

CHAPTER III FINANCIAL REPORTING

A sound internal financial reporting with relevant and reliable information significantly contributes to the efficient and effective governance by the State Government. The compliance to financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliances is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government to meet its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government on the compliance of various financial rules, procedures and directives during the current year.

3.1 Utilisation Certificates

Rule 151 (1) of General Financial Rules provides that Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within 18 months from the date of their sanction unless specified otherwise in respect of grants provided for specific purposes. However, of the 2,319 UCs due in respect of grants and loans aggregating Rs.345.13 crore paid up to 2008-09, 1,854 UCs (80 per cent) for an aggregate amount of Rs.196.74 crore were in arrears as of August 2009. The department-wise break-up of outstanding UCs is given in the **Table 3.1**.

Table 3.1: Department-wise arrears of Utilisation Certificates

(Rupees in crore)

Sl. No.	Name of the Department	Year	Total grant paid		Utilisation Certificates outstanding as of August 2009	
			No. of cases	Amount	No. of certificates	Amount
1.	Education	2007-08	8	2.11	Nil	Nil
		2008-09	Nil	Nil	Nil	Nil
2.	Urban Development	2007-08	81	22.79	Nil	Nil
		2008-09	59	59.24	59	59.24
3.	Panchayati Raj	2007-08	98	55.17	Nil	Nil
		2008-09	1623	60.00	1623	60.00
4.	Welfare of SC, ST and OBC	2007-08	278	68.32	Nil	Nil
		2008-09	172	77.50	172	77.50
Total :			2,319	345.13	1,854	196.74

Out of total grant of Rs.345.13 crore provided to the above four departments for various purposes, UCs for Rs.148.38 crore relating to 465 bills, pertaining to the year 2007-08 were received by 31 August 2009. Grants-in-aid of Rs.196.74 crore drawn in 1,854 bills was paid to three departments viz, (i) Welfare of SC, ST and OBC (Rs.77.50 crore), (ii) Panchayati Raj Institutions (Rs.60.00 crore) and (iii) Urban Development Department (Rs.59.24 crore), but the UCs (1,854 Nos.) were outstanding as on 31 August 2009.

3.2 Non-submission/delay in submission of accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of the Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions.

The annual accounts of 41 Autonomous Bodies/ Authorities due upto 2008-09 had not been received as on 30 September 2009 by the Accountant General (Audit). The details of these accounts are given in **Appendix 3.1** and their age-wise pendency is presented in **Table 3.2**.

Table 3.2: Age-wise Arrears of Annual Accounts due from Autonomous Bodies

Sl. No.	Delay in Number of Years	No. of the Bodies/ Authorities	Grants Received (Rs. in lakh)
1.	0 – 1	3	NA
2.	1 – 3	3	NA
3.	3 – 5	8	119.52
4.	5 – 7	8	NA
5.	7 – 9	1	NA
6.	9 & above	18	93.96

Out of 41 Autonomous Bodies/Authorities, annual accounts of 18 bodies were outstanding for more than 9 years, of which 16 were outstanding since inception. The accounts of 3 Autonomous Bodies *viz*, (i) Tripura Scheduled Castes Development Corporation, (ii) Pragati Bidya Bhavan (Higher Secondary School and Pragati Junior Girls School), Agartala and (iii) Ramthakur Pathshala (Higher Secondary School), Agartala were in arrears for 11 to 13 years. Out of these three Bodies, information on the grants received during 2008-09 was available only for one Institution, *viz*, Pragati Bidya Bhavan, Agartala (Rs.93.96 lakh). The accounts of Tripura Sports Council, which received Rs.119.52 lakh during 2008-09, were pending from 2004-05 to 2008-09.

3.3 Delays in submission of Accounts/Audit Reports of Autonomous Bodies

Several Autonomous Bodies have been set up by the State Government in the field of Education, Industries, Housing Boards, Tribal Areas etc. A large number of these Bodies are audited by the Comptroller and Auditor General of India (CAG) with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions scrutinised in audit, review of internal management and financial control, review of system and procedures etc. The audit of accounts of five Bodies in the State has been entrusted to the CAG. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature are indicated in **Appendix 3.2**. Delay in placement of SARs in the Legislature after issuing them is summarised in **Table 3.3**.

Table 3.3: Delay in submission / placement of Separate Audit Reports

Sl. No.	Name of the Autonomous Bodies	Year of SAR	Date of issue	Date of placement in the Legislature	Delay in submission to the Legislature
1.	Tripura Board of Secondary Education	1991-92 to 1992-93	26.3.2002	26.2.2004	2 years
		1993-94 to 1997-98	15.4.2004	1.10.2004	Over 5 months
2.	Tripura Housing and Construction Board	1990-91 to 1992-93	3.7.2007	Not yet placed	
		1993-94 to 1996-07	3.6.2009	Not yet placed	
3.	Tripura Khadi and Village Industries Board	1991-92 to 1996-97	21.6.2006	Not yet placed	
4.	Tripura State Legal Service Authority	1999-2000 to 2002-03	29.4.2004	17.3.2005	Over 10 months
		2003-04 to 2004-05	25.9.2007	NA	
		2005-06 to 2006-07	8.4.2008	NA	
5.	Tripura Tribal Areas Autonomous District Council	1992-93 to 2004-05	31.7.2008	17.8.2009	1 year

Table 3.3 shows that SAR pertaining to the period 1991-1993 in respect of Tripura Board of Secondary Education was placed in the Legislature after a lapse of about two years while the SAR for the period 1993-94 to 1997-98 was placed after a lapse over five months from the date of issue. The SAR in respect of Tripura State Legal Service Authority for the period 1999-2000 to 2002-03 was placed after a lapse of over 10 months while in respect of the SAR for the period 2003-04 to 2006-07 the date of placement was not on record. Two SARs of Tripura Housing and Construction Board for the period 1990-91 to 1992-93 and 1993-94 to 1996-07 had not yet been placed in the State Legislature even after a lapse of over four months to two years from the date of issue. The reasons for the delay in submission/placement of the SARs in the Legislature were not on record.

3.4 Misappropriations, losses, defalcations, etc.

As reported (September 2009), there were seven cases of misappropriations, defalcation etc. involving Government money amounting to Rs.0.44 crore as on 31 March 2009, relating to the Food, Civil Supplies and Consumers Affairs Department, on which final action was pending.

20 cases of misappropriations, defalcations, losses etc. involving Rs.3.98 crore was pointed out in audit and reported to the Government/Departments through Inspection

Reports upto 2008-09 for necessary action. Their reply had not been received as on 30 September 2009. The department-wise break-up is given in **Table 3.4**.

Table 3.4: Department-wise break-up of misappropriations, losses, defalcations, etc.

(Rupees in lakh)

Sl. No.	Name of the Department	Number of cases	Amount
1.	Forest	13	196.93
2.	Revenue	1	0.85
3.	Animal Resources Development	1	0.73
4.	Health and Family Welfare	3	198.38
5.	Agriculture	2	1.45
	Total :	20	398.34

3.5 Conclusion and Recommendation

Foregoing discussion discloses deficiencies in not furnishing utilisation certificates in time against grants/loans received, non-furnishing of detailed information about financial assistance received by various Institutions and non-submission of accounts in time. There were also delay in placement of Separate Audit Reports to Legislature and huge arrears in finalisation of accounts by the Autonomous Bodies/Authorities. Besides, cases of misappropriation and losses indicated inadequacy of controls in the departments.

Departmental enquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases.

Agartala
The 2010

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