

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

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3.1 District Planning Committee and District Plan

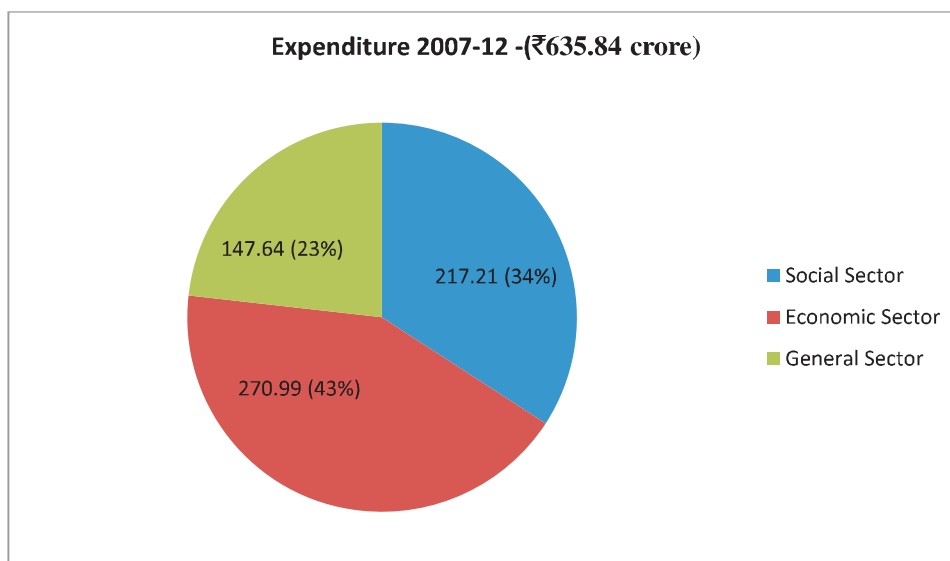
The 74th Constitutional Amendment has mandated for the establishment of a District Planning Committee (DPC) for consolidating the plans prepared by the panchayats and Municipalities in the District into a Draft District Plan. The DPC is to formulate the perspective plan for the district on the basis of data with regard to poverty reduction, district domestic product, health, employment generation, living standards, per capita income and other socio-economic development parameters collected from the block and panchayat levels so as to use such plan as an effective tool for proper distribution of resources and monitoring their utilization. The following were observed in audit:

- Due to non-enactment of the 74th amendment of the Constitution of India by the State Legislature, no DPC as envisaged for well defined development strategy was constituted and instead the District Development Board (DDB) of the district functions as a DPC. The DDB finalises the annual plan of the district prepared on the basis of works programmes identified by various line departments in the district on need basis without any involvement of the block/ village level bodies or the municipalities.
- In the absence of long term perspective plan and integrated annual plans, based on inputs from blocks/ villages/ municipalities, the identification of gaps in the needs and availability of developmental infrastructure within a defined availability of resources is likely to be *ad hoc* and unrelated to any timelines and resource budget.

3.2 Financial Management

Funds for carrying out various developmental activities in the district are allocated through the State budget. In addition, funds are also released directly to the implementing agencies for various developmental programmes sponsored by the Government of India and State Government. It was seen that the total quantum of funds received by the district under Non-Plan, State Plan and various Central and Centrally Sponsored Schemes during the period 2007-2012 and expenditure incurred thereagainst was not available with the District Development Commissioner or with the Chief Planning Officer of the District, indicating absence of district level holistic monitoring of flow of Government funds into the district and its proper utilization. However, the position of funds received and expenditure incurred thereagainst during the period from 2007-08 to 2011-12 under different sectors/schemes as collected by Audit from district officers of various departments is given in *Appendix-1.1* and diagrammatically shown in *pie Chart 3.1* below:

Chart: 3.1



The expenditure on social sector was ₹ 217.21 crore and on economic sector ₹ 270.99 crore respectively during the years 2007-08 to 2011-12. The Education schemes in the Social sector received maximum amount of ₹ 130.80 crore (59 per cent) against which ₹ 129.42 crore had been spent during the period 2007-12.

The position of approved plan, availability of funds and expenditure incurred thereagainst under Annual District Plans during the years 2007-08 to 2011-12 is given in **Table 1** below:-

Table-1

(₹ in crore)

Year	2007-08	2008-09	2009-10	2010-11	2011-12
Approved outlay	48.84	44.87	72.09	85.79	97.99
Revenue	15.08	5.91	18.48	28.89	36.11
Capital	33.76	38.96	53.61	56.90	61.88
Revised outlay	52.62	60.81	97.38	105.81	114.25
Revenue	14.66	6.97	17.91	28.10	36.52
Capital	37.96	53.84	79.47	77.71	77.72
Expenditure	46.75	59.51	94.23	105.48	113.23
Revenue	14.59	6.84	17.91	28.03	36.46
Capital	32.16	52.67	76.32	77.45	76.77

(Source: Department)

The position of allocation and expenditure (including State Government and GOI funding) in respect of the significant departments during the period from 2007-08 to 2011-12 as per the departmental records is given in **Table 2** below:-

Table-2

(₹ in crore)		
Sector/Department	Allocation	Expenditure (Percentage)
Social Sector/Department		
Education	130.81	129.42 (99)
Health	22.22	22.07 (99)
Public Health Engineering	33.00	29.88 (91)
Social Welfare	21.10	21.02 (100)
Economic Sector/Department		
Agriculture	2.15	2.14 (100)
Animal Husbandry	2.09	2.08 (100)
Industries	7.95	7.94(100)
Minor irrigation	51.89	46.58 (89)
Power	5.59	5.59(110)
Rural Development	27.91	26.77 (96)
Roads & Buildings	113.29	113.01 (100)
General Sector/Department		
Police	147.90	145.31(98)

(Source: Department)

The utilisation of allotted funds was in the range of 89 to 100 *per cent* in respect of the above Departments. However, the expenditure so booked by the sectoral officers across different departments did not reflect correct picture as it had treated entire amount released to subordinate authorities as expenditure whereas funds were lying unutilised as on March 2012 with subordinate offices. The financial management of specific programmes or schemes is discussed in the subsequent chapters.

Recommendations

The Government may consider to ensure:

- *setting up of a District Planning Committee for the preparation of holistic perspective plan/ annual plans and*
- *effective implementation of the developmental schemes in the district.*