



Forum for Good Governance

Regd. No. 653/2009

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Hyderabad
23rd August, 2016

PRESS NOTE

In the year 1993 at the instance few parliament members the then Prime Minister Sri P.V. Narsimha Rao announced a scheme - Member of Parliament Local Area Development Scheme (M.P.L.A.D.S.) where in, certain amount will be allocated to each M.P. for suggesting works in his parliament constituency for execution.

In erstwhile Andhra Pradesh in the year 2005 the scheme was extended to M.L.A.s and M.L.C.s as Constituency Development Programme (C.D.P.). In the state of Telangana the C.D.P. amount is Rs.1.5 crores per MLA/MLC per year, and is raised to Rs. 3 crores from 2016-17.

The scheme works as follows :

Government releases funds to Collector and is kept with Chief Planning Officer (CPO) of the district who is the custodian of CDP funds. The MLA/MLC will propose the works based on the locally felt needs. The district collector issues the administrative sanctions for the works proposed by MLA/MLC. The work will be executed by executive agencies viz Rural Water Supply, Panchayat Raj, Irrigation, Municipal and R & B etc. The CPO releases the funds to these executive agencies and maintains the accounts on financial year basis. The implementing authorities shall incur expenditure and render detailed accounts.

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The district audit officers are responsible for carrying out the audit of accounts and report to Planning Department by 30th June every year. In case of non receipt of reports by 30th June it will be presumed that audit is completed and there are no audit objections to report. The district authorities should also maintain a constituency wise assets creation register for the works carried out with the C.D.P. funds.

List of works eligible for sanction :

1. Each MLA/MLC has to necessarily provide 25% of the total amount for taking up drinking water supply works.
2. Construction of Irrigation Tanks
3. Desilting of Tanks
4. Water table recharge works
5. Improvement of feeder channels under already established ayacut etc. etc.

The problems in CDP :

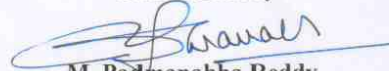
1. The budget is released to Chief Planning Officer who will keep the amount in Personal Deposit (P.D) account. There is no treasury control over the funds flow.
2. There is no discussion and review of the works suggested by MLA/MLC either in Zilla Parishad (in districts) or in Municipalities in urban areas. The C.D.P. lacks transparency and accountability.
3. The expenditure incurred is not audited by A.G., instead by local fund authority. The report of audit to be sent to C.P.O. by 30th June every year. If no report is received it is presumed that no audit objections are there. – crores of rupees audit cannot go on presumptions – For all practical purpose there is no audit.
4. In practice, barring few exceptions, the henchmen of MLA/MLC prepare the list of works, they get the works on nomination basis and execute while the executive agencies watching as spectators.
5. Lacks proper system of monitoring, once the financial year is over. It is forgotten.
6. In some cases the MLAs/MLCs are not giving the proposals in time leading to huge unspent balance with C.P.O. In some cases the C.P.O.s are putting such funds in fixed deposits - Parking of funds.

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Suggestions from Forum for Good Governance:

1. With the successful launch of Mission Bagiratha and Mission Kakatiya there is no need of MLA/MLC funds for drinking water, desilting of tanks etc.
2. Barring few exceptions the C.D.P. funds is only helping the henchmen and party workers of MLA/MLC and the common man is made to make rounds of these middle men for inclusion of works in MLA/MLC list.
3. In the state of Telangana 120 MLA and 40 MLC, at the rate of 3 crores per annum spend Rs.480/- crores without any treasury control or A.G. Audit. This amount if transferred to local bodies like Z.P. and Corporations the felt needs of people can be attended.. The MLA/MLC can give proposals and such proposals have to be discussed in Z.P./Mandal/Corporation and works taken up. The audited accounts have to be approved by Z.P. and Corporation before they are admitted. The legislators have usurped the powers of local bodies and made them ineffective. While the local bodies are starving for funds the legislators have flushed with funds and many times remain unspent.
4. The major work of a MLA/MLC is to legislate. They should review the works of each department with reference to budget allotment. There will be lot of other works like committees etc. The MLA is for entire state and not to one constituency. They should discuss the problems of people in the assembly and help the government in finding solutions.
5. The legislator has every right to suggest works, he feels required in his constituency but such works should farm part of Z.P. or Corporation budget and not out of it and audited by Accountant General.
6. Forum for Good Governance request the Government of Telangana to scrap the C.D.P. and the money saved to be allotted to local bodies that will be in a position to the felt needs of people.
7. In case the government does not agree for scraping the CDP, the proposals of legislators should be discussed in Z.P./Corporation and farm part of the plan of Z.P./ Corporation.

Yours Sincerely



M. Padmanabha Reddy
Secretary
Forum for Good Governance