

CHAPTER - VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

SECTION – B – PARAGRAPHS

6.1 Extent of assistance

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, 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.

During 2002-03 financial assistance of Rs.98.18 crore was paid to various autonomous bodies and others as compared to Rs.58.63 crore paid in 2001-02 as shown below:

Table 6.1

(Rupees in crore)

Name of Institutions/authorities	Amount of assistance paid	
	2001-02	2002-03
1. Universities and Educational Institutions	Nil	35.75
2. District Councils	50.03	52.76
3. Mizofed/Consumer co-operative societies	0.09	0.15
4. Others	8.51	9.52
Total:	58.63	98.18

6.2 Delay in submission of accounts

In order to identify the institutions which attract audit under Section 14/15 of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971,

Government is 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 was called for in April 2003 from 20 institutions, but the reply was awaited from three institutions as of September 2003.

The status of submission of accounts by autonomous bodies covered under Section 19(3) of the Act and submission of Audit Reports thereon to the State Legislature as of September 2003 is given below:

Table 6.2

Sl. No.	Name of Body	Accounts due	Year upto which Accounts submitted	Audit Reports issued	Reasons for non-finalisation of Audit Reports	Year upto which Audit Reports placed before Legislature
1.	Mizoram Khadi & Village Industries Board, Aizawl	2002-03	2001-02	2000-01	Due to delay in submission of accounts	Upto 1997-98 and information regarding placement of Audit Report for the years 1998-99, 1999-2000 and 2000-01 is still awaited.

The audit of accounts of the following body has been entrusted to the Comptroller and Auditor General of India for a period of five years as detailed below:

Table 6.3

Sl. No.	Name of Body	Period of entrustment	Date of entrustment
1.	Mizoram Khadi & Village Industries Board, Aizawl.	2001-02 to 2005-06	10 May 2001

6.3 Audit arrangement

The primary audit of local bodies (Zilla Parishads, Nagar Palikas, Town area/ Notified Area Committee), 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 29 bodies/authorities whose accounts for 2001-02 were received, the accounts of 11 bodies/authorities attracted audit under Section 14 and one unit under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Of these, the audit of three bodies/authorities has already been completed (September 2003).