

CHAPTER - VII FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

SECTION: B

7.1 Assistance to autonomous bodies and others

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 sanctioned and released to such bodies and authorities for maintenance of educational institutions, industrial institutions construction and maintenance of school and hospital buildings, improvement of roads and other communication facilities under Town Committees and local bodies.

During 1999-2000, financial assistance of Rs.31.94 crore was paid to various autonomous bodies and other institutions broadly grouped as under:-

Serial Number	Name of institutions	Amount of assistance paid (Rupees in crore)
1.	Village Development Boards	11.26
2.	Industrial institutions	5.15
3.	Town Committees	0.73
4.	Co-operative Societies	0.17
5.	Development authority	2.31
6.	Non-Government Schools/Colleges and Institutions	0.42
7.	Other Institutions	11.90
	Total:-	31.94

7.2 Delay in furnishing utilisation certificates

The financial rules of Government require that, where grants are given for a specific purpose, certificates of utilisation should be obtained by the departmental officers from the grantees, and after verification, these should be forwarded to the Accountant General within one year from the date of sanction, unless specified otherwise.

Of the 14,291 utilisation certificates due in respect of grants aggregating Rs.132.26 crore paid during the period 1967-68 to 1999-2000 only 11,062 utilisation certificates for Rs.52.95 crore had been furnished by 30 September 2000, and 3,229 utilisation certificates for an aggregate amount of Rs.79.31 crore were in arrears. Department-wise break-up of outstanding utilisation certificates was as under:-

Serial Number	Department	Period	Number of certificates	Amount (Rupees in crore)
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1.	Industries	1986-87 to 1999-2000	35	*18.74
2.	School Education	1982-83 to 1999-2000	644	*27.28
3.	Co-operation	1967-68 to 1999-2000	286	6.03
4.	Rural Development	1980-81 to 1999-2000	2,255	**20.34
5.	Director of Agriculture	1999-2000	9	6.92
	Total:-		3,229	79.31

* The position of utilisation certificates outstanding was as per last year's position as the information upto (September 2000) is awaited (February 2001).

** The position of outstanding utilisation certificates was only for the grants upto 1993-94. Information for subsequent years is awaited (February 2001).

7.3 Delay in submission of accounts

In order to identify the institutions which attract audit under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, Government and 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 years 1995-96 to 1999-2000 was awaited from the Finance Department of the Government (February 2001).

7.4 Audit arrangements

7.4.1 Under section 14 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971, the accounts of any Body or Authority which is substantially financed, by Government grants or loans, are to be audited by the Comptroller and Auditor General of India. A Body or Authority is said to be substantially financed, if the amount of Government grant or loan is not less than Rs.25 lakh, and the amount of such grant or loan is not less than 75 *per cent* of the total expenditure of that Body or Authority. The following six Authorities/Bodies received Rs.37.22 crore as grants/loans from the Government of India/State Government during 1998-99 and 1999-2000.

(Rupees in crore)

SI No.	Name of Body/Authority	Source of Funds	Amount of grant/loan	
			1998-99	1999-2000
1.	Nagaland University	Govt. of India	10.49	22.93
2.	Development Authority, Dimapur	Govt. of Nagaland	1.20	1.00
3.	Nagaland Board of School Education	-do-	0.80	0.80
4.	Nagaland State Social Welfare	Govt. of India & Govt. of	Information not	

	Advisory Board, Kohima.	Nagaland	furnished (February 2001)
5.	District Rural Development Agencies	Govt. of India and Govt. of Nagaland	
6.	North East Zone Cultural Centre, Dimapur	-do-	

7.4.2 Nagaland Khadi and Village Industries Board, Kohima is a Statutory Corporation formed under an Act passed by the State Legislature. During 1996-97 and 1997-98, the Board received Rs.1.55 crore and Rs.1.46 crore respectively, from the Government of Nagaland. Details of loans/grants received during 1996-97 from the Khadi and Village Industries Commission, had not been made available. The Board has finalised its accounts upto 1987-88 only. Information regarding finalisation of accounts from 1998-89 onwards is still awaited (February 2001).