
CHAPTER 3: FINANCIAL REPORTING

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 receiving grants 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 (1,474) for an amount of ₹ 1,304.86 crore paid as grants to the grantee Institutions/Organisations upto the year 2014-15 were outstanding as on 31 March 2015, of which 885 Nos. of UCs pertained to the previous years involving ₹ 529.09 crore. The major departments involved are (i) Tribal Welfare Department (₹ 452.39 crore); (ii) Power Department (₹ 72.17 crore); (iii) Welfare of SC and OBC Department (₹ 367.68 crore); (iv) Rural Development Department (₹ 235.74 crore) and (v) Health Department (₹ 51.04 crore). Department-wise outstanding UCs are given in **Appendix 3.1**.

The year-wise break-up of amount of grants for which the Utilisation Certificates were awaited as on 31 March 2015 are given below:

Table No. 3.1: Year-wise break-up of grants awaited for Utilisation Certificates as on 31 March 2015

Year	Amount of grants (₹ in crore)	No. of UCs outstanding
Upto 2010-11	76.75	6
2011-12	36.97	32
2012-13	257.11	417

**Table No. 3.1: Year-wise break-up of grants awaited for Utilisation Certificates
as on 31 March 2015**

Year	Amount of grants (₹ in crore)	No. of UCs outstanding
2013-14	158.26	430
2014-15	775.77	589
Total:	1,304.86	1,474

The UCs (589) involving grants of ₹ 775.77 crore paid during the year 2014-15 was excluding the amount disbursed during 2014-15 which were due for submission of UCs only in 2015-16.

Due to delay in submission of UCs, particularly for the year upto 2012-13 and 2013-14, 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.

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 47 Autonomous Bodies/Authorities due up to 2014-15 has not been received as of 31st September 2015 by the Accountant General (Audit). The number of those accounts (**Appendix 3.2**) along with their age-wise pendency is presented in **Table No. 3.2**.

Table No. 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.	1 – 4	21
2.	5 – 8	6
3.	9 – 12	5
4.	13 & above	1
5.	Since inception to 2014-15	8

Out of 47 Autonomous Bodies/Authorities, eight Autonomous Bodies/Authorities did not submit their Accounts since their inception. Accounts for 12 bodies were

outstanding for more than five years in which in three cases the Accounts were outstanding for more than ten years. Pending submission of annual accounts, all the Bodies were asked to intimate the amount of grants received during the current year. But 39 Grantee Bodies/Authorities, out of 47 bodies, did not furnish the information about the amounts of grants received during the year 2014-15.

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 six Bodies¹ in the State have been entrusted to the CAG for which Separate Audit Reports are prepared for placement before the Legislature and the audit of the Tripura Tribal Areas Autonomous District Council (TTAADC) 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 No. 3.3**.

Table No. 3.3: Delay in submission/placement of Separate Audit Reports

Sl. No.	Name of the Autonomous Bodies	Year of SAR	Date of issue	Placement of SAR in the Legislature/Council	Delay in placement of SAR in the Legislature (as on 31.09.2015)
1.	Tripura Board of Secondary Education	1998-99 to 2001-02	26-4-2010	Not yet placed	17 to 65 months
		2002-03 to 2005-06	12-12-2011		
		2006-07 to 2009-10	10-04-2014		
2.	Tripura Housing and Construction Board	1990-91 to 1992-93	03-07-2007	Not yet placed	30 to 98 months
		1993-94 to 1996-97	03-06-2009		
		1997-98 to 2001-02	23-02-2011		
		2002-03 to 2009-10	12-03-2013		
3.	Tripura State Legal Service Authority	2010-11 to 2012-13	21-03-2014	Not yet placed	18 months
4.	Compensatory Afforestation Fund Management and Planning Authority	2009-10 to 2011-12	06-02-2015	Not yet placed	7 months

Table No. 3.3 shows that 12 SARs of Tripura Board of Secondary Education pertaining to the period 1998-99 to 2009-10, 20 SARs of Tripura Housing and

¹ (i) Tripura Board of Secondary Education, (ii) Tripura Housing and Construction Board, (iii) Tripura State Legal Service Authority, (iv) Tripura Khadi and Village Industries Board, (v) Compensatory Afforestation Fund Management and Planning Authority and (vi) Tripura Building & Other Construction Workers' Welfare Board.

Construction Board pertaining to the period 1990-91 to 2009-10 and three SARs of Tripura State Legal Service Authority pertaining to the period from 2010-11 to 2012-13 and three SARs of Compensatory Afforestation Fund Management and Planning Authority pertaining to the period 2009-10 to 2011-12 issued between July 2007 and February 2015 were yet to be placed in the State Legislature even after a lapse of seven to 98 months (as on 31-10-2015).

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 2014-15, all the 61 Controlling Officers of the State reconciled their receipts and expenditure amounting to ₹ 9,239.73 crore and ₹ 10,275.20 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 2014, there was a net debit balance of ₹ 138.21 crore in suspense heads which increased to ₹ 169.26 crore at the end of 31 March 2015. The major contributing factor for the increase in net debit balance was the cash settlement suspense account (Debit: ₹ 158.87 crore) during the year 2014-15 against ₹ 135.12 crore in 2013-14.

3.6 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 2014-15.

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 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.

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