

Administrative Reforms Commission's 15th Report titled "State and District Administration"

Details of the Government's decisions on the recommendations of the Administrative Reforms Commission

Sl. No	Recommendations made by Administrative Reforms Commission	Government's Decision
1.	<p>1. (Para 2.3.2.12) Size of the Council of Ministers</p> <p>a) The size of the Council of Ministers in the States needs to be reduced further considering the needs of an efficient government. For this purpose the maximum size of the Council of Ministers may be fixed in a range between 10% to 15% of the strength of their Legislative Assemblies. In the larger States (where membership of the Assembly is more than 200) such maximum percentage should be 10% where as in the medium (where the strength of the Assembly is between 80 and 200) and the smaller States (where the strength of the Assembly is below 80) it may be 12% and 15% respectively. This stipulation should however be subject to appropriate proviso to remove anomalies. It may be ensured that the maximum number of Ministers permissible for the medium sized States should not exceed the number prescribed for a large sized State having 200 legislators and similarly, the maximum number of Ministers permissible for the smaller States should not exceed the number prescribed for a medium sized State having 80 Legislators. There may not be any prescribed minimum.(1)</p>	<p>(a) & (b) Recommendations have been accepted in principle. The issue can be referred to Inter-State Council for consideration</p>
2.	<p>b) There is need to arrive at a national consensus on this issue through deliberations/discussions with the States at the Inter-State Council.(2)</p>	

<p>3.</p>	<p>2. (Para 2.3.3.11) Rationalizing the Number of Secretarial Departments</p> <p>a) The number of Secretariat Departments in the States should be further rationalized on the following basis:</p> <p>i) The existing departments covering inter-related subjects, activities and functions should be merged;</p> <p>ii) Need for synergy between the activities of various departments;</p> <p>iii) Devolution of a large number of functions to the PRIs/ULBs;</p> <p>iv) The role of Secretaries to be redefined; to be divested of non-essential responsibilities and executive work and larger delegation of power to the executive departments/agencies; and</p> <p>v) Need for streamlining the decision making process.(3)</p>	<p>(a) Recommendation has been accepted in principle. Objective of coordination could be achieved through the constitution of standing inter-departmental committees</p>
<p>4.</p> <p>5.</p> <p>6.</p> <p>7.</p>	<p>3. (Para 2.3.5.5) Executive Agencies</p> <p>a) The State Governments should scrutinize the functions/activities of each department to confirm whether these activities/ functions are critical to the mission of the department and can only be carried out by government agencies.(4)</p> <p>b) Only those functions/ activities that have to be carried out by the government based on the principle enunciated in paragraph 2.3.4.6 should be carried out directly by the departments. Other functions/ activities should be carried out by Executive Agencies of the department.(5)</p> <p>c) Each Executive Agency, whether a new body or an existing departmental undertaking/ agency/ board/ special purpose body, etc. that is converted into an Executive Agency, must be semi-autonomous and professionally managed under a mandate. Such executive agencies could be structured as a department, board, commission, company, society, etc.(6)</p> <p>d) There is need for a right balance between autonomy and accountability while designing the institutional framework of executive</p>	<p>(a) to (e) : Recommendations have been accepted.</p>

<p>8.</p>	<p>agencies. This could be achieved through well designed performance agreements, Memorandum of Understanding (MoU), contracts, etc. However, preparing and enforcing such performance contracts requires considerable upgradation of capacity in the concerned governmental departments.(7)</p> <p>e) Agencies dealing with subjects where major functions and activities have devolved on local governments would need to concentrate on monitoring and supervision, ensuring of standards and quality, providing guidance to local governments on technical matters, training of personnel, giving feedback to the government on implementation and performance and advising on changes that are needed in plans and programmes – as stated in paragraph 2.3.5.4.(8)</p>	
<p>9.</p> <p>10.</p>	<p>4. (Para 2.4.1.4) Civil Services Law</p> <p>a) The Commission reiterates that the recommendations in its Tenth Report pertaining to the Civil Services Law and Civil Services Authority should be implemented by the State Governments both in letter and spirit.(9)</p> <p>b) In order to provide appropriate legislative backing to these reforms, each State Government should enact a Civil Services Law for all the personnel holding civil posts in the State (on the lines of the proposed Union Law). However, in order to evolve a national consensus and ensure a measure of uniformity among States, the matter may be taken up for deliberations at the Inter-State Council.(10)</p>	<p>(a) & (b) While considering the 10th Report it was decided that Civil Services Performance Standard and Accountability Bill may be drafted by DoPT. The proposed Act would include (i) Vision for Civil Services, (ii) Code of Ethics for Civil Servants, (iii) Principles for Civil Services Management, (iv) Framework for Performance Management of civil services, (v) Civil Services Management - Organisation, Structure and Functions and (vi) Implementation mechanism for the Act. It was also felt that there was a need for creating an organization which could assist the Government by providing advice and expertise in matters of Civil Services Management. This body can be created under this proposed Act and have an advisory and recommendatory role.</p> <p>State Govts. can be advised to take similar action after the proposed Act is passed by the Central Government.</p>

5. (Para 2.4.2.6) Appointment and Security of Tenure at the Senior Levels in the State Government

11.

a) After enactment of the State Civil Services Law on the lines of the proposed Union enactment, the proposed State Civil Service Authority should deal with matters concerning appointment and tenure of senior officers of all ranks in the State Governments (including the Chief Secretary, Principal Secretaries, Engineer-in-Chiefs, other Agency Heads and Principal Chief Conservator of Forests).**(11)**

(a) & (b): Recommendations have not been accepted.

12.

b) Till the time that such an Authority is constituted, the following mechanism may be adopted for appointment of the Chief Secretary and Principal Conservator of Forests in the States:-

- There should be a collegiums to recommend a panel of

names to the Chief Minister/ Cabinet for these two posts. For the post of Chief Secretary, this

collegiums may consist of (a) a Minister nominated by the Chief Minister, (b) The Leader of the Opposition in the State Legislative Assembly and (c) the incumbent Chief Secretary. For the selection to the post of Principal Chief Conservator of Forests the collegiums may consist of

(a) The Minister In-charge of Forests, (b) the leader of Opposition in the State Legislative Assembly and (c) the Chief Secretary.

- There should be a fixed tenure of atleast two years for both these posts.

- The selection for the post of Chief Secretary and Principal Chief Conservator of Forests should be widened to include all officers above a specified seniority (e.g. 30 years). All officers with a seniority higher than a prescribed limit should be eligible to be a part of the panel.**(12)**

13.	<p>5. (Para 2.4.2.6) Appointment and Security of Tenure at the Senior Levels in the State Government</p> <p>c) As regards the appointment and tenure of the Director General of Police, the recommendations made by the Commission in its Report on "Public Order" at para 5.2.3.7 should be implemented.(13)</p>	(c) This issue is being monitored by Hon'ble Supreme Court of India
14.	<p>6. (Para 2.4.3.9) Regional Level Administration</p> <p>a) In view of the emergence of District as the key unit of field administration - as the third tier of government - and with rapid advancement in physical and electronic connectivity between the State Headquarters and the Districts, there is no need to have an intermediate level of administration between the two units of government. (14)</p>	(a) & (b) Recommendations have been accepted in principle and may be referred to State Governments.
15.	<p>b) In order to take care of cadre management issues arising out of this step, suitable posts should be identified by respective departments, in the major districts and at the Headquarters to be manned by senior officers who are presently eligible to head the regional offices.(15)</p>	
16.	<p>7. (Para 2.4.5.2) Vigilance Commission/Vigilance Commissioner in the State</p> <p>a) The recommendations made by the Commission in its Fourth Report (on Ethics in Governance) and its Sixth Report (on Local Governance) for action by State Governments should be implemented expeditiously.(16)</p>	(a) to (c) Recommendations have been accepted and may be referred to State Governments for consideration.
17.	<p>b) The organization of the Vigilance Commission/ Commissioner in the State should be structured on the patterns of the Central Vigilance Commission. In larger States, the State Vigilance Commission should be a three Member Body with Members who have been experts in their respective fields. In smaller States, it may continue to be a single Member Body.(17)</p>	
18.	<p>c) The laws regarding the Lokayukta would</p>	

	need to be amended to incorporate the changes suggested in the Report on 'Ethics in Governance'. (18)	
	8. (Para 2.4.6.16) Human Resource Development, Capacity Building and Training	
19.	a) The Commission reiterates its recommendations pertaining to capacity building and training made in the Report on "Refurbishing of Personnel Administration" (Tenth Report). (19)	(a) to (d) Recommendations have been accepted.
20.	b) Every State should formulate a comprehensive Human Resource Development Policy with training as an important component on the lines of the National Training Policy, 1996. Simultaneously, a suitable monitoring mechanism to supervise the implementation of such policy may also be setup. (20)	
21.	c) In addition to the apex level training body called the Administrative Training Institute (ATI), adequate numbers of Regional Training Institutes should also be established at different places across the State. The Apex Institute should take care of the training needs of the Class I/Class II officers of the State services, whereas the Regional Training Institutes should deal with the mid-career training needs of Class II officers and induction training of Class III employees. Steps should also be taken to set-up district level training organizations which could take care of the mid-career training needs of Class III employees. The district centre should also have proper facilities for skill/behavioral training of Class IV recruits. (21)	
22.	d) In this arrangement, the apex body, the ATI should have an overall integrative and coordinating role for the entire training/orientation programme running in the State. It should act as the primary resource centre for Regional and District Training Institutes. It should also provide training to those who will work on their faculty. In course of time, the ATI can undertake projects of distance learning and become a virtual	

23.	academy of training for the entire State.(22) e) The State Administrative Training Institutes (ATIs) should have embedded in them, Centers of Good Governance.(23)	(e) Recommendation has been accepted. ATIs should have a direct link with State Departments of Administrative Reforms and Personnel.
24.	9. (Para 2.5.8) State Public Service Commissions a) Steps should be taken to ensure that persons of high standing, intellectual ability and reputation are selected as Chairman/Members of the State Public Service Commissions. A limit should also be imposed on the strength of its membership.(24)	(a) Recommendation has been accepted. State Governments may be requested to take appropriate action.
25.	b) There is need to evolve national consensus among States on the issues of (i) appointment of Chairman/ Members and (ii) limit on the membership of the Commission, through discussions/ deliberations at the Inter-State Council.(25)	(b) Recommendation has been accepted and the matter may be referred to Inter-State Council for deliberation.
26.	10. (Para 2.5.9.4) Functions of the Public Service Commission; its Relationship with the Junior Recruiting Bodies a) The Public Service Commission should handle only (i) recruitment of candidates for higher level posts under the State Government (Class I and Class II positions of various State cadres), (ii) advising government on senior level promotions through the DPC and (iii) recruitment and promotions to teaching posts in government Colleges and fully funded units of the Universities.(26)	(a) & (b) Recommendations have been accepted and may be referred to State Governments for consideration.
27.	b) With regard to the appointment of junior level functionaries of the State Government, the role of the State Public Service Commission should be to lay down broad norms and standards. The recruiting organisations concerned such as the Subordinate Service Commission, the School Teachers Selection Commission and District Recruitment Boards should follow these norms and standards in their working. The State Public Service Commission would act as a watch dog.(27)	

<p>28.</p> <p>29.</p> <p>30.</p> <p>31.</p> <p>32.</p>	<p>11. (Para 3.2.4.15) Redefining the Collector's Role</p> <p>a) There is need to realign the functions of the Deputy Commissioners/ District Collector so that he concentrates on the core functions such as land and revenue Administration, maintenance of law and order, disaster management, public distribution and civil supplies, excise, elections, transport, census, protocol, general administration, treasury management and Coordination with various agencies/ departments. (28)</p> <p>b) The Commission reiterates its recommendations regarding the Land Title Management System made in its eleventh Report on e-Governance. It should be one of the primary duties of the District Collector to perform the task envisaged in the aforesaid recommendations. (29)</p> <p>c) There is need to strengthen the compliance machinery at the district level to enforce provisions of the RTI Act and to reduce the element of delay and subjectivity in the functioning of the lower level formations of the government. This should be done by creating a special RTI Cell in the office of the Collector, whose functions should be reviewed by the Collector a regular periodicity.(30)</p> <p>d) Officers may be posted as District Magistrates early in their career, but in complex and problem-prone districts an IAS officer should be posted a DM only on completion of 10-12 years of service.(31)</p> <p>e) Steps should be taken to ensure that the Collector plays an effective coordination role in activities and programmes of other departments a the district level.(32)</p>	<p>(a) to (d) Recommendations have been accepted and referred to State Governments.</p> <p>(e) Recommendation has been accepted.</p>
<p>33.</p>	<p>12. (Para 3.2.4.16.5) Modernising the Office of the District Collector</p> <p>a) The Commission reiterates its recommendations on the issues of personnel management, performance and outcome evaluation, effective citizen centric</p>	<p>(a) to (c) Recommendations have been accepted. There should be a separate Plan provision for modernization of District Administration, similar to the scheme for</p>

<p>34.</p> <p>35.</p>	<p>administration, use of information technology, process re-engineering etc. made in its earlier Reports on “Refurbishing of Personnel Administration”, “Ethics in Governance”, “Citizen Centric Administration”, “Public Order”, “Disaster Management”, “Conflict Resolution” and “e-Governance”. These recommendations should be expeditiously implemented where applicable to the district administration.(33)</p> <p>b) The following steps should be taken to modernize the office of the District Collector:-</p> <ul style="list-style-type: none"> •Management Information System (MIS) should be set-up in the office of the Collector for effective monitoring and evaluation of programmes/ projects under his direct control. •A computerized District Grievance Cell should also be set up in the Collectorate. •An exclusiveVigilance Cell should be set up at the district level under overall supervision of the District Collector. This Cell should also maintain appropriate liaison with the office of the State Vigilance Commission/ Commissioner. •A forum should be established at the district level to interact with civil society groups and media on important public issues. •Immediate steps should be taken to introduce process re-engineering and increased use of information technology. The steps suggested at paragraph 3.2.4.16.3.4 in this regard may be initiated on priority.(34) <p>c) Innovations and best practices initiated by officers should be documented adequately and institutionalized through changes in rules/laws wherever required.(35)</p>	<p>modernization of Police Administration in MHA.</p>
<p>36.</p>	<p>13. (Para 3.3.1.14) District Administration; Functional and Structural Reforms</p> <p>a) There should be an integrated governing structure at the district level in the form of the “District Council” with representation from both urban and rural areas. The Council will</p>	<p>(a) to (c): Recommendations have not been accepted.</p>

<p>37.</p> <p>38.</p>	<p>act as the “District Government”.(36)</p> <p>b) The District Collector should have a dual role in this government structure. He should work as the Chief Officer of the District Council and should be fully accountable to the District Council on all local matters.(37)</p> <p>c) The District Officer would also be fully accountable to the State Government on all regulatory/other matters not delegated to the District Government.(38)</p>	
<p>39.</p> <p>40.</p> <p>41.</p>	<p>14. (Para 3.3.2.6) Line Departments of the State Government at the District/Sub-District Level</p> <p>a) District/sub-district offices, whose activities/functions coincide with the activities and functions transferred by the State Government to the PRIs/ULBs need not exist as separate entities at the district and sub-district levels. Functions funds and functionaries of such offices should be transferred to the appropriate local government institutions. (39)</p> <p>b) Line departments such as the Departments of Water Resources and PWD (Roads) or the Department of Health engaged in execution of State-wide projects need to maintain their separate offices at the district/sub-district level. On important issues, they will need to coordinate with the District Collector. They will also need to coordinate with the District Council to the extent their activities impinge on the powers and functions of the Council.(40)</p> <p>c) The line departments and their Agency Heads should provide technical support and guidance to the District Councils in planning and monitoring implementation.(41)</p>	<p>(a) to (c): Recommendations have not been accepted.</p>
<p>42.</p>	<p>15. (Para 4.2.6.16) Role of the Government of NCT in Municipal Affairs - its Relationship with the Municipal Corporation of Delhi (MCD)</p> <p>a) The Municipal Corporation of Delhi (MCD), including appointment of the Commissioner and other functionaries should lie in the</p>	<p>(a) to (c) Recommendations have been accepted in principle. Ministry of Home Affairs has recently issued a notification</p>

<p>43.</p> <p>44.</p>	<p>domain of the Government of the National Capital Territory (GNCT). This can be done by way of a notification under Section 490A of the Act, issued by the Union Government. However, the appointment of the Commissioner should be made by the GNCT in consultation with the Union Government.(42)</p> <p>b) In order that, the Union Government retains its overarching role over delivery of municipal services in the National Capital Territory, some provisions of the existing Act should remain unchanged. For example, Sections 487 to 490 of Chapter XXIV will need to be retained in their present form. Provisions dealing with building regulations should be kept intact in the domain of the Union Government (for example Section 347). Section 503 (dealing with exemptions to the diplomatic missions) and Section 508 (dealing with special provisions for the Red Fort area) should also vest with the Union Government.(43)</p> <p>c) The Union Government may appoint an Expert Committee which could work out the details of the required legal changes in a time bound manner.(44)</p>	<p>giving more powers in these areas to the Government of National Capital Territory</p>
<p>45.</p> <p>46.</p> <p>47.</p>	<p>16. (Para 4.2.6.17.7) Empowerment of the Mayor</p> <p>a) The Mayor of the MCD should be directly elected by popular mandate through a city-wide election. The term should be for five years.(45)</p> <p>b) The functions of chairing the Corporation and exercising executive authority should vest in the same functionary i.e. the Mayor. The Mayor should be the Chief Executive Authority of the MCD.(46)</p> <p>c) The Mayor should appoint a 'Cabinet'; choosing the members from amongst the elected corporators. The strength of this body should not exceed 10 per cent of the number of the elected Corporators or fifteen, whichever is higher. The "Cabinet" should exercise executive authority on matters</p>	<p>(a) to (c) Recommendations have not been accepted.</p>

	entrusted to it by the Mayor, under his/her overall control and direction.(47)	
	17. (Para 4.2.6.18.12) Issue of Splitting up the MCD	
48.	(a) The municipal services in the entire National Capital Territory (NCT) may be under the jurisdiction of a single municipal body viz. the current Municipal Corporation of Delhi (MCD). (48)	(a) to (d): Recommendations have not been accepted.
49.	(b) In order to provide efficient, responsive and citizen friendly services to the citizens, the MCD should be converted into a three tier institution with the Corporation at the apex. The middle tier i.e. the Zones should be adequately strengthened and empowered. The zonal body called Janpad Parishad/Zonal Council will primarily be a representative body consisting of elected Councillors (whose constituency falls majorly within the area of the Zone) and some nominated members. These Janpad Parishads/Zonal Councils should be given considerable financial and administrative autonomy. Each Zone should have a separate fund and all the taxes under Sections 113(1) and (2) of the DMC Act should be collected and retained by them. Their powers with regard to enforcement of regulations and bye-laws should also be enhanced appropriately. The third tier will consist of Ward Sabhas.(49)	
50.	(c) The MCD should be at the apex level of the new structure. It will act as a kind of an Umbrella Organization – a Holding Entity, responsible for giving overall policy directions and high level conceptual technical and HRD support to the zones. This Apex body should not delve into the day-to-day functioning of the Zones. It should provide coordination among Zones & make laws/bye-laws for the whole of Delhi. It should take up projects which run across multiple zones. It will be the duty of this apex body to ensure that standards of development and civic amenities remain uniform throughout the city.(50)	
51.	(d) Substantial changes will need to be introduced in the provisions of the existing	

	DMC Act, 1957 to implement these recommendations. The Expert Committee suggested earlier at paragraph 4.2.6.16(c) may be asked to carry out this task within a period of two months.(51)	
52.	18. (Para 4.2.7.5) Distinction between Urban and Rural Areas in the NCT a) There is no need to maintain the artificial distinction between urban and rural areas in the National Capital Territory. The entire geographical area falling into the NCT should be declared as “urban” under the meaning of Section 2(61) of the DMC Act.(52)	(a) & (b) Recommendations have been accepted in principle. Ministry of Home Affairs would take up this matter with Ministry of Panchayati Raj.
53.	b) The Municipal Corporation should realise the taxes, levies and other charges accordingly from the residents of these areas.(53)	
54.	19. (Para 4.2.8.5) New Delhi Municipal Council a) There is no need to change the present governing structure of the New Delhi Municipal Council.(54)	(a) Recommendation has been accepted.
55.	20. (Para 4.2.10.15) Role of the Government of NCT in Spatial Planning and Land Development; Its Relationship with the Delhi Development Authority a) The composition of the DDA needs to be changed. The Chief Minister of Delhi should be the Chairperson of this body in place of the Lt. Governor. This should be done by amending Section 3(3) (a) of the DDA Act, 1957.(55)	(a) Recommendation has not been accepted.
56.	b) As stated in paragraph 4.2.10.12, other powers of the Union Government as mentioned in various sections of the DDA Act should remain.(56)	(b) & (c) Recommendations have been accepted in principle.
57.	c) Steps should be taken urgently to improve the internal functioning of the DDA on the lines recommended by the Ashok Pradhan Committee.(57)	
	21. (Para 4.2.11.8) Role of the Government of NCT - In Police, Law and Order	

<p>58.</p> <p>59.</p>	<p>a) The Union Government may retain control over the broader aspects of security and law and order whereas traffic, local policing and enforcement of the special laws could be handed over to the Delhi Government. In the long run some of these functions could be transferred to the Municipal Corporation. (58)</p> <p>b) As this will involve major restructuring of the present Delhi Police establishment, it may be advisable to constitute a Task Force with representatives of both the Union and the Delhi Government to study the matter in depth and suggest appropriate restructuring through legislative and administrative measures.(59)</p>	<p>(a) & (b): Recommendations have not been accepted.</p>
<p>60.</p>	<p>22. (Para 4.2.12.6) The Government of the NCT - Power to Raise Public Debt</p> <p>a) The Government of the NCT needs to have access to greater funding; beyond its own revenues or the grants given to it by the Union Government. It should be allowed to have recourse to market borrowings. This could be done by introducing an amendment to Article 293 by replacing the word “State” with the words “State and UTs having a Legislature”. Such borrowings would be subject to limitations imposed by Article 293(3) and 293 (4) of the Constitution.(60)</p>	<p>(a) Recommendation has been accepted.</p>
<p>61.</p> <p>62.</p>	<p>23. (Para 4.2.13.9) National Capital Region Planning Board</p> <p>a) The NCR Planning Board should remain a planning, monitoring and advisory body in charge of preparing the Master Plan for the NCR Region consisting of both regional and sub-regional Plans. It should have adequate financial resources at its disposal so that it could selectively provide financial assistance to a few schemes of importance.(61)</p> <p>b) The composition of the 21 member NCR Planning Board should be modified and only 6 Union Ministers and 3 Chief Ministers (Uttar Pradesh, Haryana and Rajasthan) may be members of the Board. (62)</p>	<p>(a) to (d) Recommendations have been accepted.</p>

<p>63.</p>	<p>c) There should be an Executive Committee under the chairmanship of Secretary in-charge of Urban Development in Government of India with Secretaries in-charge of Commerce and Industry, Industrial Policy and Promotion, Expenditure, Power, Secretary, Road Transport and Highways, Chairman, Railway Board (all from the Government of India), Chief Secretaries of the Governments of Uttar Pradesh, Rajasthan, Haryana, Principal Advisor (HUD), Planning Commission, and Vice Chairman, Delhi Development Authority as members. (63)</p>	
<p>64.</p>	<p>d) Since the Chief Ministers of the three States are members of the Board, the decisions that are agreed to should be binding on the States concerned. The NCR approved regional plans/sub-plans should mandatorily be part of the Plans of State Governments. The NCR Planning Board Act should be amended accordingly. (64)</p>	
<p>65.</p> <p>66.</p> <p>67.</p>	<p>24. (Para 4.3.7) Chandigarh</p> <p>a) There is urgent need to revisit the Capital of Punjab (Development and Regulation) Act and the Punjab New Capital (Periphery Control) Act, 1952 and examine if and how they are to be aligned with the changed circumstances. This issue should to be examined urgently by the Ministry of Home Affairs and the UT Administration. (65)</p> <p>b) The Metropolitan Planning Committee should be constituted without further delay for comprehensive planning of the entire area covered under the jurisdiction of the Union Territory of Chandigarh. (66)</p> <p>c) The entire territory under the jurisdiction of the Union Territory of Chandigarh should be declared as urban area. However, in order to protect the interest of present villages in the process of development, Ward/Area Sabhas should be constituted as recommended by the Commission in its Report on Local Governance. Also, till such time that the infrastructure in these villages comes at par with the urban areas of Chandigarh, they may</p>	<p>(a) to (e) Recommendations have been accepted in principle. The details regarding the implementation may be worked out by MHA in consultation with Department of Expenditure and Chandigarh Administration.</p>

<p>68.</p> <p>69.</p>	<p>be given necessary (local) tax relief. (67)</p> <p>d) The present Advisory Council to the Administrator should be substituted by a more compact and cohesive body comprising inter-alia of the Member of Parliament from Chandigarh, one MP each from Punjab and Haryana, the Mayor of Chandigarh and the Advisor to the Administrator. Such a compact body would be able to provide the necessary inputs to the Administrator and also be able to meet more frequently. (68)</p> <p>e) The Union Government should suitably enhance the financial powers of the UT administration by notifying the delegation proposed in the Table 4.12. Within such delegated powers, the UT Administration must be given full administrative and functional autonomy. In addition, the UT of Chandigarh should also have powers to create certain categories of posts such as teachers, doctors and para-medical staff which are necessary for delivering vital services used by the people of the region. (69)</p>	
<p>70.</p> <p>71.</p> <p>72.</p> <p>73.</p>	<p>25. (Para 4.4.9) Puducherry</p> <p>a) There should be enhanced financial and administrative delegation of powers to the Government of Puducherry. The Council of Ministers should be free to discharge its functions effectively within such delegation. (70)</p> <p>b) The delegation of powers should be made as suggested in Table No. 4.13 and revised once in five years. (71)</p> <p>c) Recommendations made by the Commission in its Report on “Local Governance” (6th Report) may be implemented on priority in order to strengthen and empower the PRIs in Puducherry. (72)</p> <p>d) The Puducherry Administration should be given the powers to raise public debt in order to finance its development projects and plans.</p>	<p>(a) ,(b)&(d) Recommendations have been accepted in principle. Details may be worked out by MHA in coordination with Department of Expenditure.</p> <p>(c) Recommendation has been accepted.</p>

	(73)	
	26. (Para 4.5.7) Andaman and Nicobar Islands	
74.	a) The Union Government should constitute an Advisory Council to the Administrator of Andaman & Nicobar Islands consisting of the local Member of Parliament, the Chief Secretary, Chairpersons of the Zila Parishad and Municipal Council and senior representatives from the Ministries of Home Affairs, Tribal Affairs, Environment, Forests and Defence and the Planning Commission to advise him on all important matters of administration. (74)	(a) ,(b),(c) & (e) Recommendations have been accepted. Details may be worked out by MHA in coordination with Department of Expenditure.
75.	b) The Home Minister's Advisory Committee may be replaced by a Committee under the Chairmanship of the Home Secretary with officers of suitable seniority from the Ministries of Environment and Forests, Tribal Affairs, Finance, Defence, Shipping and Planning Commission to examine and give prima facie administrative approval to important proposals concerning this Territory. (75)	
76.	c) The IDA may be replaced by a multi-disciplinary task force under the Chairmanship of the Deputy Chairman, Planning Commission. This body should be responsible for laying down guidelines for preparing medium and long term perspective plans for the overall development of the islands and monitoring its implementations. (76)	
77.	d) Recommendations made by the Commission in its Report on Local Governance (Sixth Report) should be examined and implemented to the extent they are relevant to strengthening and empowering local government institutions in the Andaman & Nicobar Islands. (77)	
78.	e) The Union Government should enhance financial the powers of the UT administration by notifying delegation proposed in the Table No. 4.14. This should be revised once in five years. Within such delegated powers, the UT	
		(d) Recommendation has been accepted.

	Administration must be given full administrative and functional autonomy. (78)	
	27. (Para 4.6.5) Lakshadweep	
79.	a) The Union Government should constitute an Advisory Council to the Administrator of Lakshadweep consisting of the local Member of Parliament, Chairman of the Zila Parishad and representatives of the Ministries of Home Affairs, Tribal Affairs, Environment and Forests and Defence and the Planning Commission to advise him on all important matters of administration. (79)	(a) to (e) Recommendations have been accepted.
80.	b) The Home Minister's Advisory Committee as existing today may be replaced by a Committee under the Chairmanship of the Home Secretary with officers of suitable seniority from the Ministries of Environment and Forests, Tribal Affairs, Finance, Defence, Shipping and Planning Commission to examine and give prima facie approval to important proposals concerning this territory. (80)	
81.	c) The multi-disciplinary task force under the Chairmanship of the Deputy Chairman, Planning Commission, recommended to be set up for the Andaman & Nicobar Islands in place of the Island Development Authority should also include the Lakshadweep Islands. This Committee would be responsible for laying down guidelines for preparing medium and long term perspective plans for the over all development of the Islands and for monitoring its implementation. (81)	
82.	d) Recommendations made by the Commission in its Report on Local Governance (Sixth Report) should be examined and implemented to the extent they are relevant to strengthening and empowering local government institutions in Lakshadweep Islands. (82)	
83.	e) The Union Government should enhance the financial powers of the UT administration by notifying the delegation proposed in the	

	Table No. 4.15. This could be reviewed once in five years. Within such delegated powers, the UT Administration should be given full administrative and functional autonomy. (83)	
	28. (Para 4.7.6) Daman and Diu and Dadra & Nagar Haveli	
84.	a) The recommendations made by the Commission in its Report on 'Local Governance' should be implemented on priority by the Union Government in Daman & Diu and Dadra & Nagar Haveli. (84)	(a) to (c) Recommendations have been accepted.
85.	b) The Union Government should immediately enhance financial powers of the UT administration by notifying delegation proposed at Table No. 4.16. This should be revised once in five years. Within such delegated powers, the UT Administration must be given full administrative and functional autonomy. (85)	
86.	c) The Union Government should review the requirement of personnel at different levels in both the UTs. The operating levels should be adequately manned. At the same time, the Government should examine the issue of having so many senior level posts in Daman & Diu, which has resulted in a top-heavy administration. (86)	
	29. (Para 5.3.6) North Eastern Region: Ethnic Conflicts - in Places, Manifesting as Territorial Conflicts and Violence (Problem of Insurgency and Law and Order)	
87.	a) In order to address the genuine and legitimate concerns of the local people, there is need to continue political dialogue among various stakeholders. Steps should be taken to upgrade the capacity and capability of the police forces of the States so that they are able to uphold the law. In order to control cross border movement of insurgents, in addition to other measures, diplomatic efforts should be stepped up. (87)	(a) Recommendation has been accepted.
88.	b) The North-East Division of the Ministry of Home Affairs should be upgraded to a separate wing and put under the charge of an	(b) Recommendation has been accepted in principle. Details for augmenting resources would be worked out by MHA.

<p>89.</p>	<p>Additional/Special Secretary to handle the increased and complex workload pertaining to the region. (88)</p> <p>c) To oversee the formulation and implementation of the plans for this region, a Standing Committee of the National Development Council should be constituted and may be headed by a Cabinet Minister. The Committee should report to the Chairman, NDC twice a year to ensure both speedy resolution of any differences and coordinated action regarding development of the region. (89)</p>	<p>(c) Recommendation has not been accepted.</p>
<p>90.</p>	<p>30. (Para 5.4.8) Provisions of the Sixth Schedule of Constitutions with Respect to Assam, Meghalaya, Tripura and Mizoram</p> <p>a) The Government may undertake an exercise to incorporate provisions which currently occur as footnotes, in the main text of the Sixth Schedule. This will make the Schedule more accessible to members of the public. (90)</p>	<p>(a) Recommendation has been accepted.</p>
<p>91.</p> <p>92.</p>	<p>31. (Para 5.5.5) Adhoc Transfer of Subjects/Activities to Autonomous Councils</p> <p>a) The power of the Councils to make laws, as permitted by the Schedule, should be respected in its true spirit and draft legislations should not be stalled at the State level for years, while ensuring that they are not inconsistent with the provisions of the Constitution and relevant Union and State Laws. (91)</p> <p>b) The States should undertake comprehensive activity mapping with regard to all the subjects mentioned in Para 3, 3A and 3B of the Sixth Schedule. This mapping should cover all aspects of the subjects viz planning, budgeting and provisioning of finances. This will necessitate full transfer of all government offices and institutions dealing with these activities to the control of the Councils. The State Government should set-up a Task Force to complete this work in a time span of one year. (92)</p>	<p>(a) Recommendation has been accepted.</p> <p>(b) Recommendation may be sent to State Government for their consideration.</p>

93.	c) The Union Government should also take similar action with regard to Centrally Sponsored Schemes being implemented in these areas. (93)	(c) Recommendation has been accepted.
94.	<p>32. (Para 5.6.6) Predominance of non-elected Customary Heads/Bodies at the Village Level; Issue of Village Self Governance in the Sixth Schedule Areas</p> <p>a) Autonomous Councils should be encouraged to pass suitable legislation for establishment of elected bodies at the village level with well defined powers and a transparent system of allocation of resources. (94)</p>	(a) to (c) Recommendations have been accepted.
95.	b) Suitable stipulations may be made in the procedure for release of grants to the Councils that a certain portion thereof will be disbursed only in the event of a Council passing and implementing the legislation referred at (a) above. (95)	
96.	c) While an Autonomous District Council should be free to lay down a suitable framework for Village Councils under its jurisdiction, this freedom should be subject to certain general principles such as, the number of ex officio members/ traditional village functionaries should not be in a majority and the Village Council should be responsible for implementation of development schemes at the village level (including planning, monitoring and selection of beneficiaries). (96)	
97.	<p>33. (Para 5.7.3) Absence of Linkage between the Sixth Schedule and the 73rd Amendment</p> <p>a) Autonomous Districts/Councils in Sixth Schedule Areas should also be covered by the State Finance Commission and the State Election Commission. (97)</p>	(a) Recommendation has been accepted in principle. The implementation mechanism may be determined by State Governments.
	34. (Para 5.8.6) Special Powers of the Governors of Assam, Meghalaya, Tripura	

	<p>and Mizoram with respect to Schedule 6 Areas</p> <p>98. a) The Governors of Assam, Tripura and Mizoram should be empowered to exercise discretionary powers in respect of all the provisions pertaining to the Autonomous Councils under the Sixth Schedule in consultation with the Council of Ministers and if necessary, in consultation with these Councils. A Constitutional amendment will be required for this purpose. (98)</p> <p>99. b) Paragraph 14 of the Sixth Schedule should be suitably amended to enable the Union Government to appoint a common Commission to review the working of all autonomous districts of the North-East and to make recommendations as envisaged therein. A periodicity may also be provided for the Commission. (99)</p> <p>100. c) A high-level Review Committee headed by the Governor and consisting of representatives of both the State Government and the District Councils should be formed in each State to review the functioning of these bodies. This Committee should submit its report to the Union Government. (100)</p>	<p>(a) Recommendation has been accepted.</p> <p>(b) & (c) Recommendations have been accepted in principle. However, it is suggested that Committees may be formed for reviewing the working in place of the Commission.</p>
<p>101.</p> <p>102.</p>	<p>35. (Para 5.11.5) Issue of Tribal Areas Lying outside the Sixth Schedule</p> <p>a) For tribal areas which lie outside the Sixth Schedule as well as the Seventy Third Constitutional Amendment the State Government should take steps to create specially at the district level bodies which should consist of both elected as well as traditionally selected representatives. The States which show initiative and take a lead in this matter should be given incentives. (101)</p> <p>b) The District Rural Development Authority of the district should work as a body accountable to this District Level Body. (102)</p>	<p>(a) & (b): Recommendations have not been accepted.</p>
	<p>36. (Para 5.12.6) Personnel Management and Capacity Building of Administration</p>	

103.	a) The North Eastern Council, in consultation with the Universities and other educational institutions of the region, should draw up programmes for coaching students for the Civil Services, and other competitive tests such as the Combined Defence Services Examination and the Engineering/ Medical Examinations. (103)	(a) Recommendation has been accepted.
104.	<p>37. (Para 5.13.2) Issues of Recruitment in the Sixth Schedule Areas</p> <p>a) Immediate steps should be taken to constitute District cadres for all Groups 'C' and 'D' posts (Classes III and IV) for performance of all 'transferred functions' wherever such action has not been taken. (104)</p> <p>105. b) Recruitment to Groups 'A' and 'B' posts (Classes I and II) by the Autonomous District Councils or analogous bodies particularly to positions requiring technical/ professional qualifications should ordinarily be left to the State level. (105)</p> <p>106. c) State Governments and the Autonomous District Councils should jointly draw up norms for arriving at the number of technical and professional posts required in the tribal areas. Personnel for such posts should be made available on priority basis. (106)</p> <p>107.. d) Postings to the tribal areas should be for a fixed tenure and must be followed by, as far as practicable, to a posting at a place of the officer's choice. (107)</p> <p>108. e) On satisfactory completion of tenure in such areas the incumbent should be entitled to benefits like deputation for higher professional qualifications, training abroad and higher weightage in Departmental promotions. (108)</p>	(a) to (e): Recommendations have been accepted.
109.	<p>38. (Para 5.14.4) Regional Institutes</p> <p>a) For improving delivery systems and development processes, emphasis ought to be given to capacity building of personnel and it should be a priority activity of the</p>	(a) & (b), (d) to (f): Recommendations have been accepted.

<p>110.</p> <p>111.</p> <p>112.</p> <p>113.</p> <p>114.</p>	<p>government. (109)</p> <p>b) There should be comprehensive training programmes for all government employees working in the North-Eastern States. The programmes should consist of (i) a long duration induction module when he joins service, (ii) mid career training opportunities and (iii) officials should be encouraged to acquire higher professional qualifications/ skill sets in their respective branches and also in subjects such as Public Administration, Trade laws, project investment/ appraisal/ management and information technology applications. (110)</p> <p>c) The North Eastern Council (NEC) should establish an apex Regional Academy for Human Resource Development as an autonomous body with academic and executive flexibility. The mandate of the Academy may extend to the entire range of services under the government. (111)</p> <p>d) The North-Eastern Council should be given the responsibility to undertake a review of various regional institutes under the Union Government/Ministries and come up with suitable recommendations for bringing improvements in their functioning whenever required. An officer/ member of the NEC should be placed on the governing body of these institutions. (112)</p> <p>e) The NEC should take up monitoring and evaluation of these Institutes. The Commission in its Seventh Report has already recommended that the NEC should be suitably strengthened. Once this is done, it should be possible for the NEC to undertake these additional and important responsibilities. (113)</p> <p>f) The North Eastern Hill University (NEHU) could provide the academic foundation for policy research on issues impinging on the entire region and which need to be addressed by State action. (114)</p>	<p>(c) Recommendation has not been accepted.</p>
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<p>115.</p> <p>116.</p> <p>117.</p>	<p>39. (Para 5.15.1.5) Assam</p> <p>a) All the three Sixth Schedule Autonomous Councils of Assam should be given parity with regard to legislative and executive powers. (115)</p> <p>b) Adequate resources should be provided to the Autonomous Councils so that they are able to carry out their assigned responsibilities effectively. The allocation of funds to these bodies should be based on pre-settled norms (with reference to the minimum standards of service to be provided and their capacity to raise local resources). This exercise could be undertaken by the State Finance Commission. (116)</p> <p>c) The system of release of funds to the BTC through a single window system should be further fine tuned to make it more effective and hassle free. Such a hassle free system of fund release should be adopted for the other two Councils also with adequate delegation of financial powers. (117)</p>	<p>(a) Recommendation has not been accepted.</p> <p>(b) Recommendation has been accepted.</p> <p>(c) Recommendation may be referred to State Government for consideration.</p>
<p>118.</p> <p>119.</p> <p>120.</p>	<p>40. (Para 5.15.1.6.8) Tribe Specific Councils (Created under State Enactment) in Assam</p> <p>a) The Government of Assam should apportion functions between the tribe specific Councils/Village Councils and the Panchayati Raj Institutions in a manner that schemes involving individual tribal beneficiaries may be assigned to the 'Tribe Specific Councils' while area development schemes are assigned to the latter. (118)</p> <p>b) The State Government should initiate a system of meeting at least the establishment costs of the 'Tribe Specific Councils' from sources outside the tribal sub plan and build in these requirements in their projections to the next Finance Commission. (119)</p> <p>c) The State Government should take steps to identify innovative initiatives which could be entrusted to the Tribe Specific Councils for the benefit of the concerned tribes without</p>	<p>(a) to (d) Recommendations have been accepted in principle and may be referred to State Government.</p>

<p>121.</p>	<p>affecting area development and local government concerns. (120)</p> <p>d) Suitable guidelines may be drafted for preparation of District and sub-District plans in the relevant areas through joint efforts of the Tribe Specific Councils and the Panchayati Raj Institutions. (121)</p>	
<p>122.</p> <p>123.</p> <p>124.</p> <p>125.</p>	<p>41. (Para 5.15.2.5.5) Arunachal Pradesh</p> <p>a) The recommendations made in its Report on “Local Governance” for strengthening and empowering PRIs need to be implemented on priority. (122)</p> <p>b) Some districts of Arunachal Pradesh are presently affected by insurgency from neighboring States. Firm steps should be taken by both the Union and the State Government to restore peace in the affected areas. (123)</p> <p>c) Traditionally, land in Arunachal Pradesh is owned by the community. However, this system has gradually weakened primarily because community owned land is not a bankable collateral. This issue needs to be resolved in consultation with the Reserve Bank of India, banks and stake-holders in the land. (124)</p> <p>d) Because of the gradual expansion of the formal judicial system in place of the traditional ‘Kebang system’, it would be necessary for the Ministry of Home Affairs to examine the Assam Frontier (Administration of Justice) Regulation Act 1945 in the State, to ensure a smooth transition to the formal judicial system. (125)</p>	<p>(a) to (d) Recommendations have been accepted.</p>
<p>126.</p>	<p>42. (Para 5.15.3.7) Manipur</p> <p>a) Sincere, proactive measures should be taken to revive and activate the Hill District Councils in Manipur. It will be imperative to devolve a major domain of developmental activities to them. It will have to be done along with transfer of funds and functionaries. The local functionaries of the field offices/ departments of the State Governments and</p>	<p>(a) to (c) Recommendations have been accepted.</p>

<p>127.</p> <p>128.</p>	<p>the parallel bodies which are currently handing these activities at the district level will also need to be placed at the disposal of the District Councils. (126)</p> <p>b) All steps should be taken to put in place elected Village Councils in rural areas. Suitable incentives should be provided to the State for initiating proactive legislative measures in this direction having due regard to the local circumstances. (127)</p> <p>c) As regards the PRIs the Commission has already made a number of recommendations for their strengthening and empowerment in its Report on "Local Governance" (sixth Report) which needs to be implemented on priority. (128)</p>	
<p>129.</p>	<p>43. (Para 5.15.3.8.5) Issues of Personnel Management in Manipur</p> <p>a) Initiatives of the Manipur Government in human resource management need to be sustained. Similar initiatives may also be considered by other States of the region. (129)</p>	<p>(a) Recommendations has been accepted.</p>
<p>130.</p>	<p>44. (Para 5.15.3.9.3) Special Powers to the Governor of Manipur under Article 371</p> <p>a) In view of the circumstances prevailing in Manipur, the Governor of Manipur should be given special powers/responsibility with respect to law and order on the lines of the powers vested in the Governors of Nagaland and Arunachal Pradesh under Articles 371A and 371H of the Constitution respectively. This could be done by inserting a suitable paragraph in Article 371C. (130)</p>	<p>(a) Recommendation has not been accepted.</p>
<p>131.</p>	<p>45. (Para 5.15.4.7) Meghalaya</p> <p>a) The fact of Autonomous District Councils should be accepted and the State should undertake comprehensive activity mapping with regard to all the matters mentioned in para 3 of the Sixth Schedule. This process should cover all aspects of the subjects viz planning, budgeting and provisioning of finances. This will necessitate full transfer of</p>	<p>(a) to (d) Recommendations have been accepted.</p>

<p>132.</p> <p>133.</p> <p>134.</p> <p>135.</p> <p>136.</p>	<p>local functionaries of the field offices/ departments and bodies relating to these activities at the district level to the control of the Councils. The State Government should set-up a task force to complete this work in a time bound manner. (131)</p> <p>b) Allocation of funds to the District Councils should be based on normative and transparent considerations. These allocations should be budgeted in detail and released in agreed installments during the financial year. (132)</p> <p>c) The Union Government would also need to take similar action with regard to Centrally Sponsored Schemes being implemented in these areas. (133)</p> <p>d) Appropriate measures may be taken for capacity building in Autonomous Councils so that they are able to utilize the funds in a better way. (134)</p> <p>e) Government of Meghalaya may take steps for extension of the experiment of elected village committees in the Garo Hills for implementing the National Employment Guarantee Act and for implementation of other rural development programmes as well. (135)</p> <p>f) In the long run, directly elected village level representative bodies will need to be constituted and adequately empowered in autonomous Hill Councils areas of Meghalaya. (136)</p>	<p>(e) Recommendation has been accepted in principle and referred to State Government for consideration.</p> <p>(f) Recommendation has been accepted.</p>
<p>137.</p>	<p>46. (Para 5.15.5.5) Mizoram</p> <p>a) The State should undertake comprehensive activity mapping with regard to all the matters mentioned in para 3 of the Sixth Schedule. This process should cover all aspects of the subjects viz planning, budgeting and provisioning of finances. This will necessitate full transfer of functionaries of the field offices/ departments/bodies relating to these activities to the control of the Councils. The State Government should set-up a Task Force to complete this work in a</p>	<p>(a) & (b) Recommendations have been accepted.</p>

138.	<p>time bound manner. (137)</p> <p>b) The Union Government will also need to take similar action with regard to Centrally Sponsored Schemes being implemented in these areas. (138)</p>	
139.	<p>47. (Para 5.15.6.9) Nagaland</p> <p>a) The Commission would like to reiterate the following recommendation in this regard made in its Seventh Report:-</p> <p>Nagaland has made commendable efforts to usher in a paradigm of decentralized village self-governance through effective use of “Social Capital”. The State has communitised a large number of service delivery schemes. The Ministry of Rural Development should formally recognize this arrangement for implementation of various development and poverty alleviation initiatives in this State.</p> <p>Its replication by other States should be pursued. (139)</p>	(a) Recommendation has been accepted in principle and referred to State Governments for consideration.
140.	<p>48. (Para 5.15.7.6) Sikkim</p> <p>a) The Commission has made a number of recommendations for strengthening and empowering PRIs in its Report on “Local Governance” which needs to be implemented on priority. (140)</p>	(a) & (b) Recommendations have been accepted.
141.	<p>b) There is need to rationalize the large cadre strength of various All India Services in the State, in accordance with actual requirements. (141)</p>	
142.	<p>49. (Para 5.15.8.8) Tripura</p> <p>a) DPCs may be constituted in all the districts of Tripura with representation from both the TTADC and the District Administration as all the districts in Tripura comprise of both TTADC and part IX areas. The TTADC should also be involved in the planning process at the State level. (142)</p>	(a) to (d) Recommendations have been accepted in principle and may be referred to State Government.
143.	<p>b) Immediate steps should be taken to ensure that there is only one intermediate</p>	

<p>144</p> <p>145.</p>	<p>structure between the village and the district bodies of the TTAADC. (143)</p> <p>c) The State Government should take steps to evolve a mechanism which could coordinate block level committees chaired by MLAs and zones and sub-zones which are headed by elected representatives of TTAADC. (144)</p> <p>d) The State may also undertake comprehensive activity mapping exercise to delineate functions among various levels operating within the system such as the District Council, the Block committee and the Village Council. (145)</p>	
<p>146.</p>	<p>50. (Para 6.5.1.3) Financial Delegation and Operational Flexibility – the IFA system</p> <p>a) Based on the experience of the Union Government with regard to the IFA, States should take steps to introduce / strengthen the IFA system in the State administration. (146)</p>	<p>(a) Recommendation has been accepted.</p>
<p>147.</p>	<p>51. (Para 6.5.2.3) Avoiding Fiscal Profligacy</p> <p>a) The State Governments need to take steps to ensure that projects and programmes are included in the budget only after well considered deliberations and processes. The practice of announcing projects and schemes on an ad-hoc basis needs to be done away with. (147)</p>	<p>(a) Recommendation has been accepted.</p>
<p>148.</p> <p>149.</p>	<p>52. (Para 6.5.3.3) Expenditure Management</p> <p>(a) The States should take priority steps to improve their expenditure profile by (a) finalizing the detailed project reports of schemes in the preceding year and (b) ensuring that the financial sanctions are given to the departments in the first two months of the current financial year. (148)</p> <p>(b) The States should conduct a zero-base review of programmes and schemes which are more than five years old and which involve large sums of public money. (Say over 50 crores) (149)</p>	<p>(a) & (b) Recommendations have been accepted.</p>
	<p>53. (Para 6.5.4.7) Prudent Budget</p>	

<p>150.</p> <p>151.</p> <p>152.</p> <p>153.</p> <p>154.</p>	<p>formulation</p> <p>a) There should be prudent and realistic economic assumptions in formulation of budget estimates. At the end of every financial year, the gap between the estimates and the actuals should be analyzed so that the underlying economic assumptions could be suitably calibrated for the future. (150)</p> <p>b) There should be interaction between the State Government and stakeholders including industry associations, think tanks etc. in budget formulation. In order to make such consultations effective and meaningful, steps should be taken to (a) provide information-access to citizens and (b) educate citizens and leaders of society on budget making and its implications. (151)</p> <p>c) State Governments should shift to multi-year budgeting and give the estimates of revenue and expenditure for a period of four years in addition to the year which the budget pertains. This should be done on a roll-on basis. (152)</p> <p>d) The States should follow the practice of preparation and implementation of the MTFP. (153)</p> <p>e) In order to remove prejudice against non-plan expenditure, the State should take steps to provide for maintenance of the asset in the project cost itself and ensure its maintenance for at least five years after it is acquired. This action should go hand in hand with recovery of adequate user charges. (154)</p>	<p>(a) to (e) Recommendations have been accepted.</p>
<p>155.</p>	<p>54. (Para 6.5.5.2) Revenue Forecast and Need for a Tax Research Unit</p> <p>a) The State Governments should initiate steps to set up dedicated cell within its Finance Department to provide input on the revenue forecast with the reasons thereof. (155)</p>	<p>(a) Recommendation has been accepted.</p>
<p>156.</p>	<p>55. (Para 6.5.6.2) Mechanism for Internal Control</p> <p>a) The State Governments should take steps</p>	<p>(a) Recommendation has been accepted.</p>

	to set up internal audit committees in each of its departments. (156)	
157.	<p>56. (Para 6.5.7.3) External Audit</p> <p>a) The State Governments should specify a time frame for the Departments for necessary follow up action on the recommendations of Audit and forwarding of the ATN after incorporating such action to Audit for vetting before their final submission to the State PAC/ COPU. All Departments should adhere to the prescribed time limits. (157)</p>	(a) Recommendation has been accepted.
158.	<p>57. (Para 6.5.8.3) Projectisation and Appraisal</p> <p>a) In order to deploy public funds prudentially, with inbuilt financial closure, the States should take steps to strengthen their project formulation and appraisal capacity. (158)</p>	(a) Recommendation has been accepted.