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The state finances in Assam- An overview

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ABSTRACT

India's state finances have suffered from many difficulties and there is an adverse trend from the 1980s. The state government has been facing various budgetary hardship which affecting their developmental expenditure. Among the hardships, inadequate revenue sources, low central transfers are prominent. The Indian constitution sets three fold classifications for expenditure responsibility between the state and center. Constitution accordingly also sets forth the respective taxation powers of center and state governments. It is generally perceived that the state taxation powers are inadequate in relation to their expenditure responsibilities and that imbalances have been worsening over time. In addition to center state tax collection and sharing, the constitution has some other provision of resource transfers to the states through various mechanisms determined by the finance commissions. The finance commission plays a vital role in center state tax sharing and resource transfers. The planning commission and both five year and one-year plans which are not mandated in the constitution, have become a very important part of center-state financial relation. Transfer to support state plans have been determined by the 'Gadgil formula' and through other CSS's. Various centrally sponsored schemes have become an increasingly important source of funding for state government budgets. But since they are time-bound and subsequent recurrent expenditure responsibilities devolve wholly on the states, the schemes are argued to worsen the long term fiscal situation of states. Central government employees pay structure also increase the pressure of various state governments from their employees. However, this factor will become less important in the future because almost all the states are coming into the line along with the central government.

Keywords*— State, Finance, Assam, Revenue, India, Constitution*

1. INTRODUCTION

India's state finances have suffered from many difficulties and there is an adverse trend from the 1980s. The state government have been facing various budgetary hardship which affecting their developmental expenditure. Among the hardships, inadequate revenue sources, low central transfers are prominent. The Indian constitution sets three fold classifications for expenditure responsibility between the state and centre. Constitution accordingly also sets forth the respective taxation powers of centre and state governments. It is generally perceived that the state taxation powers are inadequate in relation to their expenditure responsibilities and that imbalances have been worsening over time. In addition to centre state tax collection and sharing, the constitution has some other provision of resource transfers to the states through various mechanisms determined by the finance commissions. The finance commission plays a vital role in centre state tax sharing and resource transfers. The planning commission and both five year and one-year plans which are not mandated in the constitution, have become a very important part of centre-state financial relation. Transfer to support state plans have been determined by the 'Gadgil formula' and through other CSS's. Various centrally sponsored schemes have become an increasingly important source of funding for state government budgets. But since they are time-bound and subsequent recurrent expenditure responsibilities devolve wholly on the states, the schemes are argued to worsen the long term fiscal situation of states. Central government employees pay structure also increase the pressure of various state governments from their employees. However, this factor will become less important in future because almost all the states are coming into the line along with the central government.

Thus the revenue sources of states have turn out to be insufficiently elastic even after the raising share of various taxes by the central government. This leads to a demand for access to more buoyant tax sources. But on the other hand growth of states own tax revenue and failure to utilize some important taxes assigned to the states as well as expenditure side suggest a more comprehensive approach to resolving the states budgetary imbalances. States can borrow from the market only with the concurrence from the central government. Since plans transfers have had a substantial element of loans and states have never been able to repay their loans to central government fully, this has meant effective control over the ability of the states to borrow. States can borrow from the foreign lender only through the central government. But greater freedoms for states in borrowing also May resulted in further problems like high responsibility in their use. Thus centre state relations comprise a critical component of state finances and raise many constitutional, political and financial issues. (Bagchi, 1992).The high and growing inter-state disparities become a cause of concern for the Indian government. The per capita income of most rich states was almost eight times that of the poorest state in 2005-06 and differences has been steadily increasing over the year (Rao, & Jena, 2009). High inequalities are seen in India not only in per capita incomes but also in human development indicators. States with low income are also in a much lower position in health and education. States in India have a predominant role in providing human capital and equally sufficient physical infrastructure. In a developing country like India where private investment is sufficiently lacking, government responsibility is high for providing various infrastructures. Thus creating an environment for development critically depends on both state and central government investments in physical infrastructure and human development. Efficient spending is also important for the state government. In this purpose, the state should efficiently raise revenues from the sources available to them and the central transfer of revenue is also important. The state should also ensure technical efficiency in spending for good public outputs and outcomes as well as for healthy multiplayer effects. On the basis of the above literature, a brief analysis of state finances in Assam is proposed to be studied in this paper. For the study secondary data collected from the state finance department, RBI and CAG are used. The whole paper is divided into eight sections. The first section is an introduction followed by the second section contains simple statistical information regarding Assam. It follows by section three contains the fiscal profiles of Assam. Section four gives a sectorial contribution to revenue and expenditure accounts followed by section five contain monthly trends of receipts and expenditure. Then section six gives a conclusion of the whole study followed by recommendation in section seven. At last, section eight gives short references for the study.

2. ASSAM: A BIRD EYE VIEW

Assam is a state of North-east India. Its advantages are like the richness in forest resources, minerals, tea-centric etc. and constraints are remoteness, lack of infrastructure, turbulent rivers, insurgency etc. The economic plights of Assam were recognized by the centre by declaring it a special category states in 1991.

Table 1: Some statistical comparison

Statistics of 2001	Assam	India
Per capita income	11,132(Rs.)	17947(Rs)
Poverty	36.09%	34%
Population Density	340	324
Life Expectancy	58	65.3
Literacy	64.28%	65.38%

Table-1 gives us a comparative picture of Assam's socio-economic backwardness compare to that of India. Both economically and socially it is lagging behind from the other Indian States.

3. FISCAL PROFILE

During the decades of 1990, there was very little reform in state finances. Much discussion was taken place for sales tax reforms. The tax Reform committee, (Government of India, 1991) included various suggestions for tax reforms. It was also recommended in the report prepared by NIPFP. The fiscal and revenue deficits were increases and more deteriorated by the end of the decades. However, attempts were made to minimize the deficit in the latter part of the 1990s. The impacts were also harassed, especially for the poorer states.

Table 2: Fiscal Consolidation of the State (percentage of GSDP)

Years	Fiscal Deficit	Revenue Deficit	Capital Outlay	Net Lending
1987-88	6	1.08	3.45	1.48
1988-89	4.02	0.84	2.21	0.97
1989-90	5.78	1.47	2.73	1.58
1990-91	4.92	0.93	2.33	1.66
1991-92	2.15	-2.27	2.41	2.02
1992-93	1.59	-1.24	1.82	1.02
1993-94	-0.12	-2.83	1.7	1
1994-95	4.34	1.89	1.69	0.76
1995-96	3.76	1.15	1.73	0.87
1996-97	0.38	-1.48	1.26	0.61
2001-02	3.78	2.3	1.34	0.14
2008-09	3.54	-1.71	5.12	0.12

Source: Finance Accounts and Budget Documents of Assam

In table 2, we have some information regarding the fiscal situations in Assam. In the state, it is seen that in the year 1987-88 fiscal deficit was as much as 6 per cent of GSDP and revenue deficit was not so high but is was still there. The capital outlay was 3.45 percent of GSDP. It was mainly responsible for fiscal deficit. However, the situation is improving gradually. During 2008-09 fiscal deficit comes down to 3.54 percent. Only capital outlay is prominent. It is about 5.12 percent of GSDP. However reduction in revenue deficit is increasing and the situation is under control. Revenue deficit situation is mainly attributed to various reasons. In fig-1, various curves show the same implications of the table-2.All the curves showing a downward sloping trend from left to right. Here revenue deficit curve shows a positive trend but capital outlay still showing an increasing trend. Net lending is also decreasing

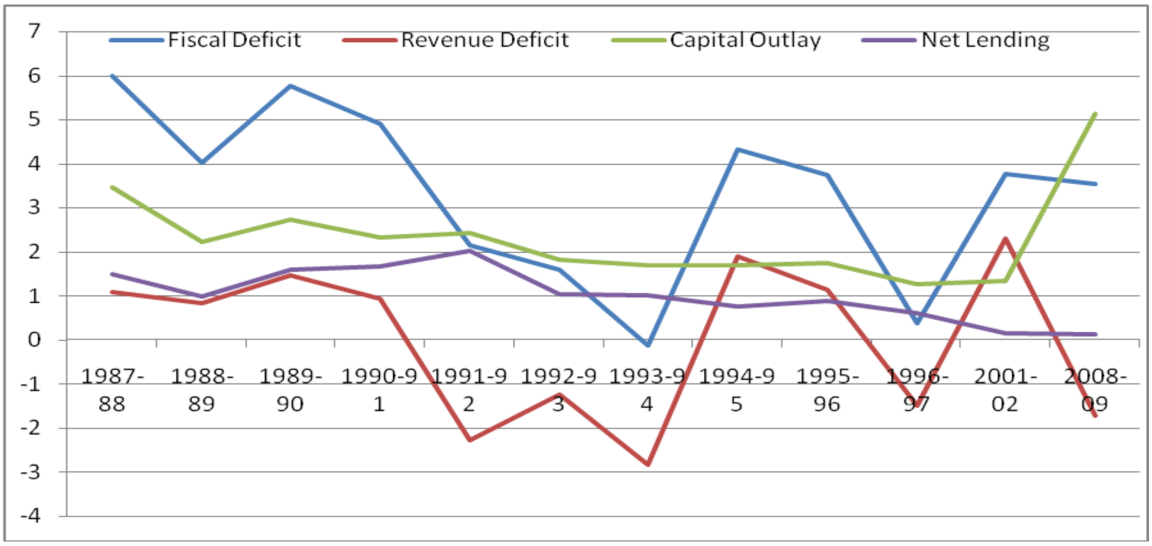

Fig. 1: Fiscal consolidation at state levels (percentage of GSDP)

In the Table-3 various sources of revenue reduction during 2001-2008 are discussed and comparison to all states average is made. From 2001 to 2008, 4.01 percent of revenue deficit reduced in Assam and it is attributed to mainly share in Central taxes (3.02%), grants (8.83%) and to change in revenue expenditure (10.50%). Compared to Assam in all states average, 3.46 percent of revenue deficit reduced and it is attributed to increasing in own taxes revenue, central share, grants and also on own-non tax revenue as well as revenue expenditure but very small.

Table 3: Reduction in Revenue Deficit (2001- 2008) and its sources (Percentage in GSDP

Indicators	Reduction in Revenue Deficit	Increase in				Change in Revenue Expenditure
		Own Taxes	Own Non-Taxes	Share in Central Tax	Grants	
Assam	4.01	1.15	1.51	3.02	8.83	10.50
All States	3.46	1.21	0.30	1.26	1.42	0.69

Source: Finance Accounts and Budget Documents of Assam

Again some fiscal performance indicators of Assam can be compared to all states average through which we can get comparative pictures of the concern states to other all India states.

Table 4: Important Fiscal Performance Indicators

Indicators	Average Per Capita GSDP (Rs.)	Percent of				Average per capita Development Expenditure (Rs.)
		Revenue Deficit to GSDP	Fiscal Deficit to GSDP	Revenues to Fiscal Deficit	Tax to GSDP	
Assam	12288	-1.9	-3.73	50.94	4.29	1690.84
All States	16978	-3.15	--4.08	77.21	6.54	2125.24

Source: 12th Finance Commission, Govt. of India, 2004

In the table-4 we have some information on fiscal performance indicators. Compare to other states average per capita GSDP (in Rs.) of Assam is only 12, 228.00 but an average of all other states it is 16, 978. Again average per capita developmental expenditure (in Rs) is also less in Assam (1690.84) compare to all India average (2125.24). But other indicators show that Assam is doing better than all states average. Therefore reasons behind can be low infrastructure, low income, low productivity etc.

4. SECTORAL COMPOSITION OF REVENUE RECEIPTS

However, going inside to the state finances of Assam, detail pictures of revenue receipts, revenue expenditure, capital receipts and capital expenditure can be found. It gives us sector wise information regarding expenditure and receipts of revenue and capital.

Table 5: Important sources of Revenue Receipts in Assam (in Percentage)

	2007-08	2008-09	2009-10
	(Accounts)	RE	BE
Total Revenue (I+II)	100	100	100
I. Tax Revenue (A+B)	54.01	42.17	41.52
A. State's Own Tax Revenue (1 to 3)	21.92	17.33	17.47
3. Taxes on Commodities and Services(i to vii)	19.85	15.88	15.80
B. Share in Central Taxes (i to ix)	32.09	24.85	24.05
II. NON-TAX REVENUE (C+D)	45.99	57.83	58.48
C. State's Own Non-Tax Revenue (1 to 6)	13.93	9.64	8.86
D. Grants from the Centre (1 to 5)	32.06	48.19	49.62

In table 5, it is found that out of total revenue 54 percent is coming from states Own-Tax Revenue and 45.99 percent are coming from state Non-Tax-Revenue in 2007-08. In non-tax revenue both state non tax revenue and grants from the centre are included, however, it is seen that in 2008-09 figures is decreasing for tax revenue but Non-tax revenue is increasing gradually. That picture is also seen in 2009-10. Thus it is seen that centre grants in percentage to total revenue receipts in the state is increasing over the year.

From table-6 it is found that capital receipts continuously depends on a major head that is cash balance investment accounts. During 2007-08, 2008-09 and 2009-10, the contribution of this head is 92.68, 90.36 and 89.95 percent respectively. The remaining portion is coming from Remittances, deposits and advances, internal debt etc. From remittances, the contribution is increasing over the year. That is 2.23 percent in 2007-08, 3.01 percent in 2008-09 and 3.00 percent in 2009-10. Other contributions like small servings, PF, SPF etc. are less than one percent.

Table 6: Important Sources of Capital Receipts in Assam (in percentage)

Items	2007-08 (Accounts)	2008-09 (R E)	2009-10 (B E)
TOTAL CAPITAL RECEIPTS (I to XIII)	100	100	100
II. Internal Debt (1 to 8)	1.19	3.46	3.64
1. Market Loans	0.96	3.02	3.20
4. Loans from NABARD	0.16	0.24	0.24
6. WMA from RBI		0.06	0.06
7. Special Securities issued to NSSF	0.07	0.14	0.14
III. Loans and Advances from the Centre (1 to 6)	-0.06	0.11	0.10
1. State Plan Schemes	-0.06	0.10	0.09
5. Ways and Means Advances from Centre		0.01	0.01
IV. Recovery of Loans and Advances (1 to 12)	0.04	0.05	0.06
5. Co-operation	0.00	0.00	0.00
7. Power Projects	0.01		
11. Government Servants, etc.+	0.03	0.05	0.06
VI. Contingency Fund	0.05	0.06	0.06
VII. Small Savings, Provident Funds, etc. (1+2)	0.61	0.81	0.88
1. State Provident Funds	0.59	0.78	0.85
2. Others	0.02	0.03	0.03
VIII. Reserve Funds (1 to 4)	0.50	0.99	0.99
2. Sinking Funds	0.20	0.13	0.13
4. Others	0.30	0.86	0.86
IX. Deposits and Advances (1 to 4)	2.73	1.28	1.46
1. Civil Deposits	2.14	0.54	0.60
2. Deposits of Local Funds	0.00	0.02	0.02
3. Civil Advances	0.59	0.72	0.84
4. Others		0.00	0.00
X. Suspense and Miscellaneous (1 to 4)	92.71	90.23	89.81
1. Suspense	-0.01	-0.18	-0.18
2. Cash Balance Investment Accounts	92.68	90.36	89.95
4. Others	0.04	0.05	0.05
XIII. Remittances	2.23	3.01	3.00

Table 7: Important Sources of Revenue Expenditure in Assam (in percentage)

	2007-08 (Accounts)			2008-09 (RE			2009-10 (BE)		
Items	**Plan**	**Non-plan**	**Total**	**Plan**	**Non-plan**	**Total**	**Plan**	**Non-plan**	**Total**
Total expenditure (i+ii+iii)	15.55	84.45	100.00	27.56	72.44	100.00	22.71	77.29	100.00
I. Developmental expenditure (a+b)	15.52	45.77	61.29	24.11	34.13	58.25	20.25	28.30	48.56
A. Social services	7.02	31.87	38.89	13.46	25.45	38.91	11.56	20.97	32.53
1. Education, sports, art and culture	1.62	22.29	23.91	3.32	16.67	19.99	2.27	14.16	16.43
2. Medical and public health	0.49	3.90	4.39	1.30	4.39	5.69	1.03	3.78	4.82
7. Welfare of scs, sts and obcs	1.70	0.33	2.03	2.10	0.10	2.20	1.68	0.08	1.76
B. Economic services	8.50	13.90	22.39	10.65	8.68	19.33	8.69	7.34	16.02
1. Agriculture and allied activities	1.18	4.09	5.28	2.56	2.39	4.95	2.31	2.06	4.36
2. Rural development	4.28	1.89	6.17	3.90	0.41	4.32	2.65	0.38	3.03
II. Non-developmental expenditure			38.71			41.75			51.44
General services (a-f)	0.03	38.61	38.64	1.64	31.74	33.38	1.01	41.21	42.23
A. Organs of state	0.00	0.79	0.79		0.79	0.79		0.71	0.71
B. Fiscal Services	0.01	1.05	1.06	0.10	1.14	1.24	0.03	0.94	0.97
C. Interest Payments and Servicing of Debt		13.47	13.47		9.43	9.43		7.57	7.57

2. Interest Payments		11.87	11.87		8.92	8.92		7.20	7.20
i) Interest on Loans from the Centre		1.05	1.05		1.50	1.50		1.10	1.10
ii) Interest on Internal Debt		8.77	8.77		5.94	5.94		4.73	4.73
D. Administrative Services	0.02	12.78	12.80	1.54	10.79	12.34	0.98	10.74	11.72
iii) Police		7.65	7.65	0.01	5.60	5.61	0.01	4.79	4.80
v) Others ++	0.01	1.32	1.33	0.29	1.17	1.45	0.22	0.98	1.20
E. Pensions		10.52	10.52		7.25	7.25		7.99	7.99
F. Miscellaneous General Services		0.00	0.00		2.34	2.34		13.26	13.26
III. Grants-in-Aid and Contributions = Compensation and Assignments to Local Bodies & PRIs		0.07	0.07	1.81	6.57	8.38	1.44	7.78	9.22

From table 7, we find the information regarding revenue expenditure in percentage. Significant information regarding revenue expenditure is that 84.45 percent expenditure incurred in non-plan accounts in 2007-08 and it is 72.44 percent in 2008-09 and 77.29 percent in 2009-10. It implies that the importance of plan is decreasing and non-plan expenditure increases day by day. It means that we are in a changing economic system. Again it is found that developmental expenditure is higher than non-developmental expenditure. In developmental expenditure, expenditure on social service like education, medical and public health, SC, ST, OBC, welfare are higher than another sector. The sector like agriculture, rural development are also getting priority in expenditure. In the side of non-development expenditure, interest payment and debt servicing are getting importance. Another non-developmental expenditure is incurred on administrative services, pensions, police department etc.

Table 8: Important Sources of Capital Expenditure in Assam (in percentage)

	2007-08 (Accounts)			2008-09 (RE)			2009-10 (BE)		
	Plan	**Non-plan**	**Total**	**Plan**	**Non-plan**	**Total**	**Plan**	**Non-plan**	**Total**
Total Capital Disbursements (I To Xii)	1.45	98.55	100.00	4.68	95.32	100.00	5.36	94.64	100.00
Total Capital Disbursements (Excluding Public Accounts)	1.45	0.87	2.32	4.68	1.18	5.87	5.36	1.26	6.62
I. Total Capital Outlay (1 + 2)	1.32	0.31	1.63	4.53	0.16	4.69	5.27	0.14	5.41
1. Development (a + b)	1.30	0.29	1.59	4.48	0.14	4.62	5.21	0.12	5.33
(a) Social Services	0.24	0.01	0.26	0.68	0.03	0.71	1.12	0.02	1.13
(b) Economic Services	1.05	0.28	1.33	3.80	0.11	3.91	4.09	0.11	4.19
3. Special Area Programmes	0.22		0.22	1.52		1.52	1.00		1.00
of which: Hill Areas				0.06		0.06	0.10		0.10
5. Energy	0.31	0.09	0.40	0.44		0.44	0.28		0.28
7. Transport	0.38	0.12	0.50	0.91	0.11	1.02	0.85	0.11	0.96
i) Roads and Bridges	0.38	0.12	0.49	0.89	0.11	1.00	0.83	0.11	0.94
IV. Loans and Advances by State Governments	0.13	0.00	0.14	0.16	0.01	0.16	0.09	0.01	0.10
1. Developmental Purposes	0.13	0.00	0.14	0.16	0.00	0.16	0.09	0.00	0.09
IX. Deposits and Advances		3.18	3.18		1.26	1.26		1.42	1.42
1. Civil Deposits		1.94	1.94		0.53	0.53		0.58	0.58
X. Suspense and Misc.		91.70	91.70		88.46	88.46		87.54	87.54
2. Cash Balance Investment Accounts		91.63	91.63		88.59	88.59		87.67	87.67
XII. Remittances		2.13	2.13		2.95	2.95		2.92	2.92

The table-8 gives a clear picture of capital expenditure. Here also, it is seen that non-plan expenditure is above 90 percent. In 2007-08, it was 98.55 percent, in 2008-09, it was 95.32 percent and in 2009-10, it is 94.64 percent. It means that the plan expenditure is very less. It also hints the decreasing importance of plan expenditure. That is, plans are gradually varnished from the scene. All most 91.63 percent in 2007-08, 88.59 percent in 2008-09 and 87.67 percent in 2009-10 of non-plan expenditure again goes to cash balance investment accounts. Again 2.13 percent in 2007-08, 2.95 percent in 2008-09 and 2.92 percent in 2009-10 goes to remittances. A small amount that is also less than 2 percent goes for development expenditure, especially for social and economic services. Roads and bridges are also getting a small amount under development expenditure but it is less than one percent of total capital outlays.

Table 9: Monthly Trends of Total Receipts and Total Expenditure (in Rs. Crores)

Months	**2008-09**		**2007-08**	
	Monthly	**Progressive**	**Monthly**	**Progressive**
April	612.02	612.02	697.45	697.45
May	256.01	868.03	418.28	1115.73

June	720.22	1588.25	663.4	1779.13
July	1078.11	2666.36	691.11	2470.24
August	940.26	3606.62	882.2	3352.44
September	1164.29	4770.91	906	4258.44
October	1370.36	6141.27	1203.25	5461.69
November	1060.01	7201.28	1160.16	6621.85
December	1468.89	8670.17	1130.67	7752.52
January	1107.17	9777.34	1175.55	8928.07
February	1814.23	11591.57	808.69	9736.76
March	4200.26	15791.83	3754.16	13490.92

Source: CAG, India

5. MONTHLY TREND OF RECEIPTS AND EXPENDITURE

So far we have discussed a lot of things about the financial states of Assam and its fiscal positions with a little bit of comparison with all other states average. Now if we look into the total receipts and total expenditure accounts of Assam at per month then we find that maximum amount of revenue receipts in the month of March and expenditure in also highest in the month of March. So what does it mean? If money is spent at the yearend than there is a possibility of some ill-practices. At the same time if money is coming only in the month of March that is also on ill-practice.

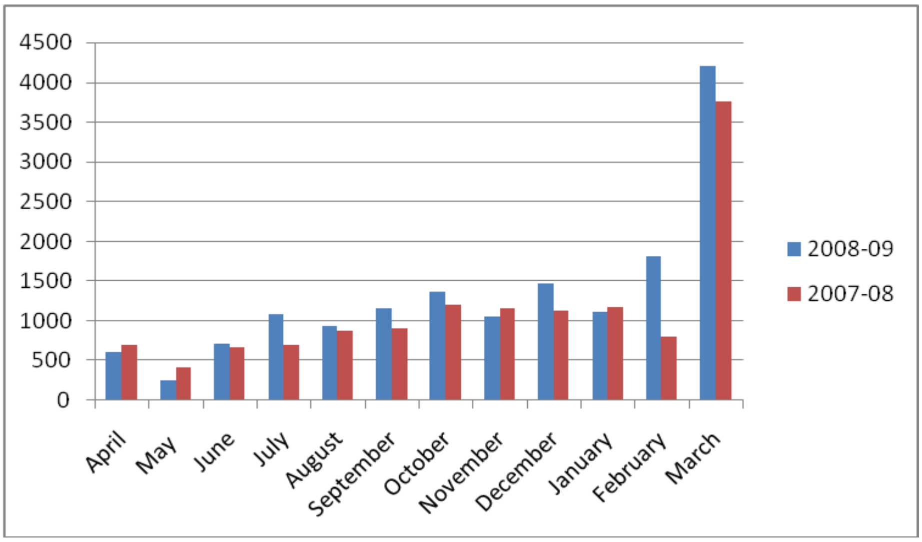

Fig. 2: Monthly Trend of Total Receipts & Expenditure (in Rs. Cores)

In the table-9, it is found that in the year 2007-08 and 2008-09, revenue collection in the month of April is 697.45 (in cores) and 612.02 respectively. But in the month of March, this figure is 3754.16 (cores) and 4200.26 (cores) respectively. It is almost 6 to 7 times high. Similarly, here also we see that expenditure is highest in the month of March in both 2007-08 and 2008-09 and lowest in the month of April. The fig-2 gives us a clearer picture of monthly receipts and expenditure accounts of Assam prepared by CAG. Government of India. Till March receipt and expenditure is increasing gradually and the trend is also higher in 2008-09 than 2007-08.

6. CONCLUSIONS

- Major problems are low industrialization, almost zero capital inflows, huge government salary bills, low capital formation etc.
- Problems of fiscal imbalances are now coming down. But the major contributors are central government grants and shares etc. Own Tax revenue and non-Tax revenue should be increase for a better fiscal situation. Capital outlay is decreased much but certainly, it should not hamper the developmental activities.
- Despite the improvement in fiscal health since 2001-02, there is a risk of fiscal situation deterioration. As the state is going to implement the 6th pay commission report of salary revision, there will be a huge state revenue shortage.
- In revenue collection percentage of tax revenue is higher than in Tax-revenue. But in 2007-08 states own tax revenue is only about 20 percent. Major share is coming from a share in central tax revenue i.e. about 32 percent. Sates own non-tax revenue is only 14 percent and central grants are about 32 percent. But in 2009-10, states non Tax revenue becomes about 58.5 percent and Tax revenue decreased to 41.5 percent. Again central share in non-Tax revenue is about 50 percent and Tax revenue it is 24.5 percent. Thus it can be concluded that central grants and shares make the differences. But states own financial position does not become goods as much that it should be.
- There is a wrong practice in receipts and expenditure accounts. Only in the month of March receipts is highest and same way expenditure also highest in the month of March in every financial year.

7. RECOMMENDATION FOR BETTER FISCAL POSITION

7.1 Following are the recommendations for state revenue enhancement.

- States Sales Tax revenue can be increased with good governance. A tax information network can develop for state Sales Tax. Though it is increased after the implementation of VAT still there is a possibility of enhancement.

- Regarding stamp duty and registration fees, the problem of valuation is there. Therefore an independent body should be there to define the valuation of the property. Again an alternative revenue collection system can be used for stamp duty and registration fees like deposited in bank or treasury etc.
- MVT tax can be increase by changing the system. Especially in case of goods and passengers tax, an ad- valorem type of Tax can be levied.
- There is a scope of increase in professional tax.
- Excise duty is another potential area of revenue. Local liquor production (Household production of Tribal people) can be regularizing by imposing some tax rather than harassing them always.
- Royalty to minerals should be revised from time to time and the market price of the minerals should be under consideration during the time of fixing the royalty rate.
- Agricultural income tax, especially for the plantation sector, has a potentiality. Large-scale tax evasion is going on in this area.
- The power sector is another potential area for revenue. Under PPP or directly under private sector development, huge revenue can be earned.
- The construction sector can be included under the Tax net.

7.2 Recommendation regarding the sector related to Non-Tax Revenue

From the point of view of state finances, this is the area with the tremendous potentiality that can be converted to resources easily. A clear policy is necessary for closing, privatizing and restructuring of a large number of PSU which are meant for supply of public services. Performance of this sector makes a difference between life and death, especially for poor people. Developmental impact of the government's policy is most important in these areas.

7.3 Recommendation regarding expenditure management

It is essential to do everything to get maximum benefit. All departments could participate effectively in MTFRP. Better projection and estimates are important. The budget should be comprehensive and off-budget financial activities should be discouraged. There should mention of fiscal targets into the budget. Fiscal responsibility should be institutionalized. Steps should be taken to discourage the ill financial practice of rush spending in March. Departments need to be given more flexibility and a system should be encouraged that increases the accountability in terms of output. Treasury reforms, computerization, elimination of cash transaction, proper auditing etc. are important.

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