

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

3.1 Delay in submission of Utilisation Certificates

Rule 212(1) of General Financial Rules 2005 provides that Utilisation Certificates (UCs) should be submitted by the grantee Institutions or Organisations concerned for the grants received for specific purposes unless specified otherwise within 12 months of the closure of the financial year and after verification, these should be forwarded to the Accountant General (Accounts and Entitlement) by the department concerned.

As per information furnished by the Accountant General (A&E), Utilisation Certificates (695) for an amount of ₹ 458.12 crore paid as grants to the grantee Institutions/ Organisations during the year up to March 2013 were outstanding as on 31 March 2013, of which 38 nos. of UCs pertained to the previous years involving ₹ 113.72 crore. Department-wise outstanding UCs are given in **Appendix 3.1**. The outstanding UCs and amount have however, been reduced only to 692 involving ₹ 450.95 crore as on 31 July 2013. However a substantial improvement was noticed as the outstanding UCs came down to 695¹ at the end of March 2013 compared to 10,772 at the end of March 2012.

Pendency of UCs against some major departments are given below:

Table 3.1: Utilisation Certificates outstanding pertaining to the major departments as on 31 March 2013

(₹ in crore)

Sl. No.	Name of department	Year	Amount of grants	Number of Utilisation Certificate outstanding
(1)	(2)	(3)	(4)	(5)
1.	Tribal Welfare Department	2012-13	139.10	165
2.	Welfare of Scheduled Castes Department	2012-13	84.04	308
3.	Agriculture (Horticulture) Department	2012-13	2.51	112
4.	Rural Development Department	2012-13	55.27	35
5.	Transport Department	2011-12	3.43	18
		2012-13	2.28	3
		2011-12	101.04	463
6.	Urban Development Department	2012-13	11.69	9

¹ Includes Grants- in- aid drawn during 2012-13 which are not yet due but are in arrears.

Due to delay in submission of UCs, particularly for the year 2010-11 and 2011-12, it could not be ascertained whether the grants were utilised by the grantee Institutions/Organisations for the purpose for which it was sanctioned. Thus, steps may be taken by the departments to obtain the UCs expeditiously from the grantee Institutions/Organisations.

3.2 Non-submission/delay in submission of accounts

In order to identify new 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 State 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. None of the departments could submit the same though specifically called for.

The substantially funded Autonomous Bodies/Authorities are required to submit their annual accounts for audit by the C&AG under the provision *ibid*. The annual accounts of 35 Autonomous Bodies/Authorities due up to 2012-13 had not been received as of November 2013 by the Accountant General (Audit). The number of those accounts (**Appendix 3.2**) along with 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
1.	0 – 1	7
2.	1 – 3	8
3.	3 – 5	2
4.	5 – 7	4
5.	7 – 9	Nil
6.	9 & above	14

Out of 35 Autonomous Bodies/ Authorities, Accounts for 14 bodies were outstanding for more than 9 years. Pending submission of annual accounts all the Bodies were asked to intimate the amount of grants received during the current year but out of 35 Grantee Bodies/Authorities, 32 bodies did not furnish the information about the amounts of grants received during the year 2012-13.

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

Several Autonomous Bodies had been set up by the State Government in the field of Education, Industries, Housing, Tribal Areas etc. A large number of these Bodies are audited by the Comptroller and Auditor General of India (CAG) covering operational activities and accounts, conduct of regulatory and compliance audit of transactions, review of internal controls and financial management, etc. The audit of accounts of five Bodies in the State have been entrusted to the CAG for which Separate Audit

Reports is prepared for placement before the Legislature and the audit of the ADC is done as mandated in the Sixth schedule of the Constitution of India. The status of rendering of accounts to Audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature/ Council are indicated in **Appendix 3.3**. Delay in placement of SARs in the Legislature/Council 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 from the date of issue (As of 31.12.2013)
1.	Tripura Board of Secondary Education	1998-99 to 2001-02	26.04.2010	Not yet placed	More than three years
		2002-03 to 2005-06	12.12.2011	-do-	More than two years
2.	Tripura Housing and Construction Board	1990-91 to 1992-93	3.07.2007	Not yet placed	More than six years
		1993-94 to 1996-97	3.06.2009	-do-	More than four years
		1997-98 to 2001-02	23.02.2011	-do-	More than two years
3.	Tripura Khadi and Village Industries Board	2003-04 to 2007-08	18.04.2012	19.03.2013	More than 11 months
		2008-09 to 2010-11	6.09.2013	Not yet placed	More than two months
4	Tripura State Legal Service Authority	2007-08 to 2009-10	01.03.2012	13.05.2013	More than five months
5.	Tripura Building and Other Constructions Workers' Welfare Board	2007-08 to 2011-12	01.11.2012	Not yet placed	More than one year
6.	Tripura Tribal Areas Autonomous District Council	2007-08 to 2008-09	31.08.2012	20.09.2013	More than one year

Table 3.3 shows that four SARs of Tripura Board of Secondary Education pertaining to the period 1998-99 to 2001-02 and seven SARs of Tripura Housing and Construction Board pertaining to the period 1990-91 to 1992-93 and 1993-94 to 1996-97 had not yet been placed in the State Legislature even after a lapse of three to six

years from the date of issue while four SARs (2002-03 to 2005-06) in respect of Tripura Board of Secondary Education and four SARs (1997-98 to 2001-02) of Tripura Housing and Constructions Board had been delayed for more than two years. The SAR in respect of Tripura Khadi and Village Industries Board for the period 2003-04 to 2007-08 had been issued on 18 April 2012 and placed on 19 March 2013 after a lapse of more than 11 months. The reasons for the delay in submission/placement of the SARs in the Legislature were not intimated.

Thus, non-placement of the Audit Reports, relating to the Autonomous Bodies, in the legislature violates the statutory provision of informing the legislature about the financial activities and status on year to year basis.

3.4 Reconciliation of Receipts and expenditure

As per the General Financial Rule, all the Controlling Officers were required to reconcile the receipts and expenditure booked by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlement). During the year 2012-13, all the 58 Controlling Officers of the State reconciled their receipts and expenditure amounting to ₹ 7,884.31 crore and ₹ 7,027.49 crore respectively.

3.5 Suspense balances

The balances under Suspense and Remittance Heads as reflected in the Government Accounts are on net basis by aggregating the outstanding debit and credit balances under various heads.

At the end of 31 March 2012, there was a net debit balance of ₹ 99.32 crore in suspense heads which increased to ₹ 118.67 crore at the end of 31 March 2013. The major contributing factor for the increase in net debit balance was the cash settlement suspense account (Debit: ₹ 128.74 crore) during the year 2012-13 against ₹ 110.61 crore in 2011-12.

3.6 Misappropriation case

There was a suspected misappropriation amounting to ₹ 12.23 lakh in the office of the Executive Engineer, Agriculture Department, Agartala. The DDO (Executive Engineer) withdrew ₹ 12.23 lakh through 60 nos. of self-cheques between 27 December 2010 and 23 February 2013 from the Bank Accounts. But none of the aforesaid drawals had been reflected in the Cash Book till April 2013. As a result, the entire amount of ₹ 12.23 lakh remained outside the Government Account and is suspected to have been misappropriated. The matter was reported to Government in September 2013. The misappropriation case indicated inadequacy of control in the department.

3.7 Conclusion and Recommendation

Reconciliation of the Government receipts and expenditure was done with that of expenditure booked in the books of Accountant General (Accounts and Entitlement) by all the Controlling Officers during 2012-13.

However, the practice of non-furnishing of Utilisation Certificates in time against grants received, non-furnishing of detailed information about financial assistance received by various Institutions and non-submission of accounts in time indicates non-compliance with financial rules. There were also delays in placement of Separate Audit Reports to Legislature and huge arrears in finalisation of accounts by the Autonomous Bodies/Authorities. There is a need to ensure that the audit reports of the Autonomous Bodies are placed in the legislature on time and submission of UCs within the prescribed time should be obtained from the recipients of grants.

**Agartala
The**

**(R. K. AGRAWAL)
Accountant General (Audit),
Tripura, Agartala**

Countersigned

**New Delhi
The**

**(SHASHI KANT SHARMA)
Comptroller and Auditor General of India**