

CHAPTER – III : Financial Reporting

A sound internal financial reporting with relevant and reliable information significantly contributes to the efficient and effective governance by the State Government. Thus, compliance to financial rules, procedures and directives and the timeliness and quality of reporting on the status of such compliances is one of the attributes of good governance. 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 compliance to various financial rules, procedures and directives during the current year.

3.1 Utilization Certificates

In respect of Grants sanctioned for specific purposes, concerned Departmental officers are required to obtain Utilization Certificates (UCs) from grantees, which are to be forwarded to the Accountant General, after verification. However, for Grants-in-aid paid up to 2011-12, 236 UCs for an aggregate amount of ₹ 412.48 crore were awaited. During 2012-13, 139 UCs for an aggregate amount of ₹ 256.97 crore were awaited. A Department-wise analysis of the same is shown in the Table below.

Table-3.1
Department-wise outstanding Utilization Certificates (UCs) during 2012-13

Sl No.	Department	No of UCs Outstanding	Amount Involved (₹ in crore)
1.	Director, Arts & Culture	50	3.74
2.	Director, Industries	03	1.74
3.	Director, Sports & Youth Affairs	04	2.56
4.	Director, School Education	17	8.60
5.	Director, Higher Education	04	0.69
6.	Director General of Police	09	24.51
7.	Director, Panchayat	07	22.90
8.	Director, Textiles & Handicrafts	05	22.98
9.	Director, Information Technology	02	1.12
10.	Registrar, Co-operative Societies	02	0.65
11.	Director, Health Services	08	10.80
12.	Director, Disaster Management	-	141.95
13.	Director, Science & Technology	19	9.90
14.	Director, Social Welfare, Women & Child Development	02	0.70
15.	Principal Chief Conservator of Forests	01	0.35
16.	Director, Tourism	02	3.09
17.	Director, Urban Development & Housing	01	0.42
18.	Manager, GSF, Sonajoli	01	0.70
Total		139	256.97

3.2 Non-submission/Delay in Submission of Accounts

In order to identify 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 Departments are required to furnish to Audit every year detailed information regarding financial assistance given to various Institutions, purposes of the assistance granted and the total expenditure of the Institutions.

The Annual Accounts of 25 Autonomous Bodies/Authorities due up to 2012-13 have still not been received by the Accountant General as on December 2013. Details of these accounts are given in **Appendix 3.1**, and their age-wise pendency is presented in the Table below.

Table-3.2

Sl. No.	Delay (in Years)	Number of Bodies/Authorities from whom Annual Accounts are awaited
1.	0 – 1	-
2.	1 – 3	04
3.	3 – 5	16
4.	5 – 7	-
5.	7 – 9	04
6.	9 and above	01

Out of 25 Bodies/Authorities, Annual Accounts in respect of 1 organization, viz., Donyi Polo Mission, Itanagar, was outstanding for 10 years.

3.3 Conclusion and Recommendations

The State Government's compliance to various rules, procedures and directives was unsatisfactory as evident from delays in furnishing Utilization Certificates for Grants given to/by a Department. Regarding losses and misappropriation, the information was still awaited from the Finance Department.

Internal Control in all Departments/Organizations should be strengthened to prevent the above deficiencies.

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