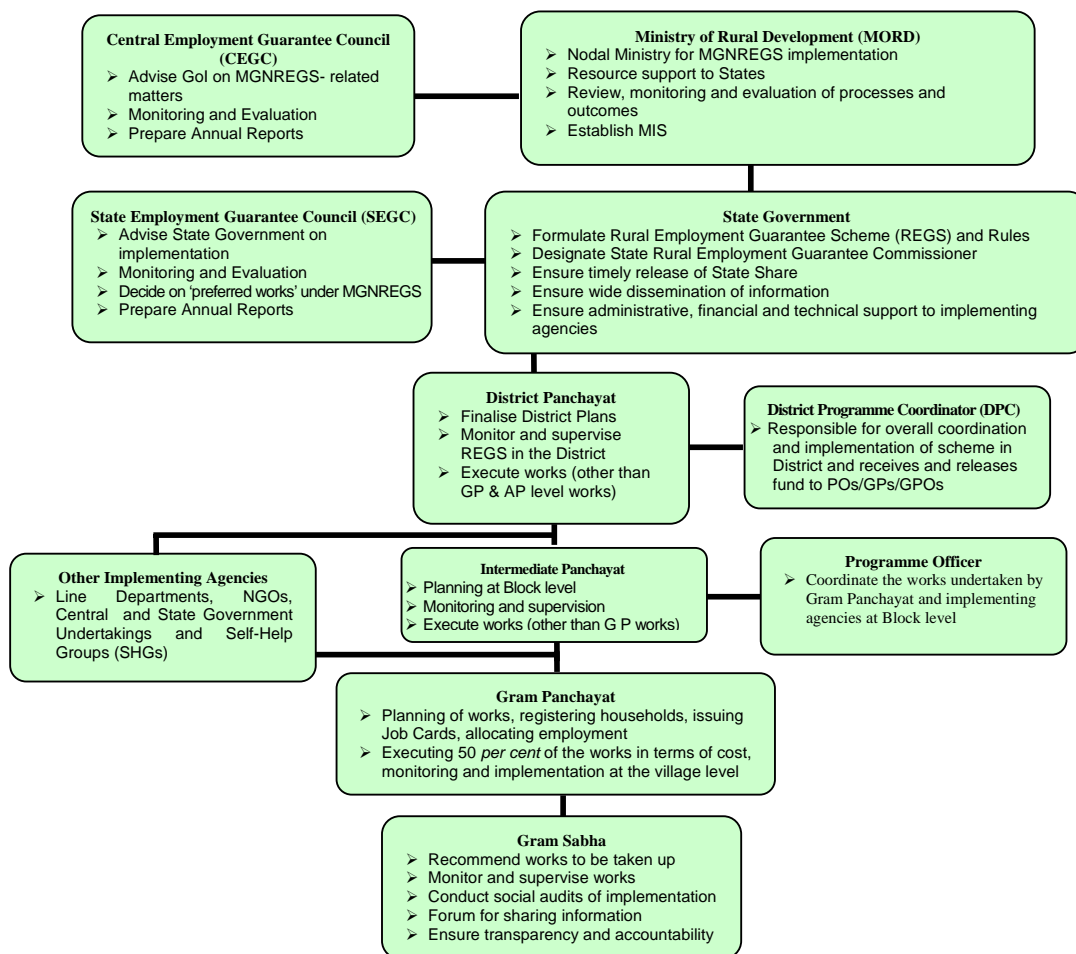


Chapter-2 Framework of Audit

2.1 Organisational Structure and Funding Pattern

The organisational structure for implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is shown in Chart 1.

Chart 1: Organisational structure of MGNREGS



For the funding of scheme, the GoI established a fund called the National Employment Guarantee Fund, from which grants are released directly to the Districts. Revolving funds are to be set up under SREGS at the District, Block and Gram Panchayat levels, with separate bank accounts for such funds at each level.

2.2 Audit Objectives

The main audit objectives for the Performance Audit were to ascertain whether:

- planning, both perspective and annual, was adequate and effective enough to meet the demand for work;

- funds released were accounted for and utilized in compliance with the provision of the Act/Rules/guidelines;
- the primary objective of ensuring the livelihood security by providing 100 days of annual employment to the targeted rural community at the specified wage rates was effectively achieved through registration of households, allotment of Job Cards, and allocation of employment in compliance with the guidelines;
- the auxiliary objective of creation of durable assets and protecting the environment, empowering rural women, reducing rural-urban migration, fostering social equity etc., were effectively achieved in accordance with the provision of the Act and the Rules;
- the convergence of the scheme with other Rural Development Programmes as envisaged, was effectively achieved in ensuring sustainable livelihood to the targeted rural community and improving the overall rural economy; and
- there was an effective mechanism at the State level to assess the impact of MGNREGS on individual households, local labour market, migration cycle and efficacy of assets created.

2.3 Audit Criteria

The criteria for the performance audit were benchmarked against the following sources of criteria -

- The National Rural Employment Guarantee Act, 2005 (MGNREGA), and amendments made thereto;
- MGNREGS Operational Guidelines 2006 and 2008 and Circulars issued by the MoRD;
- GOI's Fund Rules, 2006; Financial Rules, 2009 and Audit of Scheme Rules, 2011;
- Assam Rural Employment Guarantee Scheme, 2006;
- Assam Rural Employment Guarantee (SEGC) Rules, 2006; and
- MGNREGS Works Field Manual.

2.4 Audit Scope, Sampling and Methodology

2.4.1 Audit Scope

Detailed scrutiny of records maintained in the office of the Commissioner of Panchayat and Rural Development, Assam, Guwahati; Project Directors (PDs) of 10 District Rural Development Agencies (DRDAs), 25 Block Development Officers (BDOs), 96 Secretaries/Chairman of the Gram Panchayats/Village Development Committees (VDCs)/Village Council Development Committees (VCDCs) and other

implementing agencies was carried out (February–December 2012) by audit. The period of audit coverage was from 2007-08 to 2011-12. During the course of audit, besides conducting beneficiary survey and physical verification of the assets created, information collected from the Gram Panchayats was cross examined/verified with the records of the Programme Officers of the respective blocks.

2.4.2 Audit Sampling

All the 27 districts of Assam were stratified into four strata, geographically, on the basis of number of households which demanded jobs. From four strata, 10 districts¹ (37 per cent) were selected by Simple Random Sampling Without Replacement method (SRSWOR). In each district, 25 per cent (minimum two) blocks, in each block 25 per cent (minimum three) Gram Panchayats (GPs), and 25 per cent (minimum 10) works for detailed examination/verification were selected by SRSWOR method. Within each selected GP/VDC, 20 beneficiaries were selected by SRS method for beneficiary survey.

2.4.3 Audit Methodology

The performance audit commenced with an entry conference with the Commissioner and Secretary, Panchayat & Rural Development (P&RD) Department, Government of Assam held on 17 February 2012. The exit conference was held on 12 September 2012 with the Principal Secretary, Panchayat & Rural Development (P&RD) Department, Government of Assam, wherein the audit findings were discussed in detail. However, para-wise replies on the Draft Audit Reports from the department/Government are awaited (March 2013).

2.5 Acknowledgement

The office of the Accountant General (Audit), Assam acknowledges the cooperation extended by the department of Panchayat and Rural Development, Government of Assam, DRDAs, Zilla Parishads, Block Development Offices and Gram Panchayats during the course of Performance Audit.

¹ (1) Cachar, (2) Chirang, (3) Dibrugarh, (4) Goalpara, (5) Hailakandi, (6) Jorhat, (7) Kamrup (Rural), (8) Karbi Anglong, (9) Lakhimpur, and (10) Darrang.