

## CHAPTER-VII

### FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

#### 7.1 Introduction

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 Sikkim State Co-operative Societies Act, Registration of Companies Act, Sikkim, 1961, etc. to implement certain programmes of the State Government. The grants are 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.

7.1.2 During 2001-2002, financial assistance of Rs.14.96 crore was released to various autonomous bodies and others, broadly grouped as under:

**Table-7.1**

*(Rupees in crore)*

Sl. No.	Name of institutions	Amount of assistance paid
1.	Universities and Educational Institutions	2.60
2.	Zilla Parishad and Panchayati Raj Institutions	1.85
3.	Development Agencies	9.32
4.	Hospitals and other Charitable Institutions	0.25
5.	Other Institutions	0.94
	<b>Total</b>	<b>14.96</b>

*The total figure of Rs.14.96 crore is based on departmental figures. It differs with the figure of Rs 12.07 crore shown in the Detailed Appropriation Accounts 2001-02 of the State Government. The difference is under reconciliation.*

#### 7.2 Delay in furnishing utilisation certificates

7.2.1 Financial rules of Government require that where grants are given for specific purposes, certificates of utilisation should be obtained by the departmental offices from the grantees and after verification, these should be forwarded to Accountant General within one year from the date of sanction unless specified otherwise.

7.2.2 Of the 268 utilisation certificates due in respect of grants and loans aggregating Rs.14.96 crore paid during the period 2001-2002, only 101 certificates for Rs.8.33 crore had been received by the grant releasing departments

by 30 September 2002 and 167 certificates for an aggregate amount of Rs.6.63 crore were in arrears. Department-wise break-up of outstanding utilisation certificates was as follows:

**Table-7.2**

(Rupees in lakh)

Department	Number of certificates	Amount
Health and family Welfare	5	9.05
Rural Development	32	376.47
Ecclesiastical	9	6.80
Art and Culture	13	11.10
Sports and Youth Affairs	8	1.70
Education	7	59.63
Co-operation	72	47.87
Tourism	11	6.57
Agriculture	4	0.03
Horticulture	1	1.80
Irrigation	1	1.58
Animal Husbandry and Veterinary Services	2	70.00
Urban Development and Housing	2	70.00
<b>Total</b>	<b>167</b>	<b>662.60</b>

### 7.3 Audit arrangement

7.3.1 The audit of accounts of the following bodies had been entrusted to the Comptroller and Auditor General of India for a period of five years as detailed below:

**Table-7.3**

Sl. No.	Name of body	Period of entrustment	Date of entrustment
1.	Sikkim Khadi and Village Industries Board	2000-01 to 2004-05	15.12.99
2.	Sikkim Co-operative Milk Producers' Union Limited	1998-99 to 2002-03	17.9.98
3.	Sikkim Co-operative Supply and Marketing Federation Ltd.	2000-01 to 2004-05	02.11.2000
4.	Panchayati Raj Institutions	2001-02 to 2005-06	27.08.2001

7.3.2 The primary audit of all local bodies and authorities other than Panchayat Raj Institutions and Educational Institutions is conducted by the State Government. The audit of Co-operative Societies is also conducted by the State Government. Only 4 bodies/authorities attracted audit under Section 20 (1) of the Comptroller and Auditor General's (DPCs) Act 1971 as below:

Table-7.4

Sl. No	Name of body	Annual accounts received upto	Annual accounts audited upto
1	Sikkim Khadi and Village Industries Board	1994-95	1994-95
2	Sikkim Co-operative Milk Producers' Union Limited	1999-2000	1998-99
3.	Sikkim Co-operative Supply and Marketing Federation Ltd	2000-01	1999-2000
4.	Panchayati Raj Institutions	Entrusted with effect from August 2001	-

7.3.3 Against the 18 institutions which attracted audit under Section 14 of the Comptroller and Auditor General's (DPCs) Act 1971, the position of accounts audited as of September 2002 was as below:

Table-7.5

Sl. No	Name of Body	Annual accounts finalised upto	Annual Accounts audited
1	State Leprosy Officer, East, Gangtok	2001-02	2001-02
2	Distt. Leprosy Officer, Gangtok	2001-02	2001-02
3	Distt. Leprosy Officer, West	2001-02	2001-02
4	Distt. Leprosy Officer, North	2001-02	2001-02
5	Distt. Leprosy Officer, South	2000-01	2000-01
6	Sikkim Renewable Energy Development Agency (SREDA)	2000-01	2000-01
7	Sikkim Institute of Higher Nyingma Studies (SHEDA)	2001-02	2001-02
8	Sikkim Research Institute of Tibetology	2001-02	2001-02
9	Institute of Hotel Management	2000-01	2000-01
10.	Society for Prevention and Control of Blindness	2001-02	2001-02
11.	National Aids Control Project	2001-02	2001-02
12.	Sikkim Institute of Rural Development	2000-01	2000-01
13.	Tashi Namgyal Academy	2000-01	2000-01
14.	Sikkim Rural Development Agency	2000-01	2000-01
15.	Council of Science & Technology	1999-2000	1999-2000
16.	Paljor Namgyal Girls Senior Secondary School	2000-01	2000-01
17.	Sikkim State Illness Assistance Fund Association	Established in November 98 and no annual account prepared so far	-
18.	Sikkim Urban Development Agency	Established in May 98 and no annual account prepared so far	-