

Sound internal financial reporting with relevant and reliable information significantly contributes to efficient and effective governance by a State Government. Compliance with 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 in meeting its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the Delhi Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing Utilisation Certificates

Departmental officers are required to obtain certificate of utilization (UCs) of grants from the grantee, i.e., statutory bodies, non-governmental institutions etc, indicating that the grants had been utilised for the purpose for which these were sanctioned and where grants were conditional, the prescribed conditions had been fulfilled. According to the information furnished by the Pr. PAO, Delhi Government the age-wise delay in submission of UCs is summarized below in **Table 3.1**.

Table 3.1: Age-wise arrears in submission of Utilisation Certificates

(Amount : ₹ in crore)

Sl. No.	Range of delayed number of years	Total grants released		Utilization Certificates Outstanding	
		Number	Amount	Number	Amount
1.	0-2	476	5195.55	392	3043.28
2.	2-4	1321	2057.68	1303	2027.37
3.	4-6	218	969.78	200	960.34
4.	6-8	217	1875.67	200	1874.68
5.	8-10	200	781.79	200	781.79
6.	10 & above	1867	2994.70	1867	2994.70
	Total	4299	13875.17	4162	11682.16

From the above table, it would be seen that 4299 number of grants amounting to ₹ 13875.17 crore were given till 31 March 2009. Out of 4299 grants, 4162 UCs amounting to ₹ 11682.16 crore were awaited from various departments at the end of March 2010. Out of 4162 outstanding UCs, 1867 UCs (43 per cent) amounting to ₹ 2994.70 crore were due for more than 10 years.

The major defaulter was the Urban Development Department contributing ₹ 11370.85 crore (97 per cent) of the arrears. In turn Municipal Corporation of Delhi, Delhi Vidyut Board, Delhi Jal Board and New Delhi Municipal Council were the main defaulters of the grants received from Department of Urban Development. Department-wise as well as year-wise position of outstanding UCs is given in **Appendix 3.1**.

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 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 these institutions. The accounts of various bodies/authorities received upto the year 2008-09, attracted audit by the Comptroller and Auditor General of India. Out of seven¹ autonomous bodies under the audit jurisdiction of this office, the annual accounts of five² autonomous bodies/authorities for the year 2008-09 were received and audited during the year 2009-10.

The annual accounts of two autonomous bodies/authorities viz., Delhi Jal Board and Netaji Subhash Institute of Technology (NSIT) due up to 2008-09 had not been received as of March 2010 by the office of Accountant General (Audit). The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

Table 3.2: Age-wise arrears of Annual Accounts due from Delhi Jal Board and NSIT

(₹ in crore)

Sl. No	Delay in Number of Years	No. of Annual Accounts due from		Grants Received (₹ in crore)
		DJB	NSIT	
1.	0-1	1	1	219.65*
2.	1-3	2	2	274.90*
3.	3-5	2	1	138.60*

* Information relating to only Delhi Jal Board is available.

The above table would reveal that in four cases, the delay in submission of annual accounts ranged from one to three years, whereas in three cases the delay ranged between three to five years.

3.3 Delays in submission of Accounts to audit/Delays in tabling of Separate Audit Reports of Autonomous Bodies in Legislature

Several autonomous bodies have been set up by the State Government. A large number of these bodies are audited by the CAG of India with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions, review of internal management and financial control, review of systems and procedures etc. The audit of accounts of various bodies in the State has also been entrusted to the CAG. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports and their placement in the

1 (i) Delhi Development Authority, (ii) Delhi Electricity Regulatory Authority, (iii) Delhi Jal Board (iv) Delhi Kalyan Samiti, (v) Delhi Legal Services Authority, (vi) Guru Gobind Singh Indraprastha University and. (vii) Netaji Subhash Institute of Technology,

2 (i) Delhi Development Authority, (ii) Delhi Electricity Regulatory Authority (iii) Delhi Kalyan Samiti, (iv) Delhi Legal Services Authority and (v) Guru Gobind Singh Indraprastha University

Legislature are indicated in **Appendix 3.3**. The frequency distribution of autonomous bodies according to the delays in submission of account to audit and placement of Separate Audit Reports in the legislature after the entrustment of Audit to CAG is summarized in **Table 3.3**.

Table 3.3: Delays in Submission of Accounts and tabling of Separate Audit Reports

Delays in submission of Accounts (In Months)	Number of Autonomous Bodies	Reasons for the Delay	Delays in submission of SARs in Legislature (in Years)	Number of Autonomous Bodies	Reasons for the delay
1-6	2	Delay in finalization of report	1-2	N.A.	N.A.
6-12	1	N.A*	2-3	N.A.	N.A.
12-18	-	N.A*	3-4	N.A.	N.A.
18-24	-	N.A*	4-5	N.A.	N.A.
24 & above	2	Delay in finalization of report	5 & above	N.A.	N.A.
Total	5				

* Not Available.

A further analysis of the above table and **Appendix 3.3** would reveal that delay in submission of accounts ranged from three months to 62 months. The accounts of NSIT for the year 2004-05 were received with a delay of 44 months and of Delhi Jal Board for the year 2003-04 were received with a delay of 62 months.

3.4 Misappropriations, losses, defalcations, etc.

Thirty four cases of theft, misappropriation/loss of material amounting to ₹ 33.92 lakh were noticed by Audit upto 31 March 2010. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.4** and nature of these cases is given in **Appendix 3.5**. The age-profile of the pending cases and the number of cases pending in each category - theft and misappropriation/loss as emerged from these appendices are summarized in **Table 3.4**.

Table 3.4: Profile of Misappropriations, losses, defalcations, etc.

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of cases	Amount involved (₹ in lakh)	Nature of the Cases	Number of Cases	Amount Involved (₹ in lakh)
0-5	22	17.68	Theft	16	17.27
5-10	9	5.90			
10-15	2	10.33	Misappropriation/Loss of material	18	16.65
15-20	1	0.1			
Total	34	33.92	Total Pending Cases	34	33.92

Out of 34 cases the reasons for delay in finalisation of six cases were attributed to departmental/criminal investigation and in remaining cases reasons were not known.

3.5 Conclusion and Recommendations

Timely submission of utilization certificates is a major area of concern. 4162 UCs amounting to ₹ 11682.16 crore were awaited from various departments at the end of March 2010. 1867 UCs amounting to ₹ 2994.70 crore were pending even after a lapse of ten years. Internal control in all the organizations need to be strengthened to avoid delay in submission of utilization certificates. The annual accounts of Delhi Jal Board are pending for over five years. These need to be finalized soon so that certification audit can be taken up.

Departmental enquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book.

The two autonomous bodies, i.e., Netaji Subhash Institute of Technology and Delhi Jal Board need to streamline their accounts so that the Accounts certification and their placement in the Legislative Assembly could be done in time.

New Delhi

Dated:

(RAJVIR SINGH)

Accountant General (Audit), Delhi

Countersigned

New Delhi

Dated:

(VINOD RAI)

Comptroller and Auditor General of India