

GOVERNMENT OF ASSAM
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT

No.FEA (SFC) 116/2009/Pt-I/198

Dated July 11, 2012

To The Senior Deputy Accountant General (SS),
Office of the Principal A.G. (Audit), Assam,
Maidamgaon, Beltola, Guwahati 781 029.

Sub: Information regarding State Finance Commission.

Ref: No.SS.22(LBAA)/1-5/ATIR/2011-12/2012-13/1931 dated 07.06.2012

Sir,

With reference to the letter quoted above, I am directed to furnish information so far available as below:

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| 1 (i) | Number of recommendations (out of 103) accepted by the Government. | Recommendations Nos 43, 57, 59 not accepted. Recommendation Nos from 92 to 96 are the assessment of resources of the State and projection of the Commission regarding transfer of funds to Local Bodies. Details are given in the Explanatory Memorandum on the Action Taken on the Recommendations of the TASFC. |
| 1 (ii) | Number of accepted recommendations which have been fully implemented. | Recommendation Nos. from 4 to 10 fully implemented. Copy of the Explanatory Memorandum on the Action Taken on the Recommendations of the TASFC was sent to the concerned departments like Panchayat & Rural Development Department, Urban Development Department, Guwahati Development Department, WPT&BC Department and Hills Areas Department. But status report on the Action Taken points on the Recommendations have not yet been obtained from the concerned departments. As such, status on the full implementation on the accepted recommendations could not be known. |
| 1 (iii) | Number of accepted recommendations which have been partially implemented. | Out of the recommended amount of Rs.4015.82 crore for the period from 2007-08 to 2010-11, State Government could transfer a sum of Rs.535.56 crore to Local Bodies |
| 1 (iv) | Reasons for non-implementation of accepted recommendations, if any. | As the concerned departments did not take any action, accepted recommendations could not be fully implemented. |

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Asst. Audit
12/07/2012

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| 2 | Status of Implementation of the undermentioned accepted recommendations alongwith details of actions taken thereagainst may also kindly be furnished. | |
| 1 | Recommendation No.1 Decentralisation in Assam | Not yet fully implemented. Subjects have not yet been transferred as per Schedule 11 & 12. |
| 2 | Recommendation No.6 Shares of PRIs and ULBs | PRIs received 162.78 crore and ULBs received 372.58 crore. |
| 3 | Recommendation No.16 Reluctance to collect taxes | Status of the implementation not yet known from the concerned departments. |
| 4 | Recommendation No.21 User charges generally | Status of the implementation not yet known from the concerned departments. |
| 5 | Recommendation No.25 Tax collectors | Status of the implementation not yet known from the concerned departments. |
| 6 | Recommendation No.29 Revision of valuation of holdings | Status of the implementation not yet known from the concerned departments. |
| 7 | Recommendation No.50 Unspent balance of PRIs: Committees and Social Audit | Status of the implementation not yet known from the concerned departments. |
| 8 | Recommendation No.52 Staffing Pattern of PRIs, ULBs and GMC | The "Study Groups" for determining the appropriate staffing pattern of local bodies were appointed by all departments. A one man committee under the chairmanship of Sri S. Purakayastha (Retd. IAS) was constituted on 19.04.2010 and submitted the report to the Finance Department for submission to the 4 th Assam State Finance Commission. Similarly, a Committee under the chairmanship of Shri A.K. Arora (Retd. IAS) was constituted on 27.04.2010. But the Committee could not complete the Report. As such, Urban Development Department completed the report of staffing pattern of the ULBs and submitted to the Government. Guwahati Municipal Corporation (GMC) engaged private Firm (ICRA) for finalization of the staffing pattern of GMC. GMC submitted the report to the Government. The 4 th Assam State Finance commission submitted the Supplementary Report on Staffing Pattern on PRIs, ULBs and GMC to the Government and the Report is under process for Cabinet approval. |

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| 9 | Recommendation No.53 Filling up posts in PRIs. | Panchayat & Rural Development Department has recently submitted a proposal for filling up of posts in PRIs, Block and Commissionerate of Panchayat & Rural Development, Assam with a Cabinet Memorandum on the basis of the report of one man committee to the Finance Department. Since Fourth Assam Finance Commission was asked to examine the staffing pattern based on the report and determine the revised pay structure corresponding to the staffing pattern, Finance Department could not approve the Cabinet Memorandum. |
| 10 | Recommendation No.55 DRDAs and Blocks | Status of the implementation not yet known from the concerned departments. |
| 11 | Recommendation No.62 Staffing Pattern of GMC and ULBs | Same as 2 (8) |
| 12 | Recommendation No.65 Capacity Building in ULBs and GMC | Status of the implementation not yet known from the concerned departments. |
| 13 | Recommendation No.66 Activity Mapping for ULBs and GMC | Not yet done by ULBs and GMC |
| 14 | Recommendation No.67 Capacity Building in PRIs | Not implemented. |
| 15 | Recommendation No.73 Funds for database | Full funds of 11 th Finance Commission and 9 instalments of 12 th Finance Commission were transferred to local bodies. Panchayat & Rural Development Department and Urban Development Department have adopted 8 data base formats of AG. |
| 16 | Recommendation No.98 Accounts and Audit | Status of the implementation not yet known from the Director of Audit (Local Fund), Assam |
| 17 | Recommendation No.100 Transfer of budget provision. | Not yet implemented by the concerned departments. |

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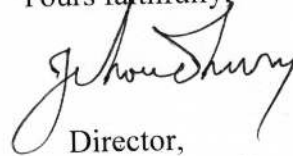
| State Finance Commission (SFC) | Due date of constitution by State Government | Actual date of constitution | Month of submission of Report by SFC | Due placement of Report in Assembly |
|--------------------------------|--|-----------------------------|--|-------------------------------------|
| 1 st FC | 19 th April, 1994 | 23.06.1995 | 29.02.2996 | Not placed |
| 2 nd FC | 19 th April, 1999 | 18.04.2001 | 18.08.2003 | Not placed |
| 3 rd FC | 19 th April, 2004 | 03.07.2006 | 27.03.2008 | 11.12.2008 |
| 4 th FC | 19 th April, 2009 | 23.04.2010 | Preliminary Report covering the period 2011-12 submitted on 25.03.2011 | 18.07.2011 |

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| 4 th FC | | 23.04.2010 | Final Report covering the period 2011-12 to 2015-16 submitted on 18.02.2012 | Under process |
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4. Further regarding status of implementation of FASFC

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| (i) | Date of submission of Final Report | 18.02.2012 |
| (ii) | Number of recommendation made | 24 numbers, Details are given in the Explanatory Memorandum on the Action Taken on the Recommendations of the Preliminary report of FASFC. |
| (iii) | Number of recommendation accepted by Government | The Report is under process for approval of the Cabinet for acceptance. |
| (iv) | Number of accepted recommendation which have been fully implemented | Do |
| (v) | Number of accepted recommendation which have been partially implemented | Do |
| (vi) | Reason for Non implementation of accepted recommendation , if any | Do |
| (vii) | Copy of action taken memorandum | Copy enclosed - do - |
| (viii) | Copy of the 4 th State Assam State Finance Commission | The Commission has now submitted its Final Report covering the period from 2012-13 to 2015-16 to the Government on 18.02.2012. This is under process for cabinet approval. After that the copy will be available for distribution. |

Yours faithfully,



Director,

Finance (Economic Affairs) Department.