

**Annexure – A**

**Modalities decided by the Comptroller & Auditor General of India for conducting audit of TFC Grants**

(Ref:- Paras 6.1 to 6.5 and 7.0 of the Guidelines for Release and Utilisation of Grants recommended by TFC, issued by Ministry of Finance, Government of India)

<b>Sl. No.</b>	<b>Particulars of information/certificate</b>	<b>Target date</b>
1	The State Finance Secretary would cooperate and coordinate with the Principal Accountant General (Audit) to provide certificate and information on timely release and utilization of TFC Grants.	
2	<p>The State Finance Secretary would provide a certificate in the prescribed <b>format I (attached herewith)</b> to the State Accountant General (Audit) regarding release of the TFC grants after the transfer of funds to PRIs/ULBs from the Consolidated Fund of the State within 15 days of receipt of grants from the Central Government.</p> <p>i The release orders received from the GOI and the Advices received from the RBI in support of the receipts from GOI shall be made available to audit.</p> <p>ii The sanction orders and the copies of bills/vouchers in support of release of funds to PRIs/ULBs shall be made available to audit.</p>	<p>i. By 31 August every year for 1<sup>st</sup> installment released in July.</p> <p>ii. By 31 January every year for the 2<sup>nd</sup> installment in January.</p>
3	After the certificate /information about release of grants has been obtained /received from the State Finance Secretary, State Accountant General would conduct test check of accounts of a sample of all the tiers of PRIs/ULBs for confirmation of the transfer of funds to them.	
4	After verification of the transfer of funds, an Assurance Certificate in the prescribed format would be provided to the State Finance Secretary.	
5	The State Finance Secretary would forward his certificate of release alongwith State AG's Assurance Certificate to the Central Govt. for ensuring release of 2 <sup>nd</sup> installment.	
6	<p>The State Finance Secretary would provide for both installments, a certificate in prescribed <b>format II (attached herewith)</b> to the State Accountant General (Audit) regarding utilization of TFC grants by PRIs/ULBs.</p> <p>(a) In support of utilization as stated in the Certificate of the Finance Secretary, the documents to be made available to audit are (i) the Utilization Certificate and (ii) the statement of expenditure submitted by each PRI/ULB.</p> <p>(b) The PRIs/ULBs shall furnish the following documents for audit.</p> <p>(i) Statement showing the date and amount of receipt of TFC grants.</p>	30 April every year

	<p>(ii) Certificate of utilization.  (ii) Statement of expenditure showing voucher wise details on the utilization of TFC grants (as forwarded to Govt. by April 15 every year) as per format given below:</p> <table border="1"> <thead> <tr> <th>Vr. No.</th> <th>Date</th> <th>Amount</th> <th>Purpose of expenditure</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Total expenditure</td> <td></td> <td></td> </tr> <tr> <td colspan="2">Total TFC grants received</td> <td></td> <td></td> </tr> <tr> <td colspan="2">Unutilized balance</td> <td></td> <td></td> </tr> </tbody> </table>	Vr. No.	Date	Amount	Purpose of expenditure									Total expenditure				Total TFC grants received				Unutilized balance				
Vr. No.	Date	Amount	Purpose of expenditure																							
Total expenditure																										
Total TFC grants received																										
Unutilized balance																										
7	The State Accountant General would conduct audit of utilization of TFC grants after the utilization certificate has been received from the State Finance Secretary and give assurance/issue Audit Certificate.	October-November every year																								
8	Each PRI/ULB shall forward a Utilization Certificate supported by a Statement of Expenditure showing voucher wise details to an Authorized Officer of the State Government designated for the purpose.	15 April ever year																								
9	<p>CAG's Audit Certificate shall be issued after verifying the following:</p> <p>(i). The Annual Certificate of the State Government regarding receipt and release of TFC grants by Government and utilization by PRIs/ULBs.</p> <p>(ii). The Statement of expenditure furnished to the State Government by the PRIs/ULBs with reference to the original records maintained by them.</p>																									

Sr. Audit Officer (LBAA)

## Certificate regarding release and transfer of Twelfth Finance Commission Grants

## A (i) Receipt of Funds (TFC Grants) from Government of India

(Rupees in crores)

Year	Sl. No.	No. and date of the Local Body Grant release order of Govt. of India, MOF, Deptt. of Expenditure *	No. and date of Clearance Memo, showing date of credit in the State Govt. A/C by RBI, Central Accounts Section, Nagpur	Amount released by GOI (Rs.)
1	2	3	4	5
	1 <sup>st</sup> installment			
	2 <sup>nd</sup> installment			

## (ii) Release of TFC Grants to the PRIs/ULBs

(Rupees in lakh)

Year	1 <sup>st</sup> Installment					2 <sup>nd</sup> Installment					Remarks
	No. and date of the State Govt. order releasing the funds to PRIs/ULBs	Voucher No.	Treasury encashment/ transfer credit	Date of encashment/ transfer credit	Amount released (Rs.)	No. and date of the State Govt. order releasing the funds to PRIs/ULBs	Voucher No.	Treasury encashment/ transfer credit	Date of encashment/ transfer credit	Amount released (Rs.)	
1	2	3	4	5	6	7	8	9	10	11	12

\* (i) Copies of the release orders received from the GOI and the **advices received from RBI** in support of the receipts from GOI are to be furnished to audit.

(ii) Copies of sanction orders and bills/vouchers in support of release of grants to PRIs/ULBs are to be furnished.

**Format II**

**Certificate regarding utilization of TFC Grants by PRIs/ULBs (prepared on the basis of the Utilization Certificates and statement\* of expenditure furnished by the PRIs/ULBs)**

**(i) PRI**

<b>Year</b>	<b>Name of PRI</b>	<b>Total TFC Grant received during the year by the PRI</b>	<b>Total TFC Grant utilized during the year by the PRI</b>	<b>Remarks</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**(ii) ULB**

<b>Year</b>	<b>Name of ULB</b>	<b>Total TFC Grant received during the year by the ULB</b>	<b>Total TFC Grant utilized during the year by the ULB</b>	<b>Remarks</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

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\* Copies of Utilization Certificates and Statements of Expenditure submitted by each PRI/ULB are to be forwarded to audit alongwith this certificate.