

Minutes of the 3rd Meeting for High level Monitoring Committee (HLMC) held on 06.06.2017 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 Principal Secretary, Finance Department indicated that as per the guidelines of the MoF the local bodies are to fulfill the requisite 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 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 following:-

- (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:-

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) Meanwhile Finance Department had circulated the Ministry of Finance guidelines for release of fund against General Basic Grant for both PRIs & ULBs amongst Concerned line departments.
- (iii) Finance Department had also submitted Utilization Certificates for an amount of Rs.292.40 cr to(PRIs), Rs.33.14 cr to (ULBs) and Rs.13.43 cr to (GMC) respectively to Ministry of Finance, GOI against 1st Instalment of GBG as per the prescribed format.

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- (4) 14th Finance Commission & MoF have 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 the 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.

For Municipalities:

- (a) The Municipalities will submit audited accounts that relate to year not earlier than two years preceding the year in which the Municipalities seeks to claim the performance grant.
- (b) The Municipalities 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 Municipalities 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 publicly available. The Service Level Bench Mark of the Ministry of Urban Development may be used for this purpose.
- (5) After detailed deliberations, the following observations were made :
- (a) P&RD, UDD & GDD shall initiate serious 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) All implementing departments concerned 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.
- (c) The Chief Secretary & Chairman, HLMC requested that the line departments to 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.
- (d) UDD and GDD have been requested to submit UCs regarding interest for an amount of Rs.118.22 lakh and Rs.32.00 lakh respectively against 1st instalment of General Basic Grant for the year 2015-16 as per prescribed format by GOI, MoF.
- (e) Finance Department had released an amount of Rs.106.22 crore as General Performance Grant to PRIs for the year 2016-17. HLMC asked P&RD Department to ensure submission of UC immediately for onward submission to MoF, GOI.

- (f) HLMC has suggested UDD to collect a defaulter's list regarding pending UCs under the award of Central Finance Commission and publish it in the News Paper. UDD has also been requested to organize a meeting with defaulter ULBs/ EOs & Chairpersons of MBs/ TCs regarding submission of UCs.
- (g) The concerned departments are requested to obtain countersignature of the senior most secretary of Finance Department before forwarding the UCs to GOI, MoF onwards.
- (h) The next HLMC meeting held after a fortnight and the concerned departments are requested to submit the progress report is schedule to be.
- (i) Present status of the appointment of Chartered Accountants in place of Audit Officers for conducting audits of the ULBs, ZPs, APs & GPs.

The meeting ended with thanks to the chair.

Sd/-

Chief Secretary & the Chairman, HLMC

Memo No, FEA (SFC) 61/2015/156-A

Dated Dispur the 20th June, 2017

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 Panchayat 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