

## **Chapter-3 : District Planning and Financial Management**

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### 3.1 District Planning Committee and District Plan

Government of India envisages an inclusive and participative planning process for the development of districts. The 74<sup>th</sup> Amendment to the Constitution of India mandated the establishment of a District Planning Committee (DPC) comprising the Minister of the district as the Chairman and Member of Parliament (MP), Member of Legislative Assembly (MLA), Chairperson Zilla Parishad, Ex-MLA and other persons of different sections of society as non-official members. The DPC was required to consolidate the plans prepared by Panchayats and Municipalities in the district into an integrated District Plan. All the three tiers of local administration *viz.*, DRDA, Blocks and GPs were to prepare an Annual Action Plan (AAP) at the beginning of each financial year equivalent in value of about 125 *per cent* of their share of funds allocated in the preceding year and no work was to be taken up unless it formed part of the AAP.

However, it was noticed that the District Planning Committee (DPC) was not established in Kinnaur district as of July 2012. As a result, no perspective and integrated District Plans were prepared during the period 2007-12. The local levels of administration like the Blocks and GPs were not involved in providing any inputs to the planning process. Schemes were sanctioned on an *ad hoc* basis by the DC based on the proposals submitted by the MPs/ MLAs/ other individuals as per the perceived benefit to the local populace.

The Deputy Commissioner (DC), Kinnaur stated (July 2012) that the Project Officer, Integrated Tribal Development Project (ITDP) prepares the Annual Action Plan.

The reply is not acceptable as it was mandatory to constitute a DPC as per the provisions of the 74<sup>th</sup> Amendment to the Constitution. Thus, in the absence of perspective plans and integrated annual action plans prepared by the DPC for the development of the district with inputs from Blocks and GPs, the requirement of local needs remained unidentified.

#### **Recommendation**

- *The Government may consider constituting a DPC and preparing holistic integrated annual plans for the district, based on a structured process of obtaining inputs from Blocks and GPs and other stakeholders for a more realistic assessment of the needs for the development of the district.*

### 3.2 Financial Management

Funds are allocated to the district through the State budget for various developmental activities. In addition, funds are directly released to DRDA and implementing agencies for various socio-economic programmes by the State and GOI. The DRDA releases funds to the Blocks and other executing agencies based on the approved allocation for individual schemes.

### **3.2.1 Shortfall in the Funds flow and Expenditure incurred**

The total flow of funds to the district during 2007-12 and expenditure incurred was not available either with the Deputy Commissioner/ Project Officer (PO) Integrated Tribal Development Project (ITDP) or other district authorities like DRDA as there was no such database maintained. However, the data on the funds received and expenditure incurred during the period from 2007-08 to 2011-12 in respect of the departments and certain key programmes was collected by Audit from various departments, details of which are in **Appendix-3.1**.

Audit analysis revealed that during 2007-12, the District Administration received funds amounting to ₹ 290.30 crore for implementation of various socio-economic programmes in the district. However, the expenditure incurred during the aforesaid period amounted to ₹ 280.95 crore. Thus, there was an overall shortfall of ₹ 9.35 crore in expending of funds during 2007-08 to 2011-12. Audit noticed that in many cases, works could not progress due to manpower constraints and limited working seasons as discussed in succeeding paragraphs.