

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:4587

ANSWERED ON:12.08.2016

Diversion of Funds

Shetty Shri Gopal Chinayya

**Will the Minister of PLANNING be pleased to state:**

- (a) whether the Government has received complaints about misuse of the central fund by the State Governments;
- (b) if so, the details thereof, State/UT-wise;
- (c) whether the Government proposes to enquire into the matter;
- (d) if so, the details thereof; and
- (e) the other measures taken by the Government to check diversion of central fund in this regard?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING AND  
MINISTER OF STATE FOR MINISTRY OF URBAN DEVELOPMENT AND  
MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION  
(RAO INDERJIT SINGH)

(a) to (e) Whenever any specific information about misuse of the Central fund 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. Further, Central Assistance to State Plan including Centrally Sponsored Schemes (CSS) are released to the States through treasury route except for MPLADS (which is released through direct transfer route) by the Central Ministries. The States are also required to provide their share as specified in the guidelines of each programme. The total expenditure (inclusive of State share) on programmes 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 and diversions of funds, if noted in the Audit Reports, are examined by the Public Accounts Committee (PAC) of the State Legislature.