

**GOVERNMENT OF INDIA
SOCIAL JUSTICE AND EMPOWERMENT
LOK SABHA**

UNSTARRED QUESTION NO:335
ANSWERED ON:25.11.2014
MISUSE OF FUNDS BY NGOS
Jayadevan Shri C. N.

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

- (a) whether complaints of rampant corruption in the sanctioning of grants to Non Governmental Organisations (NGOs) and misappropriation of the sanctioned funds by the NGOs under the various schemes of the Government have been received/reported;
- (b) if so, the details thereof during each of the last three years and the current year, State-wise; and
- (c) the corrective steps taken/proposed to be taken to check embezzlement of Government grants by NGOs and to lessen the scope of corruption while sanctioning the grants to NGOs?

Answer

MINISTER OF STATE FOR SOCIAL JUSTICE AND EMPOWERMENT (SHRI VIJAY SAMPLA)

- (a): No Madam. There have been no complaints regarding rampant corruption in the sanctioning of grants to NGOs. Sporadic complaints have been received regarding misappropriation of funds by NGOs.
- (b): The details are given in Annexure.
- (c): The following corrective steps have been taken/proposed to be taken to check embezzlement of Government grants by NGOs:
 - (i) Funds are released to the NGOs after receipt of recommendation of the State Level Grant- in-Aid Committee, Inspection Reports, Utilization Certificate and Audited Accounts.
 - (ii) Surprise inspections of the NGOs by the officers of the Ministry,
 - (iii) The schemes/programmes implemented through NGOs are also monitored by respective State Governments/UT Administrations.
 - (iv) The Ministry sponsors evaluation studies from time to time through independent evaluation agencies, inter alia, to check proper utilization of funds by the implementing agencies under various Schemes/Programmes.
 - (v) In the event of proven misappropriation of funds by an NGO, the Ministry initiates action to blacklist the NGO.
 - (vi) To reduce the scope of corruption while sanctioning the grants to NGOs and in order to bring greater transparency and speed up processing and releasing GIA to the NGOs, the Scheme of Assistance to NGOs has been made online with effect from 01.04.2014.