

CHAPTER VII
FINANCIAL ASSISTANCE TO LOCAL BODIES AND
AUTHORITIES

7.1 General

7.1.1 Autonomous bodies and authorities are set up to discharge generally non-commercial functions of public utility services. These bodies/ authorities by and large receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956 etc. to implement certain programmes of the State Government.

7.1.2 The grants were intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

7.1.3 During 2000-2001, financial assistance of Rs.162.52 crore was given to various autonomous bodies and others broadly grouped as under:

TABLE 7.1

Sr. No.	Name of Institution	Amount of assistance paid	
		Grants	Loans
(Rupees in crore)			
1.	Universities and Educational Institutions	129.90	0.01
2.	Municipal Councils	7.25	--
3.	Zilla Parishads and Panchayat Raj Institutions	3.84	0.03
4.	Sports and Youth Affairs	5.74	--
5.	Development Agencies	5.66	--
6.	Scientific Research	0.41	--
7.	Art and Culture	2.45	--
8.	Others	1.21	0.02
9.	Tillari Irrigation Development Corporation	--	6.00
Total		156.46	6.06

7.2 Delay in submission of accounts

7.2.1 In order to identify the institutions which attract audit under Section 14/15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 Government is required to furnish to audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and total expenditure of the institutions. Information for the year 1999-2000 was called for in June 2000. Out of 33 bodies/authorities whose accounts were received by audit, 13 bodies/authorities attracted audit under the provisions of Section 14 of the Act. Of these 8 bodies/authorities were audited during 2000-2001.

7.2.2 The audit of the accounts of the following bodies has been entrusted to the Comptroller and Auditor General of India under section 19(3) and 20(1) of Comptroller and Auditor General (Duties, Power, Conditions & Services) Act 1971 for a period of 5 years as follows:

TABLE 7.2

Sr. No.	Name of the body	Period of entrustment	Date of entrustment
1.	Goa Housing Board, Porvorim	1997-98 to 2001-2002	7.4.1997
2.	Goa University, Taleigao	2000-2001 to 2004-2005	10.04.2001
3.	Goa Daman and Diu Khadi & Village Industries Board, Panaji	1998-99 to 2002-2003	27.5.1999
4.	Goa State Commission for Backward Classes, Panaji	1999-2000 to 2003-2004	11.10.1999
5.	Goa Board of Secondary & Higher Secondary Education, Porvorim	2000-2001 to 2004-2005	March 2001

There are no arrears in audit in respect of the above bodies and authorities.

7.3 Delay in furnishing Utilisation Certificate.

7.3.1 Financial rules of the Government require that where grants are given for specific purposes, certificates of utilisation should be obtained by the departmental officers from the grantees and after verification these should be forwarded to Director of Accounts within eighteen months from the date of sanction, unless specified otherwise.

7.3.2 Of the 1845 Utilisation Certificate due in respect of grants aggregating to Rs.2882.60 lakh paid upto the end of March 2000, only 175 utilisation certificates for Rs.661.07 lakh had been furnished by the departments as on

30th September 2001 leaving 1670 utilisation certificates for an aggregate amount of Rs.1621.53 lakh outstanding. Department wise break up of outstanding utilisation certificates is given in Appendix-V.

7.4 Audit arrangement

7.4.1 Primary audit of local bodies (Panchayati Raj Institutions, Municipal Councils) is conducted by Director of Accounts, Panaji – Goa.

SECTION-B : PARAGRAPHS

EDUCATION DEPARTMENT

7.5 Irregular leasing of University land

The Goa University leased 10000 Sq. m land to a Registered Society and two Government of India Departments for a period of 99 years at a nominal lease rent of one rupee per annum without the approval of the Government

7.5.1 The Goa University was established (June 1985) under the Goa University Act, 1984 with the objectives to disseminate and advance knowledge by providing institutional, research and extension facilities in such branches of learning as it may deem fit, and the University was empowered to establish such campuses, special centres, specialised laboratories for research and instruction necessary for the furtherance of its objectives. The Goa Government had acquired (December 1986) land admeasuring 163.02 hectares at Taleigao Plateau at a cost of Rs. 1.81 crore through the Public Works Department and this land was formally handed over to the Goa University in May 1992, free of cost, for the use of the University. No terms and conditions were specified while handing over the land to the University.

7.5.2 The University leased part of that land admeasuring 10000 Sq. m (between February 1999 and April 2000) – 4000 Sq. m to Tata Energy Research Institute (TERI), a registered society, for constructing a research centre, 2500 Sq.m to Department of Telecom, Government of India for construction of telephone exchange and staff quarters and 3500 Sq. m to Electronic Test and Development Centre (ETDC), Department of Electronics, Government of India for construction of laboratory, office building and staff quarters - with due approval of its Executive Council on the ground that this would enable better interaction between the organisation and the University departments. The lease was for a period of 99 years at a nominal lease rent of one rupee per annum.

7.5.3 It was noticed in audit (October 2000) that the lease deed executed did not indicate the extent and manner in which the lessee would interact with the University Departments. As per General Financial Rules the assets acquired out of Government grants shall not be disposed of without the prior approval of the authority sanctioning the grant. Since the land leased by the University was a part of the land acquired by the Government and handed over to the University free of cost for developing the University campus, prior approval of the Government should have been obtained for leasing the land at a nominal rent. Such approval was not obtained by the University while leasing the land.

7.5.4 The leasing of the University land for a long period of 99 years at a nominal lease rent of one rupee per annum to a private organisation and to the Government of India Departments for construction of office building and staff

quarters, without the approval of the State Government was irregular and was not in furtherance of the objectives of the University.

7.5.5 The University stated (November 2000) that Government approval was not obtained as the University is an autonomous body and the Executive Council had powers to decide such issues. The reply is not acceptable, as Government approval was necessary for leasing the land in view of the fact that the land was acquired by the Government and handed over to the University free of cost, for the use of the University, and the University is fully financed by the Government. Further in the absence of any written stipulation in the agreement with TERI, Department of Telecom and Department of Electronics as to the benefit that would accrue to the University, going for a long lease at a nominal rent of rupee one per annum was without justification.

7.5.6 The matter was referred to Government in July 2001 and their reply is awaited (January 2002).

DEPARTMENT OF HOUSING INCLUDING HOUSING BOARD

7.6 Idle investment on construction of 6 duplex bungalows at Davorlim, Margao

Lack of proper assessment of requirement of duplex bungalows had resulted in idle investment of Rs. 33.37 lakh for over two years

7.6.1 The Goa Housing Board had taken up the construction of 12 duplex bungalows at Davorlim, Margao at an estimated cost of Rs. 53.92 lakh for allotment to public/intended purchasers. The work was awarded by the Board to a contractor at a tendered cost of Rs.56.58 lakh in March 1997 to be completed in all respects by June 1998. The work was, however, completed in February 1999 at a cost of Rs.66.75 lakh.

7.6.2 The selling price of the duplex bungalows (floor area 125 Sq.m.) was fixed @ Rs.9.80 lakh per bungalow. Out of these 12 bungalows only 4 bungalows were booked till January 2001 and another two bungalows were to be allotted to a Gujarathi Samaj for running school for deaf and dumb after obtaining approval of Government, which was awaited (March 2001). Audit scrutiny revealed that market survey was not done for assessing the demand from prospective buyers for such type of bungalows. It was also noticed that there was no progress in sale of remaining six bungalows so far (April 2001) leading to idle investment of Rs.33.37 lakh on 6 units.

7.6.3 The lack of proper assessment of demand and marketing resulted in idle investment of Rs.33.37 lakh for more than two years, which was avoidable.

7.6.4 The matter was reported to the Government in September 2001 and their reply is awaited (January 2002).