

**CHAPTER - III**  
**FINANCIAL REPORTING**

## CHAPTER – III : Financial Reporting

A sound Internal Financial Reporting with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Thus, compliance to financial rules, procedures and directives and the timeliness and quality of reporting on the status of such compliances is one of the attributes of good governance. 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 compliance to various financial rules, procedures and directives during the current year.

### 3.1 Utilization Certificates

In respect of Grants sanctioned for specific purposes, concerned Departmental officers are required to obtain Utilization Certificates (UCs) from grantees, which are to be forwarded to the Accountant General, after verification. During 2013-14, 148 UCs for an aggregate amount of ₹ 310.05 crore were outstanding, of which 139 UCs for an aggregate amount of ₹ 256.97 crore for Grants-in-Aid paid up to 2012-13 were awaited. A Department-wise analysis of the same is shown in the **Table 3.1** below.

**Table-3.1**

**Department-wise outstanding Utilization Certificates (UCs) during 2013-14**

Sl. No.	Department	(₹ in crore)	
		No. of UCs Outstanding	Amount Involved
1.	Director, Panchyat	11	36.48
2.	Director General of Police	10	23.34
3.	Director, School Education	13	34.83
4.	Director, Sports & Youth Affairs	11	4.79
5.	Director, Higher Education	07	12.55
6.	Director, Health Services	08	5.63
7.	Chief Engineer, PHED	02	24.92
8.	Director, Town Planning	10	8.02
9.	Director, Disaster Management	08	137.36
10.	Director, Social Welfare	21	2.99

Sl. No.	Department	No. of UCs Outstanding	Amount Involved
11.	Director, Agriculture	01	0.87
12.	Director, Fisheries	04	0.87
13.	Director, Textiles & Handicrafts	06	3.46
14.	Director, Tourism	01	5.00
15.	Director, Information Technology	34	8.53
16.	Director, Urban Development & Housing	01	0.41
<b>TOTAL</b>		<b>148</b>	<b>310.05</b>

### 3.2 Non-submission/Delay in Submission of Accounts

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

The Annual Accounts of 25 Autonomous Bodies/Authorities due up to 2012-13 have still not been received by the Accountant General as on December 2014. Details of these accounts are given in **Appendix 3.1**, and their age-wise pendency is presented in the Table below.

**Table - 3.2**

Sl. No.	Delay (in Years)	Number of Bodies/Authorities from whom Annual Accounts are awaited
1.	0 – 1	-
2.	1 – 3	02
3.	3 – 5	12
4.	5 – 7	06
5.	7 – 9	-
6.	9 and above	05


Out of the 25 Bodies/Authorities, Annual Accounts in respect of one Organization viz., Donyi Polo Mission, Itanagar, was outstanding for 11 years.

### 3.3 Conclusion and Recommendations

Compliance of the State Government to various rules, procedures and directives was unsatisfactory as evident from delays in furnishing Utilization Certificates for Grants given to/by a Department. Regarding losses and misappropriation, the information was still awaited from the Finance Department.

*Internal Control in all Departments/Organizations should be strengthened to prevent the above deficiencies.*


Place: **Itanagar**  
Dated: the



(S. A. Bathew)  
Accountant General  
Arunachal Pradesh

Countersigned

Place: **New Delhi**  
Dated: the



(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India