

## **Utilization Certificates/Audit Reports**

The procedure adopted for release of funds to the States under various programmes stipulates that the State Governments should furnish Utilisation Certificates to the effect that the funds have been utilized for the purpose for which these were sanctioned and no diversion has been made. The auditing of accounts and reports thereon are a precondition for the release of the second and the subsequent instalments. State Governments have been advised to ensure the authenticity of Utilization Certificates. The requirement of these documents also checks the diversion of funds, if any. The States/UTs have also been advised to furnish utilization certificates for each of the funds released to them under the rural development programmes, even if the expenditure during the financial year is zero.