

Chapter– 9

Recording of Best Practices

- 9.1 The successive State Finance Commissions have laid adequate emphasis on strengthening the local bodies in keeping with the constitutional mandate to uphold their financial, functional and administrative autonomy. The Fourth Assam State Finance Commission has also done likewise. The tax devolution and grants-in-aid through the scheme of resource transfer should be supplemented by raising of resources by the LSGs themselves by effectively tapping the sources allocated to them. In keeping with the constitutional mandate, successive Central Finance Commission beginning from the Tenth had also recommended measures to augment the Consolidated Fund of the States to supplement the resources of panchayats and municipalities in the State. Indeed, the measures needed to improve the finances and functioning of local bodies imply much more than the fiscal devolution alone. It points to the need to inculcate improved practices of management. Against this backdrop, best practices evolved can serve as a road map in tackling similar issues by the local bodies and its dissemination and replication by others.
- 9.2 Broadly speaking, the SFCs take a holistic view of the finances of local bodies which include their own tax and non-tax revenues, tax devolution and grants-in-aid from the State and Central Finance Commissions pitted against their obligatory expenditure. By and large, any mis-match between revenue and expenditure is sought to be narrowed down, as far as practicable, by resource transfer to the extent necessary supplemented by additional resource mobilization by the LSGs. The task of documenting the best practices is invariably linked to better financial management of local bodies. As of now, PRIs in Assam at all levels are playing an insignificant role in the matter of service delivery to their constituents. The position of ULBs is no better in this respect. At this abysmally low level of activity it would hardly be possible to identify a set of best practices among them for its replication across the State. However, it may be worthwhile to replicate the best practices culled out from other States where the experiment was successful and subject to its suitability to local conditions.
- 9.3 The traditional functions of local bodies both rural and urban consist of providing basic civic services to the citizen to their satisfaction. Best practices initiatives should therefore conform to and have a tangible impact on the quality of life and living environment of the concerned citizens. Hence, best practices can well be related activity-wise to the service providers. Even then it would be difficult to list out a set of best practices separately for each tier of PRIs and each category of ULBs. This is because PRIs in each tier is statutorily empowered to levy and collect taxes, duties, tolls and fees and activity mapping entrusts different component of the same activity concurrently to each tier. In case of the ULBs the provisions of the same Act govern the activities of municipal boards and town committees. Only the municipal corporation stands on a different footing. Given the above functional background, a set of best practices that can be sorted out for a particular tier is equally applicable

to other tiers also. Within the above limitations, a number of best practices have been identified and listed below which could be use fully emulated by PRIs and ULBs at all levels.

PRI Best Practices

- 9.4 Ideally best practices for the PRIs can be documented under the following categories viz, (1) Compliance to statutory requirements, (2) maintenance of data base, (3) resource mobilization, (4) expenditure compression and (5) transparency and accountability.

Compliance of Statutory Parameters

- Statutorily required Standing Committee at ZP, AP and GP level need to be put in place and made operational.
- GP Secretaries should convene the meeting of Gaon Sabha quarterly and to ensure that the suggestions of the Gaon Sabha in respect of the development Schemes are duly considered by the respective Gaon Panchayat.
- In conformity with Sections 24 (2) and 56 (2) of the Assam Panchayat Act, 1994, the GPs and APs respectively should make earnest endeavour to limit establishment expenditure to one third of its total expenditure.

Data base

- Maintenance of proper data base in each tier of PRIs of its own revenue for its effective pooling and utilization.
- Expenditure database be maintained for each tier of PRIs relating to maintenance, establishment, pay roll, infrastructure development etc.
- Creation of profile, website.

Resource Mobilization

- In respect of levy and collection of taxes, duties, tolls and fees allocated to the GPs, APs and ZPs, by laws should be framed and put in place by the appropriate authority.
- Autonomy in fund raising to the PRIs in matters of assessment, rate fixation, exemption, revision of rates, incentive etc. should be given.
- House tax, a potential source of revenue in the tax regime of GPs, remained unexploited and needs to be tapped through proper mapping.
- User charges should be made obligatory levies.
- Optimization of the network of own tax regime through broadening and depending of the available sources.
- Fixation of annual target of collection and adhere to the target through constant monitoring.
- Creation of awareness among the general public is the sine-qua-non of better tax administration.

Expenditure Compression

- Right sizing of the organizational machinery to effect economy in expenditure.
- Outsourcing of traditional functions to cost-effective service providers.

- Expenditure compression through public-private-partnership.
- Regular planning and monitoring to cut down costs.

Transparency and Accountability

- To prepare annual budget estimates as per C&AG format.
- Unauthorised spending without preparation of annual budget and plan estimates should be discarded.
- Diversion of fund for purposes other than those intended for should be stopped altogether.
- Maintenance of accounts need be standardized using the formats prescribed by the C&AG.
- Departmental officers should not be made statutory auditors. Director Audit (Local Fund) will supervise accounts and audit under Technical Guidance and Supervision (TGS) provided by the C&AG.
- To outsource audit works to reputed Auditing Firms empanelled by the C&AG.
- Good budgeting, good accounting and good auditing should be the motto.
- Social audit of works, expenditure and outcome be done.

Municipal Best Practices

- 9.5 Cities all over the country are facing identical problems which consist of growing slums, water shortage, garbage accumulation, sanitation and sewerage problems, environmental degradation, inadequate infrastructure, lack of finances etc. The initiatives that have been proved successful in solving the problem elsewhere might be able to achieve similar results if replicated in other cities too.
- 9.6 The best practices listed below activity-wise may be adopted by the ULBs in Assam including the Gauhati Municipal Corporation.

Solid Waste Management

- Solid waste management requires skilled manpower supported by highly mechanized system to perform the job efficiently. Certain municipal corporations in the country has successfully experimented with citizens participation in solid waste management as a sustainable measure to improve the level of services. In collaboration with voluntary associations, citizens were taught about segregation of waste and vermicomposting of solid waste at local level.
- Privatization of solid waste management has been successfully experimented by urban bodies in the country. It has taken initiative for the privatization of transportation and collection of solid waste. The scheme of privatization was extended to maintenance of public toilets, drainage, complaint management etc.
- There are instances that urban bodies setting up composting plants for the disposal of solid waste. This was intended to minimize the quantity of solid waste that will be finally disposed of at the landfill. Moreover, some of the costs can be recovered through the sale of compost.

- As a measure of participatory approach in solid waste management between municipal officials and citizen, some municipal bodies in the country have introduced a new system of collecting bio-medical waste and other municipal solid waste separately. This service is particularly relevant to hospitals, nursing homes, hotels, restaurants and apartments. Under the public-private-partnership scheme bio-compost plants can be set up by the ULBs.
- ULBs in general should cherish a vision of “Zero Garbage Drive” as a first step to keep their cities/towns clean. It may be possible in active cooperation of the NGOs/Citizens to introduce door to door collection of garbages, segregation of waste at household level and its final dumping at the landfill site.

Water Supply & Sanitation

- During rainy season more than 80 percent of the rain water gets washed away as runoff. This has resulted in degradation of groundwater resources and uncontrolled tapping of groundwater has further worsened the situation. Municipal bodies may take initiatives in adopting rainwater harvesting and recharging technology by the city/town dwellers. They may assist the citizens in adopting rainwater harvesting techniques in the existing as well as new constructions.
- Municipal bodies in general should take initiative to improve water supply harvesting both surface and groundwater sources through efficient and effective infrastructure management techniques.
- Almost all the ULBs in the country face the problem of illegal water connection in their cities. This unholy practice not only reduces the revenue of local authorities but also underrate all efforts to conserve the scarce water resources. This calls for regularization of illegal water connections through universal metering.
- The slum sanitation programme with the two-fold objectives to eliminate wastewater discharges from slum areas and to provide toilet facilities should be an integral part of all municipal bodies. This may be a participatory programme involving communities in the implementation process and also creating awareness among them to maintain their toilets forming community organizations.

Street Lighting

- Privatization of street light maintenance and adoption of energy efficient street lighting system is expected to provide a better level of service minimizing the cost of operation.

Roads

- Peoples’ participation in development of internal city roads will relieve the pressure on ULBs and help in conserving scarce resources for alternative uses. The municipal bodies may initiate steps to mobilize citizen’s contribution to raise funds for improvement of public infrastructure in their respective areas.

E-Governance

- People from the weaker section of the society can hardly afford the facilities of internet. In order to bring the facility of e-governance to their doorstep all the

information that are available on the website may be accessed through the local cable network for their benefit.

- To facilitate e-governance GMC may set up City Civic Centres for online registration of complaints, online facility of tax payment and other services which the citizens will be able to transact with them in a hassle free manner.

Transparency and Accountability

- To prepare annual budget estimates as per C&AG format.
- Unauthorised spending without preparation of annual budget and plan estimates should be discarded.
- Diversion of fund for purposes other than those intended for should be stopped altogether.
- Maintenance of accounts need be standardized using the formats prescribed by the C&AG.
- For the sake of transparency and accountability urban bodies should adopt accrual based accounting system. Accounts should be kept in formats prescribed by the C&AG.
- Executive Officers should see that the annual accounts are closed and the accounts for the previous year written up completely and made ready for audit.
- EO of MBs/TCs shall review the progress of compliance of audit reports regularly.
- Departmental officers should not be made statutory auditors. Director Audit (Local Fund) will supervise accounts and audit under Technical Guidance and Supervision (TGS) provided by the C&AG.
- To outsource audit works to reputed Auditing Firms empanelled by the C&AG.
- Social audit of works, expenditure and outcome be done.

Resource Mobilisation

- Property tax should top the agenda of additional resource mobilization.
- The records of properties need be updated using GIS technology wherever feasible.
- The existing properties whose assessed value is found to be grossly inadequate may be reassessed with reference to the present market value.
- To increase yield by rationalizing the present outmoded tax structure.
- To facilitate online payment of taxes.
- To regularize the unauthorized water connections to augment revenue.
- GMC may experiment with automated parking system through public-private-partnership.
- The yawning gap between demand and collection of municipal tax needs to be narrowed down.
- The institutional capacity of the ULBs comprising human resource, organizational set up and legal framework need to be augmented for efficient financial management and resource mobilization.