

## CHAPTER VII : FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

### 7.1 Grants

7.1.1 Autonomous bodies and authorities are set up to discharge generally non-commercial functions of public utility services. These bodies/authorities by and large receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc. to implement certain programmes of the State Government. The grants were intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

7.1.2 Based on available information, financial assistance of Rs.180.89 crore was paid during 2001-2002 to various autonomous bodies and others, broadly grouped as under:-

Nature of Institutions	Amount of assistance paid (Rupees in crore)	
	2000-2001	2001-2002
1. Universities and Educational Institutions	122.14	127.51
2. Co-operative Societies	1.43	2.05
3. District Councils	5.32	5.27
4. Municipalities	3.80	2.25
5. Other Institutions	52.67	43.81
<b>Total</b>	<b>185.36</b>	<b>180.89</b>

### 7.2 Delay in submission of accounts

7.2.1 In order to identify the institutions which attract audit under Section 14/15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (Act, 1971), Government/Heads of Departments are required to furnish to Audit every year detailed information

about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Information for the year 2001-2002 called for in May 2002 from eight departments<sup>(a)</sup> was awaited as of October 2002.

7.2.2 The audit of accounts of the Meghalaya Khadi and Village Industries Board, Shillong under Section 19 (3) of the Act, 1971 was entrusted to the Comptroller and Auditor General of India up to 2004-2005. The Board had not submitted the accounts for the year 2000-2001 and 2001-2002.

### **7.3 Audit arrangement**

7.3.1 The primary audit of local bodies, educational institutions and others is conducted by the Examiner of Local Accounts. Audit of Co-operative Societies is conducted by the Internal Auditor of the Registrar of Co-operative Societies.

7.3.2 Of the 23 bodies/authorities whose accounts (position of grants and expenditure) for 2000-2001 were received, the accounts of 13 bodies/authorities attracted audit under Section 14 of Act, 1971. Of these, the audit of three bodies has already been completed.

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<sup>(a)</sup> Education, Health & Family Welfare, Social Welfare, Co-operation, Information & Public Relation, Supply, Industries and Urban Affairs Departments.