

CHAPTER VII
FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

SECTION: B-PRAGRAPHS

Assistance to autonomous bodies and others

7.1 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 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.

7.1.1 During 2000-01, financial assistance of Rs.19.12 crore was paid to various autonomous bodies and other institutions broadly grouped as under:-

Table No.7.1

Serial Number	Name of institutions	Amount of assistance paid (Rupees in crore)
1.	Village Development Boards	12.51
2.	Industrial institutions	3.12
3.	Town Committees	0.80
4.	Co-operative Societies	0.17
5.	Development authority	0.50
6.	Non-Government Schools/Colleges and Institutions	0.94
7.	Other Institutions	1.08
	Total:-	19.12

Source: Detailed Appropriation Accounts

Delay in furnishing utilisation certificates

7.2 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.

7.2.1 3238 utilisation certifications due in respect of grants aggregating to Rs.82.80 crore paid during the period from 1967-68 to 2000-01 had not been furnished. Department-wise break-up of outstanding utilisation certificates was as under:-

Table No.7.2

Serial Number	Department	Period	Number of certificates	Amount (Rupees in crore)
1.	Industries & Commerce	1986-87 to 2000-01	35	*18.74
2.	School Education	1982-83 to 2000-01	644	*27.28
3.	Co-operation	1967-68 to 2000-01	286	6.03
4.	Rural Development	1980-81 to 2000-01	2,255	**20.34
5.	Agriculture	1999-2000 & 2000-01	9	*6.92
6.	Veterinary & Animal Husbandary	2000-01	9	3.49
	Total:-			82.80

Source: Based on Departmental letter

Delay in submission of accounts

7.3 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 2000-01 was awaited from the Finance Department of the Government (January 2002).

Audit arrangements

7.4 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.24.73crore as grants/loans from the Government of India/State Government in 1999-2000. Information for the year 2000-01 has not been furnished by the department as of December 2001.

* The position of utilisation certificates outstanding was as per last year's position as the information upto (September 2001) is awaited (January 2002).

** The position of outstanding utilisation certificates was only for the grants upto 1993-94. Information for subsequent years is awaited (January 2002).

Table No.7.3

Sl No.	Name of Body/Authority	Source of Funds	Amount of grant/loan	
			1999-2000	2000-01
			(Rupees in crore)	
1.	Nagaland University	Govt. of India	22.93	@
2.	Development Authority, Dimapur	Govt. of Nagaland	1.00	
3.	Nagaland Board of School Education	-do-	0.80	
4.	Nagaland State Social Welfare Advisory Board, Kohima.	Govt. of India & Govt. of Nagaland	@	
5.	District Rural Development Agencies	Govt. of India and Govt. of Nagaland		
6.	North East Zone Cultural Centre, Dimapur	-do-		

7.4.1 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 1988-89 onwards is still awaited (January 2002).

@ Information not furnished (January 2002) by the organisation