

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:3378

ANSWERED ON:12.02.2014

DIVERSION OF FUNDS

Mahendrasinh Shri Chauhan ,Sardinha Shri Francisco

Will the Minister of PLANNING be pleased to state:

- (a) whether there have been reports of States diverting central funds meant for central schemes;
- (b) if so, the details thereof, State -wise;
- (c) whether the Planning Commission has made any attempts to assess the impact of such diversion on the central schemes and if so, the details thereof; and
- (d) the action taken or proposed to be taken by the Government against such State Governments?

Answer

MINISTER OF STATE FOR PARLIMENTARY AFFAIRS AND PLANNING (SHRI RAJEEV SHUKLA)

(a) to (d): Whenever any specific information about diversion of funds from any programme is received, the concerned Ministry seeks details from the concerned agency/Department of the State Government. Moreover, the Central Ministries keep track of utilization of funds through the utilization certificates (UCs) by the States and subsequent installments are released based on the UCs submitted. This provides an additional check against diversion of funds. The expenditure on the schemes is audited by the Comptroller & Auditor General (C&AG) or in some cases by the qualified chartered accountants. The Audit Reports of the C&AG are placed before the State Legislature concerned or before the Parliament and diversion of funds, if noted in the Audit Reports, is examined by the Public Account Committee (PAC) of the State Legislature or the Parliament and the action is taken by the concerned State Government or the Ministry/Department in accordance with the decisions of the PAC.