



കേരള ഗസറ്റ് KERALA GAZETTE

അസാധാരണം EXTRAORDINARY

ആധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്
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GOVERNMENT OF KERALA
Finance (SFC Cell-A) Department

NOTIFICATION

G.O.(P) No.84/2024/Fin

26th September, 2024

Thiruvananthapuram

S. R. O. No. 859/2024

Under clause (1) of Article 243-I of the Constitution of India and section 186 of the Kerala Panchayat Raj Act, 1994 (13 of 1994), read with clause (1) of Article 243-Y of the Constitution of India and section 205 of the Kerala Municipality Act, 1994 (20 of 1994), the Governor of Kerala is pleased to constitute a Finance Commission consisting of Sri. K.N.Harilal, former member, Kerala State Planning Board, as the Chairman and the following two persons as members, namely:-



1. DR. A Jayathilak, IAS, Additional Chief Secretary to Government, Finance Department, Government of Kerala.
2. DR. Sharmila Mary Joseph, IAS, Principal Secretary to Government, Local Self Government Department, Government of Kerala.

2. The Chairman and Members of the Commission shall hold office for a period of two years from the date of this notification.

3. The Finance Commission shall review the financial position of the Panchayats and the Municipalities and make recommendations as to-

- (a) The principles which should govern, -
 - (i) the distribution between the State, Panchayats and Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under Part IX and Part IX-A of the Constitution and the allocation between the Panchayats at all levels and the Municipalities of their respective shares of such proceeds;
 - (ii) the determination of the taxes, duties, tolls and fees which may be assigned to or appropriated by, the Panchayats and the Municipalities;
 - (iii) the grants-in-aid to the Panchayats and the Municipalities from the Consolidated Fund of the State.
- (b) The measures needed to improve the financial position of the Panchayats and the Municipalities with reference to,-
 - (i) further enhancing the resource raising capacity through taxes and non-tax revenues, both by broadening the base and by improving assessment and collection and preventing evasion;
 - (ii) proposing framework for Local Governments to raise resources from financial institutions and markets and by employing other means such as land pooling and public private participation;
 - (iii) mobilizing additional resources through contributions in cash and kind, sponsorships, Corporate Social Responsibility funds etc.;
 - (iv) providing incentives for higher own resource mobilization;
 - (v) achieving proper convergence of resources across programmes and schemes to improve outcomes;
 - (vi) improving financial management and achieving economy and efficiency in expenditure and achieving fiscal responsibility;
 - (vii) further strengthening joint venture projects among Local Self Governments;



(viii) joint venture projects between Government Departments and Local Self Governments.

(c) propose a methodology for implementing Union Finance Commission Award pertaining to the Local Governments by integrating them with Local Government Budgets and Local Development Plans in the State.

(d) propose a fiscal strategy to meet the growing challenges of urbanization in the State.

4. The Finance Commission shall make recommendations to,-

(a) streamline flow of funds including carryover of funds;

(b) ensure settlement of claims and dues of Local Governments vis-à-vis Government and Governmental agencies;

(c) improve the processes and systems with respect to budgeting, accounting and auditing;

(d) create a database for local level planning including spatial and fiscal aspects and its systematic use;

(e) improve the quality of planning by Local Governments including regular upkeep of assets;

(f) improve efficiency of governance including e-governance in Local Governments especially in managing the institutions of service delivery using social enterprises in providing affordable services, financial management system, asset management system, personal and payroll management system etc.;

(g) enable Local Governments to contribute effectively to disaster management;

(h) enhance accountability including social accountability of Local Governments;

(i) improve the monitoring of performance of Local Governments;

(j) strengthen the performance accountability mechanism of all institutions supporting Local Governments.

5. The overall performance of Local Governments may be evaluated and steps to be taken for further strengthening the local governance system to effectively support the longterm vision of the State and the Nation, may be proposed.

6. The Finance Commission shall submit its recommendations regarding devolution by the end of December 2025 and recommendations regarding non-devolution aspects by the end of September 2026.

By Order of the Governor,

DR A JAYATHILAK IAS,

Additional Chief Secretary to Government.



Explanatory Note

(This does not form part of the notification, but is intended to indicate its general purport.)

As per clause (1) of Article 243-1 of the Constitution of India and section 186 of the Kerala Panchayat Raj Act, 1994 (13 of 1994) read with clause (1) of Article 243-Y of the Constitution of India and section 205 of the Kerala Municipality Act, 1994 (20 of 1994) the Governor shall constitute a Finance Commission to review the financial position of the Panchayats and the Municipalities and make recommendations. Accordingly, the Governor of Kerala has been pleased to constitute the Finance Commission.

The notification is intended to achieve the above object.



