

**Ministry of Rural Development
Department of Rural Development
Government of India**

Krishi Bhavan, New Delhi
Dated the 27th February, 2020

To,

The Principal Secretary/Secretary/CEO's/ of Nodal Department of PMGSY of all States

Sub: **Constitution of Audit Committee in SRRDA.**

Para 16.7 of PMGSY Programme Fund Accounts Manual suggests the constitution of an Audit Committee in each SRRDA consisting of 3 members of its Executive Body. The committee shall consider all the audit reports and place its recommendations before the Executive Committee. The Head of the Finance Division i.e. Financial Controller of SRRDA will assist the Committee but he will not be its member. During the recently concluded National Workshop of FC's, it had come to light that such Audit Committees are non-existent in States. This is a clear cut violation of the instructions enumerated in the Programme Fund Accounting Manual and therefore the Audit Committee needs to be constituted on top priority in the SRRDA. It is felt that the constitution of the Audit committee will not only be helpful in considering the observations of audit reports as per the provisions laid down in PMGSY Guidelines and Accounting Manuals, but would also ensure regular monitoring of the compliance with the laid down financial systems and procedures by the states.

In addition to the consideration of observations/anomalies in the audit reports the committee may also monitor the functioning in respect of the following issues:-

- Timely payments to PMGSY contractors/vendors.
- Timely receipt of Central/State share of funds for PMGSY Works through from State treasury to SRRDA.
- Regular verification of the amount of interest credited by bank in the 3 bank accounts of funds.
- Submission of OMMAS based balance sheets of 3 fund accounts in time.
- Any other important issue the audit committee may like to consider for financial MIS reports.

You are therefore requested to kindly instruct the SRRDAs of your state to immediately constitute an Audit Committee in terms of Para 16.7 of PMGSY Accounts Manual of Programme Fund. The Committee should meet once every quarter and the minutes of the meeting may be endorsed to NRIDA also. A copy of the Audit Committee constitution order may please be endorsed to Director (F&A) National Rural Infrastructure Development Agency for record.

Yours sincerely,



**(Alka Upadhyaya)
AS (RD) & DG, NRIDA**

Copy to:

- a) The Financial Controllers of all SRRDAs.
- b) Shri Vijay Ingle, Programmer for uploading on the website