

# **GOVERNMENT OF ASSAM**

## **EXPLANATORY MEMORANDUM ON THE ACTION TAKEN ON THE RECOMMENDATIONS OF THE FIFTH ASSAM STATE FINANCE COMMISSION (2016-20)**

**FINANCE DEPARTMENT (SFC CELL)  
JANATA BHAWAN, BLOCK-F, 1<sup>ST</sup> FLOOR,  
DISPUR, ASSAM,  
JUNE, 2017  
EMAIL ID : [sfc-asm@nic.in](mailto:sfc-asm@nic.in)**

**GOVERNMENT OF ASSAM  
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT  
SFC CELL, BLOCK-F, DISPUR**

**EXPLANATORY MEMORANDUM ON THE ACTION TAKEN ON THE  
RECOMMENDATIONS MADE IN THE FINAL REPORT OF THE FIFTH  
ASSAM STATE FINANCE COMMISSION SUBMITTED TO THE  
GOVERNMENT OF ASSAM ON MAY 22, 2017.**

The Final Report of the Fifth Assam State Finance Commission covering the period of five years from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2020. But by the time this report is tabled the first year 2015-16 is already over. For the second year 2016-17 an interim report was submitted on 13-07-2016. As such, this report will be valid for a period of 4 years w.e.f. 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2020 together with Explanatory Memorandum on the action taken on the recommendations of the Commission is laid on the Table of the House in pursuance of Article 243-I (4) and Article 243-Y (2) of the Constitution of India. The summary of the recommendations of the Commission relating to devolution of State Taxes, grants-in-aid to the Local Bodies and other matter is contained in para 13.1 to 13.118 of the report of the Commission.

The decisions taken by the Government on the recommendations of the final Report of the Fifth Assam State Finance Commission (FASFC) are given below. PRIs and ULBs need to be adequately staffed with properly trained personnel, subjects to be transferred as per Schedule XI and XII of the Constitution of India, activity mapping to be prepared, if not done yet and accounts of the funds to be maintained properly. LSGI may also be asked to complete the works already taken up under preceding Finance Commission out of the devolution grant recommended by the 5<sup>th</sup> Assam State Finance Commission.

For index of abbreviation used – please see Annexure –I

| <b>Sl. No</b> | <b>Recomm-<br/>endation<br/>No.</b> | <b>Para<br/>No.</b> | <b>Summary of the Recommendations</b>   | <b>Decision to be<br/>taken by the<br/>Cabinet</b>                          |
|---------------|-------------------------------------|---------------------|---|---|
| 1             | 13.1                                | 1.21                | The report will be valid for 4 years commencing from April, 2016 (para 1.21).   | Accepted. Action by concerned line Departments / Finance (E.A.) Department. |
| 2             | 13.2                                | 1.23                | The first report of the Commission suggested a separate SFC (Cell) in Finance Department, Panchayat and Rural Development Department and Urban Development Department. For this purpose, 14 <sup>th</sup> Finance Commission was urged to give additional allocation of Rs. 50 crores to Finance Department, Rs.30 crores to P&RD Department and Rs.20 crores to UDD (para 1.23). | Accepted. Action by UD/GD/P&RD Department /Finance (E.A.) Department.       |

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| 3  | 13.3  | 1.24 | A permanent SFC Cell in Finance Department is recommended. In order to maintain continuity in the services of computer operators, a sum of Rs.20 lakhs per year is allocated (para 1.24).   | Accepted. Action by Finance (Est.B) /Finance (E.A.) Department.       |
| 4  | 13.4  | 1.30 | Rules may be framed under the Assam Local Self Government Fiscal Responsibility Act, 2011 (para 1.30).  | Accepted. Action by UD/GD/P&RD Department /Finance (E.A.) Department. |
| 5  | 13.5  | 2.4  | GPs may be reconstituted through merger and reorganisation so that the size become viable and conform to the Statutory Provision (para 2.4).  | Accepted. Action by P&RD Department                                   |
| 6  | 13.6  | 4.17 | Finance Commission vide para 12.29 of their report recognised that NE states are largely dependent on the resource flow from the Union Government, both for balancing their revenue account and for capital investment and emphasised the need for a new institutional arrangement having special focus on NE States. The Union Government is urged to put in place the new institutional arrangement (para 4.17).  | Accepted.   |
| 7  | 13.7  | 4.19 | The post-devolution revenue deficit grant of Rs.2191 crores during 2015-16 was worked out by the 14 <sup>th</sup> Finance Commission taking into account tax devolution of Rs.19244 crores. However, the actual release of the share of Central taxes by Govt. of India during that year was Rs.16784.88 crores. Thereby, the post devolution revenue gap has escalated to Rs.4650 crores. The Govt. of India is urged to make good this shortfall (para 4.19). | Accepted.   |
| 8  | 13.8  | 4.35 | It is expected that Government of India will take into consideration the cascading effect on State finances arising out of the recommendations of 7 <sup>th</sup> Central Pay Panel (para 4.35).  | Accepted.   |
| 9  | 13.9  | 4.38 | It is expected that henceforth the royalty on crude oil will be paid by the oil companies at pre-discounted prices of crude oil (para 4.38).  | Accepted.   |
| 10 | 13.10 | 5.8  | Devolution of functions, functionaries and fund to PRIs and ULBs should be completed within 60 (sixty) days. (para 5.8)   | Accepted. Action by UD/GD/P&RD Department                             |
| 11 | 13.11 | 5.28 | In order to ensure financial accountability on the part of PRIs and ULBs measures suggested at para 5.28 (i) to (xiii) should be strictly enforced (para 5.28).   | Accepted. Action by UD/GD/P&RD Department                             |

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| 12 | 13.12 | 5.36          | Merger of DRDA and Block staff with ZPs and APs respectively should be considered (para 5.36).   | Accepted. Action by P&RD Department  |
| 13 | 13.13 | 5.37          | Wherever possible allotment of Govt. land may be considered for office buildings and staff quarters of local bodies (para 5.37).   | Accepted. Action by UD/GD/P&RD Department  |
| 14 | 13.13 | 5.37          | Wherever possible allotment of Govt. land may be considered for office buildings and staff quarters of local bodies (para 5.37).   | Accepted. Action by UD/GD/P&RD Department  |
| 15 | 13.14 | 5.45          | The nodal departments of ULBs should provide guidelines for preparation of urban area plans and its integration with the development plans of the district as a whole (para 5.45). | Accepted. Action by UD/GD Department   |
| 16 | 13.15 | 7.26          | Recommended write-off of outstanding loans from the State Govt. to the PRIs (para 7.26).   | Accepted. Action by P&RD Department  |
| 17 | 13.16 | 7.26          | Wages of casual employees of PRIs has been earmarked out of the amount recommended for tax devolution (para 7.26).   | Accepted. Subject to the conditions that prior approval of the concerned Administrative Deptt. with due concurrence of Finance Department. Action by P&RD/CEOs of ZP/ Finance(EA) Department |
| 18 | 13.17 | 7.40 and 7.41 | Allocation of Rs.135 crores annually under PWD budget has been recommended for maintenance of rural roads and SPT bridges (para 7.40 and 7.41).                                    | Accepted. Action by P&RD/ PW(R) Finance(EA) Department   |
| 19 | 13.18 | 7.42 and 7.43 | Allocation of Rs. 117.80 crores annually under PHE budget has been recommended for water supply and sanitation (para 7.42 and 7.43).   | Accepted. Action by P&RD/ PHE Finance(EA) Department   |
| 20 | 13.19 | 7.44          | For supply of improved agricultural appliances Rs. 157.50 crores has been recommended under Crop Husbandry (para 7.44).  | Accepted. Action by P&RD/ Agriculture Finance(EA) Department   |
| 21 | 13.20 | 7.46          | Grant of Rs.84 crores during 2016-20 for construction of godown has been recommended (para 7.46).  | Accepted. Action by P&RD/ PW(B) Finance(EA) Department   |

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| 22 | 13.21 | 7.47<br>and<br>7.48 | Grant of Rs.10.50 crore during 2016-20 has been recommended for construction of mini-stadium (paras 7.47 and 7.48).   | Accepted. Action by P&RD/ Sport & youth welfare /PW(B) Finance(EA) Department |
| 23 | 13.22 | 7.49<br>and<br>7.50 | Grant of Rs. 5 crores for on-going market and Rs.20 lakhs for Rubber Processing Plant has been recommended for Dhubri, ZP (paras 7.49 and 7.50).                      | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 24 | 13.23 | 7.51                | Grant of Rs.1.75 crores has been recommended for Nalbari ZP (para 7.51).  | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 25 | 13.24 | 7.52                | Grant of Rs. 2 crores to Kamrup (Rural) ZP for land development (para 7.52).  | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 26 | 13.25 | 7.53                | Grant of Rs. 2.50 crores to Barpeta ZP for Tourist Lodge (para 7.53).   | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 27 | 13.26 | 7.54                | Grant of Rs. 3 crores to Sonitpur ZP for Tourist Lodge (para 7.54).   | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 28 | 13.27 | 7.55                | Grant of Rs. 5 crores to Kopili, AP for construction of Auditorium (para 7.55).   | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 29 | 13.28 | 7.56                | Grant of Rs.1 crores to Lakhimpur, AP for construction of Fruit Processing Unit (para 7.56).  | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 30 | 13.29 | 7.57                | Grant of Rs. 50 lakhs has been recommended for ZP, Kamrup (Metro) for construction of an Old Age Home (para 7.57).  | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 31 | 13.30 | 7.60                | The Assam Panchayat (Financial) Rules, 2002 may be amended and Bye Laws may be framed (para 7.60).  | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 32 | 13.31 | 7.61                | PRIs may be fully empowered with fund, function and functionaries (para 7.61).  | Accepted. Action by P&RD/ Finance(EA) Department                              |
| 33 | 13.32 | 7.62                | Director of Audit (Local Fund) may be suitably strengthened to cope with the task of accounts and audit of PRIs and AG may conduct audit of PRIs in full (para 7.62). | Accepted. Action by P&RD/ Finance (A&F)/Finance(EA) Department                |

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| 34 | 13.33 | 7.63  | Personnel Department should place the services of officers of appropriate rank at the disposal of Panchayat & Rural Development Department for appointment to the post of CEO of ZP (para 7.63). | Accepted. Action by P&RD/ Personnel/ Finance(EA) Department    |
| 35 | 13.34 | 7.64  | The Commissionerate of Panchayat and Rural Development need to be suitably strengthened (para 7.64).   | Accepted. Action by P&RD/ Personnel/ Finance(EA) Department    |
| 36 | 13.35 | 7.65  | Best performing PRIs be rewarded with cash incentive of fifteen days of basic salary utilising the fund recommended by the Central Finance Commission for Performance Grant (para 7.65).         | Accepted. Action by P&RD/ Personnel/ Finance(EA) Department    |
| 37 | 13.36 | 8.25  | The Commission suggests inclusion of all MBs and TCs of Assam under the NULM for consideration of Govt. of India (para 8.25).  | Accepted. Action by UD/GD / Finance(EA) Department             |
| 38 | 13.37 | 8.95  | Deployment of skilled manpower to ULBs is imperative to ensure professionalism (para 8.95).  | Accepted. Action by UD/GD / Finance(EA) Department             |
| 39 | 13.38 | 8.96  | As a means of expenditure compression both outsourcing and PPP model may be adopted (para 8.96).   | Accepted. Action by UD/GD / Finance(EA) Department             |
| 40 | 13.39 | 8.97  | The ULBs should adopt highly transparent accounting standard (para 8.97).  | Accepted. Action by UD/GD / LSGIs/ Finance(EA) Department      |
| 41 | 13.40 | 8.99  | The Govt. of Assam should implement The Assam Local Self Government Fiscal Responsibility Act, 2011 (para 8.99).   | Accepted. Action by UD/GD / P&RD/LSGIs/ Finance(EA) Department |
| 42 | 13.41 | 8.103 | ULBs should place more emphasis on arrear collection of revenue (para 8.103).  | Accepted. Action by UD/GD /LSGIs/ Finance(EA) Department       |
| 43 | 13.42 | 8.104 | Vehicle parking areas may be identified and fees collected as per prescribed norms (para 8.104).   | Accepted. Action by UD/GD / Finance(EA) Department             |
| 44 | 13.43 | 8.106 | Govt. of Assam may authorise the ULBs to issue permission for building construction (para 8.106).  | Accepted. Action by UD/GD /LSGIs / Finance(EA) Department      |

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| 45 | 13.44 | 8.107          | Track rent should be levied by ULBs on all service providers (para 8.107).   | Accepted. Action by UD/GD /LSGIs Finance(EA) Department                   |
| 46 | 13.45 | 8.108          | All ULBs should take recourse to Advertisement and Hoarding tax (para 8.108).  | Accepted. Action by UD/GD /LSGIs Finance(EA) Department                   |
| 47 | 13.46 | 8.111          | The ULBs should put more emphasis on income generating schemes (para 8.111).   | Accepted. Action by UD/GD /LSGIs Finance(EA) Department                   |
| 48 | 13.47 | 8A.19 to 8A.29 | Grants recommended to Village Development Councils in Schedule VI Areas is Rs.376.06 crores per year and Rs.1504.26 crores during 4 years for various purposes (paras 8A.19 to 8A.29). | Accepted. Action by WPT&BC/Hills Areas / Councils /Finance(EA) Department |
| 49 | 13.48 | 8A.44 to 8A.53 | Grants recommended to ULBs in Schedule VI Areas is Rs. 94 crores per year and Rs.376.05 during 4 years (paras 8A.44 to 8A.53).   | Accepted. Action by WPT&BC/Hills Areas / Councils /Finance(EA) Department |
| 50 | 13.49 | 9.2            | Awareness programme need be organised to acquaint people about the system of Local Body's functioning (para 9.2)   | Accepted. Action by all concerned line Departments                        |
| 51 | 13.50 | 9.3            | Emphasis should be laid on outcome rather than output (para 9.3)   | Accepted. Action by all concerned line Departments                        |
| 52 | 13.51 | 9.4            | Emphasis need to be given on mobilization of local resources (para 9.4).   | Accepted. Action by all concerned line Departments                        |
| 53 | 13.52 | 9.5            | PRIs and ULBs can play a pro-active role in controlling the menace of illicit liquors (para 9.5).  | Accepted. Action by all concerned line Departments                        |
| 54 | 13.53 | 9.8            | It is imperative to have the office of Ombudsman at district level (para 9.8).   | Accepted. Action by all concerned line Departments                        |
| 55 | 13.54 | 9.9            | PRIs and ULBs should be brought within the ambit of computerization and e-governance (para 9.9).   | Accepted. Action by all concerned line Departments                        |
| 56 | 13.55 | 9.16           | Local Bodies should encourage development of sports and youth welfare (para 9.16).   | Accepted. Action by all concerned line Departments                        |
| 57 | 13.56 | 10.3           | The present report will be valid for a period of 4 years form 2016-17 to 2019-20. However, fiscal 2015-16 will be covered by the award of 4 <sup>th</sup> SFC (para 10.3).             | Accepted. Action by all concerned line Departments                        |

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| 58 | 13.57 | 10.8 to 10.20  | Grants recommended to PRIs is Rs.71.41 crores in 2016-17 and Rs.224.84 crores during 4 years (paras 10.8 to 10.20 read with Annexure 10.1).  | Accepted. Action by all concerned line Departments |
| 59 | 13.58 | 10.21 to 10.24 | Grants recommended to PRIs and routed through Line Departments is Rs.421.80 crores in 2016-17 and Rs.1687.20 crores during 4 years (paras 10.21 to 10.24 read with Annexure 10.1).   | Accepted. Action by all concerned line Departments |
| 60 | 13.59 | 10.29 to 10.34 | Grants recommended to GMC is Rs.33.20 crores in 2016-17 and Rs.132.80 crores during 4 years (paras 10.29 to 10.34 and Annexure 10.3).  | Accepted. Action by all concerned line Departments |
| 61 | 13.60 | 10.35 & 10.36  | Grant to GMC routed through Line Department is Rs.7.50 crores in 2016-17 and Rs.30 crores during 4 years (paras 10.35 & 10.36 and Annexure-10.3).  | Accepted. Action by all concerned line Departments |
| 62 | 13.61 | 10.40 to 10.44 | Grants recommended to ULBs other than GMC is Rs.68.92 crores in 2016-17 and Rs.281.18 crores during 4 years (paras 10.40 to 10.44 read with Annexure 10.3).  | Accepted. Action by all concerned line Departments |
| 63 | 13.62 | 10.45 to 10.49 | Grants to ULBs routed through Line Departments is Rs.250.16 crores in 2016-17 and Rs.1000.81 crores during 4 years (paras 10.45 to 10.49 and Annexure 10.3).   | Accepted. Action by all concerned line Departments |
| 64 | 13.63 | 10.52 to 10.62 | Grants to VDCs in Excluded Areas is Rs.376 crores annually and Rs.1504 crores during 4 years. Autonomous Council wise details at Annexure 10.6 (paras 10.52 to 10.62).   | Accepted. Action by all concerned line Departments |
| 65 | 13.64 | 10.65 to 10.74 | Grants recommended to ULBs in Excluded Areas is Rs.94 crores annually and Rs.376 crores in 4 years with Autonomous Council wise details at Annexure 10.7 (paras 10.65 to 10.74).   | Accepted. Action by all concerned line Departments |
| 66 | 13.65 | 10.78          | A Divisible Pool, equal to the amount needed to be transferred to local bodies, has been formed out of the net proceeds of taxes and duties collected by the State Government. The net proceeds has been determined by deducting 10% from the gross collection (para 10.78). | Accepted. Action by all concerned line Departments |
| 67 | 13.66 | 10.79          | The General-Sixth Schedule and Rural – Urban bifurcation of the DP has been determined on the basis of the needs of local bodies as assessed by the Commission (para 10.79).   | Accepted. Action by all concerned line Departments |
| 68 | 13.67 | 10.80          | The grant component and revenue gap component of the DP of General Areas have been segregated (para 10.80).  | Accepted. Action by all concerned line Departments |



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| 69 | 13.68 | 10.81          | The grant component of rural and urban parts of General Areas has been distributed among the concerned PRIs and ULBs as per details shown at Annexure-10.1 and 10.3 (para 10.81).   | Accepted. Action by all concerned line Departments |
| 70 | 13.69 | 10.82 to 10.83 | The rural part of revenue gap in General Areas, after adjustment of the earmarked amount, shall be allocated among different districts on the basis of (i) population 50 percent (ii) geographical area 25 percent and (iii) Inverse of Per Capita District Domestic Product 25 percent (paras 10.82 to 10.83).   | Accepted. Action by all concerned line Departments |
| 71 | 13.70 | 10.84          | The district-wise allocation has been vertically apportioned among to ZPs, APs and GPs at the ratio of 30:30:40 respectively (para 10.84).  | Accepted. Action by all concerned line Departments |
| 72 | 13.71 | 10.85          | The share of each AP and GP shall be determined on the basis of their respective population (para 10.85).   | Accepted. Action by all concerned line Departments |
| 73 | 13.72 | 10.86          | In case of ULBs in General Areas, after adjustment of the earmarked amount from the revenue gap, the balance amount will be allocated to GMC as per calculation at Table-10.4 and to other Municipal Boards and Town Committees on the basis of the weighted average of (i) population 50 percent (ii) geographical area 25 percent (iii) per capita tax collection 12.5 percent and (iv) index of infrastructure 12.5 percent (para 10.86).        | Accepted.  |
| 74 | 13.73 | 10.87          | The scheme of devolution consists of three components (i) tax devolution (ii) grants routed through PRIs and ULBs and (iii) grants routed through line departments (para 10.87).  | Accepted.  |
| 75 | 13.74 | 10.88          | Tax devolution recommended during 2016-20 is Rs.1391.87 crores consisting of Rs.580.39 crores for PRIs and Rs.811.48 crores for ULBs. Net of earmarked amount it is Rs.1244.23crores consisting of Rs. 516.95 crores for PRIs and Rs.727.28 crores for ULBs. The year-wise break up is at para 10.80, Table-10.14. Release of fund against tax devolution shall be made in equal quarterly installments beginning from June each year (para 10.88). | Accepted.  |

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| 76 | 13.75 | 10.89  | Grant routed through PRIs and ULBs is Rs.224.84 crores and Rs.413.98 crores during 2016-20 as per details at Annexure-10.1 and 10.3 respectively. On receipt of proposal from the concerned DDO, the grant may be released in two equal annual installments. The release of 2 <sup>nd</sup> installment will be subject to submission of UC for atleast 50 percent of the 1 <sup>st</sup> installment (para 10.89). | Accepted. Action by UD / GD/P&RD/ Finance (EA) Department                  |
| 77 | 13.76 | 10.90  | In respect of grants routed through line departments, budgetary provision may be made under the relevant head of account of the concerned line departments (para 10.90).  | Accepted. Action by UD / GD/P&RD/ line departments Finance (EA) Department |
| 78 | 13.77 | 10.91  | Grants recommended to PRIs in Excluded Areas is Rs.1246.20 crores for BTC, Rs.156.40 crores for KAAC and Rs.101.66 crores for DHAC during 2016-20 as per break up at Annexure-10.6 (para 10.91).  | Accepted. Action by WPT&BC/ Hills Areas / Councils/Finance (EA) Department |
| 79 | 13.78 | 10.93  | Grants recommended to ULBs in Excluded Areas is Rs.376 crores during 2016-20 as per Council-wise break up at Annexure-10.7 (para 10.93).  | Accepted. Action by WPT&BC/ Hills Areas / Councils/Finance (EA) Department |
| 80 | 13.79 | 10.96  | Grant to PRIs and ULBs in Excluded Areas may be released on receipt of proposals from the concerned DDOs in two installments in June and October. Release of 2 <sup>nd</sup> installment will be subject to submission of UC (para 10.96).  | Accepted. Action by line departments /Finance (EA) Department              |
| 81 | 13.80 | 10.95  | Tax devolution to ULBs in Excluded Areas with Council-wise details and annual phasing is at para 10.92 read with para 10.92(i). The release of fund may be made in two equal installment in June and October each year to the concerned DDOs (para 10.95).  | Accepted. Action by line departments /Finance (EA) Department              |
| 82 | 13.81 | 10.99  | The year-wise phasing of basic and performance grants recommended by 14 <sup>th</sup> Finance Commission for GPs and ULBs is at Table 10.16 (para 10.99).   | Accepted.  |
| 83 | 13.82 | 10.101 | In order to ensure better utilization of fund under the award of 14 <sup>th</sup> Finance Commission, the DDOs should be made responsible to submit UCs within reasonable time. Further, fund may be utilized for creation of operational infrastructure (para 10.101).   | Accepted.  |

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| 84 | 13.83 | 10.103 | The first year of the award period of 14 <sup>th</sup> Finance Commission being already over, the basic grant to GPs for the remaining 4 years is Rs. 4290.13 crores. Out of which, we recommended earmarking of Rs.298 crores per year and Rs.1192 crores during 2016-20 (para 10.103).  | Accepted.   |
| 85 | 13.84 | 10.104 | For construction of market shed for GPs Rs.102.50 crores per year and Rs.410 crores for 4 years has been recommended (para 10.104).   | Accepted.   |
| 86 | 13.85 | 10.105 | The amount earmarked for construction of cremation and burial grounds is Rs.58 crores per year and Rs.232 crores during 2016-20 (para 10.105).  | Accepted.   |
| 87 | 13.86 | 10.106 | Amount earmarked for construction/renovation of GP buildings is Rs.137.50 crores yearly and Rs.550 crores during 2016-20 (para 10.106).   | Accepted.   |
| 88 | 13.87 | 10.107 | Every year Rs.298 crores may be segregated out of the basic grants recommended by 14 <sup>th</sup> Finance Commission and disbursed among the respective DDOs. The balance that remains after segregation of the earmarked amount will be distributed among the GPs as per formula prescribed by us in the Technical Supplement applicable to GPs only (para 10.107). | Accepted.   |
| 89 | 13.88 | 10.108 | Fund will be released to the respective DDOs in two installments in June and October (para 10.108).   | Accepted.   |
| 90 | 13.89 | 10.109 | Release of fund will be made within 15 days of its being credited to State Government account .Accumulated interest, if any, may be utilized by the local bodies for the purpose of service delivery (para 10.109).   | Accepted.   |
| 91 | 13.90 | 10.110 | Basic grants to ULBs be released to the respective DDOs of GMC, MBs and TCs applying the formula prescribed in the Technical supplement (para 10.110).  | Accepted. Action by line departments /Finance (EA) Department |
| 92 | 13.91 | 10.112 | The scheme for disbursement of performance grants recommended by 14 <sup>th</sup> Finance Commission was required to be notified by the State Government latest by March, 2016. If not notified yet, this should be done immediately. Director of Audit (Local Fund) may be the certifying authority in respect of completion of audit (paras 10.111 and 10.112).     | Accepted. Action by line departments /Finance (EA) Department |

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| 93  | 13.92  | 11.3  | The Annual technical Inspection Report of the Accountant General (Audit) on Local Bodies for the year 2011-12 reveals that the activities said to have been transferred to PRIs are still being performed by the authorities of the Line Departments without associating the PRIs (para 11.3). | Accepted. Action by line departments /Finance (EA) Department        |
| 94  | 13.93  | 11.4  | In respect of GMC no effective steps have been reported to prepare the activity mapping (para 11.4).   | Accepted. Action by line departments /Finance (EA) Department        |
| 95  | 13.94  | 11.5  | Consolidation of grass-root level planning with that of District Plan has not been done (para 11.5).   | Accepted. Action by line departments/ LSGIs /Finance (EA) Department |
| 96  | 13.95  | 11.7  | Proper budgetary classifications under Major, Minor, Detailed and Sub-heads is absolutely necessary to facilitate accounting and auditing (para 11.7).   | Accepted. Action by line departments/Finance (EA) Department         |
| 97  | 13.96  | 11.9  | A Local Body Supplement with the State Budget need to be presented every year (para 11.9).   | Accepted. Action by line departments/ LSGIs /Finance (EA) Department |
| 98  | 13.97  | 11.10 | C&AG may be consulted in regard to incorporation of a Local Body Supplement in the Finance Accounts (para 11.10).  | Accepted. Action by line departments/ LSGIs /Finance (EA) Department |
| 99  | 13.98  | 11.11 | Local Bodies should prepare their budget in the formats prescribed by the C&AG (para 11.11).   | Accepted. Action by line departments/ LSGIs /Finance (EA) Department |
| 100 | 13.99  | 11.12 | Accounting and Auditing norm as laid down by the C&AG may be followed by the Primary Auditor (para 11.12).   | Accepted. Action by line departments/ LSGIs /Finance (EA) Department |
| 101 | 13.100 | 11.13 | Legal framework needs to be reviewed to incorporate the provisions of TG&S (para 11.13).   | Accepted. Action by line departments/ LSGIs /Finance (EA) Department |
| 102 | 13.101 | 11.14 | The Assam Panchayat (Financial) Rules, 2002 needs further amendment (para 11.14).  | Accepted. Action by P&RD /Finance (EA) Department                    |

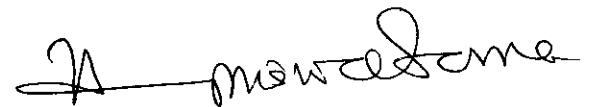
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| 103 | 13.102 | 11.15           | The Annual Technical Inspection Report of the C&AG and the Annual Report of DALF may be placed before the Legislative Assembly (para 11.15).  | Accepted. Action by line departments/Finance (EA) Department   |
| 104 | 13.103 | 11.16           | The need to strengthen the organizational set up DALF has been stressed (para 11.16).   | Accepted. Action by line departments/Finance (EA) Department   |
| 105 | 13.104 | 11.17 and 11.20 | The Commission reiterates the need to set up a permanent SFC Cell in Finance Department and to provide required fund in the State budget (paras 11.17 and 11.20).   | Accepted. Action by Finance (EA) Department                    |
| 106 | 13.105 | 11.20           | Government of India has been urged to provide a special package of Rs.100 crores for setting up permanent SFC Cells under Finance Department, Panchayat and Rural Development Department and Urban Development Department (para 11.20). | Accepted. Action by P&RD/UD/Finance (EA) Department            |
| 107 | 13.106 | 11.24           | The nodal Departments should constantly pursue to get UCs from the concerned Local Bodies (para 11.24).   | Accepted. Action by line Departments                           |
| 108 | 13.107 | 11.26           | In order to forge linkage of NIC server upto AP level, Government of India has been urged to provide Rs.92.50 crores (para 11.26).  | Accepted. Action by P&RD/ Finance (EA) Departments             |
| 109 | 13.108 | 11.33           | The Commission recommends Rs.40 crores for the purpose of training to personnels of Rural Sector (para 11.33).  | Accepted. Action by P&RD/ Finance (EA) Departments             |
| 110 | 13.109 | 11.38           | The Commission recommends Rs.14.86 crores for the purpose of Urban Sector Training (para 11.38).  | Accepted. Action by UD/ Finance (EA) Departments               |
| 111 | 13.110 | 11.41           | Government of India has been urged to provide Rs.200 crores for e-Governance (para 11.41).  | Accepted. Action by line Departments/ Finance (EA) Departments |
| 112 | 13.111 | 11.43 to 11.45  | There is need to amend the Constitution (paras 11.43 to 11.45).   | Accepted.  |
| 113 | 13.112 | 11.46           | Government of India has been urged to provide financial support to the Local Bodies of excluded areas (para 11.46).   | Accepted.  |
| 114 | 13.113 | 11.47           | Government of India may provide the required financial support to implement the revised staffing pattern for the Local Bodies (para 11.47).   | Accepted.  |

|     |        |       |  |   |
|-----|--------|-------|--|---|
| 115 | 13.114 | 11.50 | The Commission recommends that AG may accept the UCs submitted by the DDOs in respect of expenditure incurred under the award of CFC and SFC (para 11.50). | Accepted. Action by line Departments/ AG/Finance (EA) Departments |
| 116 | 13.115 | 12.2  | The existing Acts and Rules may be properly enforced to upheld the monitoring mechanism (para 12.2).   | Accepted. Action by line Departments                              |
| 117 | 13.116 | 12.19 | A District Level Monitoring Committee should be constituted (para 12.19).  | Accepted. Action by line Departments                              |
| 118 | 13.117 | 12.20 | State Level Monitoring Committee should be reconstituted (para 12.20).   | Accepted. Action by line Departments/ Finance (EA) Department     |
| 119 | 13.118 | 12.24 | Actions needed for improvement of monitoring mechanism (para 12.24).   | Accepted. Action by line Departments                              |

Implementation of the Commission's recommendations requires:

- (a) Legislative measures
- (b) Executive/Administrative orders
- (c) Further examination
- (d) Transferred subjects as per schedules of XI and XII of the Constitution of India

Necessary action for amendment/introduction of relevant Acts/Rules, introduction of Legislative measures, wherever necessary, for implementation of recommendations of the Commission will be taken up by the concerned departments of the State Government. Moreover, subjects to be transferred as per Schedules XI and XII of the Constitution of India, activity mapping to be prepared and accounts of the funds to be maintained properly and others will be taken up by the concerning Administrative Departments of the State Government for implementing these recommendations.



(Dr. Himanta Biswa Sarma)  
Finance Minister,  
Assam

Dated: 20/06/2017  
Dispur, Guwahati- 781006

## LIST OF ACRONYMS

|          |  |
|----------|--|
| AG       | Accountant General                         |
| A&F      | Audit & Fund                               |
| AP       | Anchalik Panchayat                         |
| C&AG     | Comptroller & Auditor General              |
| CEO      | Chief Executive Officer                    |
| CFC      | Central Finance Commission                 |
| DALF     | Director of Audit and Local Fund           |
| DDO      | Drawing and Disbursing Officer             |
| DHAC     | Dima Hasao Autonomous Council              |
| DP       | Divisible Pool                             |
| DRDA     | District Rural Development Agency          |
| EA       | Economic Affairs                           |
| FASFC    | Fifth Assam State Finance Commission       |
| GDD      | Guwahati Development Department            |
| GMC      | Guwahati Municipal Corporation             |
| GP       | Gaon Panchayat                             |
| KAAC     | Karbi-Anglong Autonomous Council           |
| LSGIs    | Local Self Government Institutions         |
| MB       | Municipal Board                            |
| NIC      | National Informatics Centre                |
| NE       | North East                                 |
| NULM     | National Urban Livelihoods Mission         |
| PHE      | Public Health Engineering                  |
| PPP      | Public Private Partnership                 |
| P&RDD    | Panchayat & Rural Development Department   |
| PRIs     | Panchayati Raj Institutions                |
| PWD      | Public Works Department                    |
| SFC      | State Finance Commission                   |
| SPT      | Semi-Permanent Timber                      |
| TC       | Town Committee                             |
| TG&S     | Technical Guidance & Supervision           |
| UC       | Utilisation Certificate                    |
| UDD      | Urban Development Department               |
| ULBs     | Urban Local Bodies                         |
| VDC      | Village Development Council                |
| WPT & BC | Welfare of Plain Tribes & Backward Classes |
| ZP       | Zilla Parishads                            |