

CHAPTER VII FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

GENERAL

7.1 Assistance to autonomous bodies and others

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 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.

7.1.2 During 2001-02, financial assistance of Rs.15.76 crore was paid to various autonomous bodies and other institutions broadly grouped as under:-

Table No.7.1 (Rupees in crore)

Serial Number	Name of institutions	Amount of assistance paid
1.	Village Development Boards	2.54
2.	Industrial institutions	8.67
3.	Town Committees	0.85
4.	Co-operative Societies	1.43
5.	Development authority	0.13
6.	Non-Government Schools/Colleges and Institutions	0.65
7.	Other Institutions	1.49
	Total:-	15.76

Source: Detailed Appropriation Accounts

7.2 Delay in furnishing utilisation certificates

7.2.1 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.

7.2.2 3241 utilisation certifications due in respect of grants aggregating to Rs.79.33 crore paid during the period from 1967-68 to 2001-02 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 2001-02	35	*18.74
2.	School Education	1982-83 to 2001-02	644	*27.28
3.	Co-operation	1967-68 to 2001-02	286	6.03
4.	Rural Development	1980-81 to 2001-02	2255	**20.34
5.	Agriculture	1999-2000 & 2001-02	9	*6.92
6.	Social Security and Welfare	2001-02	1	0.01
7.	Art and Culture	2001-02	11	0.01
	Total:-		3241	79.33

Source: Based on departmental figures

7.2.3 Due to non-receipt of utilisation certificate, it was not possible to ascertain whether the recipients had utilised the grants for the purpose (s) for which these were intended.

7.3 Delay in submission of accounts

7.3.1 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 2001-02 was awaited from the Finance Department of the Government (February 2003).

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 seven Authorities/Bodies received Rs.200.55 crore as grants/loans from the Government of India/state Government during 2000-01 and 2001-02.

* The position of utilisation certificates outstanding was as per last year's position as the information upto (September 2002) is awaited (February 2003).

** The position of outstanding utilisation certificates was only for the grants upto 1993-94. Information for subsequent years is awaited (February 2003).

Table No.7.3

Sl No.	Name of Body/Authority	Source of Funds	Amount of grant/loan	
			2000-01	2001-02
			(Rupees in crore)	
1.	Nagaland University	Govt. of India & Govt. of Nagaland	17.56	@
2.	Development Authority, Dimapur	Govt. of Nagaland	1.00	0.85
3.	Nagaland Board of School Education	-do-	0.80	1.05
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	5.99	11.03
6.	North East Zone Cultural Centre, Dimapur	-do-	86.48	72.69
7.	Nagaland Khadi and Village Industries Board, Kohima	Govt. of Nagaland	1.80	1.30

Source: Based on departmental figures

7.4.2 Nagaland Khadi and Village Industries Board, Kohima is a Statutory Corporation formed under an Act passed by the State Legislature. During 2000-01 and 2001-02, the Board received Rs.1.20 crore and Rs.2.00 crore respectively, from the Government of Nagaland. Details of loans/grants received from the Khadi and Village Industries Commission had not been made available. The Board has finalised its accounts from 1988-89 to 1999-2000.

@ Information not furnished (February 2003) by the organisation
* One unit only