

## 4 Planning

### 4.1 Prescribed Procedures

- According to the Act, every GP shall, after considering the recommendations of the Gram Sabha and Ward Sabhas, prepare a development plan, and maintain a shelf of possible works to be taken up under the Scheme, as and when demand for work arises. According to MoRD's Operational Guidelines, this Development Plan should include an assessment of labour demand, identification of works to meet such demand, and estimated cost of works and wages and the expected benefits (employment generation and physical improvements).
- The Development Plans of individual GPs are to be consolidated by the PO and approved by the Intermediate/Block Panchayats, while maintaining the priority of works indicated by the GPs; works involving more than one GP, if needed, may be included by the Intermediate Panchayat. A similar exercise will be carried out at the District level, where work proposals by other implementing agencies may also be included. At least 50 *per cent* of the works (by cost) are to be executed by GPs. Specific timelines for consolidation/approval have been indicated in the MGNREGA Operational Guidelines.
- Based on the approved District Plan, the DPC will co-ordinate the preparation of detailed technical estimates and sanctions for each approved work. Further, on the basis of the Development Plan, the DPC shall also prepare the Annual Labour Budget for the district, and forward it, through the State Government, to GoI for enabling release of the Central share of funds.
- The Operational Guidelines also suggest development of District Perspective Plans (with a five year timeframe) for facilitating advance planning and to provide a development perspective for the district, while enabling the adoption of a project approach to works, rather than just an activity approach.

The audit findings in respect of the planning processes are summarised below:

### 4.2 Preparation of GP level Development Plan and Shelf of Works

Audit scrutiny revealed that the shelf of works for being taken up as and when demand for work arose was being prepared in respect of individual GPs. Further, the AP MGNREGS MIS has an automated feature for calculating the adequacy of shelf of sanctioned works<sup>17</sup> for each half-year. As of June 2012, the adequacy of shelf of works for the State as a whole, as well as for the test checked districts, for the first half of 2012-13, was as follows.

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<sup>17</sup> in terms of available/remaining work persondays vis-à-vis the projected demand for persondays (based on actual persondays worked in the last financial year)

Table 3 – Adequacy of Shelf of Works

District	Total GPs	GPs with 100% or higher shelf (in terms of persondays)	GPs with 50-99% shelf	GPs with 10-49% shelf	GPs with zero shelf (less than 10%)
Ranga Reddy	704	480	1	0	223
Nalgonda	1,178	1,118	12	1	47
Visakhapatnam	946	840	21	8	77
Vizianagaram	941	750	0	0	191
Kurnool	897	799	12	1	85
Anantapur	1,006	946	3	1	56
Total for sampled districts	5,672	4,933	49	11	679
State as a whole	21,861	19,335	729	131	1,666

Source: Web reports of AP MGNREGS MIS

It could be seen from the above that eight *per cent* of GPs had zero shelf of works across the State, while it was 12 *per cent* in respect of GPs in the sampled districts.

Further,

- In the test checked units, the identification and recommendation of works was approved through a GP resolution; audit also found evidence of Gram Sabha meetings for approving the shelf of work. However, instances of thin attendance in the Gram Sabha meetings, as recorded in the Gram Sabha resolutions, were noticed in Vizianagaram district, thus casting doubt on the effective and large-scale involvement of villagers in the planning process at the grass roots level.
- In the test checked GPs of Raptadu, Bukkarayasamudram and Garladinne mandals in Anantapur district, instead of identifying specific nature of works through Gram Sabhas, resolutions were passed for works of general nature like land development works, water conservation works, etc. Government stated (February 2013) that the works were identified by Gram Sabha from among the permissible category of works.

***The adequacy of the shelf of works in the test checked districts, mandals and GPs was not a major hindrance to implementation of the scheme and provision of employment to the wage-seekers. However, based on data analysis, audit noticed a large number of works were in progress, as discussed in paragraph 8.3.2.***

The findings of the beneficiary survey relating to holding of Gram Sabha meetings are summarised below:

Criteria	Finding
Attendance at GS meetings	Only 40 <i>per cent</i> indicated that they attended the GS meetings, and only 27 <i>per cent</i> of the attended stated that they had spoken in the meetings.
Discussion of selection of works at GS meetings	Only 32 <i>per cent</i> of beneficiaries indicated that selection of works was discussed in the GS meetings.

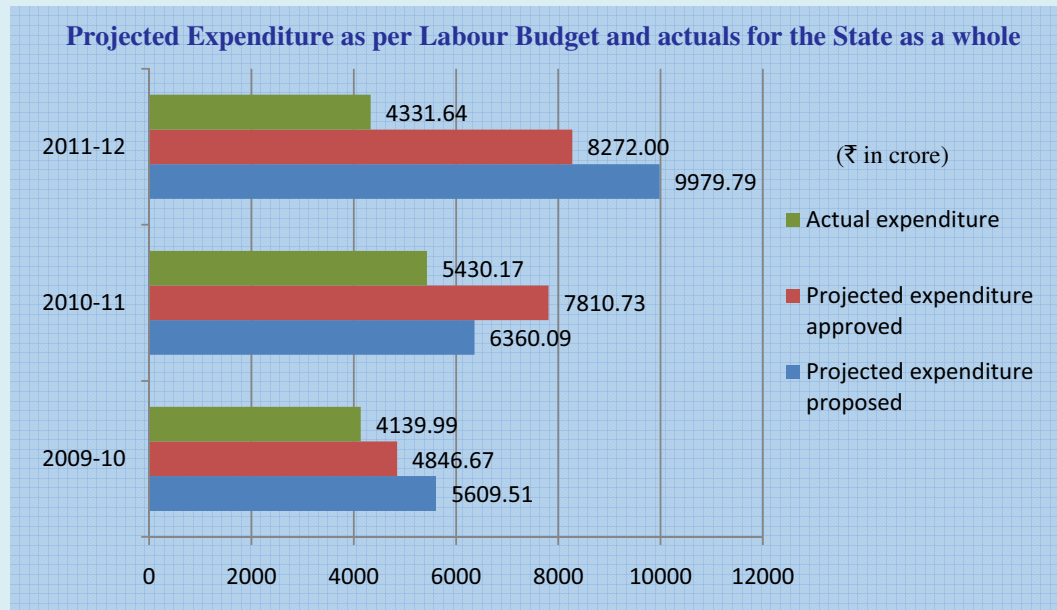
In response (August 2012), the State Government indicated that clear instructions had been issued for attendance of Shrama Shakti Sangha (SSS) groups<sup>18</sup>, SHGs, farmers, etc., but promised to take all precautions to ensure maximum attendance in Gram Sabhas for identification of works. It also stated that instructions/circulars were issued (June 2012) to build shelf of works through a planning team by revisiting every shelf of work and site and conducting Gram Sabhas to ensure high and quality participation. They also stated that photographs of Gram Sabhas/habitation sabhas would be captured and uploaded onto the MIS.

### 4.3 Preparation of Labour Budget

Audit scrutiny revealed that the State Government sent Labour Budgets of the last three years (2009-12) with delays ranging from 2 to 4 months vis-à-vis the stipulated timeline of December for the next financial year's Labour Budget. However, as verified from the records of the selected districts (except Anantapur district), Labour Budgets were not prepared at the district level, but were instead finalised at the State level (based on inputs from the MIS data at district and lower levels).

Further, comparison by audit of the projected expenditure (as per the Labour Budget proposed by State Government), projected expenditure as per GoI-approved Labour Budget, and actual expenditure for 2009-12 revealed that the projections of the Labour Budget (proposed/approved) were far higher than the expenditure actually incurred and the variation between the proposed budget and actual expenditure was 85 per cent, 69 per cent and 52 per cent for the years 2009-10, 2010-11 and 2011-12 respectively, as indicated below.

Chart 1



<sup>18</sup> SHG-based fixed labour groups for undertaking unskilled wage tasks under MGNREGA

In its response (August 2012), the State Government indicated that the Labour Budget of the GP was arrived at, based on the maximum number of labour households expected to attend wage employment in the year; this, itself, was arrived at by taking the maximum number of households actually reporting for work in one of the previous years and enhancing it by 10 *per cent*, and was multiplied by the average days of employment per household provided during the last year and cost per person-day. Further, the State Government attributed the variation between the approved labour budget and actual expenditure during 2009-10 to less reporting of households to work and less average wage, but did not furnish specific reasons for less reporting; no comments were offered for the variations during 2010-11 and 2011-12.

#### **4.4 District Perspective Plans**

State Government, as a part of Comprehensive Gram Panchayat Natural Resource Management (NRM) Plans, had, in 2006, taken up identification of the list of works for preparation of Perspective Plan for each district<sup>19</sup>. However, the initial identification of works was restricted to the 13 districts notified for Phase-I implementation of MGNREGA; the status of perspective/natural resource management plans for the subsequently notified nine districts could not be ascertained from the State Government. Further, the status of revision/review of existing NRM plans, if any, could also not be ascertained.

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<sup>19</sup> As reflected in the CAG's Performance Audit Report No. 11 of 2008 – Union Government, 7.5 lakh works had been identified, during the process of preparation of Integrated Natural Resource Management Plans, for implementation during the next 5 - 6 years