

Minutes of the 2nd Meeting for High level Monitoring Committee (HLMC) held on 27.01.2017 in conference hall of Chief Secretary , Assam 3rd Floor , Block C , Assam Secretariat regarding 14th Finance Commission in respect of Local Bodies.

1. Lists of Members and Officers present in the meeting are appended at **Annexure – I**.

The meeting was presided over by the Chief Secretary, Assam. The Chief Secretary, Assam welcomed all the officers present in the meeting.

2. While explaining the objective of the meeting, the Commissioner & Secretary, Finance Department indicated that as per the guidelines of the MoF the local bodies are to fulfill some conditionalities for obtaining General Performance Grant (GPG) due from 2016-17 onwards. He also pointed out that submission of UCs in time is mandatory for obtaining the subsequent installments under 14th Finance Commission. He requested all line departments concerned for taking proactive steps for utilization of 14th Finance Commission Grants and submit UCs in time so as to impress upon MoF for releasing subsequent installments.

3. The HLMC made threadbare discussions on the relevant issues of Local Bodies and agreed upon the followings:-

- (i) The 14th Finance Commission recommended total Grant-in Aid amounting Rs. 6387.11 cr to Assam Local Bodies for utilization during 2015-20. The Commission has recommended Grant-in-aid to the duly constituted Panchayats (Rural Local Bodies) and Municipalities (Urban Local Bodies) in two parts, namely- (i) General Basic Grant and (ii) General Performance Grant. The detailed break-up of the Grant-in-aid recommended by the 14th Finance Commission for the period 2015-20 for Assam Local Bodies is as follows:-

(Rs. in cr)

Years	PRIs		ULBs		Total
	GBG	GPG	GBG	GPG	
2015-16	584.80	0.00	93.14	0.00	677.94
2016-17	809.76	106.22	128.97	38.06	1083.01
2017-18	935.60	120.20	149.01	43.07	1247.88
2018-19	1082.32	136.50	172.38	48.92	1440.12
2019-20	1462.45	178.74	232.92	64.05	1938.16
Total	4874.93	541.66	776.42	194.10	6387.11

- (ii) 14th Finance Commission & MoF has laid down the following conditionalities for releasing General Performance Grant from 2016-17 onwards :

For Gram Panchayats (GPs):

- (a) The Gram Panchayats will have to submit audited accounts that relate to year not earlier than two years preceding the year in which the Gram Panchayats seeks to claim the Performance Grant.
- (b) The Gram Panchayats will have to show an increase in their own revenues over the preceding year as reflected in the audited accounts.

(iii) For Municipalities:

- (a) The Municipality will have to submit audited accounts that relate to year not earlier than two years preceding the year in which the Municipality seeks to claim the performance grant.

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- (b) The Municipality will have to show an increase in its own revenues over the preceding year as reflected in the audited accounts. The improvement in revenues will be determined on the basis of these audited accounts and on no other basis. For computing the increase in own revenues in a particular year, the proceeds from octroi and entry tax must be excluded.
- (c) The Municipality must measure and publish the Service Level Bench Marks relating to basic urban services each year for the period of the award and make it publically available. The Service Level Bench Mark of the Ministry of Urban Development may be used for this purpose.
- (4) Meanwhile, the Ministry of Urban Development, GOI vide letter No. N-11025/63/2015/LSG-1 dated.26/12/2016 has requested the State Govts to submit scheme / claim General Performance Grants under 14th Finance Commission for releasing the General Performance Grant for 2016-17.
- (5) It was also pointed out in the HLMC meeting that out of total Rs.1760.95 cr due for Assam during 2015-16 & 2016-17, the State has so far raised Rs.338.97 cr against recommendations of 14th Finance Commission for Local Bodies. The main reason of not releasing fund by MoF is non submission of UCs and compliance report for the conditionalities laid down by the Commission.
- (6) After detailed deliberations, the following observations made (discussions taken by the HLMC)
- (a) P&RD, UDD & GDD shall initiate all out efforts for ensuring fulfilment of conditionalities and prompt utilization of released amounts so as to become eligible for GPG & GBG due to the State.
- (b) Line departments Concerned shall prepare a checklist / benchmark for fulfilment of conditionalities and keep constant monitoring on the Local Bodies so as to make them eligible for GPG and submit claims for GPG against the Local Bodies for which compliance report are required.
- (c) Finance Department shall examine the feasibility of engaging a team of Chartered Accountants to get it into the bottom of pending UCs to dissolve the matter comprehensibly and at once.
- (d) All concerned implementing departments shall prepare uniform software so as to obtain UCs from concerned LSGIs and suggested to engage Consulting Firms having credibility and expertise in the field and shall earmark fund for software and establishment cost out of 10% of General Basic Grant.
- (e) While conducting the meeting, Chief Secretary & Chairman, HLMC requested that the concerned line departments shall explore suitable mechanism for prompt utilization of Local Bodies Grants and submission of UCs in time under 14th Finance Commission so as to make the State eligible for obtaining the entire recommended Grant under 14th Finance Commission.

The meeting ended with thanks to the chair.

Sd/-

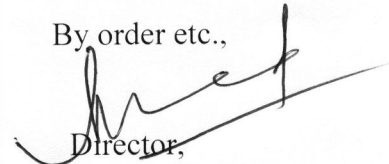
Chief Secretary & the Chairman, HLMC

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Copy to:-

1. P.S. to the Addl. Chief Secretary to the Government of Assam, Finance Department, Member, HLMC for kind information to the Addl. Chief Secretary.
2. P.S. to the Commissioner & Secretary to the Government of Assam, Panchayat & Rural Development Department, Member, HLMC for kind information to the Commissioner & Secretary.
3. P.S. to the Commissioner & Secretary to the Government of Assam, Urban Development/ Guwahati Development Department, Member, HLMC for kind information to the Commissioner & Secretary.
4. The Director, Govt. of India, Ministry of Finance, Department of Expenditure, Finance Commission Division, 11th Block, Lodhi Road, CGO Complex, New Delhi-110003 for information.
5. The Joint Secretary, Ministry of Urban Development (LSG Division), Govt. of India,202, C-Wing, Nirman Bhawan, New Delhi-110011 for information.
6. The Secretary, Ministry of Panchayati Raj, Govt. of India, Krishi Bhawan, New Delhi-110001 for information.
7. The Commissioner of Panchayat & Rural Development, Juripar, Member, HLMC for kind information.
8. The Commissioner of Guwahati Municipal Corporation, Member, HLMC for kind information.
9. The Director, Municipal Administration, Member, HLMC for kind information.
10. The Director, Audit (Local Fund), Member, HLMC for kind information.
11. All Deputy Commissioner/ SDO(C).....
12. All Chairpersons/ Executive Officers of MBs/ TCs.....
13. All CEOs of Zilla Parishad for information and necessary action. He is requested to circulate to concerned secretaries of GPs/BDOs of APs under his jurisdiction immediately.
14. The Sr Accounts Officer, CA-3, Maidamgaon, Beltola, Guwahat-24 for information.
15. e-Governance Unit, Finance Department for uploading in the departments website.

By order etc.,



Director,

Finance (Economic Affairs) Department
& Member Convener, HLMC

Annexure - I

Officers present in the Meeting of the HLMC (14th FC) held on 27.01.2017 at 10.00 AM

Sl No.	Name & Designation	Department	Contact No. & Email ID	Signature
1	V. B. Pyarelal	Chief Secy.		
2	V. B. Pyarelal	Addl. CS, Fin	v.pyarelal@nic.in 9401017865	 27.1.17
3	M. V. K. Bhamu	Addl. CS UDD, P&S	9435047833	
4	Ravi Kote	Com & Secy Fin, UDD	7086008898	
5	DR J B Elcha	Commisioner PTRD	9954055488	
6	S. Goham Bureah	Com. GMC.	9840116504	
7	S. I. Rahman	Addl. Commisioner GMC	94351-56139	
8	Mridul Mahanta	Director Municipal Administration	9435158296	
9	Rajil, Laxm Bokal Joint Director Audit (P&S)	Local Audit	9435400210	
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