

11.16 Decisions taken and orders issued on certain recommendations of Second SFC

Rural Development (C2) Department

G.O. (Ms) No. 142

Dated : 25.10.2005

Read :

1. G.O. (Ms) No. 245, R.D. dated 19.11.1998.
2. G.O. (Ms) No. 518, Finance (Resources) Department, dated 1.12.1999.
3. G.O. (Ms) No. 103, Finance (Resources) Department, dated 3.3.2000.
4. Government D.O. Letter No. 75393/FC.IV/201, Finance (FC.IV) Department, dated 13.5.2002.
5. G.O. (Ms) No. 371, Finance (FC.IV) Department, dated 11.11.2002.

ORDER

As per the provisions laid down in 73rd and 74th Constitutional amendments, the Second State Finance Commission was constituted in the G.O. first read above, to review the financial position of rural and urban local bodies in Tamil Nadu and to make its recommendations. In the G.O. third read above, the Terms of Reference to the Commission were issued in which the Commission was requested to make its report available by 31.10.2001. The Commission submitted its report to Her Excellency the Governor on 21.5.2001.

2. The Action Taken Report on the recommendations of the Second State Finance Commission in respect of the Chapter VIII – Accountability and Audit among others placed before the Legislative Assembly on 8.5.2002, are examined in detail and the following orders are issued.

11. STATE FINANCE COMMISSION

Chapter VIII – Accountability and Audit

S.No	Para No.	Gist of Recommendation	Orders issued
1	3.6 (c)	The Commission recommends that in the place of concurrent audit, pre-audit may be introduced for work – bills in Panchayats and Panchayat Unions. The staff that are now engaged in concurrent audit may be made use of.	Not accepted by the Government.
2	Para 3.8	The Commission recommends that the following time frame may be adopted, so as to keep the audit upto date.	Accepted by the Government with partial modification.
		1 Accounts to be compiled by the Local Bodies for each financial year and produced to audit (a) Village Panchayats (b) Panchayat Unions and District Panchayats	Government direct that the time limit for placing the audited accounts before the Council is changed and fixed as two months from the date of issue of audit report or 15 th November whichever is earlier.
		2) Audited Accounts to be made available by the Local Fund Audit Department to the Local Bodies	Government direct the Director of Rural Development to issue necessary instructions to all concerned to adopt the time frame indicated in the recommendations to keep the audit upto date and monitor the annual calendar of events adhered to by all concerned as on schedule.
		3) Audited accounts to be placed before the Council concerned and to be adopted by it.	
		4) Fixing responsibility and initiating Disciplinary action, surcharge proceedings etc.	
		5) Completing disciplinary action, effecting recovery etc.	
3	Para 6.9	Data like work chosen Budget etc. of Village Panchayats can be made available through the Information Kiosk at Panchayat Union.	Accepted by the Government. The Government direct DRD to implement this recommendation.
4	Para 7.3	To amend election Rules relating to local bodies to the effect that the incumbents of dissolved Council are debarred from standing for election for a period of six years on account of proven financial mal-administration and malfeasance.	Not accepted by the Government.
5	Para 11.6 and Para 15.4	1) Detailed shelf of projects needs to be prepared dovetailing with the Tenth five – year plan and this can be got approved by the Grama Sabha. Further Plan Budget linkage needs to be consciously worked out.	The Tenth Five Year Plan provides for allocation of funds sector wise, Funds have not been

11. STATE FINANCE COMMISSION

			<p>allocated for tier wise ie., Village Panchayat Union and District Panchayat, However the local bodies have been provided with SFC, CFC Grants, portion of SGRY, NFFWP, Namadhu Grammam etc., Therefore the Government direct that with the allocation of funds of the above programme the shelf of projects may be prepared and got it approved by the Gramasabha.</p>
		<p>2) Grama Sabha may be conducted by rotation twice a year covering all the habitation in Village Panchayats.</p>	<p>2) Government in G.O. (Ms) No. 245, Rural Development (C1) Department dated 19.11.98 have ordered to conduct Grama Sabha four times in a year (i.e) on 26th January, 1st May, 15th August and 2nd October. Apart from this, Grama Sabha are also conducted on special occasions. At present Grama Sabha are conducted at a public place within the limits of the Village Panchayat as per Tamil Nadu Grama Sabha (Quorum and Procedure for convening and conducting of meeting) Rules 1999. Conducting of Grama Sabha meetings in new locations in its hamlets would also encourage participation from all the hamlets in the Village Panchayats and it will create awareness among more rural folks. In the circumstances and in view of the</p>

11. STATE FINANCE COMMISSION

			above Rule, the Government direct that if the Village Panchayat desires to conduct Grama Sabha in all the habitations in the Panchayat are by rotation, they shall conduct on the dates mentioned above.
		3) Grama Sabha may approve all the works taken up by Panchayat Unions, District Panchayats, District Rural Development Agency, and works taken up under MLACDS funds.	3) The Government directed that the works taken up by Panchayat Union, District Panchayat, District Rural Development Agency, MLACDS, MPLADP etc., shall be placed before the Grama Sabha for information.
		4) It must be made mandatory for the field functionaries of line departments to be in attendance while Grama Sabhas are in session.	4) The Government direct that the field level functionaries of line department may be made mandatory to attend Grama Sabha Meeting.
		5) Printed copies of budget may be given in Grama Sabhas to all participants.	5) As per provision of the Tamil Nadu Panchayats Act 1994 vide Section 39(a) (ii) of Grama Sabha shall approve the Village budget As per Rule called Tamil Nadu Panchayat (Grant of copies of proceedings or records) Rules 1999, a person requiring copies or extract of the records of the Panchayat shall submit an application giving full details and the Panchayat shall issue the copies after receiving the charges for typed or photo copies of such records.

11. STATE FINANCE COMMISSION

		6) Consistent with the above, other recommendations and suggestions made in the report of Director of Evaluation and Applied Research and Gandhigram Rural Institute may also be implemented.	6) Other recommendations and suggestions made in the reports of the Director of Evaluation and Applied Research and Gandhi Gram Rural Institute related to this subject also be adhered to.
--	--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The Director of Rural Development and the District Collectors are directed to ensure that all the orders are implemented and strictly adhered to, with immediate effect and send proposals wherever necessary.

(By order of the Governor)

SANTHA SHEELA NAIR
SECRETARY TO GOVERNMENT