

A sound internal financial reporting with relevant and reliable information significantly contributes to the efficient and effective governance by the State Government. The compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government to meet its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government on the compliance of various financial rules, procedures and directives during the current year.

3.1 Utilisation Certificates

Rule 151 (1) of General Financial Rules provides that Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General (Accounts and Entitlement) within 18 months from the date of their sanction unless specified otherwise in respect of grants provided for specific purposes. The Institution-wise break-up of the amounts of grants paid and outstanding position of Utilisation Certificates as of August 2010 are given below:

Table 3.1: Department-wise arrears of Utilisation Certificates

<i>(Rupees in crore)</i>				
Sl. No.	Name of Grantee Institution to whom grants-in-aid were given	Year	Amount of Grants paid	Utilisation Certificates outstanding as of 31-8-2010
1.	Panchayati Raj Institutions	2008-09	60.00	60.00
		2009-10	27.57	27.57
2.	Urban Local Bodies	2008-09	59.23	59.23
		2009-10	78.52	78.52
3.	Autonomous Bodies	2008-09	77.50	77.50
		2009-10	117.28	117.28
Total :			420.10	420.10

Out of total amount of ₹ 420.10 crore paid (₹ 196.73 crore in 2008-09 and ₹ 223.37 crore in 2009-10) to above three categories of Institutions as grants-in-aid as on 31-03-2010, Utilisation Certificates (1854 for 2008-09) for an amount of ₹196.73 crore which were due for submission are awaited as on 31 August 2010.

3.1.1 Status of Utilisation Certificates (UCs) in RD Department

A study (June-July 2010) of utilisation and reporting of funds released for implementation of various schemes by the RD Department revealed instances of wrong reporting by four DDOs (BDO Panisagar and Baxanagar, EE, RD, Western Division –I and EE, RD, Northern Division –I) out of 14 test checked. The BDO Panisagar submitted utilization certificate for entire amount of ₹ 52.18 lakh received

and drawn during 2004-10 relating to PDF fund although ₹ 17.35 lakh remained unutilized in Bank Account. BDO Boxanagar submitted utilization certificate for ₹ 25 lakh received and drawn during 2008-09 as against actual utilization of ₹ 16.68 lakh in connection with MDTW (Medium Deep Tube Well) scheme. Similarly, Executive Engineer, Western Division –I submitted utilization certificate for ₹ 342.96 lakh received during 2007-08 and 2008-09 while ₹ 100.55 lakh was lying in the Bank Account. The Executive Engineer, RD, Northern Division –I submitted utilization certificate for ₹ 284.53 lakh received during 2007-08 and 2008-09 as against actual utilization of ₹ 203.77 lakh.

During the years 2004-05 and 2007-10, a total of ₹ 16.75 crore were placed with 4 implementing agencies (₹ 3.25 crore to Project Director, DRDA, South Tripura in December 2004, ₹ 0.50 crore to Joint Secretary, RDD in December 2007, ₹ 1.50 crore to CEO, TTAADC in December 2007 and ₹ 11.50 crore to Nodal Officer Swavalamban Institute during November 2008 to March 2010) for implementation of different schemes. Against these funds, utilization certificate of only ₹ 0.11 crore was received from one implementing agency (Nodal Officer Swavalamban Institute). The utilization certificate for ₹ 16.64 crore was outstanding from four implementing agencies of which the oldest one (PD, DRDA South) was pending for 66 months as of July 2010.

3.2 Non-submission/delay in submission of accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of the Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions.

The annual accounts of 39 Autonomous Bodies/ Authorities due upto 2009-10 had not been received as on 31 August 2010 by the Accountant General (Audit). The details of these accounts are given in **Appendix 3.1** and their age-wise pendency is presented in **Table 3.2**.

Table 3.2: Age-wise Arrears of Annual Accounts due from Autonomous Bodies

Sl. No.	Delay in Number of Years	No. of the Bodies/ Authorities
1.	0 – 1	12
2.	1 – 3	4
3.	3 – 5	7
4.	5 – 7	Nil
5.	7 – 9	Nil
6.	9 & above	16

Out of 39 Autonomous Bodies/ Authorities, annual accounts of 16 bodies were outstanding for more than 9 years, of which 15 were outstanding since inception. The accounts of Tripura Scheduled Castes Development Corporation Limited were in

arrears since 1998-99. None of the Grantee Bodies/ Authorities furnished the information about the amounts of grants received during the year 2009-10.

3.3 Delay in submission of Accounts/Audit Reports of Autonomous Bodies

Several Autonomous Bodies have been set up by the State Government in the field of Education, Industries, Housing, Tribal Areas etc. A large number of these Bodies are audited by the Comptroller and Auditor General of India (CAG) with regard to the verification of their transactions, operational activities and accounts, conduct of regulatory compliance audit of all transactions, review of internal management and financial control, etc. The audit of accounts of five Bodies in the State has been entrusted to the CAG. The status of rendering of accounts to Audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature are indicated in **Appendix 3.2**. Delay in placement of SARs in the Legislature after issuing them is summarised in **Table 3.3**.

Table 3.3: Delay in submission / placement of Separate Audit Reports

Sl. No.	Name of the Autonomous Bodies	Year of SAR	Date of issue	Date of placement in the Legislature	Delay in submission to the Legislature
1.	Tripura Board of Secondary Education	1998-99 to 2001-02	26.4.2010	Not yet placed	-
2.	Tripura Housing and Construction Board	1990-91 to 1992-93	3.7.2007	Not yet placed	More than three years
		1993-94 to 1996-07	3.6.2009	Not yet placed	More than one year
3.	Tripura Khadi and Village Industries Board	1991-92 to 1996-97	21.6.2006	Not yet placed	More than four years
4	Tripura State Legal Service Authority	2003-04 to 2004-05	25.9.2007	-do-	More than two years
		2005-06 to 2006-07	8.4.2008	-do-	-do-
5.	Tripura Tribal Areas Autonomous District Council	1992-93 to 2004-05	31.7.2008	Placed in the Council on 17.8.2009	One year
		2006-07 and 2007-08	4.9.2010	-	-

Table 3.3 shows that two SARs of Tripura Housing and Construction Board pertaining to the period 1990-91 to 1992-93 and 1993-94 to 1996-07 had not yet been placed in the State Legislature even after a lapse of over one year to three years from the date of issue while the SAR in respect of Tripura Khadi and Village Industries Board for the period 1991-92 to 1996-97 has not been placed in the Legislature even after being issued four years back. Information on submission of SARs in respect of two Autonomous Bodies (i.e. Tripura Tribal Areas Autonomous District Council and

Tripura State Legal Service Authority) pertaining to the period 2005-06 to 2006-07 and 2003-04 to 2006-07 respectively were awaited. The reasons for the delay in submission/placement of the SARs in the Legislature were also not intimated.

Thus, non-placement of the Audit Reports, relating to the Autonomous Bodies, in the legislature violates the statutory provision of informing the legislature about the financial activities and status on year to year basis.

3.4 Misappropriation, loss, defalcation, etc.

As reported (September 2010), there were five cases of misappropriation, involving Government money amounting to ₹ 2.48 crore as on 31 March 2010, relating to the Rural Development and Health and Family Welfare Departments, on which final action was pending. Another two cases of loss involving ₹ 3.10 lakh, were pointed out in audit and reported to the Government/Departments through Inspection Reports during the year 2009-10 for necessary action. Their replies had not been received as on 31 August 2010. The Department-wise break-up is given in **Table 3.4**.

Table 3.4: Department-wise break-up of misappropriations, losses, etc.

Name of Department	Misappropriation		Loss	
	No. of cases	Amount	No. of cases	Amount
Rural Development Department	3	49.80	-	-
Health and Family Welfare Department	2	197.96	-	-
Agriculture Department	-	-	1	0.19
Revenue Department	-	-	1	2.91
Total :	5	247.76	2	3.10

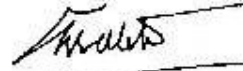
As per information furnished by the Education (School) Department, there were 5 cases of misappropriation involving ₹ 16.12 lakh upto the end of March 2009 for which the Departmental proceedings were pending till date of reporting (May 2010).

Thus, the cases of misappropriation and defalcation should be investigated forthwith to bring the defaulters to book which in turn would also have a deterrent effect on the system.

3.5 Conclusion and Recommendation

Foregoing discussion discloses deficiencies in not furnishing Utilisation Certificates in time against grants/loans received, non-furnishing of detailed information about financial assistance received by various Institutions and non-submission of accounts in time. There were also delays in placement of Separate Audit Reports to Legislature and huge arrears in finalisation of accounts by the Autonomous Bodies/Authorities. Besides, cases of misappropriation and losses indicated inadequacy of controls in the departments. There is a need to ensure that the audit reports of the Autonomous Bodies are placed in legislature on time.

Departmental enquiries in all misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases and to bring accountability in the system.



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