit and Social Audit resource persons at least fifteen days in advance of the scheduled date of meeting of the Gram Sabha conducting social audit. This information should also be publicly available at the same time, and photocopies available at nominal cost.

(5) All public representatives and staff involved in implementing the Schemes under the Act (including the staff of the Non-Governmental Organisations the Self Help Groups, etc., if any, involved in implementing Schemes shall be present at the Gram Sabha to respond to queries. The Gram Sabha will provide a platform to all villagers to seek and obtain further information and responses from the resource persons, public representatives and officials.

(6) The person appointed by the Comptroller and Auditor General may be present at the Gram Sabha conducting social audit and may provide information and clarifications (including details of audit findings and observations) relating to the implementation of the Schemes at the Gram Sabha and he may also facilitate the social audit process.

(7) The Social Audit Gram Sabha shall be an open and inclusive Gram Sabha to encourage broad based public participation.

(8) The Gram Sabha conducting the Social Audit shall be presided over by a person, who is not

directly or indirectly, involved in implementation of the Scheme under the Act.

(9) District Programme Co-ordinator shall nominate an official of an appropriate level to attend the Social Audit Gram Sabha meeting and such officer may ensure that the Gram Sabha takes place in true democratic spirit in an atmosphere where everyone can speak and testify without fear. The officer will be responsible for filing a report with the District Programme Coordinator, as per the prescribed format.

(10) The Social Audit Reports in the local language shall be posted on the notice board of the Gram Panchayat, and action taken on these Reports shall also be updated and indicated regularly on the notice boards. Persons found involved in irregularities shall be named in these reports, and action taken or under process against them clearly indicated.

(11) The action taken report relating to the previous social audit shall be read out at the beginning of the meeting of each social audit.

(12) All action taken reports shall be filed by the concerned authority within a month of convening of the social audit to the Directorate of Audit.

6. Obligation of certain persons in relation to Audit. – Every District Programme Coordinator or any Official on his behalf, shall, -

- (a) as far as possible, attend the Social Audit Public Meetings;
- (b) ensure corrective action is taken on the Social Audit findings;
- (c) take steps to recover the moneys, received or used other than the purpose of the Act, or, embezzled;
- (d) issue receipts or acknowledgement for moneys received under clause (c);
- (e) pay, within seven days of the receipt of the money for the wages due to the wage seekers under the provisions of this Act;
- (f) record the entry in respect of the money recovered during the Social Audit process under a separate head in the Mahatma Gandhi NREGS account;
- (g) ensure that the appropriate action (including initiating criminal and civil proceedings or termination of services of the concerned employees) is initiated against any individual or class of individuals or persons who received or used other than the purposes of the Act or embezzled the moneys meant for the Schemes under the Act.”

7. Scope and Coverage of Social Audit.—The Gram Sabha and the resource persons facilitating the social audit shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers in connection with the implementation of the Schemes.

(2) While conducting the social audit, along with all other material records placed before them, the Gram Sabha and the resource person shall verify,—

(i) the muster rolls, entry and payments made in the time period specified, if necessary by contacting the wage seekers whose names are entered in such muster rolls;

(ii) the work site and assess the quantity and quality of work done;

(iii) the cash book, bank statements and other financial records to verify the correctness and reliability of financial reporting;

(iv) the invoices, bills, vouchers or other related records used for procurement of materials to testify such procurement was economical, fully utilised, etc.

(3) The labourers and village community shall be informed about the Gram Sabha conducting Socialial Audit by the social audit resource persons as well as the Administration to ensure full participation; creating of awareness amongst the labourers about their rights and entitlements under the Act will be an important part of the Social Audit Facilitation.

(4) The accounts of the Schemes of every State Government as certified by the Comptroller and Auditor General or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government.

(5) The Central Government shall cause the audit report and the annual report to be laid, as soon as may be after they are received, before each House of Parliament.

[F. No. K-11033/50/2010-MGNREGA]

(Amita Sharma)
Joint Secretary to the Government of India
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