

CHAPTER VI - FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1 Grants

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 are 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.

Based on available information, financial assistance of Rs.154.09 crore was paid during 2002-03 to various autonomous bodies and others, broadly grouped as under:

Table 6.1

Nature of Institutions	Amount of assistance paid (Rupees in crore)	
	2001-02	2002-03
1. Universities and Educational Institutions	127.51	129.93
2. Co-operative Societies	2.05	1.54
3. District Councils	5.27	0.21
4. Municipalities	2.25	1.66
5. Other Institutions	43.81	20.75
Total	180.89	154.09

6.2 Delay in submission of accounts

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 2002-03 called for in April 2003 from 10 departments^(a) was awaited as of October 2003.

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 2004-05. The Board had not submitted the accounts for the years 2000-01 to 2002-03.

6.3 Audit arrangement

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.

Of the 25 bodies/authorities whose accounts (position of grants and expenditure) for 2001-02 were received, the accounts of 15 bodies/authorities attracted audit under Section 14 of Act, 1971. Of these, the audit of four bodies has already been completed.

^(a) Sericulture and Weaving, Agriculture, Education, Health & Family Welfare, Industries, Urban Affairs, Economics & Statistics, Information & Public Relation, Printing & Stationery and Housing Departments.