

GOVERNMENT OF ASSAM  
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT

No.FEA(SFC) 37/2012/37

Dated Dispur August 30, 2012

To

The Deputy Accountant General (LBAA)  
Office of the Principal Accountant General (Audit), Assam,  
Maidamgaon, Beltola, Guwahati-781 029.

Sub: Report on oversight role of the State Government about functioning of PRIs –  
Para No.7.3 regarding delay in transfer of CFC Grants

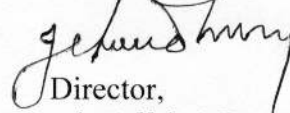
Ref: No.LBAA/8-1/OR/PRI/2011-12/2070E dt.14.11.2011.

Sir,

With reference to the subject quoted above, I am directed to say that State Government paid interest amount of Rs.807.74 lakh to local bodies @ 5% RBI bank rate per annum for delay of 556 days in respect of transfer of grants beyond stipulated 15 days from the receipt of Government of India's sanctions under the award the award of 12<sup>th</sup> Finance Commission.

The delay in transfer of grant to local bodies by the State Government under the 12<sup>th</sup> Finance Commission was caused as the release of fund to local bodies was not kept outside the purview of the ceiling system. After issue of sanction of funds for local bodies, the ceiling was required to be obtained from Finance (Budget) Department for transfer of funds to local bodies under the award of 12<sup>th</sup> Finance Commission. This departmental procedure caused unnecessary in transfer of funds to local bodies. It also took time to receive proposals for the schemes against release of grants from the concerned departments. The electronic system for transfer of funds to local bodies directly has not yet been developed. However, the delay in transfer of grants to local bodies under the award of Central Finance Commission may be avoided if the Finance Department release funds to the DDOs directly for local bodies as soon as the sanction is received from the Government of India. If the funds are routed through the concerned departments, it will cause delay in transfer of funds to local bodies. Finance Department has now taken steps to transfer funds to DDOs for Zilla Parishads and DCs/SDOs for ULBs for reducing the delay in transfer of funds to local bodies.

Yours faithfully,



Director,

Finance (Economic Affairs) Department

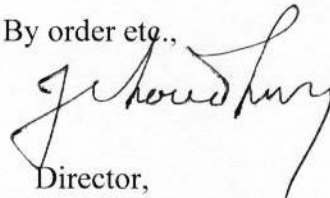
Memo. No.FEA(SFC) 37/2012/37-A

Dated Dispur August 30, 2012

Copy to:

1. Under Secretary, Finance (Budget) Department w.r. to U/O. No.BB.225/2012/24 dt.03.08.2012.
2. The Joint Secretary, Panchayat & Rural Development Department w.r. to his letter No.RDD.363/2011/Pt/14 dt.23.02.2012.

By order etc.,



Director,

Finance (Economic Affairs) Department