

CHAPTER-VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1 Introduction

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 Sikkim State Co-operative Societies Act, Registration of Companies Act, Sikkim, 1961, 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

7.1.2 During 2000-2001, financial assistance of Rs.14.48 crore was released to various autonomous bodies and others, broadly grouped as under:

Table-7.1

Sl. No.	Name of institutions	Amount of assistance paid (Rupees in crore)
1.	Universities and Educational Institutions	2.10
2.	Zilla Parishad and Panchayati Raj Institutions	1.07
3.	Development Agencies	9.39
4.	Hospitals and other Charitable Institutions	0.35
5.	Other Institutions	1.57
	TOTAL	14.48*

* *The total figure of Rs.14.48 crore is based on departmental figures. It differs with the figure of Rs 8.39 crore shown in the Detailed Appropriation Accounts 2000-01 of the State Government. The difference is under reconciliation.*

7.2 Delay in furnishing utilisation certificates

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

7.2.2 Of the 178 utilisation certificates due in respect of grants and loans aggregating Rs.14.48 crore paid during the period 2000-2001, only 42 certificates for Rs.9.14 crore had been received by the grant releasing departments by 30 September 2001 and 136 certificates for an aggregate amount of Rs.5.34 crore were in arrears. Department-wise break-up of outstanding utilisation certificates was as follows:

Table-7.2

Department	Number of certificates	Amount (Rupees in lakh)
Social Welfare	03	0.40
Rural Development	13	122.60
Ecclesiastical	13	45.20
Art and Culture	35	32.28
Sports and Youth Affairs	09	2.59
Women and Child Welfare	01	10.00
Co-operation	24	229.25
Tourism	24	56.37
Agriculture	05	29.55
Health	08	4.37
Irrigation	01	1.58
TOTAL	136	534.19

7.3 Delay in submission of accounts

7.3.1 In order to identify the institutions which attract Audit under Section 14/15 of the Comptroller and Auditor General's (DPC) 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 the assistance was sanctioned and the total expenditure of the institutions. Information for the year 2000-01 called for (August/September 2001) from 28 Departments of Government/Heads of Departments, was furnished by all the Departments/Heads of Departments.

7.4 Audit arrangement

7.4.1 The Audit of accounts of the following bodies had been entrusted to the Comptroller and Auditor General of India for a period of five years as detailed below:

Table-7.3

Sl. No.	Name of body	Period of entrustment	Date of entrustment
1.	Sikkim Khadi and Village Industries Board	2000-01 to 2004-2005	15 December 1999
2.	Sikkim Co-operative Milk Producers' Union Limited	1998-99 to 2002-2003	17 September 1998

7.4.2 The primary audit of local bodies (Zilla Parishad, Panchayat Raj Institutions), Educational Institutions and others is conducted by the State Government. The audit of Co-operative Societies is also conducted by the State Government. Only 2 bodies/authorities attracted Audit under Section 20 (1) of the Comptroller and Auditor General's (DPCS) Act 1971 as below:

Table-7.4

Sl. No.	Name of body	Annual accounts received upto	Annual accounts audited upto
1	Sikkim Khadi and Village Industries Board	1994-1995	1994-1995
2	Sikkim Co-operative Milk Producers' Union Limited	1999-2000	1998-1999

7.4.3 Against the 8 Institutions which attracted Audit under Section 14 of the Comptroller and Auditor General's (DPCS) Act 1971, the position of accounts audited as of September 2001 was as below:

Table-7.5

Sl. No.	Name of Body	Annual accounts finalised upto	Annual accounts audited
1	Tashi Namgyal Academy	1999-2000	1999-2000
2	Paljor Namgyal Girls Senior Secondary School	1999-2000	1999-2000
3	Sikkim Rural Development Agency	1999-2000	1999-2000
4	Sikkim Research Institute of Tibetology	1999-2000	1999-2000
5	Sikkim Higher & Nyingma Studies	2000-2001	2000-2001
6	Sikkim State Illness Assistance Fund Association	Accounts not prepared	-
7	Institute of Hotel Management and Hotel Mount Jopuno	1998-1999	1998-1999
8	State Urban Development Agency	Accounts not prepared	-