

**Important.**  
**Immediate Attention.**

GOVERNMENT OF ASSAM  
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT  
DISPUR, GUWAHATI-781 006.

No. FEA(SFC)59/2010/148,  
Dated Dispur, the 25<sup>th</sup> April 2011.

From: Shri H.S. Das, IAS,  
Principal Secretary to the Government of Assam,  
Finance Department, Dispur.

- To
1. The Principal Secretary to the Government of Assam,  
Panchayat & Rural Development Department, Dispur.
  2. The Principal Secretary to the Government of Assam,  
Urban Development Department, Dispur.
  3. The Commissioner & Secretary to the Govt. of Assam,  
Guwahati Development Department, Dispur.

Sub: Transfer of funds to the Local Bodies.

Sir,

As you are aware the Thirteenth Finance Commission has awarded a grant of Rs.1892.96 crore for local bodies of Assam during the five year period i.e. 2010-15. The Fourth State Finance Commission is also likely to submit its final report soon which will inter alia contain recommendation for substantial transfer of funds to the local bodies.

One fundamental question that has arisen in this context is whether the local bodies, both PRIs and ULBs, are adequately manned with competent staff to handle such huge volume of funds. I understand that the consultant engaged by Panchayat & RD Department has submitted his report containing a proposed staffing pattern for the PRIs. But this is yet to be approved. Even after approval some time will be taken to create and fill up the posts. As against this, the Urban Development Department and the Guwahati Development Department are yet to

have an approved staffing pattern for the ULBs and Guwahati Municipal Corporation respectively.

To make the local bodies really effective, it is imperative that adequate funds commensurate to their inherent responsibility and the entrusted functions are transferred to them. It is needless to say that without the required manpower of prescribed qualification and competence and effective transfer of functions, the local bodies will not be in a position to render effective service to the people and discharge their constitutionally and statutorily mandated responsibilities. I hope you will agree with me that transfer of funds should be made after or simultaneously with transfer of functions and functionaries. If transfer of such huge volume of funds precede transfer of functions and availability of adequate and competent manpower then there is every likelihood of non-utilization, mis-utilization, misappropriation, leakages, wastages and similar other financial irregularities. It is learnt that out of 2202 number of GPs, about 500 GPs do not have secretaries yet. So, naturally the question arises as to who will handle the funds and keep the accounts.

Similarly, there are many ULBs which are very poorly staffed with inexperienced or under-qualified employees. Unless the accounts are maintained properly as per laid down procedure there is bound to be serious audit objections.


In view of the above, I would like to request you to kindly put in position required manpower in the PRIs and ULBs as per approved staffing pattern and prescribe appropriate financial rules, which may be up-dated as per necessity.

Further, one of the conditionalities of the 13<sup>th</sup> Finance Commission's grant to local bodies includes that a separate budgetary supplement will have to be prepared and placed in Assam Legislative Assembly including transfer of funds to the local bodies against transfer of subjects. Effective transfer of subjects to the local bodies by respective departments has not yet been done in the State. Non-fulfillment of the above conditions may entail loss of 13<sup>th</sup> Finance Commission grants to the State Government.

You are, therefore, requested to initiate necessary actions on an emergent basis to – (i) have an approved staffing pattern and put the man in position as per

procedure as early as possible, (ii) issue notification to put in effect the activity mapping and entrustment as well as transfer of subjects from the respective departments to the local bodies, (iii) prescribe appropriate financial rules and procedure to be followed by the PRIs and ULBs, (iv) workout and put a system in place so that the funds devolved and transferred to the local bodies are not wasted, mis-appropriated, mis-utilized or remain unutilized, and (v) prepare and finalize appropriate service rules for the employees of the PRIs and ULBs. In this connection, I would like to refer to a Cabinet decision which was taken about two years back directing the administrative departments to frame Service Rules for employees working under their jurisdictions, if such Service Rules do not already exist.


Yours faithfully,

  
(H.S. Das) 25/04/2011  
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Principal Secretary to the Govt. of Assam,  
Finance Department, Dispur.

Memo No. FEA(SFC)59/2010/148 -A, Dated Dispur, the 25<sup>th</sup> April 2011.

- Copy to: -
1. The Chief Secretary to the Government of Assam, Dispur, Guwahati-781 006 for kind information.
  2. The Principal Secretary to the Chief Minister, Assam.

  
(H.S. Das) 25/04/2011  
Extra Copy

Principal Secretary to the Govt. of Assam,  
Finance Department, Dispur.