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Government of Uttar Pradesh

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Report of the Comptroller and Auditor General of India

ON

NATIONAL RURAL HEALTH MISSION

FOR THE YEAR ENDED 31 MARCH 2011 (CIVIL REPORT : 5)

Government of Uttar Pradesh

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PREFACE

This Performance Audit Report of the Comptroller and Auditor General of India, containing the results of the performance audit of the implementation of the National Rural Health Mission (NRHM) in Uttar Pradesh, covering the period April 2005 to March 2011, has been prepared for submission to the Governor of Uttar Pradesh, under Article 151 of the Constitution of India.

In July 2011, the Government of India and the Government of Uttar Pradesh, requested the Comptroller and Auditor General of India, to undertake an audit of the implementation of the National Rural Health Programme, in Uttar Pradesh, following which this performance audit was undertaken.

The NRHM, launched in April 2005, is a centrally sponsored programme aimed at providing accessible, affordable, accountable, effective, and reliable healthcare facilities in rural areas of the country, especially to the poor and vulnerable sections of the population.

At each stage of audit, the findings have been shared with the audited entities. The first draft was received by the Government of Uttar Pradesh (GoUP) on 01 December 2011. Pursuant to a letter dated 10 December 2011 of the Principal Secretary, Medical Health and Family Welfare, GoUP, some records and replies were furnished to Audit. The Exit Conference was held with the State Government on 16 December 2011. Audit findings, conclusions and recommendations were discussed in the exit conference. The State Government accepted most of the recommendations. The replies furnished by the State Government, and the issues flagged during the Exit Conference have been duly considered, and suitably incorporated at appropriate places.

Executive Summary

1. National Rural Health Mission

The National Rural Health Mission (NRHM) was launched in April 2005 to provide accessible, affordable, accountable, effective and reliable healthcare facilities in the rural areas of the country especially to poor and vulnerable sections of the population. The key strategy of NRHM was to bridge gaps in healthcare facilities, facilitate decentralised planning in the health sector, and provide an overarching umbrella to existing disease control programmes run by the Ministry of Health and Family Welfare, Government of India.

The Mission was to be funded by the Governments of India and Uttar Pradesh in the ratio of 85:15 and its goals were to be achieved under the aegis of State Health Mission (SHM) headed by the Chief Minister. The State Health Society (SHS) and the State Programme Management Unit (SPMU) were to implement the Mission through District Health Societies (DHSs) at the District level and *Rogi Kalyan Samitis* (RKSs) at Hospital level.

NRHM emphasised community planning, management and monitoring at all levels and also convergence of various health determinants such as nutrition, drinking water, hygiene, sanitation etc., with activities under NRHM. Community participation was the keystone of NRHM as it aimed to transfer control and ownership of all health related assets to the community by 31 March 2012.

Capacity building – physical and human infrastructure – was part of the key strategy of NRHM. Indian Public Health Standards (IPHS) were to be targeted and achieved.

2. Audit Scope and Limitations

This performance audit, covering the period April 2005 to March 2011, was conducted between August and November 2011, by examining documents at the Government level, departments, directorates, government commercial undertakings, and in 23 districts and attendant implementation structures, where, apart from examination of documents, joint physical inspections, photography and cross verifications were also undertaken.

Audit has been constrained due to non-production/delay in production of records at the different tiers of the Government. During the course of audit, at many units, it was informed, that records were either not available in full or not available at all and in quite a few instances, original records had not been maintained, particularly relating to Accounts.

Details of major documents and records that were stated to be unavailable with the audited entity, at the State and District levels are given in ***Appendices 1.3*** and ***1.4*** respectively.

Delays in furnishing of records/responses affected audit. Given that the flow of records, information and responses were not timely, Audit had to depend also on related material, such as the inspection/review reports of the Government of India (GoI), Programme Implementation Plans (PIPs), websites, orders of the Allahabad High Court etc.

Director General, National Programmes, Monitoring and Evaluation (DGNPME) did not furnish supporting books of annual accounts for the period 2005-07 for ₹ 1277.06

crore (*Appendix 1.3*). In the absence of these records, Audit relied on collateral records/reports for that period. In the districts, records for the period 2005-11 for ₹ 83.34 crore (*Appendix 1.4*), were not furnished to Audit. Non-production/delay in production of records constrained audit.

3. Planning

NRHM envisaged a bottom up approach to planning with integration of village and district plans, with the State level plans. It was seen that no baseline surveys had been undertaken to identify gaps in healthcare. Consequently, State PIPs were not prepared for 2005-06 and 2006-07. Moreover, PIP of 2007-08 was prepared without any inputs from districts, as District Health Action Plans (DHAPs) were not prepared during 2005-08. State PIPs were prepared without obtaining inputs from other social sector departments. There was no formal, transparent and documented methodology for appraising DHAPs.

Though the State Government stated that Village Health and Sanitation Committees (VHSCs) were constituted in almost all villages, documents produced did not corroborate this. Panchayati Raj Institutions (PRIs) were to be fully involved so that the gains of integrated action accrued to the DHAPs. The envisaged active convergent approach with PRIs was not adopted in the planning process. Further, there was lack of convergence within the Health Department, and with other departments relating to drinking water, sanitation, food, nutrition, social security etc., and with Non-Governmental Organisations (NGOs). Consequently, the convergence was not reflected in the State PIPs and DHAPs.

In 12 of 22 test checked districts, VHSCs did not spend ₹ 4.55 crore (11 *per cent)* of the grant (₹ 41.07 crore), transferred during 2007-11. Besides, Corpus Grant, Annual Maintenance Grant and Untied funds were not fully utilised by RKSs. In 19 of 22 test checked districts, ₹ 6.45 crore (9 *per cent*), transferred during 2007-11, remained unspent at RKSs level.

4. Financial Management

The State's spending on health sector through budget was in the range of 3.65 to 4.53 *per cent* of the State Budget which was much below the National Health Policy recommendation of eight *per cent*. The State's spending on healthcare as percentage to Gross State Domestic Product was only 1.50 as against the target of 2-3 *per cent* by the end of the Mission period, March 2012.

Despite the State receiving the highest allocation of NRHM funds, the health indicators were poor with maternal mortality rates being highest and infant mortality and total fertility rates being second highest, compared to the eight major populous States of the country.

The total expenditure on NRHM between 1 April, 2005 and 31 March, 2011 was ₹ 8657.35 crore. The accounts of SHS did not reflect a fair presentation of the financial activities of NRHM. A difference of ₹ 358.18 crore was noticed between the receipts of funds from GoI and that acknowledged by SHS. Further, funds aggregating to ₹ 1768.12 crore received from GoI through treasury route were not captured in the accounts of SHS.

- **Prescribed books of accounts for advances disbursed by SHS and for expenditures of ₹ 4938.74 crore were not maintained. Therefore, correctness of such amounts booked in accounts along with outstanding advance of ₹ 816.71 crore was not ensured.**

- **Utilisation Certificates (UCs) did not include interest earned amounting to ₹ 57.45 crore which led to GoI disbursing more funds to Government of Uttar Pradesh (GoUP) during the period under audit.**

- **Deficient accounting and loose financial controls led to financial mismanagement with aggregate impact of ₹ 396.63 crore. These mainly included unauthorised diversion of fund (₹ 45.02 crore), advances charged as final expenditure (₹ 32.81 crore), cash book not maintained or short carryover of balances (₹ 6.20 crore), major deficiencies/defalcation (₹ 4.89 crore), irregular transaction through bank accounts required to be closed (₹ 6.77 crore), unauthorised inter-fund transfers (₹ 42.72 crore), large scale cancellation of cheques (257 in SPMU and DGNPME: ₹ 244.97 crore) etc.**

- **Release of fund was characterised by diffusion of responsibility. SHS, instead of releasing funds directly to the executing agencies, released ₹ 1546.09 crore (₹ 1170.78 crore for civil works during 2009-11 & ₹ 375.31 crore for procurement during 2008-11) through Programme Management Society (an unregistered society) under DGNPME. This was an unauthorised agency introduced by the State Government in violation of NRHM framework.**

Due to weak programme implementation, unutilised funds continued to increase from year to year and stood at ₹ 1364.89 crore at the end of March 2010. This deprived the State from further central assistance of ₹ 124.55 crore.

Lack of control over opening and operation of bank accounts led to unauthorized diversion of ₹ 45.02 crore to non-NRHM bank accounts (including ₹ 36.50 crore through unregistered Programme Management Society under DGNPME) and irregular retention of ₹ 5.56 crore in accounts that were to be closed by 31 March, 2007.

5. Capacity Building - Physical Infrastructure

NRHM sought to prime the healthcare infrastructure and facilities in the State, the lack of which has perhaps been the major factor for the State's continued poor performance on health indicators. Upgradation of infrastructure to Indian Public Health Standards (IPHS) was not done. The healthcare coverage, based on population, was not increased as no additional sub-centres were sanctioned/created during 2005-11.

- **The selection and award of NRHM works to construction agencies on nomination basis were in violation of the judgement of the Hon'ble Supreme Court, Central Vigilance Commission (CVC) guidelines and NRHM framework.**

- **There was preference for Co-operative Societies as construction agencies for NRHM works, although the accountability structures of these societies were not as robust.**

- **Hundred *per cent* funds were released to construction agencies {UP Processing and Construction Co-operative Federation (PACCFED) - ₹ 203.78 crore during 2009-10 and UP Jal Nigam - ₹ 38.57 crore during 2009-10} without obtaining detailed estimates and utilisation certificates.**

- **Model estimates were prepared by application of incorrect and higher Plinth Area Rates (PAR) during 2009-11. The inflated estimates led to excess release of ₹ 87.17 crore to executing agencies. Further, the construction agencies did not**

prepare detailed estimates on the basis of local Public Works Department's Schedule of Rates, which resulted in undue advantage of ₹ 4.90 crore in four test checked districts.

- **Construction agencies were paid ₹ 51.72 crore for 540 buildings without ensuring availability of land, and therefore, not only had construction not started, but the funds were lying with the construction agencies, unduly benefiting them in the form of interest getting accrued on the said amount.**
- **The Memorandum of Understanding (MoU) provided for refund of interest earned on NRHM funds. Non-enforcement of MoU by DGNPME resulted in loss of interest of ₹ 8.15 crore. Non-imposition of penalty, as provided for in MoU, led to undue benefit of ₹ 22.31 crore as of 30 June 2011.**
- **Further, undue aid of ₹ 18.95 crore (and loss of revenue to the State Government) accrued to construction agencies due to non-deduction of Value Added Tax (VAT).**

There were long delays in completion of construction works and even those completed were yet to be taken over by the department and were, therefore, not being utilised {312 sub centres (11 *per cent*) and 354 Janani Suraksha Yojana (JSY) wards (39 *per cent*)}. Of 125 test checked facilities, 58 sub centres (46 *per cent*), completed, handed and taken over, were not functional for want of taking various controllable actions.

Quality control of NRHM works were not ensured by either the Government or by construction agencies. Constructions worth ₹ 9.48 crore, test checked in Agra, revealed: i) wide variations in costs on labour and material and ii) use of inferior bricks. Besides, joint physical verification revealed poor infrastructure in 67 of 125 test checked sub centres and 7 of 17 test checked JSY wards.

Further, the nominated construction agencies were entrusted the work of supply of equipment/material for ₹ 108.04 crore during 2009-11 which resulted in extra and avoidable expenditure of ₹ 13.50 crore in the form of centage charges. Even the statutory compliance with labour regulations by the construction agencies was not ensured by the Government.

6. Capacity Building - Human Infrastructure

There were large gaps in the number of health personnel in position and the number required as per IPHS. The shortages of Auxiliary Nursing Midwives (ANMs), doctors and specialists at the rural health facilities were 48, 61 and 65 *per cent* respectively. Against a requirement of 8327, as per IPHS, only 4606 staff nurses were available in the State. In the sub centres, the shortages of ANMs and Multi Purpose Workers (MPWs)-Male were 11 and 76 *per cent* respectively. **Although GoI approved and funded appointments of health workers/doctors on contractual basis, GoUP failed to take advantage and yawning gaps in deployment of personnel persisted. An urban bias in the deployment of health personnel existed in the State, particularly of specialists**.

7. Procurement – State level

Despite known weak procurement system of medical supplies in the State and NRHM's stated goal to revamp it, the Government did not take effective steps to ensure effective sanctioning procedure, development of procurement related capacities within SHS and a transparent and competitive procurement regime. Full powers to Executive Committee (EC) of SHS in purchases were given as against limited financial powers to the departmental heads

in the State Government. There was involvement of only one Principal Secretary level officer in decision making body (EC) of SHS for high value contracts against three Principal Secretary level officers in the Government, including Finance and Planning Department in Expenditure Finance Committee (EFC), before approval by the Cabinet.

Procurement Cell within SPMU was not constituted and technical directorates became procurement agents. Executive Committee (EC) released ₹ 375.31 crore during 2008-11 to DGNPME for procurement of goods and services.

Directorates released funds to the following State Government companies and co-operative societies on nomination basis during 2008-11:

- **₹ 65.99 crore to Uttar Pradesh Small Industries Corporation (UPSIC) for supply of medical and general stores;**
- **₹ 563.47 crore to PACCFED (co-operative society) for construction and supply of general goods and Modular Operation Theatres (MOT);**
- **₹ 286.71 crore to Uttar Pradesh Project Corporation Limited (UPPCL) for construction and supply of MOT;**
- **₹ 51.96 crore to Jal Nigam, Uttar Pradesh for construction;**
- **₹ 45.37 crore to Labour and Construction Co-operative Federation (LACCFED) for construction and supply of medical and general stores; and**
- **₹ 9.15 crore to National Consumer Co-operative Federation (NCCF) for supply and installation of telemedicine facility.**

The above agencies procured goods and services through a process which was not in consonance with the open tendering and NRHM framework.

DGNPME entered (2008-11) into five agreements with UPSIC for ₹ 77.66 crore for supply of First Referral Units (FRU) and Intra Uterine Device (IUD) kits, medical solutions, Reverse Osmosis (RO) systems, spectacles, Information Education and Communication (IEC)/Behavioural Change Communication (BCC) activities etc. and advanced ₹ 65.99 crore to UPSIC. The tendering process entered into by UPSIC with its suppliers resulted in supplies being made belatedly, at higher rates, of sub standard quality etc.

DGNPME received ₹ 70.04 crore before July 2010 for operationalisation of Emergency Medical Transport Services (EMTS) but the EMTS was yet to be put to use. The agreement with the finalised service provider was yet to be entered into although the vehicles were received upto a year ago. These vehicles carried a warranty period of 18 months, of which 10 to 16 months had lapsed for 589 vehicles. Non-rescheduling of the delivery resulted in non-receipt of 190 vehicles, blockage of funds and the possibility of deterioration of supplied vehicles lying in the open. Further, DGNPME failed to procure (2010-11) medicines and equipments for ₹ 37.26 crore. It surrendered ₹ 26.40 crore and released ₹ 10.86 crore to Chief Medical Officers (CMOs), and not to DHSs as required.

In 2010-11, ₹ 42.68 crore was earmarked for operationalisation of 135 Mobile Medical Units (MMUs) in 15 districts, of which DGNPME spent ₹ 35.04 crore only on the capital cost of 133 vehicles, although the provision was to cover capital cost, fabrication cost and operational cost for 135 vehicles for 2010-11. No ceiling was fixed by DGNPME for the fabrication cost and different rates were charged for fabrication by different service

providers, which was facilitated by change of Letters of Credit by DGNPME in favour of service providers in place of fabricators. Further, the security deposit of 10 *per cent* of total costs for five years, as per the terms and conditions of the tender, was reduced to 10 *per cent* of the total cost for one year in the agreement.

8. Procurements - District level

At the District level, the DGNPME (2009-11) released ₹ 36.49 crore to District CMOs which were kept outside the NRHM framework.

- **Iron Folic Acid (IFA) tablets, de-worming tablets and spectacles were purchased (2010-11) at higher rates on quotation basis which resulted in excess expenditure of ₹ 2.02 crore;**
- **Cross verification of 21 invoices (₹ 12.97 lakh), in one out of five districts where a particular firm had supplied drugs, with tax authorities in West Bengal, revealed that these were fictitious; and**
- **In five test checked districts, equipment and articles were purchased (2010-11), on the basis of quotations, at exorbitant rates as compared to Maximum Retail Price. This resulted in excess expenditure of ₹ 15.63 lakh.**

Irregularities like splitting of purchases (₹ 2.41 crore), non-adoption of open tender for procurement (₹ 1.51 crore), procurements ignoring prevalent and existing rate contracts and other deficiencies (₹ 2.12 crore) led to uneconomical and irregular expenditure. Logistics management was poor in the districts, stock registers were not duly maintained, and test check in sampled districts revealed that equipment worth more than ₹ 5.82 crore were lying idle.

9. Family Welfare, Maternal and Child Health

Although the number of beneficiaries of institutional deliveries increased from 0.12 lakh in 2005-06 to 23.41 lakh in 2010-11, the shortfall in achievement of target ranged between 38 and 96 *per cent* in 2010-11 and 2006-07 respectively. **Further a majority of pregnant women (69 *per cent*), registered during 2005-11, did not opt for institutional deliveries**.

- **Out of 71.18 lakh institutional deliveries reported during 2005-11, 69.10 lakh pregnant women were paid the incentive under JSY. In four test checked districts ₹ 5.71 lakh, to be paid to beneficiaries for 434 deliveries, was not paid during 2006-11. Payments to beneficiaries under JSY were not evidenced by required documents. Test check revealed excess payment of ₹ 22.43 lakh (two test checked districts and four test checked hospitals), suspected fraudulent payment of ₹ 0.61 lakh (two test checked districts and three test checked hospitals), doubtful payment of incentive of ₹ 0.99 lakh (two test checked districts and two test checked hospitals) and irregular payment of ₹ 160.21 lakh (one test checked district and three test checked hospitals).**
- **Transportation charges of ₹ 133.33 lakh (four test checked districts) during 2007-11 were not paid to the beneficiaries. Belated payments of incentives of ₹ 3.01 crore (five test checked districts and six test checked hospitals) and to persons other than beneficiaries to the extent of ₹ 105.17 lakh (three test checked districts and four test checked hospitals) were made during 2007-11 and 2006-11 respectively.**

- **68 laparoscopes (₹ 5.30 crore) and 227 laparoscopes (₹ 15.89 crore) were lying idle at Logistics Management Cell, Lucknow and in 23 test checked districts respectively.**
- **In test checked districts, payments for compensation of ₹ 73.60 lakh (seven test checked districts and eight test checked hospitals) for adoption of limiting methods of family planning were made to persons other than beneficiaries.**

With regard to immunization, cases of excess expenditure of ₹ 46.39 lakh on mobility support in four test checked districts and fraudulent payments of ₹ 26.77 lakh in eight test checked districts were noticed. Moreover, there was wastage/loss of vaccines of ₹ 3.62 crore over and above the prescribed norms for wastage in three test checked districts.

Besides, payment of ₹ 10.81 lakh (one test checked district and one test checked hospital) to beneficiaries was doubtful and an expenditure of ₹ 10.38 lakh (one test checked district and one test checked hospital), incurred on tubectomy during 2005-11, was not entered in the cash book.

10. National Disease Control Programmes

Under National Programme for Control of Blindness (NPCB), 14,894 cataract operations were performed irregularly by NGOs in camps and were paid ₹ 66.98 lakh in three test checked districts. District Blindness Control Society (DBCS), Bareilly paid ₹ 1.67 crore to 10 NGOs, during 2005-11, for performing cataract operations without proper documentation.

11. Information, Education and Communication

The Information Education Communication Bureau utilised only ₹ 35.04 lakh out of ₹ 1.23 crore provided to it by the SPMU during 2007-11; details for 2005-07 were not made available.

There was disproportionately large expenditure (₹ 3.55 crore out of ₹ 4.37 crore) on organising *Health Melas* in urban areas at the expense of focus on rural population; bills for ₹ 1.75 crore on account of requisitioning of electronic media services remained unpaid despite availability of funds with DGNPME; irregular/ doubtful payments of ₹ 77.40 lakh out of ₹ 94.51 lakh spent in ten districts on wall paintings etc. Consequently, the effectiveness of IEC activities in increasing awareness about the Mission's activities and facilities amongst the targeted beneficiaries was weak and suspect.

12. Monitoring

Although NRHM framework provided for a well defined monitoring and evaluation mechanism, it was virtually non-existent in the State. SHM, had not met even once during 2005-10, while Governing Body of SHS, met only twice during 2005-11. Internal audit mechanism was not operational in NRHM and the internal audit units under the Director General, Medical and Health (DGMH) and DGNPME, were not examining the records of NRHM. Neither adequate number of State Quality Monitors was appointed nor was the system of community monitoring put on place. In many districts, District Health Missions (DHMs) were not formed and DHSs were not meeting regularly; district level vigilance and monitoring committees were also not formed.

Several reports like those of the Central Review Mission, Joint Review Mission and the Comptroller and Auditor General of India, were available with the Government but effective corrective measures had not been taken.

Chapter 1 Introduction

1.1 Background

The National Rural Health Mission (NRHM) was launched on 12 April 2005, throughout the country with special focus on 18 States *viz*. eight Empowered Action Group (EAG) states[1], eight North Eastern states and the hill states of Jammu and Kashmir and Himachal Pradesh, which had poor health indices. The aim of the Mission is to provide accessible, affordable, accountable, effective and reliable healthcare facilities in the rural areas of the country, especially to poor and vulnerable sections of the population. The key strategy of NRHM is to bridge gaps in healthcare facilities, facilitate decentralised planning in the health sector, provide an overarching umbrella to the existing programmes of Health and Family Welfare. It also aims to address the issue of health in the context of a sector wide approach embracing safe drinking water, sanitation and hygiene, nutrition *etc*. and advocates convergence with related social sector departments such as Women and Child Development, Ayurveda,Yoga-Naturopathy, Unani, Sidha and Homeopathy (AYUSH), *Panchayati Raj etc*.

NRHM seeks to provide health to all in an equitable manner through increased outlays, horizontal integration of existing schemes, capacity building and human resource management. The Mission envisages increasing expenditure on health, with a focus on primary healthcare, from the level of 0.9 *per cent* of Gross Domestic Product (GDP) (in 2004-05) to 2-3 *per cent* of GDP over the mission period (2005-2012).

1.1.1 Objectives of the programme

The main objectives of NRHM are:

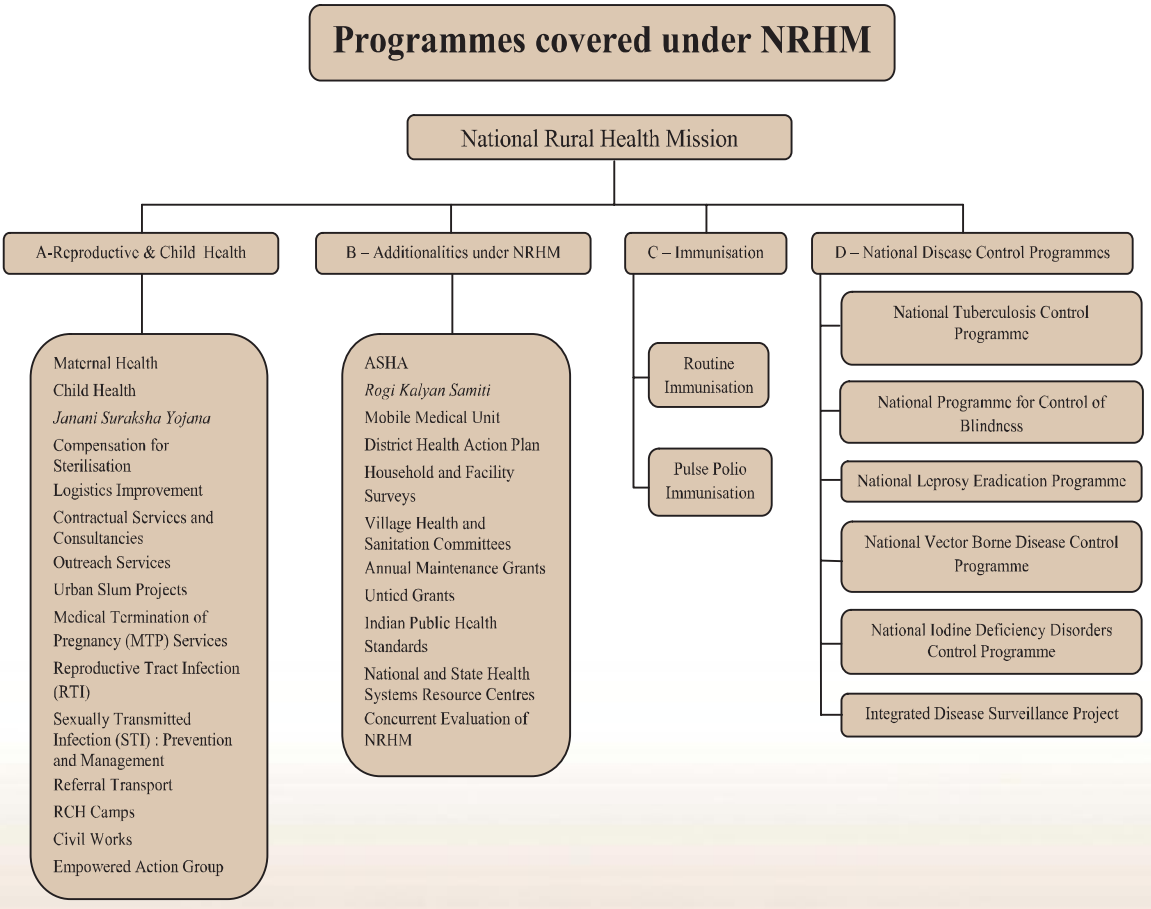
- Reduction in child and maternal mortality;
- Universal access to public services for food and nutrition, sanitation and hygiene and universal access to public health care services with emphasis on services addressing women's and children's health and universal immunisation;
- Prevention and control of communicable and non-communicable diseases, including locally endemic diseases;
- Access to integrated comprehensive primary health care;
- Population stabilisation, gender and demographic balance;
- Revitalise local health traditions and mainstream AYUSH; and
- Promotion of healthy life styles.

[1] Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and Uttarakhand.

1.1.2 Organisational Structure

At the Government level, the Principal Secretary, Medical, Health and Family Welfare, is responsible for administration and implementation of NRHM. Similarly, at department level, the Director General, Medical and Health (DGMH), Director General, National Programmes, Monitoring and Evaluation (DGNPME) and Director General, Medical Education and Training are responsible for executing the Government policies and decisions. The field formations of Medical, Health and Family Welfare department include Additional Directors of Health in divisions and Chief Medical Officers in districts.

The NRHM is a mission mode programme and it functions under the overall guidance of the State Health Mission (SHM), headed by the Chief Minister. Activities under NRHM are carried out under the aegis of the State Health Society (SHS)[2], through a number of societies and Government agencies. The Governing Body of the Society, is headed by the Chief Secretary and an Executive Committee acts on behalf of the Governing Body and is empowered to take all decisions and exercise all powers vested in the Governing Body,



[2] SHS is registered as a society under Societies Registration Act, 1860.

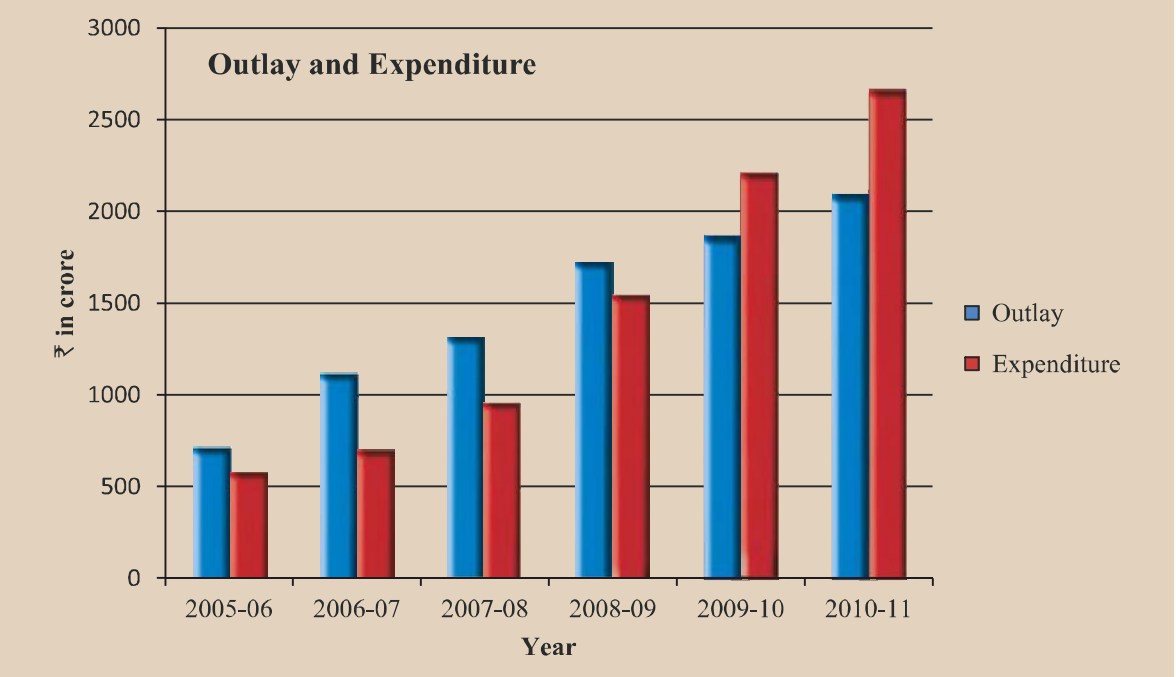
1.1.3.2 Budget estimates and expenditure

The outlay and expenditure under NRHM during 2005-11 were as tabulated and represented in the chart below:

Table 1.1: Outlay and actual expenditure

(₹ in crore)

Year	Outlay	Expenditure
2005-06	726.07	573.24
2006-07	1130.40	703.81
2007-08	1325.10	956.47
2008-09	1727.60	1546.06
2009-10	1870.38	2212.40
2010-11	2097.12	2665.35
Total	**8876.67**	**8657.33**



1.2 Audit Objectives

The Performance Audit of implementation of NRHM in Uttar Pradesh was taken up with the objective of verifying whether:

I. Planning was oriented towards the Mission's objectives; there was adequate community participation in planning, implementation and monitoring of the Mission; and convergence with other departments, programmes and non-governmental stakeholders was ensured for achieving the objectives of the Mission;

II. Financial controls were in place to safeguard NRHM funds/assets and the accounts fairly present the financial state of the societies under NRHM; and whether assessment, release of funds and their utilisation were prompt and adequate;

III. Construction activities were undertaken to maximise coverage in terms of population and improve facilities and whether due procedures were followed while incurring expenditure therefor;

IV. Capacity building and strengthening of human resources at different levels was as planned and targeted;

V. The procedures and systems of procurement of equipment, drugs and services, supplies and logistics management were cost effective and efficient; and

VI. Monitoring mechanisms and evaluation procedures were in place to ensure that the Mission's objectives were achieved and whether the community was involved in monitoring as envisaged under NRHM.

The findings of Audit with reference to each of the objectives have been presented in subsequent chapters.

1.3 Performance Indicators/Audit Criteria

The criteria/performance indicators used for the assessment of performance included:

- NRHM guidelines/framework, Perspective Plans and Project Implementation Plans for 2005 – 2011;
- Annual Financial Statements including Audit Reports;
- Government orders;
- Accounting manual issued by GoI, Finance and Accounts Manual and compliance with general financial and administrative rules and procedures and generally accepted accounting principles; and
- Indian Public Health Standards (IPHS), latest National Family Health Survey (NFHS) and other survey reports;

1.4 Scope and Methodology

1.4.1 Scope and coverage of Audit

The Performance Audit was carried out between August and November 2011, by examining documents at the Secretariat level, the State Health Mission, State Health Society, the State Programme Management Unit and in 23 districts and attendant implementation structures, where apart from examination of documents, joint physical inspections and cross-verification were undertaken.

Pursuant to a letter (D.O. No. 579/PSMH&FW/2011, dated 10 December 2011, ***Appendices–1.1(A) & (B)***), the Principal Secretary, Medical, Health and Family Welfare, Government of Uttar Pradesh, furnished some records and replies, at the office of the Principal Accountant General (Civil Audit), Uttar Pradesh, Allahabad, between 12 and 15 December 2011. The records were examined and replies received on 16 December 2011, during the Exit Conference were suitably incorporated.

The period covered in this performance audit was from April 2005 to March 2011.

1.4.2 Audit methodology

The Performance Audit of implementation of NRHM in Uttar Pradesh, commenced with a letter issued to the State Government on 02 August 2011, seeking information on NRHM in Uttar Pradesh. This was followed by an Entry Conference with the State Government on 11 August 2011, where the audit scope, objectives, methodology and criteria were explained. The audit methodology mainly comprised examination and analyses of documents, information and responses to audit queries; joint physical inspections; cross-verifications and obtaining some photographic evidence.

The Performance Audit was conducted through test check of records of the Department of Medical, Health and Family Welfare, Department of Medical Education and Training; three Directorates General of Medical and Health; National Programmes, Monitoring and Evaluation (erstwhile Family Welfare); and Medical Education & Training; the State Health Mission, the State Health Society, the State Programme Management Unit and 23 selected districts, including the District Health Missions, District Health Societies, District Task Forces, District Hospitals, Community Health Centres, Primary Health Centres, sub centres and Village Health and Sanitation Committees.

Audit carried out a limited examination of certain records of Uttar Pradesh Small Industries Corporation, Uttar Pradesh Processing and Construction Cooperative Federation Limited, Uttar Pradesh Labour & Construction Cooperative Federation Limited, Uttar Pradesh Projects Corporation Limited *etc*., pertaining to their role in implementation of NRHM works.

The audit observations are based on the analyses of information and data collected during audit, from the Secretariat, State Health Society, District Health Societies, offices of the Chief Medical Officers, health centres *etc*. The audit findings were communicated to the State Government and the results of the performance audit were discussed in an Exit Conference with the State Government on 16 December 2011.

1.4.3 Audit sampling

The performance audit was conducted at the State level and in 23[4] districts, selected as *per* the following statistical plan:

- The State was divided into five regions on the basis of geographical contiguity and in accordance with the regions outlined in the National Family Health Survey (NFHS)–3;
- Districts were chosen using the PPSWR[5] independently from various regions with size measure being the total amount of grants-in-aid released to respective DHSs, during 2005-11; and
- In each sampled district, three blocks were selected using SRSWOR[6]. In each block, apart from the Block Primary Health Centre/Community Health Centre, one Additional Primary Health Centre/Community Health Centre and a number of sub centres and

[4] 23 districts were sampled for audit, but Lucknow was partially audited as most of the records were not produced to Audit.
[5] Probability Proportional to Size With Replacement (PPSWR) sampling is cluster sampling where larger clusters have a higher chance of selection. Thus, districts receiving higher amounts of grants-in-aid had higher chances of selection.
[6] Simple Random Sampling Without Replacement.

Village Health and Sanitation Committees (VHSCs) were selected, again using SRSWOR.

Thus, in each sampled district, 6 Community/Primary/ Additional Primary Health Centres, 12 sub centres and 24 Village Health and Sanitation Committees were audited. The list of selected districts is annexed (***Appendix–1.2***).

1.4.4 Reporting methodology

The results of audit at both the State and the district levels were taken into account in arriving at audit conclusions. While framing the conclusions and recommendations, good practices and positive findings/success stories of programmes have also been reported.

The audit findings, conclusions and recommendations on each stated objective of the Performance Audit have been discussed in the following chapters.

1.4.5 Limitations

Audit called for various records and information even before the start of field audit, for planning and during the course of audit in the sampled districts and from various departments, directorates, commercial corporations and cooperative societies of the Government of Uttar Pradesh. This was followed up at various levels through letters, telecons, meetings *etc*., but the pace of production of records was not satisfactory. In some cases partial records/information and even unauthenticated records were furnished.

In order to satisfy itself that all records pertaining to NRHM had been furnished, Audit sought an assurance to that effect from the Government. However, the Government did not furnish any assurance that all records pertaining to six years of NRHM (2005-11) had been provided to Audit.

Details of major records that were stated to be unavailable with the audited entity, at the State and District levels are given in ***Appendices 1.3*** and ***1.4*** respectively. The Reports of GoI's Review Committee, Joint Review Committee and NRHM Review Committee of May 2011; Rural Health Statistics, 2010 of GoI etc. were made use of, to the required extent, wherever records were not made available by the State Government.

Audit was limited in its scope, due to non-production of records at the different tiers of the Government, for various reasons. During the course of audit, at many units, it was informed, that records were either not available in full or not available at all. In quite a few instances, Audit observed that original records had not been maintained, particularly relating to Accounts.

Audit was also constrained by the delay in furnishing records/responses. Given that the flow of records, information and responses were not timely, Audit had to depend also on related material, such as the inspection/review reports of the GoI, PIPs, websites, orders of the Allahabad High Court *etc*.

Chapter 2 Planning

2.1 Planning

State level

2.1.1 Perspective Plan

Under NRHM guidelines, DHSs and SHSs had to identify gaps in health care facilities, areas of interventions, probable investment, the share of the Centre and State that would be required for the entire Mission period. They were to prepare a Perspective Plan (PP) for each district and an overall PP for the whole State for the Mission period (seven years: 2005-12) outlining the overall resource and activity needs.

Audit observed that NRHM was launched in the State without preparation for State level PP. Without identifying gaps in services, areas of interventions, probable investment in each area over the Mission period and requirement and availability of resources, the physical and financial targets remained unrealistic. Moreover, there was no ascertained baseline *vis-à-vis* which improvements were sought to be made and measured.

The Government in its reply stated that the State PP had been prepared in September 2005 itself. The reply was not convincing because SPMU was not even aware of the existence of PP and had earlier stated that there was no State PP. Moreover, the foreword of the document furnished states that it is a draft version. The draft PP was merely a reproduction of NRHM framework of GoI and did not find mention in any of State PIPs prepared during 2006-11 or district-wise PPs prepared in 2007.

2.1.2 Project Implementation Plan

NRHM envisaged a bottom-up, decentralised and community owned approach to public health planning. The State Project Implementation Plan (PIP)/Annual Action Plan was to be prepared on the basis of District Health Action Plans (DHAPs) and discussed/approved in SHS and submitted to Ministry of Health & Family Welfare (MoHFW), Government of India for appraisal/approval by 15 December of the preceding year. The State PIP was to be approved by the National Programme Coordination Committee (NPCC) by 31 January to ensure finalisation of State PIP before commencement of the financial year.

Audit observed that State PIPs were not prepared for 2005-06 and 2006-07. PIP for 2007-08 was submitted in June 2007, as against the target date of 15 December 2006. Moreover, PIP of 2007-08 was prepared without any inputs from districts, as DHAPs were not prepared during 2005-08.

The Government stated that PIP for 2006-07 was prepared and that PIPs were being prepared in accordance with GoI guidelines for each year. The reply was not convincing because scope of PIP of 2006-07 was restricted to existing programmes like RCH-II and NDCPs. Further PIPs of 2006-07 and 2007-08 were prepared without preparing DHAPs. The PIPs of later years were also deficient as brought out in subsequent paragraphs.

2.1.3 Quality of State PIPs

Test check of PIP related records and replies to audit queries revealed that:

a) SHS comprising the Chief Secretary and representatives of various departments, specialists form Public Health, Non-Governmental Organisations (NGOs) and Regional Director, MoHFW, GoI was to approve the State PIP. Not even a single PIP of the seven to be sent, (2005-12) was approved by SHS.

b) SHM comprising the Chief Minister and other people's representative was to decide policy issues and steer inter-departmental coordination. Thus, SHM's work had implications for preparation of annual PIP. However, SHM did not meet at all during 2005-11.

c) State level draft PIPs were prepared without obtaining inputs from other social sector departments like Women and Child Development, Education, *Panchayati Raj*, Rural Development *etc*., or from health experts and development partners. The preparation and approval of draft PIP was a routine bureaucratic exercise largely involving health department/SPMU officials. The Principal Secretary, Medical, Health and Family Welfare, approved it before sending it to GoI in contravention of NRHM framework and MoU with GoI, wherein the draft PIP was to be submitted to the Executive Committee (EC) or the Governing Body (GB) of SHS before sending it for GoI's approval.

d) SHS did not give any feedback to DHSs on the quality of district plans and forwarded the guidelines on decentralised planning only during 2009-11. It also did not intimate DHSs the size of plan in any of the years.

e) There was no formal, transparent and documented methodology for appraising DHAPs. Districts' proposals were amended in State PIPs but the districts were not informed of reasons for sanctioning more or less funds than those proposed in DHAPs. The Government accepted that it did not have the appropriate capacity to appraise DHAPs due to which it took technical support from State Innovations in Family Planning Services Project Agency (SIFPSA), ITAP but did not submit any documentary evidence in this regard.

f) There was no mechanism to ensure (i) compliance to NRHM's framework, the Memorandum of Understanding (MoU) between GoI and the State, GoI's conditionalities as approved in the previous year's PIP, record of proceedings, State level PP (2007-12) *etc*., (ii) validity and reliability of data and (iii) incorporation of lessons learnt during implementation of NRHM. In reply, the Government stated that NRHM framework document, MoU and proceedings of sub-group meetings at GoI have been referred to for implementing the programme in the State. The Government's reply was not convincing as no documentary evidence was furnished.

g) There was *adhocism* in introducing new schemes/projects such as *Jacha Bacha Suraksha Abhiyan* (2010-11), incentives for promotion of night deliveries (2008-09) and District Innovations (2008-09), which were introduced for one year, without any detailed appraisal or public demand and closed abruptly without conducting any

evaluation or impact assessment. The Government's reply did not address the issue raised by Audit.

h) PIPs (2006-11) did not mention the extent of utilisation of existing/new infrastructure, client satisfaction, results of independent evaluation and empirical evidence to show continued validity of strategies/interventions outlined in NRHM framework and State PP. There was likelihood of continuation of schemes/programmes incapable of producing desired outcomes.

The Government stated that before initiation of the planning process, meetings were held with the district and divisional officers and the usefulness of existing activities reviewed and need for new activities discussed, but no evidence was furnished.

i) PIPs gave physical and financial achievements in previous years without mentioning the quality of interventions. Without an assurance on quality, the chances of continuing with schemes and programmes with low client satisfaction, low capacity utilisation and increased resistance to behavioural change cannot be ruled out.

j) PIPs did not identify programme-wise risks of fraud, abuse and waste and corresponding risk mitigation measures. The Government stated that from July 2011 onwards, for JSY, details such as cheque number, beneficiary's mobile number, Accredited Social Health Activist's (ASHA) mobile number *etc*. were being electronically captured and that the information was available on a *web-site* created for this purpose. The Government, however, did not produce evidences for programme-wise fraud indicators or NRHM wide anti-fraud policy and vigilance mechanism.

k) The State PIP contained a chapter on 'lessons learnt', which talked more about achievements and less about the areas of and reasons for shortfall and the need to change strategy/intervention. As a result ***(Appendix-2.1)*** subsequent PIPs did not contain remedial measures. While accepting the audit observation, the Government stated that necessary action would be taken.

l) NRHM framework aimed at a 30:70 ratio of spending at the State and District levels, so that 70 *per cent* of expenditure was by institutions/organisations supervised by an institutional PRI/community group. PIPs did not give share of State and District spending, except in Fund A for 2008-09. The absence of demarcation of spending limits between State level agencies and districts was fraught with risk of centralisation of spending in State headquarters (SPMU, Directorates *etc*.), contrary to NRHM guidelines. The Government accepted the audit observations and stated that specific instructions in this regard intimating size of plan for the districts were being issued to districts from 2011-12.

m) Proposals involving convergence with other departments were made without consultation with other departments at any stage and PIPs did not elaborate on data sharing, planning for physical and human resources, mechanism for joint monitoring, coordination and dispute resolution. It was implicitly assumed that the District Magistrate would steer the convergence. Further, there was no convergence with District Planning Committee (DPC) and Standing Committees of *Panchayats* on health issues at the district, block and village levels. Though the Government stated that

different departments were involved while framing plans, no evidence was furnished to Audit. On the issue of convergence with DPC and standing committees of *Panchayats* on health issues, it stated that no guidelines for this were available. The fact remained that there was no convergence between the DPC and the standing committees of *Panchayats*.

n) The State PIPs ignored critical obligations of the UP Government, as per Memorandum of Understanding (MoU), as tabulated below:

Table 2.1: Non-inclusion of MoU conditionalities

Sl. No.	MoU conditionality with para number	Compliance Status
1.	8.3: Merger of the departments in the Health and Family Welfare sector.	At the Government and Directorate levels, the sector was divided among four departments *viz*., Medical, Health and Family Welfare, Medical Education and Training, AYUSH and Food and Drug Administration.
2.	8.3: Issue necessary orders for appointment of Mission Director.	A regular and full time MD was posted as late as the first quarter of 2011-12, when the Mission period is to end in March 2012.
3.	11.4: The State Government committed to take prompt corrective action in the event of any discrepancies or deficiencies noticed.	Various discrepancies/deficiencies such as non-preparation of need based village health plans, lack of community participation in planning, shortcomings in implementation and monitoring *etc*. had come to the notice of the State Government, but no effective/ corrective measures were initiated.

(**Source :** MoU between GoI and GoUP, dated 22 November 2006)

The MoU also envisaged a permanent secretariat for SHS manned by adequate and skilled staff. The Mission Director was to head this secretariat. The Government in its reply stated that appointment of full time Mission Director was not a condition of MoU. The fact remained that lack of appointment of Mission Director compromised the spirit of MoU conditionality. The conclusion is also backed by GoI's advisory in December 2010 to appoint a full time Mission Director.

o) The State PIPs neither mentioned stages of implementation of NRHM's accountability framework in terms of community based monitoring, monitoring tools, publication of annual public health reports and concurrent and external evaluations, nor proposed any remedies.

p) PIPs contained factually incorrect or irrelevant information on GoI's conditionalities. For instance, on the conditionality of monthly meetings for RKS, PIP (2010-11) merely stated that orders were issued to ensure holding of timely meetings and did not state whether meetings were actually held. Audit observed that RKS meetings were not held regularly. The Government did not reply on the above issue.

District, block and village levels

2.1.4 Overview of planning arrangements

NRHM focused on decentralised planning, with the village as an important unit. Village Health Action Plans (VHAPs) were to be prepared and consolidated into Block Health Action Plans (BHAPs). DHSs were to aggregate VHAPs and BHAPs and prepare PPs for the

Mission period, as well as annual PIPs, comprising all components. These were to form the basis for the State PP and annual State PIP respectively.

2.1.5 Perspective Plans

As per information made available by 14[1] out of 22 test checked districts, eight[2] districts had prepared PP as of March 2011. The following deficiencies were observed in PPs.

(a) DHS prepared PPs in 2007-08 for 2007-12, after a lapse of two years from the start of NRHM;

(b) As per records made available by the test checked districts, no baseline survey or facility survey was conducted to map existing health facilities and people's health needs, prior to preparation of PP. Without first identifying gaps in healthcare services, a PP focussing on the gaps in healthcare services was not very relevant;

(c) SIFPSA prepared the district-wise PPs without much involvement of stakeholders and without necessary baseline data from household and facilities surveys. Thus, PP was merely a replication of NRHM framework/strategies with a token mention of District Level Household Survey (DLHS) and National Family Health Survey (NFHS). There was no record of detailed deliberations within Health Department or DHS, prior to preparation of PPs. Test check of PPs of eight districts[3] revealed that there were no baseline statistics or situation analysis and that the broad NRHM framework was adopted as such, without need based local modifications. Consequently there were no local strategies to overcome area specific problems and year-wise scheduling of activities was only partially done; and

(d) There was no mechanism to ensure compliance with PPs. Consequently, annual DHAPs were prepared without any reference to PPs.

In reply the Government stated that all the districts carried out district level survey for situational analysis for planning purposes at the beginning of the program. However, the fact remained that the districts had not conducted baseline surveys, which were a critical component of NRHM.

2.1.6 District Level Health Plan

2.1.6.1 Annual District Health Action Plan (DHAP)

According to NRHM framework, DHAP was to be prepared consolidating the village and block health plans, but DHAPs were not prepared in any of the sampled districts during 2005-08. As a result, all components of NRHM, like construction work, ASHA, *Rogi Kalyan Samiti* (RKS), mobile medical units, untied grants, engagement of contractual workforce, monitoring and MIS framework, human resources plan, procurement and logistics plan, management structure and accounting system, action plan for demand generation, non-governmental partnership (with NGOs, Medical Institutions, Medical Colleges) and other

[1] Allahabad, Azamgarh, Bahraich, Bulandshahar, Deoria, Etah, Gorakhpur, Jaunpur, Kanpur Nagar, Kushi Nagar, Mirzapur, Raebareli, Unnao and Varanasi.
[2] Allahabad, Bahraich, Bulandshahar, Gorakhpur, Kanpur Nagar, Mirzapur, Unnao and Varanasi.
[3] Allahabad, Bahraich, Bulandshahar, Gorakhpur, Kanpur Nagar, Mirzapur, Unnao and Varanasi.

determinants of health like sanitation, nutrition, drinking water *etc*. were not covered during 2005-08.

Test check of records of DHAPs for the period 2008-11 revealed the following:

- To promote decentralised approach including preparation of VHAPs and their consolidation at the block level for preparation of DHAPs for 2010-11, ₹ 3.55 crore was provided to all districts of the State (₹ 0.05 crore per district). The provision of fund for preparing plans had no impact as was evident from the fact that VHAPs and BHAPs was not prepared in the districts.

- DHAPs, prepared by District Programme Management Units (DPMUs), were never put up to District Health Mission (DHM) or DHS, for approval, before submitting to SHS. However, in some districts, DHAP was signed by District Magistrate (DM) in one or two years before submitting to SHS. In reply, the Government stated that necessary instructions in this regard had been issued to prepare DHAPs aggregating BHAPs and getting the plans approved by the district level committees.

- DHAP was to be prepared by 31 October every year, for the following year. Chief Medical Officers (CMOs) did not make available the date on which DHAPs were sent to SHS. During 2008-11, approval of DHAPs through PIPs was communicated by SHS to DHS with delays of three to four months, from the prescribed date i.e. 28 February every year; and

- DHS did not maintain prescribed database of the physical and human resources to support the planning process. DHS made little use of applications like Plan Plus, DISNIC and Gram++ of NIC, in preparation of DHAP. In reply, the Government stated that date of submission of PIP was intimated by GoI every year. The fact remained that DHSs received the PIPs with delays of three to four months as accepted by 10 out of 22 test checked districts.

The *Zila Panchayat* (ZP) at the district level was to be directly responsible for the budget of the health sector and for the planning for people's health needs. With the development of capacities and systems, the entire public health management at the district level was to devolve to DHSs, which would be under the leadership and control of ZP with participation of the Block *Panchayats*. Audit observed that ZP was not involved in the planning process.

In response to an audit query, SHS stated (October 2011) that various departments like Integrated Child Development Services (ICDS), *Panchayati Raj* Institution (PRI), Rural Development (RD), Education *etc*., which are members of DHS, provide feedback regarding health related issues of the community for preparing DHAPs. SHS's reply was not correct as minutes of meeting of none of the test checked districts disclosed discussion of DHAPs. Thus, no convergence with other departments was ensured while framing DHAPs.

The Government stated that DHAPs for 2007-09 were prepared with the technical help from outside agencies and these were very brief. For the years 2010-11 and 2011-12, DHAPs were prepared after discussion with district and block level officers, functionaries, other departments, NGOs and stakeholders.

The reply was not convincing as essential requirements for preparing need based and community owned decentralized plans were not fulfilled.

2.1.6.2 Functioning of Programme Management Support Units

NRHM guidelines provide for establishment of Programme Management Unit at district (DPMU) and block (BPMU) levels to function as secretariats to health societies and facilitate management of healthcare services by professionals. These units were to be manned by personnel with specialisation in management, accounting and computer application. NRHM specifically provided funds for this purpose.

Though DHSs were formed in September 2006, DPMUs came into existence only in October 2008 and remained almost non-functional as separate entities (October 2011). Though DPMUs were to act as full fledged secretariats to DHSs and DHMs for all activities of planning, financial management, monitoring and quality control, they confined themselves to works relating to preparation of DHAPs and compiling and feeding monthly progress data for preparation of Financial Management Reports.

At the block level, Block Programme Manager (BPM) and Block Accounts Assistant (BAA) were to be engaged. BPMU was responsible for preparing the Block Health Action Plan (BHAP). However, Audit observed that the State Government had nominated Health Education Officers to look after works of BPMs, till appointment of a regular BPM. BAAs were appointed only in 2010-11. Lack of competent full time staff hindered the effective functioning of BPMUs as was evident from the fact that BHAPs were not prepared during 2005-11. The Government in its reply discussed issues pertaining to block level planning and not the issue raised by Audit.

2.1.7 Annual Block Health Action Plan (BHAP)

Test check of records revealed that no Block Health Action Plan (BHAP) was prepared during 2005-11. It was also seen that the department did not provide even basic requirements for planning as:

- No block level monitoring and planning committee to review BHAP was constituted. The Block *Pramukh*, MOIC, BDO, NGOs' representative, head of CHC/PHC and members of RKS were to be members of block level monitoring and planning committee; and

- Professionals were not engaged on contract basis at State, District and Block levels to meet planning needs.

In reply, the Government stated that model BHAP had been prepared and would be used for the PIP 2011-12. The fact remained that BHAP was not prepared during audit period.

2.1.8 Annual Village Health Action Plan (VHAP)

Village Health and Sanitation Committees (VHSCs) were responsible for preparation of VHAPs. Accredited Social Health Activists (ASHAs) and *Anganwadi* Workers (AWWs), were to play a vital role in the household survey and preparation of health plan for each village. Test check of records revealed that in none of the districts in the State, facility surveys were conducted and no VHAPs were prepared during 2005-11.

NRHM framework prescribed certain essential requirements of context specific and habitation/household specific planning ***(Appendix–2.2).***

SHS/SPMU did not make effective efforts to ensure compliance to essential conditions for drawing up village, block and district plans, as envisaged in NRHM framework *viz.*:

(a) No planning team was constituted to frame VHAPs during 2005-11;

(b) DHSs did not hire technical and professional experts to facilitate decentralised planning process;

(c) DHSs did not draw upon experiences in decentralised planning process from DPC, decentralised plans under Backward Regions Grant Fund (BRGF), *Sarva Siksha Abhiyan*, Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) and 15-point programme for minorities;

(d) DHSs did not prepare checklists and templates to facilitate decentralised planning and did not promote use of the Integrated Manual for District Planning, issued by the Planning Commission;

(e) SHS/DHSs did not develop any software to promote decentralised planning and neither was any standard decentralised planning software like Plan Plus, DISNIC (Districts NIC) *etc*. used;

(f) Training was not imparted to VHSCs for decentralised planning. While, there was no record to show that VHSCs' orientation training in 2007-08 had elements of decentralised planning process, the course content of a two-day VHSC orientation training programme in March 2011, costing ₹ 10 crore, had no inputs on the decentralised planning process;

(g) The Mission targeted completion of 50 *per cent* household and facility surveys by 2007 and 100 *per cent* by 2008. In all the sampled districts, though no specific household surveys were conducted during 2005-11, Village Health Index Registers (VHIRs) were introduced in 2006-07 to collect data/information, apart from basic family details, need and utilisation of RCH services and other health services, status of nutrition, water supply and sanitation. VHIRs were to be filled in by every ASHA for the population of the area under her coverage. Test check of records of VHIRs in the VHSCs (test checked) in 22 test checked districts revealed that:

    (i) Entries were incomplete in almost all districts and were filled-in with pencils and bore the appearance of casual and unconfirmed work;

    (ii) On the basis of household and facility surveys, DHSs and SHS were required to maintain an authentic central database and develop a mechanism for ensuring reliability and integrity of survey data and it's reporting by the State to the Ministry. Data collected through household and facility surveys was required to be validated by representatives of PRIs. Audit observed that the data entered in these registers was never validated by MOIC, VHSC or PRIs; and

(iii) VHIRs were to be computerised to utilise the data for improving supervision and verification and for monitoring the utilisation of services and outcomes. VHIRs were not computerised as of March 2011 in any of the test checked districts. Thus, the resources engaged in household survey became wasteful, as this data/ information was not used in the planning process, as envisaged.

On being pointed out in audit, DHSs of test checked districts accepted the audit comments in general.

The Mission's implementation was adversely affected as no detailed and systematic plans were formulated in initial years and also because delayed submission of PIPs, resulted in delayed release of funds to districts and implementing agencies. Besides, PIPs did not factor in the DHAPs, which would have increased the size of PIPs in terms of activities and, therefore, the allocations of funds. Thus, the State was deprived of the benefits of holistic State level planning, mindful of gaps, needs and required interventions at the village, block, district and State levels.

2.2 Convergence

2.2.1 Convergence framework for effectiveness

Contrary to the framework of NRHM, the Minister in-charge of the district was made the chairperson of DHM instead of the Chairman, ZP in November 2006. Even after issue of the Government order, DHMs were either not constituted or remained non-functional. There was no evidence to establish that any Minister in-charge ever participated in finalisation of DHAPs. Besides, the Standing Committee on Health and Sanitation (ZP, Block *Panchayat*) was not associated in planning, implementation and monitoring of NRHM. Thus, the objective of empowering PRIs at district level to take leadership and control and manage public health infrastructure, make them directly responsible for budget of the health sector and planning for people's health was not achieved.

In fact, the organisational set up of DHMs never came out of the orbit of the Government control. Audit observed that in most cases, the District Magistrate functioned as the *de-facto* Chairperson of DHM. Thus, the objective of community participation remained a distant goal as the new mechanism continued to be administered by the existing administrative setup rendering the entire NRHM effort ineffective.

In reply the Government stated that it had convergence with the Women & Child Development, Education Department. The reply of the Government did not address the issue of lack of convergence as envisaged in NRHM framework and pointed out in Audit.

2.2.2 Lack of convergence within the Health Department

Against NRHM framework, Audit observed that there was absence of structural integration and convergence within Health department. Initially, the erstwhile Departments of Medical, Health and Family Welfare were merged into a single department of Health and Family Welfare after the execution of MoU in November, 2006. Subsequently, the Government moved away from integration by appointing two Ministers during January 2009 to April 2011 and by appointing two administrative Secretaries during December 2010 to April 2011 in erstwhile Department of Medical, Health and Family Welfare. Further, under the existing

arrangement at the State level, the Central Medical Store Depot (CMSD) was functional under the DGMH. Instead of reorienting it to meet the requirements of Family Welfare programmes, another CMSD was established (July 2009) under the Director General, National Programmes, Monitoring and Evaluation (DGNPME) for NRHM. At the district level also, the posts of District Programme Officers (DPOs) and Deputy DPOs were created under the DGNPME in May 2010. Consequently, two parallel posts of CMO became operative in the districts. However, the Government had to withdraw the earlier orders due to institutional problems arising out of the creation of parallel posts of CMOs. This indicated that the issue of integration of funds, functions and functionaries even within the department was not resolved as of March 2011. Moreover, the objective of effective and efficient utilisation of available human resources, within the same financial allocation, was defeated. In reply, the Government accepted the audit observations.

2.2.3 Convergence with *Panchayati Raj* Institutions

Audit observed that PRI had a limited role. As noted earlier, Minister in-charge of district headed DHM in place of the Chairperson, ZP. Similarly, the Standing Committees on health related issues in all the tiers of *Panchayats* was not given a prominent role in NRHM structures and processes. Thus, the critical role of PRIs in the success of NRHM–planning, implementing, monitoring, inter-sectoral convergence and community ownership–remained a theoretical construct.

2.2.4 Convergence for drinking water, sanitation, food, nutrition, social security *etc*.

NRHM viewed health through the prism of a sector-wide approach, encompassing sanitation and hygiene, nutrition and convergence with related social sector departments and sought to adopt a co-ordinated approach for intervention under the umbrella of the district plan. The *Anganwadi* Centre under ICDS at the village level was to be the principal hub for health action. Likewise, wherever village committees had been effectively constituted for drinking water, sanitation and ICDS, NRHM was to move towards one common Village Health Committee covering all these activities.

During Exit Conference the Government stated that AWW could not be the hub of convergence for health oriented scheme and that ASHAs were better suited for the task at hand. This, however, was not in accordance with the NRHM framework.

2.2.5 Non-involvement and regulation of NGOs

NRHM identified NGOs as critical for its success. Efforts were to be made to involve NGOs at all levels of the health delivery system. To support/facilitate action by NGO network in the State, five *per cent* of total NRHM funds were to be released as grants-in-aid to NGOs at district and State levels.

During 2005-11, services of NGOs were limited to only National Programme for Control of Blindness (NPCB) and National Leprosy Eradication Programme (NLEP). Test check of records revealed that in NLEP, out of 10 NGOs engaged for survey, education and treatment, eight were working only in the eastern districts of the State. Thus, the objective of covering the entire State was not achieved. The Government admitted that though the process for selection of Mother NGO for the State and district level NGOs was initiated, it was not finalised.

2.2.6 Convergent approach in State PIPs and DHAPs

Audit observed that PIPs did not contain plans and strategies for convergence with different associated departments. Further, there was no indication of any convergent action in DHAPs of test checked districts.

Perhaps the only area where some convergence was achieved was the School Health Programme for providing spectacles to children with impaired vision, IFA supplements, biannual de-worming tablets and training for health related issues to teachers in primary schools (classes 1 to 5) for 40 schools[4] *per* block. However, there was nothing on record at DHS level to indicate the school-wise details of children, who participated in the camps or regarding the distribution of IFA tablets and their authentication by school authorities.

The Government stated that convergence was being achieved with a few departments on various issues. However, the fact remained that there was no concerted strategy driven approach to convergence, which would have resulted in accelerated improvement in health and sanitation parameters across the State.

2.2.6.1 School Health Programme

The School Health Programme (SHP) was started under NRHM in 2008-09. Under SHP, primary schools were to be selected[5] for providing health check to students. The components of the programme included sensitisation workshop at district level[6], training to teachers of selected schools, health check of students and providing logistics to selected schools[7].

During 2008-11, against the provision of ₹ 50.07 lakh in Allahabad, ₹ 34 lakh was spent on different components of SHP.

As per guidelines, an annual action plan was to be framed at the start of the year mentioning the targets for covering schools/students. On the basis of targets, different arrangements like logistics for schools, training to teachers, procurement of medicines *etc*. were to be made.

Highlights of the audit of SHP in Allahabad district are presented as a case study.

Case Study

Inflated Projections

In 2010-11, it was planned to cover 1.62 lakh students of 1,200 selected schools in 20 blocks. Test check of available records in respect of blocks Mauaima and Manda in Allahabad revealed the following:

- In Mauaima, 10,081 students in 60 selected primary schools were shown to be covered. As per records of Education Department, the actual enrolment in these schools was only 7,758. Thus, the projection of student enrolment was inflated by 2,323 students (23 *per cent*). It is pertinent to mention that purchase of drugs, medicines and other logistics were made on the basis of above projections. Inflated projection caused excess

[4] From 2010-11, 60 schools per block.
[5] In 2008-09, 10 schools under each PHC/CHC and Additional PHC; in 2009-10, 40 schools in each block; and in 2010-11, 60 schools in each block were to be covered under the programme.
[6] Included in 2010-11.
[7] Included in 2010-11.

purchase which could not be ascertained in monetary/quantity terms as records called for, were not produced to audit.

- In Manda, the overall position of enrolment in the selected schools was not made available to audit. Audit test checked five schools[8] and it was observed that enrolment in these schools during 2010-11 was 1,347, but CMO projected the enrolment at 1,490. Excess projection of 143 students (10 *per cent*) resulted in excess expenditure on logistics, purchase of drugs *etc*.

Selection of Junior High Schools

SHP was to be run in primary schools. Audit observed that in 2010-11, against the target of selection of 60 primary schools in each block, 20 junior high schools were selected in Kaundhiyara block and five were selected in Pratappur block (***Appendix-2.3***). Junior high schools were selected instead of primary schools, in violation of guidelines.

Training of teachers

Two teachers, in each selected school in all 20 blocks of Allahabad, were to be trained for serving children, round the year. ₹ 0.06 crore was allotted for training of teachers in 2009-10 and ₹ 0.03 crore was allotted in 2010-11. No training was imparted in 2009-10 leaving entire allocation unspent. In 2010-11, training was to be imparted to two teachers each in all 60 selected schools in each block. Audit observed that teachers of only 40 schools selected earlier in each block were trained, exhausting the entire available fund (₹ 0.06 crore + ₹ 0.03 crore) and consequently teachers in 20 new schools to be selected in each block remained untrained.

In 2010-11, training was imparted to teachers of 16 other schools (nine in Kaundhiyara and seven in Mauaima (***Appendix-2.4***)) and teachers of selected schools remained untrained.

Non-availability of logistics

Logistics such as weighing machines, height measuring tapes, vision charts, torches, child health cards, referral cards and health registers were to be provided to selected schools. Health cards and health registers were to be maintained by the schools, for each student and the health status of the children was to be mentioned therein. Records revealed that these logistics were purchased at CMO's level during 2008-11. Joint inspections of 12[9] schools of three selected blocks revealed that:

- In Mauaima, all three schools inspected did not have any of the logistics; and
- In Manda and Pratappur, none of the test checked schools had Child Health Cards, Health Registers or Referral cards.

[8] Bangalia, Islampur, Jharwania, Nahwai and Rajapur.

[9] Manda: Primary Schools – Bangalia, Islampur, Jharwania, Nahwai and Rajapur
Mauaima: Primary Schools – Bagi, Katra Dayaram and Maudostpur
Pratappur: Primary Schools – Bagheri, Bela Khas, Sarai Mumrej and Sarjupatti.

Non-availability of drugs

In nine[10] of 12 test checked schools, prescribed drugs were not available.

In PHC, Mauaima, 49,490 de-worming and 3,55,560 IFA tablets were made available in 2010-11. The de-worming tablets had not been distributed and remained at PHC.

No health checkups by doctors

- Of 12 schools test checked in audit, no health checkups were carried out in nine[11] schools during 2008-11.
- In Maudostpur Primary School of Mauaima block, it was stated that health checkups were carried out once in 2009, but no supporting records were available at the school.
- In two primary schools of Manda (Islampur and Nahwai) health checkups were carried out only in 2010-11.The Government accepted the facts mentioned above.

2.3 Community Participation

2.3.1 Community involvement under the Mission

NRHM envisaged involvement of PRIs and the community in planning, management and monitoring of the Mission through SHM, DHM, community based Planning and Monitoring Committees at State, district, block and village levels, *Rogi Kalyan Samitis* (RKSs) at hospital level and VHSCs.

2.3.2 District Health Mission

DHM, under the Chairperson, ZP, was to be the apex body at district level to control, guide and manage all public health institutions in the district. DHS, under District Magistrate was to prepare DHAP and proposals for consideration and approval of DHM.

Audit observed that DHM was constituted only in three[12] out of 13 test checked districts that furnished information as of March 2011. The State Government reiterating its earlier order (November 2006), issued directions (November 2010) to constitute DHMs in case these had not been constituted and to make them functional immediately. Despite the Government orders, DHMs were yet to be constituted in most of the districts. The Mission itself is to end in March 2012 but the framework envisaged to implement the Mission was largely not in place. Even in districts, where DHMs were constituted, they remained non-functional. Thus, the objective to make ZPs responsible for the budget of the health sector and planning for and addressal of public health needs at the district level remained unachieved.

The Government in its reply stated that instructions had been issued to DMs and CMOs for constitution of DHM. It did not reply on non-involvement of ZPs in planning process. The reply of the Government were to be seen in light of the fact that DHMs, which were to spearhead the implementation at the district level, were being constituted when there was hardly 3-4 months left for the Mission period to end.

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[10] Manda block: PS Jharwania, Rajapur and Bangalia; Mauaima block: PS Bagi, Katra Dayaram and Maudostpur; Pratappur block: PS Belakhas, Saraimumrej and Bagheri.
[11] Manda block: PS Jharwania, Rajapur and Bangalia; Mauaima block: PS Bagi, Katra Dayaram and Maudostpur; Pratappur block: PS Bela Khas, Sarai Mumrej and Bagheri.
[12] Allahabad, Budaun and Bareilly.

2.3.3 Status of constitution of committees at different levels

To implement and monitor NRHM through community participation, various committees were to be constituted at different levels.

Audit observed that Health Planning and Monitoring Committees at village, block and district levels had not been constituted even after six years of inception of NRHM. Consequently, the objective of bottom-up planning, implementation, community based monitoring and accountability framework and ownership was not achieved. It would also be seen that those committees essential for flow of funds have been created, while most of the monitoring committees have not been created.

Furthermore, the committees were so structured under NRHM framework that their membership would be drawn from a limited common pool and then perform two sets of functions – (i) planning and monitoring and (ii) implementation, creating a possible overlap and also possibly a conflict of interest. The Government accepted that District, Block and PHC level monitoring and planning committees were not constituted as of December 2011. Further the proposal for implementing the community monitoring plan had been drafted, but a final decision on the issue had not been taken (December 2011).

2.3.4 Village Health and Sanitation Committees

As per NRHM framework, a VHSC is to be formed for every village with a population of 1,500 within the framework of the *Gram Sabha* and was to be responsible for village level planning and monitoring. As per information made available by 13[13] out of 22 test checked districts, against the requirement of 13,455 VHSCs, only 13,414 VHSCs were reportedly formed as of October 2011. Audit observed that no documentary evidence regarding constitution of VHSCs was available either at CHC/PHC/sub centre or at village level.

SHS informed that VHSCs had been formed in all villages of the State as of March 2011, however, representation of SCs/STs/OBCs/minorities including women in VHSCs could not be verified in audit.

Further, the Mission envisaged setting up of a revolving fund at village level by VHSC for providing referral and transport facilities for emergency deliveries as well as immediate financial needs for hospitalisation. However, no revolving fund was at the disposal of any of VHSCs of the test checked districts.

2.3.4.1 Utilisation of untied grant to VHSCs

Transfer of fund

A sum of ₹ 10,000 *per annum* was to be transferred to each VHSC's bank account. Audit observed the following shortcomings:

(a) Funds for VHSCs to be transferred directly to their bank accounts by the District (DHS), were transferred to CHCs/PHCs in contravention of provisions, in all 22 test checked districts;

(b) According to GoI's order dated 4 February 2009, fund related to untied fund, Annual Maintenance Grant (AMG), corpus fund were to be spent by the CHCs/PHCs/sub

[13] Allahabad, Azamgarh, Ballia, Bahraich, Bulandshahar, Deoria, Etah, Gorakhpur, Jaunpur, Kushi Nagar, Raebareli, Unnao and Varanasi.

centres/VHSCs only after framing a plan and getting the plan approved by DHS. No such plan was framed at CHC/PHC/sub centre levels in any of the test checked districts and entire fund was spent without approval of DHS; and

(c) DHSs were treating funds released to VHSCs as expenditure as soon as they were released, without ensuring/monitoring actual expenditure on the basis of UCs, SOEs *etc*. The State Government during Exit Conference stated that this was in accordance with GoI guidelines. It is, however, against the fundamental tenets of financial propriety. Thus, DHSs did not ensure whether such funds have actually been spent and for the avowed purpose.

On being pointed out in audit, the test checked DHSs in general accepted the above facts.

Expenditure of untied fund

As per information made available by 12[14] out of 22 test checked districts, position of transfer and utilisation of untied fund for VHSCs are given below:

Table 2.2: Details of Transfer and Utilisation of untied fund for VHSCs

(₹ in crore)

Sl. No.	Year[15]	Fund made available to VHSC	Expenditure incurred at VHSC level	Unspent balances lying at VHSC level
1	2007-08	3.66	2.74	0.92
2	2008-09	5.82	5.55	0.27
3	2009-10	18.48	17.40	1.08
4	2010-11	13.11	10.83	2.28
Total		**41.07**	**36.52**	**4.55**

(**Source:** CMOs' records)

Further, in two[16] test checked districts, ₹ 1.97 crore was spent by MOICs at their own level, which was not permissible under the NRHM framework. The Government did not furnish any response on the above observation.

2.3.5 *Rogi Kalyan Samitis*

2.3.5.1 Setting up of RKS

As per NRHM guidelines, RKSs were to be constituted for efficient community management of healthcare centres up to PHC level under the *Panchayati Raj* framework. RKSs were to be registered under the Societies Registration Act, 1860. RKSs were to receive specified amounts under corpus grant, Annual Maintenance grant and Untied grant in each year, besides generation of own resources through user charges, philanthropic donations *etc*.

2.3.5.2 Proceedings of RKS

As per guidelines for constitution of RKS, the Governing Body and Executive Body of RKS are to hold quarterly and monthly meetings respectively to review the functioning of

[14] Allahabad, Azamgarh, Ballia, Bulandshahar, Deoria, Etah, Gorakhpur, Jaunpur, Kanpur Nagar, Kushi Nagar, Mirzapur and Varanasi.
[15] Information pertaining to the years 2005-06 and 2006-07 were not furnished.
[16] Allahabad and Ballia.

healthcare facilities. RKS did not meet regularly/at prescribed intervals as was noticed in 11[17] (information not furnished for other 11) out of 22 test checked districts, where 29 to 98 meetings of the executive bodies of RKS were held against 216 meetings due during 2005-11 in CHCs/PHCs. RKSs were to submit monthly reports to DHS giving recommendations for improvement of the healthcare system. In 11[18] out of 22 test checked districts, from where information was received, no RKS at District Hospitals, CHCs and PHCs sent the monthly report to DHS. Non-submission of monthly reports by RKSs to DHSs hindered the monitoring of RKS activities by DHS. Further, recommendations were to be given by RKSs to the concerned DHSs for improvement of the healthcare system on which timely action was to be taken by the Society. However, no recommendation was made to DHS for improvement of healthcare system. No specific reply was furnished by the Government.

2.3.5.3 Fund flow to RKS

As per information made available by 19[19] out of 22 test checked districts, year-wise position of fund released to CHCs/PHCs and expenditure there against was as under:

Table 2.3: Details of fund flow to RKSs during 2005-11

(₹ in crore)

Year	Funds made available to CHCs/PHCs	Expenditure	Unspent balances
2007-08	5.27	3.29	1.98
2008-09	21.36	20.29	1.07
2009-10	22.41	20.47	1.94
2010-11	23.54	22.08	1.46
Total	**72.58**	**66.13**	**6.45**

(**Source**: CMOs' records)

2.3.5.4 Irregular allotment of Corpus funds to Additional PHCs (APHCs)

Corpus funds were to be released to health centres where RKSs were formed. As per information made available by eight[20] out of 22 test checked districts, corpus funds of ₹ 7.18 crore were released to CHCs/PHCs for 395 APHCs though they did not have RKSs. The funds were released to block PHCs and not the APHCs. The Government did not furnish specific reply on the above issue.

2.3.5.5 Utilisation of RKSs funds

Test check of records revealed that expenditure incurred by RKSs were largely irregular for reasons such as non-conformity with NRHM guidelines for expenditure, improper vouching, expenditure on unauthorised items such as mobile phones *etc*. The detailed findings for a few districts are in ***Appendix-2.5.***

[17] Allahabad, Azamgarh, Bahraich, Ballia, Deoria, Gorakhpur, Jaunpur, Kushi Nagar, Raebareli, Unnao and Varanasi.
[18] Allahabad, Azamgarh, Bahraich, Ballia, Deoria, Gorakhpur, Jaunpur, Kushi Nagar, Raebareli, Unnao and Varanasi.
[19] Allahabad, Agra, Azamgarh, Ballia, Bahraich, Bareilly, Bulandshahar, Deoria, Etah, Gorakhpur, Jalaun, Jhansi, Jaunpur, Kanpur Nagar, Mirzapur, Raibareli, Sahjahanpur, Unnao and Varanasi.
[20] Allahabad, Ballia, Etah, Gorakhpur, Jaunpur, Raebareli, Unnao and Varanasi.

2.4 Recommendations

The Government should:

- *undertake a comprehensive baseline survey for village, Block and District Health Action Plans in order to draw up a need based State Health Action Plan;*
- *create the required number of VHSCs, sub centres, PHCs and CHCs; and provide effective training to foster professionalism and skills to meet the health needs of the people;*
- *focus on Village Health Action Plans, Block Health Action Plans and District Health Action Plans;*
- *actively and effectively encourage convergence of health related activities being undertaken by various departments of the Government from village to the State levels; and*
- *ensure that community ownership of NRHM becomes a reality by emphasising on various relevant and related activities/interventions.*

Chapter 3 Financial Management and Accounting Control

3.1 Introduction

The State Health Society (SHS), formed in March 2008, prepared yearly consolidated annual accounts from 2007-08 to 2009-10. The consolidated accounts and account records of SHS and 22 DHSs (out of 23 sampled DHSs) for 2007-08 to 2010-11 were test checked in Audit. During 2007-08 to 2010-11, ₹ 1603.38 crore[1] was released to 22 DHSs, of which ₹ 1580.29 crore[2] was spent.

As the records for 2005-06 and 2006-07 were not made available, figures for these years were adopted from the reports of the Government of India (GoI) and State.

3.2 Fund position

During 2005-11, GoI released ₹ 8570.08 crore to SHS against the allocation of ₹ 8876.66 crore. SHS spent ₹ 8657.35 crore, exceeding the release by ₹ 87.27 crore. The allocation, release, expenditure and unspent balance as of 31 March 2011 [year/ programme-wise position given in ***Appendix*-3.1 (A&B)**] are summarised[3] below:

Table 3.1 (A): Status of NRHM funds

(₹ in crore)

Sl. No.	Name of the Programmes	Allocation	Release	Expenditure	Balance
1.	RCH-II	2372.43	2031.28	2024.46	6.82
2.	Additionalities under NRHM	2482.56	2308.20	1981.54	326.66
3.	Routine Immunisation (RI)	197.47	204.89	208.37	-3.48
4.	Pulse Polio Immunisation (PPI)	1133.70	975.20	933.94	41.26
5.	Infrastructure Maintenance	2076.07	2506.39	3018.22	- 511.83
6.	**National Disease Control Programmes**				
	A. Integrated Disease Surveillance	46.05	5.48	4.86	0.62
	B. National Iodine Deficiency Disorders Control	0.94	0.45	0.29	0.16
	C. National Leprosy Eradication	23.72	19.57	9.78	9.79
	D. National Programme for Control of Blindness	144.87	140.34	137.59	2.75
	E. National Vector Borne Disease Control	154.18	134.55	120.38	14.17
	F. Revised National TB Control	244.67	243.73	217.92	25.81
	Total	**8876.66**	**8570.08**	**8657.35**	**- 87.27**

(**Source:** GoI letters to the State Government and NRHM Review Report of May 2011 of GoI)

[1] ₹ 251.63 crore; ₹ 352.11 crore; ₹ 497.34 crore; and ₹ 502.30 crore during 2007-08 to 2010-11 respectively.
[2] ₹ 246.43 crore; ₹ 387.93 crore; ₹ 433.95 crore; and ₹ 511.98 crore during 2007-08 to 2010-11 respectively.
[3] As the accounts of SHS were not correctly prepared, these figures have been adopted.

The Mission envisaged annual increase in allocation by the GoI for the health sector by 30 *per cent* up to 2007-08 and 40 *per cent* from 2009-10. However, the increase in allocation was substantially low during 2007-08, 2009-10 and 2010-11 as detailed below:

Table 3.1 (B): Status of increase of GoI share in NRHM funds

(₹ in crore)

Year	Allocation by GoI	Increase	Percentage increase
2005-06	726.07	00.00	00.00
2006-07	1130.39	404.32	55.69
2007-08	1143.27	12.88	1.14
2008-09	1670.57	527.30	46.12
2009-10	1871.22	200.65	12.01
2010-11	2321.05	449.83	24.04

(**Source:** GoI's NRHM Review Report of May 2011 and respective year's ROPs[4])

3.2.1 Public spending on healthcare

The National Health Policy, 2002 recommended that State Healthcare spending should be seven *per cent* of the budget by 2005 and eight *per cent* by 2010. The Mission envisages increasing the public spending on health, with a focus on primary healthcare; from 0.9 *per cent* of GDP (2004-05) to 2-3 *per cent* of GDP over the Mission period (2005-2012). The States were required to increase their spending on health sector by at least 10 *per cent* Year on Year (YoY) basis during the Mission period. The year-wise details of total public spending, including NRHM funds, Gross State Domestic Product (GSDP), total State Budget and State spending on healthcare during 2005-11 were as below:

Table 3.2: Details of year-wise spending on health sector

(₹ in crore)

Year	Total spending including NRHM	GSDP[5]	Spending to GSDP (*per cent*)	State spending through Budget	Total Budget Outlay	*Per cent* of spending (5) to (6)	Increase in YoY State spending (*per cent*)	*Per capita* spending[6]
1	2	3	4	5	6	7	8	9
Base line								
2004-05	2254.88	248851	0.91	2254.88	89308.25	2.52	NA	128.41
Performance after introduction of NRHM compared to base line								
2005-06	3640.67	276969	1.31	3067.43	83964.99	3.65	36.04	203.62
2006-07	5005.64	312627	1.60	4301.83	95064.39	4.53	40.24	274.73
2007-08	5133.01	357557	1.44	4176.54	112515.53	3.71	-2.91	276.71
2008-09	6254.57	412151	1.52	4933.51	133512.21	3.70	18.12	330.93
2009-10	8000.08	491302	1.63	6043.21	155307.25	3.89	22.49	415.80
2010-11	8824.28	588467	1.50	6476.42	172475.90	3.75	7.17	450.22
Total	**36858.25**	**2439073**	**1.51**	**28998.94**	**752840.27**	**3.85**	**20.19**	**313.42**

(Source: Appropriation Accounts and Economic Survey of Uttar Pradesh)

[4] Record of Proceedings of GoI, National Programme Coordination Committee Meeting, Uttar Pradesh.
[5] Audit Report (State Finances) and Economic Survey of Uttar Pradesh.
[6] Based on annual average growth rate of population i.e. 1.85 *per cent* over the population for 2001 Census (16.62 crore), the projected population for the seven year ending 31 March 2011 was 17.56 crore, 17.88 crore,18.22 crore,18.55 crore,18.90 crore,19.24 crore and 19.60 crore respectively. For *per capita* expenditure total spending on healthcare has been divided by the projected population of respective year.

Audit observed that:

- In the last six years, the spending was in the range of 3.65 to 4.53 *per cent* of the State Budget. In 2010-11, the percentage came down to 3.75, much below the recommendation of eight *per cent* of the National Health Policy;
- The Mission envisaged increase of spending on health to 2-3 *per cent* of GSDP, which was unlikely to be achieved by the end of 2012, as the percentage of spending *vis-à-vis* GSDP ranged between 1.31 and 1.63 during last six years ending March 2011. In 2010-11, it declined to 1.50;
- State could largely achieve the target of increased spending by at least 10 *per cent* YoY basis but it declined to (-) 2.91 *per cent* in 2007-08 and to 7.17 *per cent* in 2010-11; and
- Despite YoY increase in *per capita* spending, it was below the National Average of ₹ 503[7] for 2008-09 even in 2010-11.

Thus, the targets of public spending were not met, nor did the increases envisaged materialised, reflecting weak financial commitment of both the Central and State Government.

The Government did not furnish any reply.

3.2.2 Poor performance despite higher allocation of funds

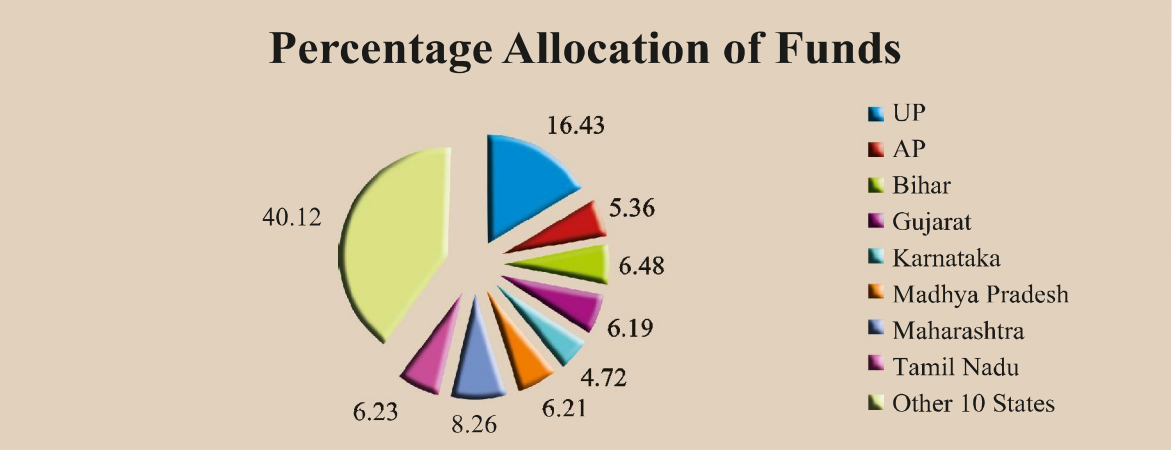
Despite the highest average allocation of funds during 2005-10 amongst the eight major populous States, UP did not perform well in terms of healthcare indicators *viz*. infant mortality rate (IMR), maternal mortality rate (MMR) and total fertility rate (TFR). As of March 2010, the State's MMR was highest, whereas the IMR and TFR were second highest among these states as given below:

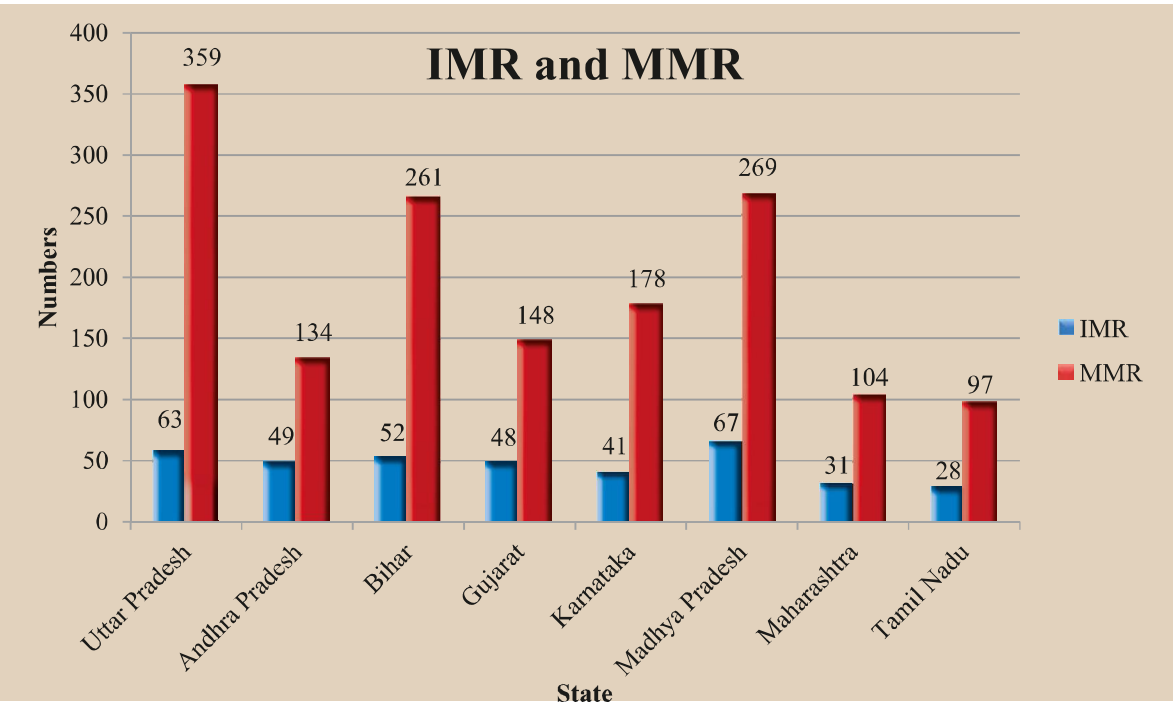
Table 3.3: Details of healthcare indicators in eight major populous States

State	Average allocation percentage	Infant Mortality Rate (no. of infant deaths *per* 1000 live births)	Maternal Mortality Rate (no. of maternal deaths *per* 100000 deliveries)	Total Fertility Rate (no. of expected child births)
Uttar Pradesh	**16.43 (I)**	**63.00 (II)**	**359.00 (I)**	**3.70 (II)**
Andhra Pradesh	5.36 (VII)	49.00 (IV)	134.00 (VI)	1.90 (VI)
Bihar	6.48 (III)	52.00 (III)	261.00 (III)	3.90 (I)
Gujarat	6.19 (VI)	48.00 (V)	148.00 (V)	2.50 (IV)
Karnataka	4.72 (VIII)	41.00 (VI)	178.00 (IV)	2.00 (V)
Madhya Pradesh	6.21 (V)	67.00 (I)	269.00 (II)	3.30 (III)
Maharashtra	8.26 (II)	31.00 (VII)	104.00 (VII)	1.90 (VI)
Tamil Nadu	6.23 (IV)	28.00 (VIII)	97.00 (VIII)	1.70 (VII)
All India	**100**	**50.00**	**212.00**	**2.60**

(**Source:** SRS Bulletins)

[7] Latest available National Average of 2008-09 (website of "*praja*", downloaded from net, source of *per capita* healthcare expenditure quoted therein of GoI).





Thus, the State needed to implement NRHM programmes better so as to achieve the objectives related to IMR, MMR, TFR and also population stabilisation.

3.2.3 Sources of funds for expenditure on healthcare

The activities under medical, health and family welfare are being financed from multiple sources of funds as indicated below:

(1) From the Government of India: (a) direct assistance to the extent of 85 *per cent* of NRHM Plan allocation; (b) Central Treasury route to Director General, National Programmes, Monitoring and Evaluation (DGNPME) for infrastructure maintenance; (c) Twelfth Finance Commission; and

(2) From the State Government: (a) direct assistance to the extent of 15 *per cent* of NRHM Plan allocation (b) Expenditure on Medical and Health Services through Budgetary sources.

In view of multiple sources of financing, strict control and supervision was imperative to ensure that the benefits envisaged for the targeted beneficiaries are delivered and duplicity of expenditures from more than one source is avoided. The State Government did not respond adequately to the request to furnish records of receipts and expenditure from State Budgetary sources and Twelfth Finance Commission. Audit, thus, could not rule out the possibility of double payments for the same item of expenditure.

3.2.4 Funds received not correctly captured in the books

In test check of the annual accounts of SHS, Audit observed a difference of ₹ 358.18 crore, in the figures of funds released by GoI and funds acknowledged by SHS.

Further, even figures of funds receipt as captured by SHS in its accounts did not tally with the figures SHS had acknowledged as received from GoI. The difference between accounts figures and those acknowledged to have been received, reflected excess accounting of ₹ 83.39 crore during four years ending 31 March 2011. In addition, ₹ 1768.12 crore, transferred by GoI through the treasury route, was not captured in the accounts. The table below highlights the discrepancies in SHS's accounting:

Table 3.4: Funds received but not correctly captured in the books of SHS

(₹ in crore)

Year	Funds released by GoI	Funds received by SHS	Short accountal (2-3)	State share	Receipts through treasury not taken	Matching figures[8] (3+5-6)	Receipt taken in accounts	Receipts taken in excess (8-7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2007-08	1258.77	1227.03	31.74	0	350.99	876.04	876.96	0.92
2008-09	1474.91	1451.77	23.14	225.00	403.96	1272.81	1273.77	0.96
2009-10	1956.51	1858.24	98.27	255.52	497.57	1616.19	1697.71	81.52
2010-11	2191.37	1986.34	205.03	317.49	515.60	1788.23	1788.22[9]	-0.01
Total	**6881.56**	**6523.38**	**358.18**	**798.01**	**1768.12**	**5553.27**	**5636.66**	**83.39**

(**Source:** GoI letter dated 17 August 2011; GM (Adm), SHS letter dated 20 May 2011: and SHS accounts)

Thus, of ₹ 6881.56 crore released by GoI over four years during 2007-11, SHS had not correctly captured/reflected ₹ 1684.73 crore[10], which was about 25 *per cent* of the total releases.

The Government attributed the difference to amount released by GoI at fag end of the year remaining in transit or grant released in kind by GoI without providing any information to SHS and, therefore, remaining unaccounted for. Further, during Exit Conference, the Government stated that the difference was also due to non-inclusion of treasury route receipts from GoI and the contribution of the State's share.

The reply was not acceptable as (a) funds in transit stood accounted for in the year of release (b) release in kind (but added in the releases by GoI) were to be captured from the details of

[8] As the accounts do not capture GoI's treasury route figures but includes State share, the figures have accordingly been added and subtracted to match them with the accounts figures.
[9] Provisional figures.
[10] ₹ 1768.12 crore *minus* ₹ 83.39 crore.

supplies or debit/credit advices from responding units and (c) the receipts through treasury route from GoI were also to be captured from details with the DGNPME, for fair presentation of the fund position in the accounts.

3.2.5 Non-adoption of accounts by Governing Body

The accounts of SHS for 2008-10 were not adopted by the Governing Body (GB) as per paragraph 5 of the Memorandum of Association of the Society. Till previous year's accounts are not duly adopted, the figures to be adopted for subsequent years cannot be taken as authentic.

Audit observed that GB of SHS failed to discharge its primary responsibility of adopting the accounts.

The Government stated that the accounts would now be adopted in the GB meeting.

3.2.6 Inadequate documentation and wanting linkages

As per MoU, SHS was to prepare accounts and submit the same to the Chartered Accountants' (CA) firm for statutory audit. SPMU did not furnish records to establish linkages between figures of consolidated Annual Accounts with those in the books of basic accounting entries (like ledgers, consolidation/grouping files, trial balance, journal vouchers *etc*.).

SPMU stated (November 2011) that the Statutory Auditor had consolidated all the balances and for any clarification, the Statutory Auditor may be called to furnish the details of consolidation, trial balance, groupings *etc*. Audit observed:

i. SPMU's reply was indicative of Statutory Auditors association in preparation of accounts which were subsequently certified by them. CA firms, therefore, could not be expected to report on deficiencies of accounts to which they were a party;

ii. The Joint Review Mission, in its report, stated that nearly 30 *per cent* of the posts of District Accounts Managers and 50 *per cent* of the posts of Block Accountants were vacant; and

iii. The SPMU failed to provide the details of professional competence of the accounting staff to match the same with those prescribed in Finance and Accounts Manual.

The Government, while accepting the shortage of accounting staff, stated that efforts were underway for filling up the vacant posts.

3.3 Approved outlay and fund releases

3.3.1 Approved outlay

NRHM funds were to be shared, between the Central and State Governments in the ratio of 85:15 respectively. The outlays approved (August 2007 to August 2010) as per the Annual Approved Plans for 2007-08 to 2010-11 and proportionate share of Central and State Governments for the respective years are given below:

Table 3.5 (A): Central and State shares under NRHM

(₹ in crore)

Year	Outlay approved including unspent balances	Unspent balances of previous year	Outlay after deducting unspent balances	GoI share (85 *per cent* of column 4)	State Government Share (15 *per cent* of column 4)
(1)	(2)	(3)	(4)	(5)	(6)
2007-08	1845.69	500.67	1345.02	1143.27	201.75
2008-09	2471.25	505.87	1965.38	1670.57	294.81
2009-10	3028.65	827.22	2201.43	1871. 22	330.21
2010-11	3153.88	423.23	2730.65	2321.05	409.60
Total	**10499.47**	**2256.99**	**8242.48**	**7006.11**	**1236.37**

(**Source:** Record of Proceedings of National Programme Co-ordination Committee)

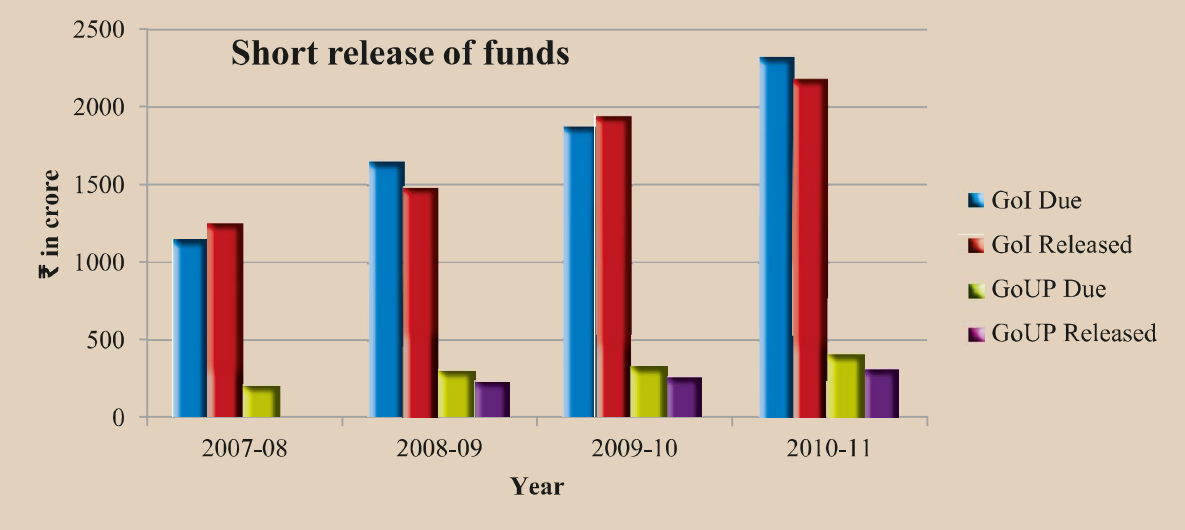
Audit observed that during 2007-08 to 2010-11, both the Central and State Governments did not release their respective full share of funds as per the approved outlay. The position of releases and shortfalls were:

Table 3.5 (B): Shortfall in release of funds

(₹ in crore)

Year	GoI Share			State Share		
	Due	Released	Shortfall	Due	Released	Shortfall
2007-08	1143.27	1258.77	(-) 115.50	201.75	00	201.75
2008-09	1670.57	1474.91	195.66	294.81	225.00	69.81
2009-10	1871. 22	1956.51	-85.29	330.21	255.52	74.69
2010-11	2321.05	2191.37	129.68	409.60	317.49	92.11
Total	**7006.11**	**6881.56**	**124.55**	**1236.37**	**798.01**	**438.36**
Shortfall *(percentage)*			**1.78**			**35.46**

(**Source:** GoI letter of 17 August 2011)



As is evident, the shortfall in Centre's share amounted to 1.78 *per cent* of the outlay and in the case of State's share, it was 35.46 *per cent*. By not contributing its share, the State Government failed to honour the commitment which reflected lack of financial commitment to the health sector.

The Government stated that the matter of shortfall in State share was under active consideration of the State Government.

3.3.2 Delayed release of funds by Central and State Governments

As per MoU, the first instalment of GoI's share was to be released in the second half of 2006-07, to be followed by six-monthly releases, subject to achieving of targets/milestones, confirmation of utilisation of 50 *per cent* of previous releases and submission of utilisation certificates/audit reports.

Audit observed that GoI released funds in three to ten instalments in a year during 2008-11 and large parts of the funds (4 to 100 *per cent*) were released in March. The pace of releases is detailed in ***Appendix-3.2.***

Further, the release of State's share was also delayed and released in two to four instalments in a year and that a substantial part of funds (40 to 50 *per cent*) was released in March. The details are given in ***Appendix-3.3.***

3.3.3 Programme funds remained unutilised

SHS accounts revealed that unutilised programme funds increased from ₹ 865.18 crore at the end of March 2008 to ₹ 1364.89 crore at the end of March 2010. The details of unutilised funds at the close of three years up to March 2010 are tabulated below:

Table 3.6: Unutilised programme funds

(₹ in crore)

Sl. No.	Programme	2007-08	2008-09	2009-10
1.	RCH Flexipool	105.02	244.07	221.95
2.	Mission Flexipool (including Refund of SIP)	629.26	684.16	879.31
3.	Immunisation (RI and PPI)	100.56	148.21	203.94
4.	Revised National TB Control Programme	4.90	6.51	5.47
5.	National Vector Borne Diseases Control Programme	7.04	3.71	10.70
6.	National Programme for Control of Blindness	17.53	16.86	30.10
7.	National Leprosy Eradication Programme	0.69	0.54	1.70
8.	National Iodine Deficiency Disorders Control Programme	0.00	-0.05	-0.05
9.	Integrated Disease Surveillance Project	0.00	2.73	3.52
10	Deafness Programme	0.18	0.91	1.24
11.	Mental Health Programme	0.00	0.00	7.01
	Total	**865.18**	**1107.65**	**1364.89**

(**Source:** Accounting records of SHS for 2007-10)

The accounts for 2010-11 had not been prepared. As per Financial Management Reports (FMRs), the unspent balance amounted to ₹ 1286.45 crore (March 2011), which mainly included ₹ 755.72 crore[11] pertaining to Programme Management Society (PMS)/Family Welfare (FW)[12]. Heavy unspent balances were indicative of poor programme management and deficient delivery mechanism.

The Government stated that the programme of procurement and construction spill over into next financial year and, therefore, unutilised balances would appear in accounts in normal course. It, however, did not assign any reasons for YoY increase in unspent balances.

3.4 Release of funds by SHS for expenditure under NRHM

3.4.1 Weakness of procurement system

Funds are released by SHS to DHSs for meeting establishment expenses of DPMU; disbursement of grants to its peripheral units like CHCs/PHCs, RKSs, sub centres, procurement of medicines within the powers available to CMOs and Medical Officers in-charge of health centres *etc*. Major part of funds for procurement of medicines, equipment and construction were released to technical Directorates like DGNPME, DGMH, Director General, Medical Education (DGME), Information, Education and Communication (IEC) Bureau and CHART, working under the same administrative department.

3.4.2 Banking arrangements

GoI issued (December 2006) revised instructions[13] to the State to streamline the banking arrangements for a centralised system for flow of funds. Integrated Health Societies at State and district levels were to be created to enable a single budget head for NRHM at the State level, facilitating single window receipt, single management reporting centre, single Utilisation Certificate (UC) to GoI and a consolidated audit for all the programmes run by SHS and DHSs. The system also envisaged creation of a Financial Management Group to take over the activities of processing fund releases, accounting for the expenditure reported by subordinate units and monitoring of UCs and audit arrangements.

Further, the old accounts were to be closed with effect from March 2007 and new accounts operated from April 2007 in the SBI group of accounts. Non-closing of old accounts was to be considered a cognisable offence. Pictorial presentations of the fund and banking management in the new system, at SHS and DHSs' levels and Fund Flow Reporting process under NRHM are given in ***Appendix-3.4, 3.5*** *and* ***3.6***.

Despite constant pursuance, SHS did not furnish records of banking arrangements including instructions to banks and DHSs for opening and operation of bank accounts to prevent unauthorised transactions.

Audit observed deficiencies in banking arrangements and transactions:

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[11] As per Statement of Expenditure of Director General, PMS/FW.

[12] PMS/FW came into existence from May 2008, under Government Order of 19 May 2008, for the purposes of fund transfer and management. This office was renamed as DGNPME and was earlier called DGFW.

[13] GoI relaxed (11 January 2007) the guidelines issued as per notification of December 2006 and allowed separate sub-accounts for additionalities under NRHM and immunisation (for RI and Pulse Polio) both at State and district levels. All other provisions of the earlier notification were retained.

- No FMG group was in place with well defined responsibility centres as envisaged;
- As of March 2011, SHS had 823 bank accounts[14] up to DHSs level, excluding CHCs/PHCs/VHSCs/RKSs *etc.*, which were not monitored centrally to control opening, operation and utilisation of fund through these accounts;
- Unauthorised diversion of programme funds (₹ 7.52 crore in 18 DHSs) to non-NRHM accounts (including private/personal accounts) was noticed. These unauthorised accounts, although required, were not closed;
- A balance of ₹ 5.51 crore in RCH-I was held as on 31 March 2009 in the old accounts which was reduced to ₹ 0.83 crore as on 31 March 2010 indicating irregular transaction of ₹ 4.68 crore through the bank account. This was fraught with high risk of embezzlement;
- CHC, Mauranipur, Jhansi did not close the bank account of RCH-II till March 2011. It also did not maintain a cash book and incurred an expenditure of ₹ 4.60 lakh by issuing bearer cheques to two staff members between February and March 2011 without supporting vouchers. The likelihood of these payments being fake could not be ruled out;
- In DHS, Kanpur Nagar, no cash book of RCH-II was maintained for 2005-06 and 2006-07 and, therefore, book balance remained indeterminable till the closure of the accounts from April 2007. Against a balance as per bank of ₹ 2.44 crore, only ₹ 1.76 crore was carried over in three designated bank accounts. The short carry over of ₹ 0.68 crore remained un-reconciled and unadjusted in the accounts. The likelihood of ₹ 0.68 crore being misappropriated could not be ruled out; and
- Inter-unit (SHS to DHSs, DHSs to CHCs/PHCs and to additional PHCs/sub centres/VHSCs) reconciliation of funds had never been carried out.

These deficiencies were indicators of gross mismanagement of NRHM funds which was fraught with very high risk of embezzlement. Lack of constant monitoring by SHS had led to unauthorised diversion of fund and retention of fund at DHS level.

As regards control and monitoring of bank accounts, the Government stated that only the opening of group accounts was centralised and operation and monitoring was left to the concerned districts. In case of Mauranipur (Jhansi) it stated that irregularities were due to shortage of staff as well as lack of awareness of accounting rules. In respect of Kanpur Nagar, while furnishing reply, it did not furnish any justification for difference. The Government did not furnish replies on other points.

3.4.3 NRHM fund transferred to personal (bank) account with fraudulent intentions at DHS, Jaunpur

As per Bank Statement of DHS, Jaunpur, ₹ one crore was debited (7 June 2007) in DHS Account and shown as transfer to personal account no. 98524000994 of ex-CMO at SBI, Arra branch, Jaunpur (10 debits of ₹ nine lakh each and two debits of ₹ five lakh each). But these were neither entered in the cash book nor in the cheque issue register. The new CMO

[14] Information given is not authenticated. This also does not include bank accounts other than group accounts and private accounts used.

issued (2 February 2009) order[15] for refund of the amount. Ex-CMO refunded ₹ 1.06 crore (including interest of ₹ 0.06 crore[16]) on 7 February 2009 through the personal account no 11646422122. In the cash book of 06 February 2009, only the interest amount was accounted for and the principal amount was never routed through the cash book.

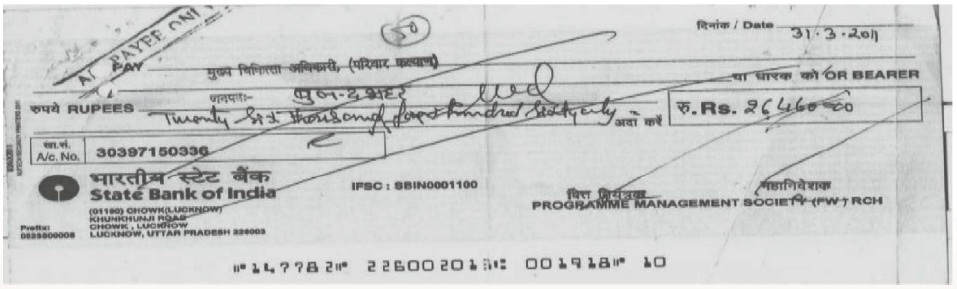
Thus, transfer of NRHM fund to a personal bank account led to misappropriation of ₹ one crore. The Government accepted the facts and figures and stated that pension of the guilty officer had been reduced by five *per cent* throughout his life time. However, the abnormal delay in detection was a matter of concern which needed to be looked into.

3.4.4 Transfer of funds through non-NRHM route

The management of NRHM funds in the State is primarily the responsibility of SHS and the Mission Director. The institutional arrangement provided that the State created an integrated Society (called SHS) by merging all the existing Societies. The release and utilisation of fund was, however, characterised by diffusion of responsibility by entrusting procurement and construction works to PMS/FW.

Audit observed that SHS transferred fund irregularly to the PMS/FW with Director General (Family Welfare, now NPME) as its head. As informed,[17] the Society which had three[18] accounts in SBI, Lucknow, was not registered but PIN and TAN nos. of the Family Welfare Department were used for its transactions. Thus, the Society neither had any legal standing nor was it covered under the institutional arrangements agreed to in paragraph 8.2 of MoU. Further, some other societies also existed but information in their respect was not furnished. Audit further observed that SPMU transferred ₹ 36.50 crore (2009-11) to PMS/FW. The latter, in turn, transferred (2009-11) the same to CMOs through drafts/cheques which were not permitted under the new banking arrangement. Neither the funds nor the expenditure thereof were captured in DHSs' accounts. Thus, ₹ 36.50 crore, so transferred (details of transfers for other years not available), remained out of DHSs' accounts. This was violative of Memorandum of Association of SHS, which devolves the responsibility of disbursement of NRHM funds to implementing agencies and not to any Society, not recognised within NRHM framework. The details of these irregular transfers are given in ***Appendix-3.7***.

Screened copy of a cancelled cheque issued by the Programme Management Society (FW)/RCH, produced below, shows the release of fund to CMO by the Society operating without any registration and in contravention to the directives to integrate all societies into one.



Cheque issued to CMO by the society under DGNPME

[15] Copy of CMO's order no NRHM 2007-08/2008-09/1464-72 dated 02 February 2009 was not made available to audit.
[16] The rate of interest works out to approximately 4 *per cent* for 18 months.
[17] Informed by the Financial Controller DGNPME.
[18] Nos. 30397150336, 30397159612 and 30397263340.

The Government stated that the amount released to DGNPME and subsequently released to CMOs, was reported monthly to SHS and was within the purview of Statutory Audit. The reply was not correct as the amount released by DGNPME was kept by DHSs outside NRHM group accounts and expenditure thereagainst was not audited by the Branch Auditors.

3.5 Missing Trails[19] to link the transactions

Paragraph 4.4 of Finance and Accounts Manual of NRHM provides that all programmes' transactions should be cross-referenced so as to link them to each item of expenditure with budget heads, project components and expenditure categories compatible with classification of expenditure and sources of funds.

Audit, however, observed that the prevalent system was deficient and it neither provided sufficient assurance nor trail to the management to satisfy/ensure that the system prescribed was being meticulously followed. Audit observed:

- Non-adherence to the prescribed system for tracking of assets, advances, bank balances *etc.*;
- Absence of review of the annual accounts and annual reports by GB, as prescribed in the Memorandum of Association;
- Absence of inter unit and intra fund reconciliation and a robust procedure to handle cash and bank related matters;
- Absence of adequate skilled human resource to handle the finance and accounting functions; and
- Failure to computerise the financial management and accounting functions to ensure proper data management.

The Government stated that it had provided registers and records as maintained in SPMU. Further, it had noted the suggestions with regard to the maintenance of accounts, review of annual accounts, inter unit and inter fund reconciliation, financial monitoring, computerisation of financial management and accounting system *etc*. for future compliance.

3.6 Control and monitoring of payments and accounting records

3.6.1 Major deficiencies/discrepancies in Accounts

Annual Accounts that provide basic data for financial monitoring and controls were marked by deficiencies raising doubts on reliability of accounts. Some instances are discussed in succeeding paragraphs.

3.6.2 Prescribed procedure of accounting manual not followed

The Government of Uttar Pradesh committed (22 November 2006)[20] to abide by all existing manuals, guidelines, instructions and circulars issued in connection with implementation of

[19] Audit trail is a sequence of steps supported by documenting the real processing of a transaction through an organisation, a process or a system (Wikipedia from the net).

[20] Paragraph 11.3 of Memorandum of Understanding between the GoI and GoUP.

NRHM programmes. To regulate proper accounting of transactions and to ensure effective financial control, MoHFW, Government of India evolved (April 2005) the Finance and Accounts Manual for RCH Phase II programme, which was subsequently merged (April 2007) with NRHM programme. The manual contains finance and accounting procedures (including formats for capturing data of expenditure) that are to be followed for accounting of NRHM transactions.

Audit observed that SHS and DHSs did not follow the prescribed procedure. As a result, discrepancies had arisen in the accounts, as discussed in the subsequent paragraph of the Report.

The Statutory Auditors had also reported, that they had not come across any Finance and Accounts Manual being followed.

The Government stated that SHS was maintaining basic records in the standard format of double entry system. Further, the suggestion of the audit was noted for future compliance. The reply was not correct as the cash book/ledgers were not in the prescribed format, ledgers did not capture expenditure against advances and advance tracking register, journal book, adjustment vouchers *etc*. were not maintained.

The reply was indicative of the administrative apathy not only in SHS but also in the State Government.

3.6.3 Routing of funds through bank

The banking route for funding NRHM programmes was adopted by GoI to ensure timely transfer of fund to the implementing agencies. The prevalent ills of operating through treasury e.g. rush of expenditure in March, diversion of funds, delayed release of funds, non-provision of funds (State Share), large unspent balances (lapse of surrender of fund) *etc*. were still prevalent, although NRHM programmes were being executed through banks. Resorting to such a route of funding without ensuring the safeguards of treasury system had adversely impacted accounting controls which were compromised. Audit observed:

- Authorising and payment/cheque issuing authority were concentrated in one officer *viz*. CMOs of DHSs or Medical Officer in-charges of PHCs/CHCs, who were sanctioning and cheque drawing officers, thereby weakening the internal controls;
- Bills were not supported by sanctions and sub-vouchers;
- Monthly reconciliation of drawal from banks was not ensured to prevent fraudulent encashment of cheques;
- Advances were disbursed without maintaining subsidiary records; and
- NRHM funds were also transferred through unauthorised bank accounts opened without any authority.

The Government stated that procedure with regard to flow of funds and banking process was decided at GoI level which was adopted by all the States implementing the NRHM programmes. However, the Government did not respond to the main issue of addressing and improving the control mechanisms.

3.7 Non-maintenance of basic accounting records

Basic accounting records necessary to exercise proper accounting control were either not maintained or not maintained in the prescribed manner. The improper maintenance/ non-maintenance of records and the likely effects on monitoring and control[21] are detailed in ***Appendix-3.8***.

Audit observed:

- No journal was maintained for booking of expenditure in the ledgers against advances which constituted major source of expenditure;
- The ledgers to record periodical expenditure were either not maintained or partially maintained in SHS up to 2009-10 and in 22 test checked DHSs up to 2008-09[22];
- Expenditure of ₹ 4938.74 crore,[23] depicted by SHS in the accounts for 2007-08 to 2010-11, was not checked as supporting journal vouchers, trial balance, consolidation register *etc*., were either not maintained or not produced to Audit;
- The correctness of advances outstanding in the books of accounts (₹ 816.71 crore in 2009-10) was not checked, nor the age-wise analysis reviewed, as sub-ledgers showing party-wise details of outstanding amounts were not available;
- The figures of expenditure shown in FMRs of PHCs and CHCs were not checked as voucher-wise booking of expenditure under various heads of programmes was not posted in ledgers by the units;
- Statement of Expenditures (SoEs) against advances to NGOs and others (outside the ambit of NRHM) were accepted even when these were not supported by vouchers; and
- Expenditures against incomplete civil works were not accounted for as 'Works–in-Progress.' As a result, outstanding advances against construction agencies were not vouchsafed.

To highlight the various irregularities like non-maintenance of cash book, operation of unauthorised bank account, advances disbursed but not captured, expenditure out of RKS funds without authorisation of committee, unauthorised retention and utilisation of grants of VHSC and sub-centres by CHC, apart from irregularities in procurement, implementation of healthcare programmes *etc*. at the Block level, Audit findings on the functioning of CHC, Manda, of DHS, Allahabad are presented as a Case Study in ***Appendix-3.9.***

The Government attributed the deficiencies to internal reasons like shortage of accounting staff and absence of proper guidelines for maintenance of accounts. The reply was not correct as positioning of staff was the responsibility of the Government (in most cases the expenditure was to be met by GoI) and the Accounts Manual of GoI did exist, although not followed.

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[21] Based on test check of records/accounts of 22 DHSs and SHS.
[22] Maintained thereafter.
[23] ₹ 587.71 crore, ₹ 1053.58 crore, ₹ 1438.11 crore and ₹ 1859.33 crore during 2007-08 to 2010-11 respectively. Figures of 2010-11 are provisional, taken from FMR in the absence of finalised accounts for the year.

3.8 Major deficiencies/discrepancies in Accounts

3.8.1 Interest earned not included as receipt in the UCs

Para 12.2 of MoU stipulates that the State Government was to prepare and provide to MoHFW a consolidated statement of expenditure, including interest that may have accrued. Form 19 'A' of GFR, in which UC along with audited statement are forwarded, also prescribed disclosure of receipts from interest and other income, which are to form part of unspent balance. Audit observed:

a) As per certified UCs, the unspent balance shown against different programmes amounted to only ₹ 1364.91 crore. But the actual unspent balances (comprising of cash/bank balances and unspent advances) held on 31 March 2010 amounted to ₹ 1420.38 crore (net after deduction of ₹ 11.94 crore of State fund included in unspent balance of ₹ 1432.32 crore). Thus, surplus unspent balance of ₹ 55.47 crore was short reported in UCs to GoI. This was due to interest income wrongly shown as 'NIL' in UCs;

b) PMS/FW furnishes UCs to SHS for funds advanced to it. SHS carries out adjustments for such reported expenditure in its accounts and furnishes SoE to GoI after incorporating figures of its accounting units. The interest of ₹ 1.98 crore earned by DGNPME during 2008-09 and 2009-10 on bank accounts of NRHM, was not incorporated in SoEs sent by PMS/FW to SHS; and

c) CHCs/PHCs had not accounted for interest earned by them on unspent balances. The unspent balances in case of 22 test checked DHSs was ₹ 9.71 crore at the end of 2007-08, which increased to ₹ 48.67 crore (***Appendix-3.10***) at the end of 2009-10.

Thus, non-accountal of interest income in UCs by SHS, DGNPME and CHCs/PHCs led to under reporting of unspent balance to GoI by ₹ 57.45 crore and was violative of the provisions of the manual.

The Government admitted under reporting of unspent balances in UCs and assured necessary action in future.

3.8.2 Deficiencies in accounts records of SHS, PMS/FW and DHSs

3.8.2.1 Advances not captured in account

Payments in the nature of advances should be correctly captured in accounts and sub-ledgers maintained for tracking of advances. Audit observed:

a) Ledger was not balanced and no subsidiary ledger showing unit-wise advances outstanding was maintained by SHS up to 2009-10 in support of advances amounting to ₹ 816.71 crore;

b) Advances shown in Schedules to the Balance Sheet did not contain amount released to grantees during the year and expenditure thereagainst. Consequently, difference in the opening and closing balance of ₹ 55.33 crore remained unexplained. Details are given in ***Appendix-3.11.***

The Government stated that the ledger accounts had only been partially maintained and expenditure out of advances had directly been taken to Balance Sheet without routing through ledger accounts due to shortage of staff and absence of proper guidelines and that the suggestions had been noted for future compliance. The reply of the Government was indicative of mismanaged accounting practices adopted for booking of expenditures;

c) SPMU paid ₹ 1.35 lakh during February and March 2010 to DGMH against two requests for advances but the same were charged as final expenditure in account under Public Private Partnership expenses. Charging of advances as final expenditure without supporting vouchers is a serious financial irregularity; and

d) Advances of ₹ 32.81 crore to VHSCs made by PHCs/CHCs of 19 test checked districts during 2009-10 were treated as final expenditure in Accounts which was in violation of Para 6.18 of the Manual.

The Government stated in the exit conference and reply that the advances to VHSCs were charged as expenditure as per provisions of Financial Guidelines and Framework of NRHM. However, the release of subsequent advance of ₹ 5000 without ensuring the utilisation of 75 *per cent* of the earlier advance of ₹ 5000 was against the Mission Director's circular of 31 October 2008.

3.8.2.2 Unascertainable Fixed Asset

The register for fixed assets, acquired wholly or substantially out of the Government of India's grants, for capital goods and non-consumable articles was to be maintained in the prescribed format to exercise control through annual physical verification. Audit observed:

a) The fixed assets register for capital goods and non-consumable articles was not maintained in SHS, where the aggregate value of assets held was ₹ 5.92 crore as per Accounts of 2009-10; and

b) The expenditure of SPMU for 2009-10 included ₹ 48.30 lakh spent on non-consumable items like mobile phones, computers, printers *etc.* which were recorded in the consumables' stock register and the items were being shown issued periodically. The practice of recording issue of such non-consumable items and carrying over such reduced balances, was fraught with the risk of misuse/loss/defalcation.

The Government stated that a separate fixed assets register had now been maintained for consumable and non-consumable items.

3.8.2.3 Non-maintenance and other serious discrepancies in cash book

The cash book is the primary record that captures all the receipts and expenditure. Audit observed serious lapses as brought out below:

a) No cash book was maintained as prescribed with authentication by the DDO in 12 cases of four DHSs[24];

[24] Budaun, Deoria, Kanpur Nagar and Varanasi.

b) In four implementing units, the cash books showing receipts and expenditure were not maintained for expenditure of ₹ 2.10 crore against various schemes. The position is summarised below:

Table 3.7: Cash book not maintained

(₹ in crore)

Sl. No.	Unit	Scheme	Period	Amount
1.	Urology Department, King George Medical College (KGMC), Lucknow	RCH Flexipool (Tubectomy incentive)	2007-11	1.22
2.	CHC, Malagarh, Bulandshahar	RCH and PPI	2008-09	0.60
3.	CHC, Bhitergaon, Kanpur Nagar	PPI	2008-10	0.19
4.	Birangana Jhalkaribai Female(BJF) Hospital, Lucknow	RCH Flexipool (Tubectomy incentive)	2005-11	0.09
			Total	**2.10**

(**Source:** Annual Accounts and related basic accounting records)

In the absence of cash book, proper accountal of receipts as well as expenditure thereagainst could not be vouchsafed in audit. Some cases are discussed below.

(i) In CHC, Lakhoti, Bulandshahar, no cash book of PPI scheme was maintained during 2005-06 and 2006-07 and, therefore, ₹ 26.74 lakh received during the period and expenditure thereagainst could not be vouchsafed in audit. Further, the amount transferred by DHS to CHC during the period was ₹ 66.52 lakh against which only ₹ 21.61 lakh was entered in cash books during 2007-11 leading to short accounting of ₹ 44.91 lakh. Thus, the total amount remaining unaccounted for in cash book was ₹ 71.65 lakh;

(ii) Differences in closing balances of cash books and figures in accounts during 2007-10 in four test checked districts (Budaun, Bareilly, Bulandshahar and Jaunpur) was ₹ 1.15 crore;

(iii) Time barred cheques, in eight DHSs[25], for ₹ 32.97 lakh,[26] without reversal of payment entries, resulted in exhibition of lower bank balance in the cash book;

(iv) In three DHSs[27], cash balance carried over in next year's cash books/accounts was lower by ₹ 1.91 crore. Further, such short carry forward of cash balance in next year's accounts was not explained in the accounts before adopting the lower book balances in next year; and

(v) Direct withdrawals of ₹ 52.42 lakh from the bank accounts was neither taken in cash books in four DHSs[28] nor investigated.

The Government admitted non-maintenance or improper maintenance of cash book (except for KGMC and BJF Hospital, Lucknow who did not furnish replies) and assured action for

[25] Azamgarh, Buduan, Bulandshahar, Bareilly, Jaunpur, Mirzapur, Moradabad and Varanasi.
[26] Position as on March 2010.
[27] Bareilly, Deoria and Varanasi.
[28] Bareilly, Jaunpur, Mirzapur and Moradabad.

reconciliation and time barred cheques. Government accepted that direct withdrawals were incorrectly made from another Programme Account.

The reply was indicative of serious lapses in fund management that needed to be addressed.

3.8.2.4 Different figures in accounts and the ledger

While certifying the accounts of the Society, the Statutory Auditors categorically stated that the annual accounts dealt with in the Report were in agreement with the books of accounts maintained at the district and State Mission offices. However, the figures in the Accounts differed from those in the Ledger depicting discrepancies in Accounts. Audit observed:

a) Funds amounting to ₹ 27.66 crore were transferred in 2007-08 by SHS from Mission Flexipool to various National Disease Control Programmes (NVBDCP, NPCB, NLEP and NIDDCP) without passing such remittances through Ledger Account of Mission Flexipool.

The Government stated that the then Statutory Auditors were being asked to clarify the position;

b) The variations in figures in the books and the ledgers in case of Accounts of 2009-10 of SPMU were as below:

Table 3.8: Difference in Books and Accounts

(₹ in crore)

Sl. No.	Head of Account	Amount debited in Income and Expenditure Account	Amount posted in the ledger
1	Building rent of SPMU	0.0420	0.0438
2	Annual audit fee	0.1331	0.1345
3	Computer AMC/internet expenses	0.0568	0.1111
4	Contingency/daily office expenses	0.0692	0.0611
	Total	**0.3011**	**0.3505**

(**Source:** Records of SPMU)

c) In five cases, payment of ₹ 10.51 lakh (November 2009 to March 2010)[29], was recorded in the books of SPMU on the basis of approval on departmental notes which was marked as voucher and kept in the voucher file. The payment, without supporting bills and without due verification of bills, was doubtful.

While explaining the reasons for difference in two sets of figures, the Government did not furnish reply for continuance of difference in the accounts and figures of the ledger. It further stated that the vouchers had been identified and were available in separate files. The reply was not acceptable as keeping vouchers in separate files and not under the cheque drawing officer's custody, was fraught with high risk of embezzlement and manipulation.

[29] Cheque nos. 365974, 365977 dated 4 November 2009, 589042 dated 25 March 2010 and 589056 dated 31 March 2010 (payment to two persons).

3.9 Deficiencies in records of PMS/FW, DHSs and CHCs/PHCs

3.9.1 Unavailable documents in support of SoE

DGNPME was maintaining accounts of NRHM funds from 2005-06 to 2007-08. Subsequently, from 2008-09, advances were irregularly released by SHS to PMS/FW and expenditures were accounted for by SHS on the basis of SoEs received from PMS/FW.

Despite several requests to the Government and PMS/FW, supporting records (vouchers, trial balance, grouping ledgers, consolidation sheets of SoEs of grantees, fixed assets register *etc.*) were not made available to audit for verification. Consequently, Audit could not cross verify the figures of accounts with those in the ledgers and vouchsafe the expenditure of ₹ 256.59 crore[30] of ₹ 906.52 crore released by SHS to PMS/FW during 2009-10.

Reply of the Government was awaited.

3.9.2 Discrepancies in the accounts of District Health Societies

3.9.2.1 Differences in expenditure reported in FMR and audited expenditure

Annual accounts should reflect a true and fair view of the financial position of an entity and expenditure should be supported by vouchers and FMRs/SoEs. Wherever SoEs/FMRs figures are adopted, the expenditure should be based on accounts and records.

The expenditure reported in FMRs of CHCs/PHCs was periodically incorporated in the accounts of DHSs. A review thereof with the annual accounts, for 2009-10, revealed a difference of ₹ 9.75 crore in eight test checked districts as below :

Table 3.9: Difference between FMRs and actual expenditure

(₹ in crore)

Sl. No.	District	Expenditure		Difference
		As per FMR	As per Branch Audit Report	
1	Bareilly	21.00	19.63	1.38
2	Budaun	21.30	21.16	0.14
3	Jhansi	12.66	13.08	0.42
4	Lucknow	23.47	21.67	1.80
5	Moradabad	24.18	20.86	3.32
6	Raebareli	21.09	22.24	1.15
7	Shahjahanpur	17.97	16.83	1.14
8	Varanasi	19.68	19.28	0.40
Total		**161.35**	**154.75**	**9.75**

(**Source:** Annual Accounts of respective DHSs)

The differences assume significance, since major programme expenses were booked by DHSs based on FMRs of CHCs/PHCs, whose accounts were not subjected to audit by Statutory Auditors.

[30] As per the annual accounts of PMS/FW for 2009-10 prepared for the first time.

The Government stated that the discrepancy was due to delay in submission of accounts by units and reconciliation of advances which was not acceptable as the system should not allow any discrepancy except explainable reasons.

3.9.2.2 Amount transferred by SHS to DHSs differed and remained unreconciled

A review of remittances by SHS to DHSs revealed short accounting of ₹ 1.60 crore in 11 test checked districts in 2009-10, as detailed in ***Appendix-3.12.***

The Government admitted the discrepancy.

3.9.2.3 Unreliable data in Financial Management Reports

DHSs furnish progress of expenditure through FMRs. Audit observed discrepancies (₹ 0.03 to ₹ 2.58 crore in nine test checked DHSs) between the aggregate of monthly FMRs and the March FMR, as detailed in ***Appendix-3.13***.

Further, in seven test checked districts, the opening balance of the subsequent year did not tally with the closing balance of previous year (₹ 0.23 crore to ₹ 1.07 crore) as detailed in ***Appendix-3.14.***

Since FMRs constitute the basis of accounting of expenditure of CHCs/PHCs/VHSCs/sub centres/RKSs *etc*., such variations in FMRs of DHSs were indicative of non-reliability of data for booking of expenditure in Accounts.

The Government stated that this was due to incorrect figures received from units or figures not received on time.

3.9.2.4 Temporary inter-scheme transfers not routed through accounts

As per the Manual, inter-scheme transfers are not permitted without specific approval of the GoI, subject to fulfillment of certain other terms and conditions. A review of accounts of DHSs for 2007-08 to 2010-11, showed that ₹ 15.06 crore was temporarily transferred among different schemes without any adjustment vouchers. Consequently, the position of refund of such temporary loans could not be checked in Audit as detailed in ***Appendix-3.15***.

The Government stated that this was due to urgency in incurring of expenditure.

3.10 Performance of Lead and Branch Auditors

The audit of SHS and DHSs is entrusted to a consortium of Chartered Accountant firms with the Lead Auditor primarily responsible for audit of consolidated accounts of SHS and reporting to the Management of SPMU. Adverse remarks of Branch Auditors were to be considered by the Lead Auditor, who should disclose the manner in which he had dealt with the comments of the Branch Auditor. However, the Lead/Branch Auditors had either not incorporated serious observations in their reports or had inadequately disclosed without giving the names of DHS and their financial implications. Some illustrative cases are discussed below :

- While reviewing the bank reconciliation statements of DHS, Farrukhabad (2006-07 to 2009-10) attached to the annual accounts for 2006-07 and onwards, Audit observed that ₹ 64.87 lakh was withdrawn from Punjab National Bank (PNB) Account No. 285301 during May 2006 to April 2007 through 27 cheques, but the same were not recorded in

the cash books. Such a serious matter was not pointed out by Branch Auditors in their reports to DHS for 2006-07 and 2009-10;

- The failure of the Branch Auditors of DHS, Farrukhabad to point out the suspected misappropriation coupled with SPMU's failure to review the bank reconciliation statements, led to misappropriation of ₹ 1.41 crore during 2009-10 in the same manner by withdrawal from the bank as reported by Branch Auditor in their Report (November 2010) on the accounts for 2009-10;

- Advances outstanding included suspense balances of ₹ 1.35 crore under RCH Flexipool, ₹ 0.60 crore under Mission Flexipool and ₹ 0.31 crore in respect of immunization programme. The suspense indicated absence of party-wise break up of outstanding advances amounting to ₹ 2.26 crore; rendering recoverability of these advances remote. Therefore, it should have been disclosed by the Lead Auditor;

- Negative bank balance of ₹ 20.86 lakh (RCH Flexipool: ₹ 7.54 lakh, Mission Flexipool: ₹ 9.69 lakh and Immunisation: ₹ 3.63 lakh) had also not been commented upon, even though explanation for excesses were wanting in the Branch Auditor's Report of DHS, Farrukhabad;

- DHS, Farrukhabad had not closed the Saving Bank Account in Punjab National Bank pertaining to RCH I which was required to be closed in 2007-08. But no action was taken to close the accounts after investigation of minus balance of ₹ 15.86 lakh;

- Further, ₹ 56.60 lakh, recorded as deposited in the cash book with the said bank account of DHS, Farrukhabad during 2006-07, had not been shown as deposited by the bank and remained out of accounts till 2009-10 but was neither mentioned nor analysed in successive Branch Auditor's Reports since 2006-07;

- The bank balance in the cash book stood reduced by ₹ 1.69 crore for 87 stale cheques issued during November 2005 and May 2009, which had lost validity and payment thereagainst was not possible; and

- The Branch Auditors' Report on Annual Accounts of DHS, Farrukhabad for 2009-10 commented on non-availability of books of account and other relevant records of withdrawal of ₹ 1.41crore and suspense balance of ₹ 2.26 crore. This was not included in the Lead Auditor's Report.

The Government admitted that the Statutory Auditors and Branch Auditors did not highlight the irregularities and suitable action had now been initiated against defaulters.

3.11 Deficient accounting control

(a) Cancellation of large number of cheques

Audit noticed that 257 cheques amounting to ₹ 244.97 crore (SPMU: 55 cheques for ₹ 131.45 crore and DGNPME: 202 cheques for ₹ 113.52 crore) were cancelled during October 2005 to March 2009 after recording value and name of the party and signature of DDOs in most of the cases (in some cases, Mission Director). The cheque issue register of other units (DGMH/DGME) were not produced for verification.

Weak controls in the handling of cheques was fraught with the risk of manipulations including defalcation.

(b) Incorrect posting of cancelled cheques

Audit observed various mistakes in writing of cash books denying due scrutiny. Few illustrations are given below:

- Cheque number 526524 of July 2008 for ₹ 11.30 lakh was shown cancelled in cheque issue register of SPMU but was shown as paid to DGMH in the cash book;
- Cheque number 526525 of August 2008 for ₹ 11.30 lakh was not posted in the cash book but was shown as paid to DGMH;
- Cheque number 527527 of August 2008 for ₹ 1.10 crore was found entered in the cash book of August 2008 against actual cheque number of 526527 of August 2008 in favour of districts; and
- Cheque number 667697 of July 2007 for ₹ 58.05 lakh, found as missing in cheque issue register of DGNMPE and not entered in cash book, was found paid in the bank statement of July 2007 (name of the party not intimated by the Bank).

Such weak financial controls in maintenance of records were fraught with high risks of misappropriation.

Of the five banks,[31] from whom information was sought, only two[32] banks responded. Three[33] banks did not furnish the information called for.

The Government stated that cancellation of cheques was a normal process but did not offer comments on unusually large number of cancellations.

3.12 State Grant for construction partially captured

The State Government released (May 2008) ₹ 174.89 crore for construction of 2507 sub centres under Grant number 35 and ₹ 25 crore in June 2008 for construction of 356 sub centres under Grant number 83 in 70 districts of the State (Total Grant: ₹ 199.89 crore). Against the amount of ₹ 199.89 crore, the amount captured in the accounts of SHS was for only ₹ 6.35 crore and ₹ 6.90 crore during 2008-09 and 2009-10 respectively, rendering the balance of ₹ 186.64 crore uncaptured in the accounts. Resultantly, the grant received from State Government directly by the DHSs was not fully exhibited in Accounts.

The Government did not furnish any reply.

3.13 Submission of SoE under National Programme for Control of Blindness (NPCB)

SPMU advanced (2007-10), through DHSs, ₹ 7.49 crore[34] to 11 hospitals of the State for procurement of equipment under NPCB. Audit observed, from the copy of the SoE available

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[31] (1) SBI, Secretariat Branch, Lucknow (SPMU and DGNPME); (2) SBI, Khunkhunji Road, Lucknow (DGNPME); (3) PNB, RakabGanj, Lucknow (DGNPME); (4) Bank of Baroda, Chowk, Lucknow (DGNPME) and (5) PNB, Farrukhabad (DHS, Farrukhabad).

[32] SBI, Civil Secretariat Branch for both account holders and PNB, RakabGanj, Lucknow (DGNPME).

[33] SBI, Khunkhunji Road, Lucknow ; Bank of Baroda, Chowk, Lucknow; and PNB, Railway Road, Farrukhabad.

[34] Information provided by the Blindness Control Section of SHS without authentication.

with SHS, that nine[35] hospitals/colleges utilised ₹ 6.53 crore during 2010-11. Of ₹ 6.53 crore, ₹ 72.87 lakh was utilised by five[36] colleges on 21 inadmissible items like Maruti Van, laptops, digital cameras *etc*.

The Government did not furnish any reply.

3.14 Non-computerisation of accounts

Paragraph 6.37 of the Manual stipulates that maintenance of accounts at the State/District/other societies is to be computerised to ensure that account statements are prepared accurately and promptly with least efforts. However, despite about a decade of handling Accounts by the State (RCH-I and thereafter), the Government did not operationalise the computerised accounting system.

The Government stated that *Tally 9* had been adopted from 2011-12.

The accounts of SHS did not capture transactions of receipts, expenditure, assets and liabilities accurately and, therefore, could not be relied upon. Non-maintenance of basic accounting records coupled with lack of proper controls on transactions adversely impacted the quality of accounts and programme management. The financial and accounting functions were marked by weak controls on transfer and utilisation of funds. Due to non production of requisitioned records, audit could not vouchsafe the transactions to arrive at cases of conclusive defalcation, misutilisation and embezzlements. Non-adherence to the prescribed system by SHS and field units did not preclude siphoning away of funds and, therefore, needed to be investigated.

3.15 Recommendations:

- *SPMU should be suitably strengthened in terms of skilled manpower and infrastructure to improve its working; and the applicable accounting rules and manuals should be made clearly known to the units to secure uniformity in accounting;*
- *Reconciliation of inter-unit/fund receipts and transfers (including direct or treasury route releases by the Central and State Governments) should be carried out periodically;*
- *Transactions should not be allowed to be made outside the authorised banking arrangement and instances coming to notice should be dealt with appropriately and firmly;*
- *Number of Bank Accounts should be reduced in consultation with MoHFW, GoI to ensure better control and monitoring; and*
- *FMRs based accounting of expenditure should be replaced with SoE based accounting, duly certified by the firm of Chartered Accountants.*

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[35] Medical Colleges of Agra, Aligarh, Gorakhpur, Kanpur Nagar, Jhansi, Lucknow, Meerut, Varanasi, Sitapur Eye Hospital, SGPGI, Lucknow and M. D. Eye Hospital, Allahabad. Information in respect of Aligarh Medical College and SGPGI, Lucknow was not available.

[36] Allahabad, Gorakhpur, Jhansi, Kanpur Nagar and Lucknow.

Chapter 4 Capacity Building - Infrastructure Development

4.1 Infrastructure Development: Construction of buildings

NRHM aimed to bridge gaps in the existing capacity of the rural health infrastructure by establishing functional health facilities through revitalisation of existing physical infrastructure such as health centre buildings and fresh construction or renovation wherever required. The Mission also sought to upgrade available facilities to Indian Public Health Standards (IPHS), wherein the infrastructural, personnel, equipment and management standards for different levels of health centres were defined. In Uttar Pradesh, NRHM framework allowed expenditure up to 33 *per cent* of the total NRHM outlay on constructions to remove deficiencies in public health infrastructure.

Table 4.1: Release of funds and Civil Expenditure

(₹ in crore)

Year	Funds Released		Total*	Civil Works	
	GoI	GoUP		Expenditure#	Percentage
2009-10	1956.51	255.52	2212.03	703.27	31.79
2010-11	2191.37	317.49	2508.86	244.26	9.73

(**Sources**:* SPMU letter dated 20 May 2011 and GoI letter dated 17 August 2011
Progress Report of June 2011, DGNPME)

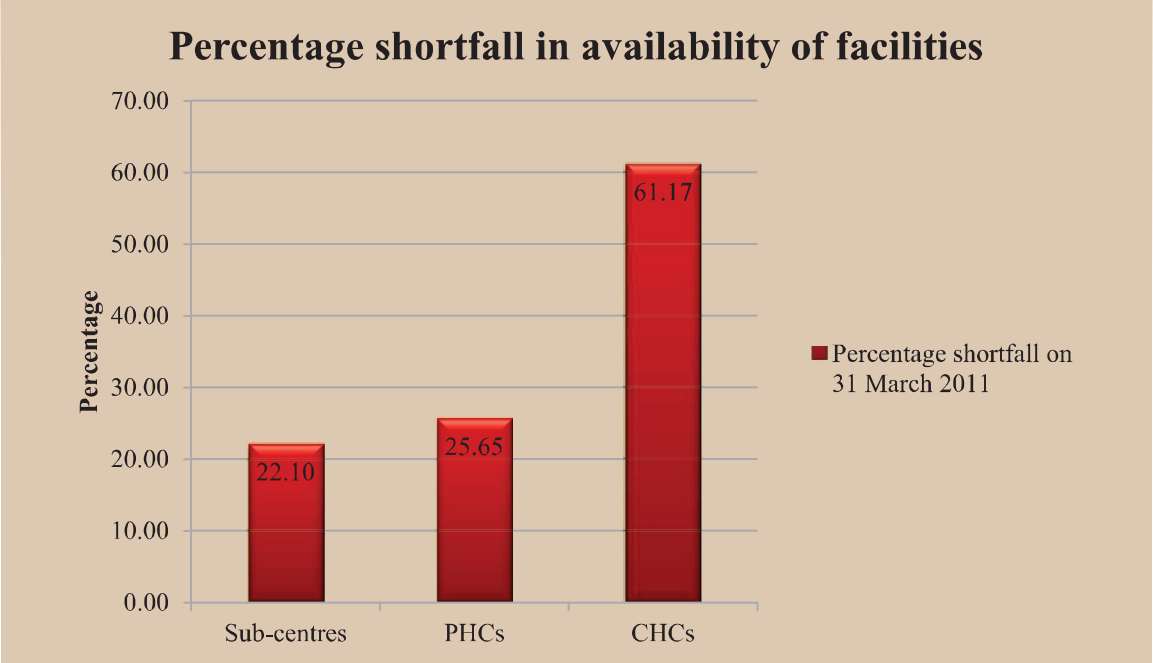
4.2 Non-achievement of targets

NRHM targeted provision of one sub centre for every population of 5,000, one PHC for every population of 30,000 and one CHC for every population of 1,00,000. State PIP for 2008-09 also sought to provide on priority basis, sub centres in unserved areas with large pockets of population.

Table 4.2: Availability of health facilities during 2005-11

Facility	Requirement	Number of facilities as on 31 March					
		2006	2007	2008	2009	2010	2011
Sub centre	26344	20521	20521	20521	20521	20521	20521
PHC	4390	Not Available			3253	3081	3262
CHC	1097	Not Available			393	426	426

(**Sources:** Requirement and availability for 2006-08 from RHS, 2010. Availability of SCs, PHCs and CHCs for 2009-11 based on release of untied funds, from PIPs for 2009-11).



Further, analysis of data available on Health Management Information System (HMIS) *website* pertaining to RHS, 2010, revealed that number of sub centres had only marginally increased from 20153 in 1990 to 20521 in 2011. The Government had not spelt out measures to achieve quantitative targets of health facilities as per norms corresponding to the population base of 2001.

4.3 Attaining Indian Public Health Standards

Indian Public Health Standards (IPHS) are envisaged to improve the quality of health care delivery in the country. The quality of health care is to be assured through prescribed physical and human infrastructure and its regular maintenance. The Government of India circulated these standards for CHCs, PHCs and sub centres during 2007-11. IPHS *inter alia* include:

- Norms for improvement in specialist services in CHCs by ensuring availability of specialists against all sanctioned posts and additional sanction of the posts of Anaesthetist and Public Health Manager;
- Norms for strengthening support staff, by recruitment of Public Health Nurses and ANMs in all Centres, in addition to existing staff;
- Norms for infrastructure, equipment, laboratory, blood storage facilities and drugs; and
- Guidelines for management of routine and emergency cases under National health programmes, being provided at all CHCs, to maintain uniformity and also optimum standardised treatment.

Test check of records at SPMU and DGNPME revealed that no periodical status reports showing achievement of IPHS norms, were prepared by health facilities (CHCs, PHCs and sub centres) in the State. Thus, ascertaining and monitoring of quality in healthcare was not feasible during 2005-11.

Adequate physical infrastructure was a key component of IPHS compliance. This was attempted through upgradation of health facilities during 2007-11. However, the target of upgradation to IPHS norms was not achieved as detailed below:

Table 4.3 : Status of upgradation of infrastructure to IPHS norms

Activity	Total number of works	Targets as per NRHM framework		Achievement (March 2011)	Percentage shortfall
		Phasing and timeline	Number		
Strengthening of CHCs	426	30 *per cent* by 2007	128	16	92.5
		50 *per cent* by 2009	213		
		100 *per cent* by 2012	426		
Strengthening and upgradation of District Hospitals	134	30 *per cent* by 2007	40	Nil	100
		60 *per cent* by 2009	80		
		100 *per cent* by 2012	134		

(**Source**: NRHM frame work 2005-12 and progress report of June 2011, DGNPME)

The Government accepted the fact and stated that upgradation work of CHCs and District Hospitals as sanctioned during 2009-11 could not be achieved due to the ban on payment, imposed by GoI with effect from June 2011.

The reply was not acceptable as Audit observed that the gap between targets and achievements was large, even in March 2009, while the ban was imposed only in June 2011. Moreover, there was no ban on construction activity as GoI had only directed that the payments be released after third party inspections of the works which was normal.

4.4 Quality of infrastructure

4.4.1 Sub centre level

To improve infrastructure at SC levels, SHS aimed to shift health facilities from rented buildings to the Government buildings. Test check of progress reports (June 2011) of DGNPME revealed that only 15072 of 20521 sub centres were located in the Government buildings. Further, SHS shifted only 6170 out of 11619 sub centres from rented to Government buildings during 2008-11[1]. Shifting of sub centres from rented buildings to Government buildings did not help increase the healthcare coverage of population as no additional sub centre was sanctioned/created during 2005-11.

While accepting the facts, the Government stated that shifting of existing sub centres from rented building to the Government owned building was aimed at providing better medical health facilities to common people. The Government's reply did not address the point raised by Audit, in regard to the stagnant number of sub centres.

4.4.2 Lack of infrastructure in sub centres of test checked blocks

Of a total 1391 sub centres constructed by U. P. Processing and Construction Cooperative

[1] Construction of sub centres for 2005-06, 2006-07 and 2007-08 from State Fund only.

Federation (PACCFED) in 29 districts, 887 sub centres (64 *per cent*) were taken over by the Medical Department without electricity connection. Further, joint physical verification revealed poor physical infrastructure in 67 test-checked sub centres and 17 JSY Wards in 17 test checked districts ***(Appendix-4.1 and 4.2)*** as tabulated below:

Table 4.4: Poor infrastructure in sub centres

Sl. No.	Infrastructural attribute	Number of sub centres	Percentage
1	Sub-standard environment and poor cleanliness[2]	45	67
2	No arrangement for water supply	19	28
3	No infrastructure for water storage	47	70
4	No electricity connection	66	98
5	No approach road connectivity	27	40
6	Non-deployment of ANM	44	65
7	Poor site selection[3]	24	36

(**Source:** Joint physical inspection in test checked blocks)

The position of some of the sub centres physically inspected during October and November 2011 by Audit is shown in following photographs.

Poor cleanliness – Sub centre Dharampur, Block Kalan, Moradabad



[2] Poor sanitation, low lying area prone to water logging, garbage in and around premises and cleanliness inside the building was poor.
[3] Far away from inhabited area.

Decomposed dog carcass inside Sub centre Sikrori, Block Kakori, Lucknow



Water logging – Sub centre Neebi, Block Chunar, Mirzapur



Water logging – Sub centre Chakdah, Block Bhojipura, Bareilly



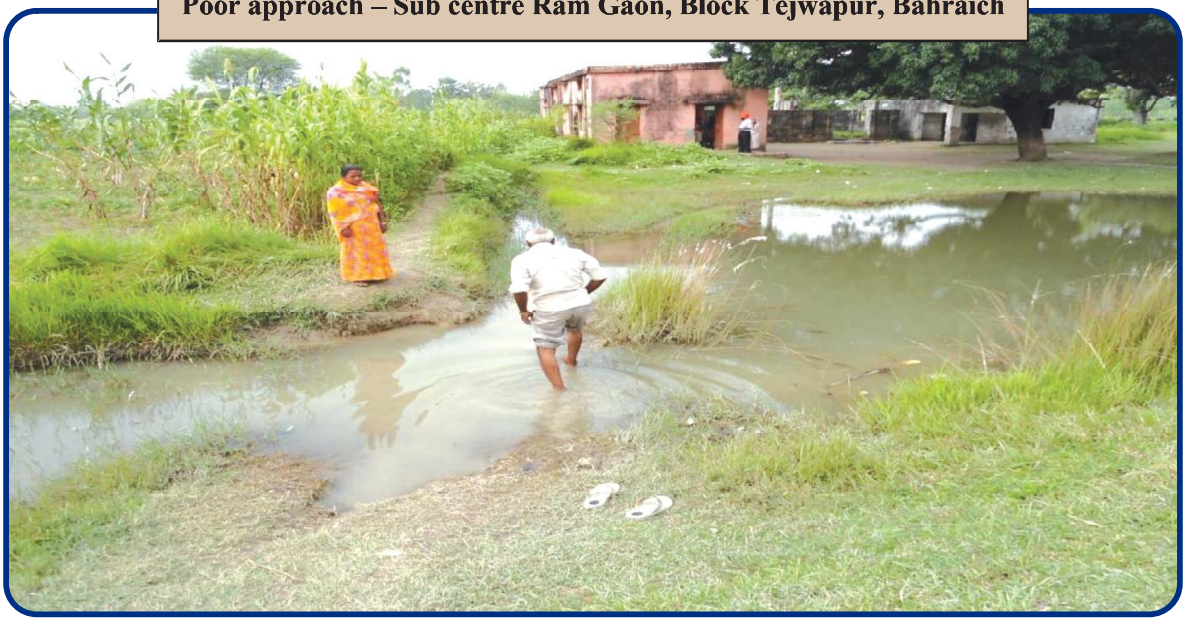
Water logging – Sub centre Kaspa, Block Biliriyaganj, Azamgarh



Poor approach – Sub centre Jagdara, Block Pandah, Ballia



Poor approach – Sub centre Ram Gaon, Block Tejwapur, Bahraich



Given the above, the beneficiaries were deprived of intended benefits under NRHM.

Table 4.5: Poor infrastructure in JSY Wards

Sl. No.	Infrastructural attribute	Number of JSY Wards	Percentage
1	Poor cleanliness	7	41
2	No arrangement for water supply	7	41
3	No infrastructure for water storage	7	41
4	No electricity connection	7	41

(**Source:** Joint physical inspection in test checked blocks)

It is evident from the above table that 41 *per cent* of JSY Wards were having poor infrastructure, on account of poor cleanliness, lack of facilities for storage and supply of water and lack of electricity connection. Thus, despite expenditure on construction of JSY Wards, the intended benefit has not accrued to the users.

The Government stated that the substandard environment and poor connectivity/poor site selection was due to poor site allotted by the district administration. Further, DGNPME was not informed about the non-working of water supply system.

The reply was not acceptable as CMOs should have ensured suitable site allocation by district administration. In addition, there was lack of physical and human infrastructure in the newly created sub centres rendering them non-functional.

The Government stated that the JSY Wards were constructed as extensions to existing functional PHCs. The reply of the Government was not acceptable as these issues were crucial to the functioning of the PHCs and these should have been taken care of.

4.5 Delays in completion of construction works

4.5.1 Works executed by agencies

The issue of systemic delays in construction of health facilities during 2002-07 was commented in paragraph 3.2.8 of the Comptroller & Auditor General's Audit Report (Civil) of the Government of Uttar Pradesh for the year ending March 2007. The Report pointed out delays in construction of 810 sub centres, 798 PHCs and 141 CHCs involving ₹ 300.58 crore, due to non-sanction of revised estimates by the Government and delay in finalisation of MoUs with executing agencies. The Government had stated (November 2007) therein that the remaining buildings would be completed by March 2008. Test check of records however, revealed that delays in completion of sanctioned works persisted during 2005-11, as detailed below:

Table 4.6: Delays in construction

Sl. No.	Year of sanction and MoU	Type of building	Completion period	Number to be constructed	Incomplete	
					Number	Percentage
1	2005-06	Sub centre	-	939	55	5.86
2	2006-07	Sub centre	-	711	25	3.52
3	2007-08	Sub centre	-	1015	07	0.69
4	2008-09	Sub centre	03 months	4005	849	21.20
5	2009-10	Sub centre	04 months	2908	396	13.62
		Drug Warehouse	08 months	30	06	20
		CHC	18 months	33	33	100
		JSY Ward	04 months	942	388	41
6	2010-11	Sub centre	04 months	1756	1756	100
		Regional Drug Warehouse	08 months	07	07	100

(**Source:** Physical progress report of June 2011, furnished by DGNPME)

Thus, the beneficiaries were deprived of intended benefits due to delay in construction of buildings.

The Government in its reply stated that construction of sub centres was delayed due to delay in handing over and taking possession of land. The reply was not convincing as department should have taken effective steps to ensure timely possession of land and execution of NRHM works.

4.5.2 Delays in construction works executed by VHSCs

The Government and SHS sanctioned ₹ 279.89 crore for construction of 4005 sub centres[4] during 2008-09, out of State and NRHM budgets, for construction by VHSCs. Audit observed that only 2760 sub centres (69 *per cent*) had been constructed while construction had not even started in 418 (10 *per cent*) cases as of June 2011. Thus, 31 *per cent* of sub centres remained incomplete and way behind the completion schedule of four months, despite availability of funds. Further, DGNPME did not furnish records of follow-up action to ensure timely construction.

The Government stated that as of October 2011, only 544 sub centres were under construction while construction in 305 sub centres was yet to start and that DHSs and VHSCs were responsible for delay. The reply was not acceptable as the Government should have ensured this through monitoring and oversight.

4.5.3 Delay in taking over completed buildings

Test check of the progress report of construction works as of June 2011 revealed that a number of buildings, reported to be complete, were not taken over by the Health Department, as tabulated below:

Table 4.7: Delay in taking over completed buildings

Type of works	Number of works	Year of award of work	Status as on 30 June 2011		
			Completed	Taken over	Completed but not taken over. Figures in parenthesis are in *per cent*
Construction of sub centres	2908	2009-10	2824	2512	312 (11%)
Construction of Drug Warehouses	30	2009-10	30	24	06 (20%)
Construction of CHCs	33	2009-10	01	NIL	01 (100%)
Up-gradation of CHCs	50	2009-10	16	NIL	16 (100%)
Construction of JSY Wards	942	2009-10	908	554	354 (39%)

(**Source:** Progress report of June 2011 furnished by DGNPME)

In order to ascertain the actual status of the works reported as complete and taken over, Audit inspected such buildings in 17 test checked districts. It was observed that 62[5] facilities (of 125 sub centres and 21 JSY Wards inspected) stated to have been completed and taken over were not functional ***(Appendices-4.3 and 4.4).***

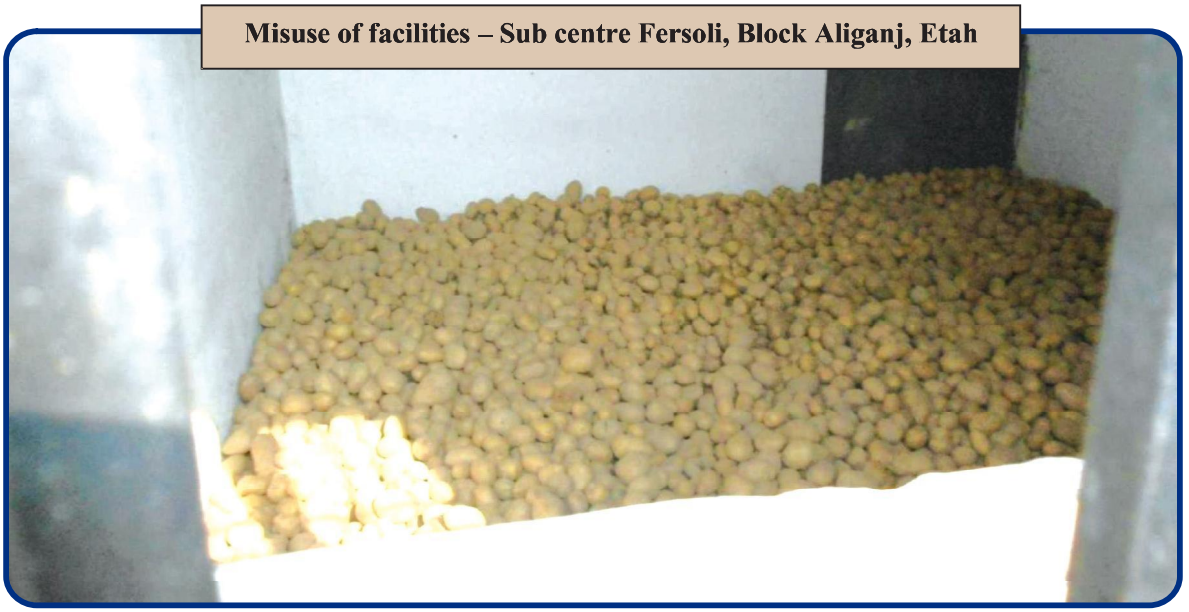
[4] 1142 sub centres in 35 districts under NRHM budget of ₹ 80 crore and 2863 sub centres under State budget of ₹ 199.89 crore.
[5] 58 sub centres and 4 JSY Wards

The Government accepted that new CHCs could not be operationalised and stated that non-sanction of staff could be a reason, but did not elaborate further on non-functioning of other health facilities.

4.6 Non-utilisation of facilities created

As pointed out in *paragraph 2.1.3(h) of the Planning Chapter*, SHS/DGNPME did not maintain status of utilisation of existing and newly created health facilities. Audit conducted joint physical inspection (October 2011) of 58 completed sub centres to assess utilisation of newly created health facilities. Audit observed that 21 completed sub centres had not been put to use even after 12 months of completion, while 24 were not in use for 6 to 12 months and 13 sub centres were not in use for 3-6 months. Similarly, four JSY Wards were not put to use even after 3-12 months of completion. The details are annexed ***(Appendices-4.5 and 4.6).***

Misuse of facilities – Sub centre Fersoli, Block Aliganj, Etah



Misuse of facilities – Sub centre Udhranpur, Block Rajpura, Budaun



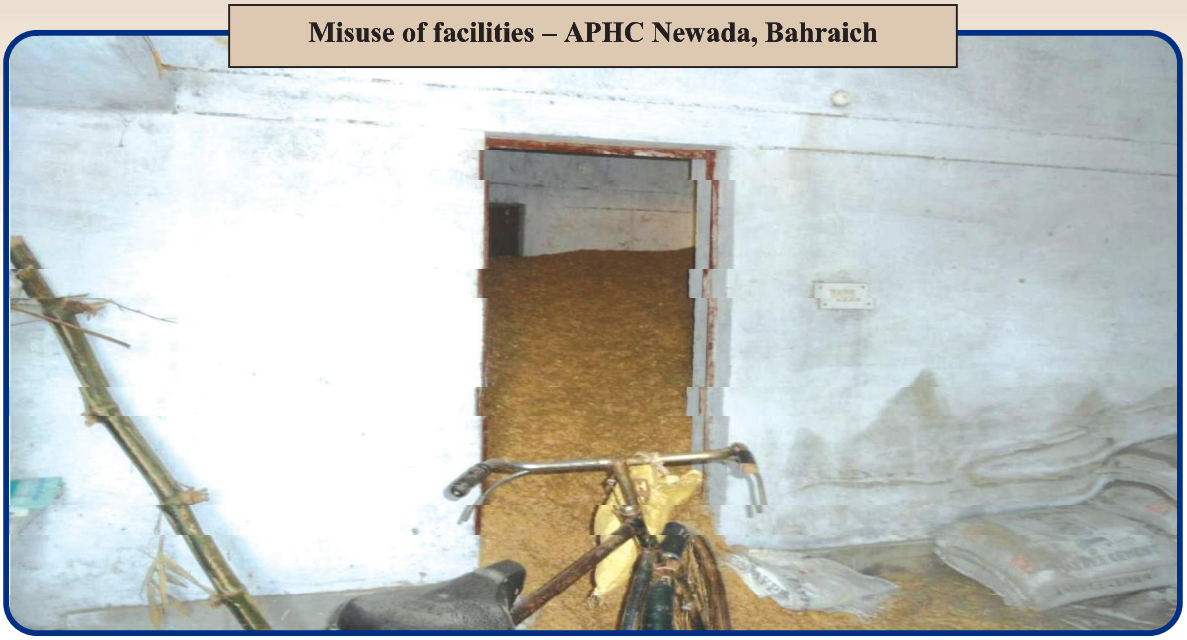
Misuse of facilities – PHC Bhojipura, Bareilly



Misuse of facilities – Sub centre Kumaria Jubla, Block Dilari, Moradabad



Misuse of facilities – APHC Newada, Bahraich



Audit observed that in some cases sub centres were located in areas far from villages, rendering them uninhabitable for ANMs.

The Government stated that these sub centres were constructed where the post of ANM was already sanctioned and JSY Wards were constructed at functional PHCs. So these facilities could be non-functional due to local conditions. The reply confirmed that these health facilities were non-functional despite availability of ANM and functional PHCs. The Government also stated that poor location was due to constraints in choice of land for sub centres. The reply was not convincing as availability of free land was not enough to ensure functionality of sub centres. This argument was also supported by GoUP's instruction (July 2011) that no sub centre should be sanctioned unless it was suitably located within an inhabited village.

4.7 Wasteful expenditure due to improper planning and execution

Audit observed that of 125 test checked sub centres, sanction was accorded to two new sub centres in villages that already had sub centres. On physical verification in Etah and test check of records in Varanasi (October 2011), Audit observed that two sub centres had been constructed in the same *Gram Sabha*/village. SHS sanctioned ₹ 8.19 lakh for construction of a second sub centre in Ubhai *Gram Sabha* in Aliganj Block, Etah, during 2009-10, when a sub centre already existed in the same *Gram Sabha*. The earlier sub centre was sanctioned in 2008-09. The two sub centres were located within one kilometre of each other. In another case, one new sub centre was sanctioned[6] during 2009-10 in Adampur Village, Harhua Block, Varanasi District, in place of an existing sub centre built in 1994-95, which was unutilised (November 2011) due to encroachment. The new sub centre was sanctioned without taking administrative action to evict the encroachers.

As pointed out in paragraph number 4.13 *infra*, the Medical Department did not make any significant efforts to obtain titles for lands donated by *Gram Sabhas*.

[6] The sub centre was almost complete, as out of ₹ 8.19 lakh, ₹ 7.84 lakh had already been spent.

The Government accepted the fact that both the sub centres in Etah district were located in same *Gram Sabha* but, however, failed to reply about the propriety of construction of two sub centres within a kilometer of each other, in a span of two years when a large number of sub centres continued to function from rented buildings and large number of *Gram Panchayats* were without even one sub centre.

4.8 Management of works at the level of DGNPME

DGNPME transferred funds to nominated construction agencies at estimated costs, after approval of EC. The transfer of funds was accompanied by a Memorandum of Understanding (MoU) which stipulated the terms and conditions of engagement. Audit observed that lack of independent technical vetting of estimates and non-implementation of MoU conditions by DGNPME resulted in excess costing, delays, poor quality *etc*. as pointed out in subsequent paragraphs.

4.8.1 Absence of formal contracts with construction agencies

Financial rules stipulate that contracting officers enter into a formal agreement with contractors, especially for large transactions. Such contract agreements are legally vetted to protect the Government interests. Audit observed that DGNPME entered into MoUs worth ₹ 1170.78 crore with construction agencies (PACCFED, LACCFED, UPPCL *etc*.) during 2009-11, but did not execute any formal contract agreements. Further, these MoUs were not vetted by the Finance and Law Departments/Law Officer and were not legally enforceable. This arrangement was fraught with risks of unfavorable terms to the department and variation in terms and conditions of MoUs with various construction agencies over a period of time.

The Government stated that though there was no practice of signing a contract agreement or MoU with construction agencies, DGNPME had signed MoUs with construction agencies in the interest of work. The Government's reply did not address the issues raised by Audit i.e. risks, quality control, delays and penalties. Further, SPMU and not DGNPME should have signed MoUs, as DGNPME did not feature in NRHM framework.

4.8.2 Inflated estimates

The Government orders stipulate vetting of all projects/works exceeding threshold limit by independent technical agency like Plan Formulation and Appraisal Division (PFAD), Department of Planning, to ensure accuracy and economy in costing and conformity with PWD specifications/standards.

Audit observed that estimates of major works like strengthening of District Hospitals[7] were not vetted by PFAD or any other independent technical agency. Further, UPPCL had not responded for vetting of detailed estimate by PFAD despite issue of reminder[8] in February 2011. Similarly, model estimates for construction of sub centres and JSY Wards during 2009-11 were not vetted by PFAD/independent appraising body, even though the cost of all proposed constructions was ₹ 456.49 crore[9]. This ran the risk of excess costing and faulty technical design.

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[7] State Government rules require vetting of all proposals costing more than ₹ 40.00 lakh by PFAD and projects costing more than ₹ 2 crore by Expenditure Finance Committee.

[8] Initially sought in January 2011.

[9] Sub centres – 4664, Cost: ₹ 383.96 crore and JSY Wards – 942, Cost: ₹ 72.53 crore.

Test check of model estimates of construction of Sub centres, JSY Wards, Drug Warehouses and Regional Family Planning Training Centres (RFPTCs) during 2009-11 revealed that these were prepared by application of incorrect and higher plinth area rates (PAR). The 'inflated' estimates led to excess release of ₹ 87.17 crore to executing agencies. The excess provisions[10] in the estimates are tabulated below:

Table 4.8: Excess expenditure due to incorrect estimates

(₹ in lakh)

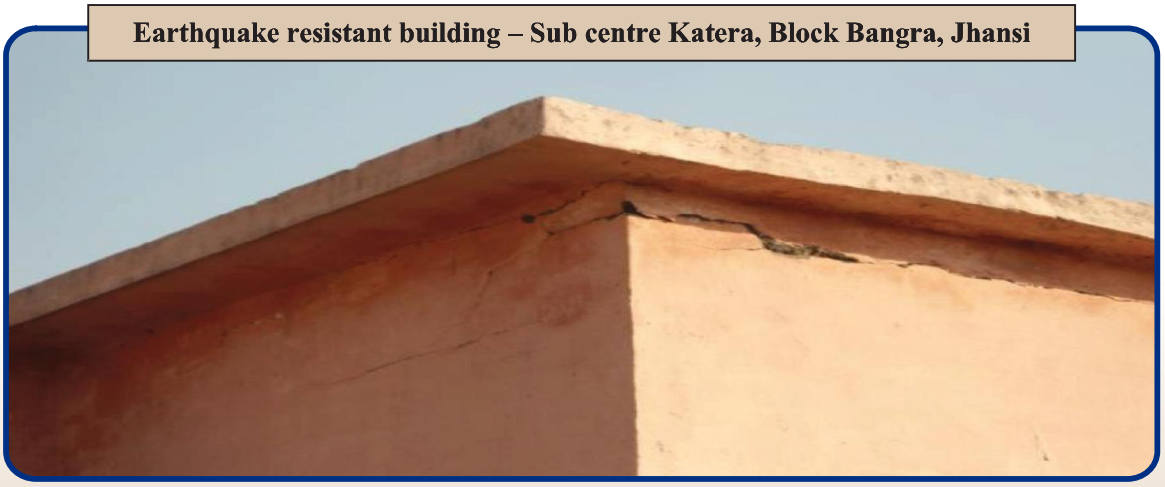
Sl. No.	Building	Year	Estimates	As per PAR	Difference in cost per unit (4) – (5)	Number of units	Excess Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Sub centre	2009-10	8.19	6.67	1.52	2908	4420.16
		2010-11	8.19	6.90	1.29	1756	2265.24
2	JSY Ward	2009-10	7.70	6.00	1.70	942	1602.86
3	Drug Warehouse	2009-10	46.02	39.77	6.25	30	187.33
4	RFPTC	2009-10	143.79	125.62	18.17	11	241.69
						Total	**8717.28**
						Say ₹ 87.17 crore	

(**Source**: Model Estimates and PWD Schedule of Rates for 2009 and 2010)

On being pointed out, the Government justified preparation of model estimates, as detailed below:

a) In respect of sub centres, the Government stated that while computing rates, Audit had not considered the following items – Internal site development, Contingency expenses, Provision for additional ceiling height above 2.90 m, Power wiring, Earthquake resistance, External site development, External electric connection, Boundary wall and gate, amounting to ₹ 1.38 lakh per sub centre. The reply was incorrect as the provision for items like additional height, power wiring and earthquake resistance were not admissible for such kind of buildings. Further, provision for internal and external site development was not mandatory and, therefore, these items did not figure in detailed estimates prepared by construction agencies. Further, no separate provision for

Earthquake resistant building – Sub centre Katera, Block Bangra, Jhansi



[10] Sub centres – *Appendices-4.7* and *4.8*; JSY Wards – *Appendix-4.9*; Drug Warehouses – *Appendix-4.10* and RFPTCs – *Appendix-4.11*.

contingencies was admissible as claimed by the Government as centage charge paid to these agencies included contingent expenses. Audit had accounted for provision for internal/external electric connection unlike the Government's statement. As such faulty costing resulted in excess release of ₹ 66.85 crore to construction agencies.

Earthquake resistant building – Sub centre Jogipur, Block Mauaima, Allahabad



b) In respect of model estimates of JSY Wards, the Government stated that Audit had taken Plinth Area Rate (PAR) of ₹ 5749/m^2 applicable to general non-residential building whereas department had taken PAR of ₹ 7482/m^2 in compliance of decisions at higher levels and to render quality services to pregnant women. The reply was not acceptable as the department did not produce any documentation in support of the decision of EC to prepare estimate of JSY Wards with highest PAR and its mention in the MoUs with construction agencies. Moreover, provision of power wiring and earthquake resistance are not admissible for small structures[11] as claimed by the Government.

(c) In respect of Drug Warehouses (DWH), the Government also stated that Audit had not considered provision of earthquake resistance, external site development, contingencies, rain water harvesting and richer floor specifications. The provision for roof top harvesting is admissible only in buildings above 300 m^2 area, while the DWH area is 287.39 m^2. Further, DWHs were to be built within the premises of hospitals, hence the provision for external site development was not admissible.

d) As regards RFPTCs, the Government stated that the Schedule of Rates (SoR) of PWD for framed structures had been adopted. The reply was incorrect as PWD's SoR for framed structures were applicable only for buildings of six or more floors, whereas RFPTCs were to be constructed up to three floors.

4.8.3 Non-adherence to UP PWD's local Schedule of Rates (SoRs)

DGNPME prepared model estimates for civil works based on PWD's SoR applicable to Lucknow circle, while drawing up the State PIP and for transfer of funds to nominated

[11] JSY Ward is a 'small size' building with area 50 m^2 which is less than that of sub centres (74.89 m^2).

construction agencies. However, the construction agencies were required to prepare detailed estimates on PWD's local SoRs, applicable to concerned districts/circles in which construction was to be undertaken. Further, the construction agencies were to render audited expenditure against these detailed estimates.

Audit observed that construction agencies did not prepare detailed estimates on the basis of local PWD SoRs, which resulted in undue advantage to construction agencies, as local SoRs were generally lower than Lucknow's SoR. For instance, application of local PWD SoR to model estimates of construction of health facilities (Sub centres, JSY Wards, Training Centres and District Level Hospitals) in Allahabad, Bareilly, Budaun and Mirzapur districts would have saved ₹ 4.90 crore ***(Appendix–4.12)***.

The Government while accepting the audit observation stated that recovery in all such cases would be made after collecting information in this regard.

4.8.4 Avoidable expenditure

DGNPME awarded the work of supply of equipments/material to nominated construction agencies for ₹ 108.04 crore during 2009-11. The entrustment of these works entailed extra cost due to centage charges. Since such supplies were outside the scope of civil works, DGNPME could have directly procured the same from the market and saved ₹ 13.50 crore ***(Appendix–4.13)***.

DGNPME stated that it was not paying centage charges on supply of material and equipment. The reply was incorrect as the MoUs with construction agencies provided for centage and the headquarters of construction agencies had released funds to unit offices after deducting centage charges.

4.8.5 Excess release of advance

SHS released funds to DGNPME for onward transfer to construction agencies. DGNPME was to release these funds to construction agencies in a phased manner on fulfillment of certain conditionalities in the MoU. Audit, however, observed that DGNPME did not ensure adherence to MoU conditions as detailed below:

a) DGNPME released 100 *per cent* of the sanctioned amount of ₹ 203.78 crore to PACCFED during 2009-10 without obtaining detailed estimates and utilisation certificates;

b) DGNPME released 100 *per cent* of the sanctioned amount of ₹ 38.57[12] crore to Construction and Design Services (C&DS), U. P. Jal Nigam, during August 2009 – March 2010, without obtaining detailed estimates and utilisation certificates.

The Government agreed that initially phased transfer of funds was done as stipulated in the MoU, but later funds were transferred to the construction agencies in violation of the MoU and the released amounts were treated as expenditure.

[12] On 22 August 2009: ₹ 893.51 lakh, 03 September 2009: ₹ 109.83 lakh, 21 January 2010: ₹ 984.93 lakh and 31 March 2010: ₹ 1868.40 lakh – Total: ₹ 38.57 crore.

c) Test check of release orders revealed that while DGNPME had deducted Income Tax from funds released to construction agencies, it had not deducted VAT at the rate of two *per cent* ***(Appendix–4.14)*** which led to a loss of revenue to the State Government on one hand and unauthorised aid of ₹ 18.95 crore to construction agencies on the other.

The Government stated that these were advances and not payments to contractors. Hence, Tax Deducted at Source (TDS) on account of VAT was not to be deducted. Further, in many cases the payments to these agencies were 100 *per cent* of the estimated costs. Audit did not come across any case of adjustments of VAT in subsequent releases made by DGNPME to these agencies for old or new works. Moreover, as per the letter no. 7795-3 dated 16 December 2009 of SPMU any release made to executing agencies was to be treated as expenditure and not as advance.

4.8.6 Loss of interest on idle funds with construction agencies

Though the MoU provided for credit of interest earned on client/department's funds to client's account, DGNPME did not enforce this by calling for project accounts from construction agencies. Further, DGNPME transferred funds before signing of MoU, adversely affecting dates on which accrual of interest on idle funds would have started. Some instances are given below:

- ₹ 291.38 crore remained with construction agencies as idle funds, for periods ranging from 4 to 22 months. This led to loss of interest of ₹ 8.15 crore ***(Appendix–4.15).***

- Medical Department failed to hand over land to PACCFED in 540 cases of construction of sub centres during 2009-11. Since, DGNPME did not get the funds refunded for such works, PACCFED received an undue advantage of ₹ 1.14 crore on account of interest earned on idle funds **(*Appendix–4.16*).**

- DGNPME released ₹ 337.57 crore, between March 2010 and March 2011, to PACCFED **(*Appendix–4.17*)**. This enabled PACCFED to earn interest on transferred funds of ₹ 5.05 crore (₹ 2.42 + ₹ 2.63 crore) as MoU mandated accountal of interest earned, only from the date of signing of MoU **(*Appendix–4.18 & 4.19*).**

In reply, the Government stated that instructions had been issued to deposit the accrued interest on such released amounts and one of the construction agency, *viz*. UPPCL had already refunded (November 2011) ₹ 6.16 crore of accrued interest.

4.9 Release of funds in March

As per NRHM framework, non-committed unspent balances as on 31 March in any year are adjusted in next year's releases. SHS and DGNPME released ₹ 93.31 crore to construction agencies on 27 March 2010, even without signing the MoUs for completion of work in that financial year, which in any case was not possible given the date of release. SHS and DGNPME repeated this in 2010-11 and released ₹ 155.26 crore on 01 March 2011 without signing MoUs. This resulted in inflated expenditure for those years, to avoid adjustment against non-committed unspent balances.

The Government in its reply did not address the core issue highlighted in the audit observation. Instead it stated that funds were released in March as per work plan and signing of MoUs was not a practice in the State and there was no Government order which stipulated that funds will be released only on signing of MoU. The reply was factually incorrect as State Government's Departments had been signing MoUs with construction agencies in pre-NRHM period also and this violation of MoU signed by the Directorate cannot be justified on propriety or compliance grounds.

4.10 Loss due to non-imposition of penalty

The MoU between DGNPME and construction agencies provided for imposition of penalty for delay in completion of sub centres and drug warehouses, at the rate of 0.1 *per cent* per day, for delay in completion of JSY Wards, ANMTCs and RFPTCs at the rate of 0.1 *per cent* per day subject to a maximum of 5 *per cent* of estimated costs and 0.1 *per cent* per week for delay in upgradation of CHCs. DGNPME, however, did not invoke this provision.

This resulted in an unauthorised aid of ₹ 22.31 crore as of 30 June 2011 as detailed in ***Appendix–4.20.*** Further, test check of records in 17 districts revealed that ₹ 2.09[13] crore was leviable as penalty as of 30 September 2011 from construction agencies for delay in construction of health facilities ***(Appendix-4.21)***.

In reply, the Government stated that details of work-wise delays were being compiled and necessary action would be taken.

4.11 Non-compliance with provisions of MoUs

Audit observed that DGNPME did not adhere to MoU conditions which resulted in delays, poor quality, excess costing *etc*. Some instances of non-compliance are as below:

a) A joint Programme Evaluation and Review Technique (PERT) chart was to be prepared to ensure timely completion of work and to show critical obligations of each party during different stages of construction. No such chart was, however, prepared;

The Government stated that the preparation of work-wise joint PERT chart or Bar chart was not possible. The reply was incorrect, as preparation of PERT charts was a necessity as per condition of the MoUs signed by DGNPME with these agencies to ensure timely completion of work in an accountable manner;

b) Construction agencies were to submit detailed project reports within a month of receipt of letters of intent. Such reports were generally not submitted, which implied that works were undertaken without detailed estimates, technical sanction *etc*.; and

The Government stated that DGNPME was not aware of such cases. The reply was incorrect as DGNPME was aware of non-preparation of detailed estimates by construction agencies and even advised (April 2010) PACCFED to this effect. Further, the reply highlighted the weak controls and monitoring mechanism of DGNPME. Thus, there was no system in place in DGNPME to watch the progress of execution of work without technical sanction;

[13]Sub centres ₹ 124.55 lakh, JSY Wards ₹ 4.02 lakh, Drug Warehouse ₹ 65.74 lakh, CHC ₹ 7.94 and ANMTC ₹ 6.20 lakh.

c) Construction agencies were to submit periodical audited account of the units relating to works and also final accounts in prescribed forms. These accounts were also essential for internal and external audits which was not ensured by the Directorate. In the absence of accounts the possibility of fraud and embezzlement remaining undetected cannot be ruled out.

In respect of periodical audited accounts, the Government replied that necessary instructions had already been issued to construction agencies to produce the records.

4.12 Quality assurance by Medical and Health Department

DGNPME was to ensure quality of works awarded to construction agencies. The Government Order[14] relating to empanelment of different Government authorised construction agencies stipulated that PWD would undertake quarterly inspection/review of work done by these agencies. GO *ibid* also mandated Technical Audit Cell/Task Force at different levels to inspect works. However, DGNPME did not incorporate these references of GOs in MoUs. Notwithstanding the above lapse, DGNPME could still have enforced this provision by virtue of cited GO. However, DGNPME did not ensure periodical inspection of works by PWD engineers or the Technical Audit Cell.

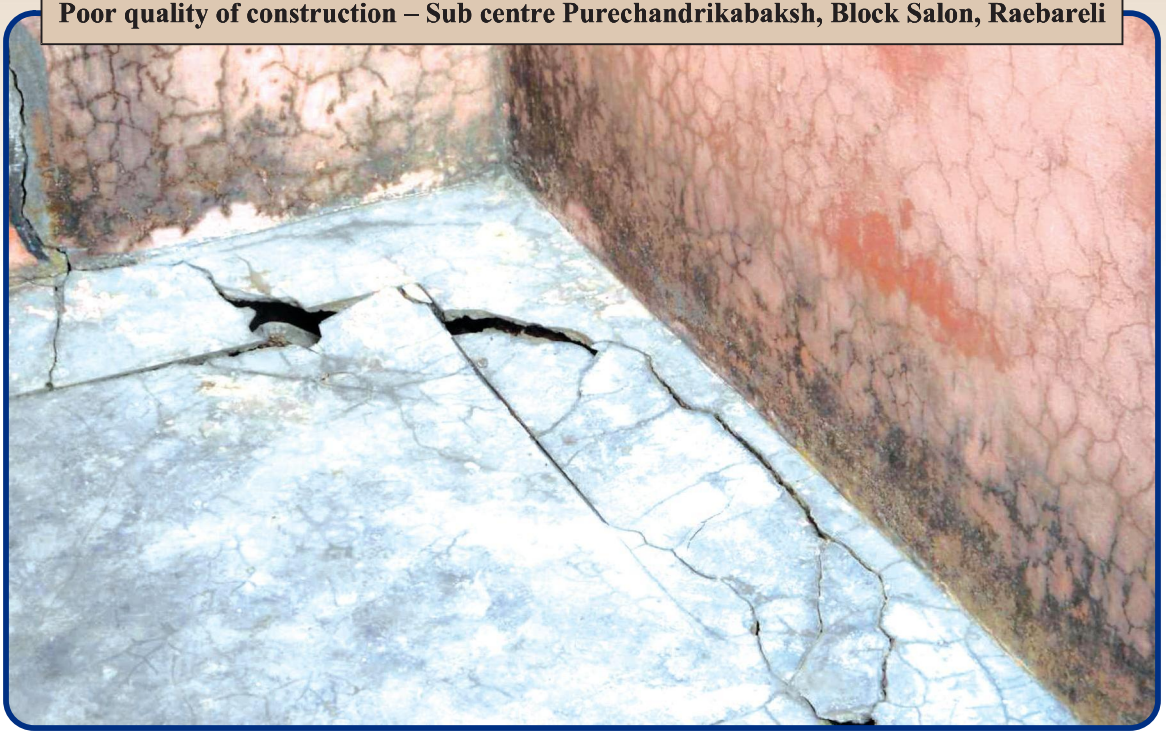
The Medical, Health and Family Welfare Department has an Engineering Cell in the office of DGMH, Assistant Engineer (AE) in the offices of Assistant Directors (Health) and Junior Engineers in the offices of CMOs. Audit observed that JEs were inspecting sites infrequently. There were no clear and prescribed norms for inspections or manuals to guide JEs.

Poor quality of construction – Sub centre Kaindha, Block Kalyanpur, Kanpur Nagar



[14] E-8-372/Dus-2010 dated 24 May 2010.

Poor quality of construction – Sub centre Purechandrikabaksh, Block Salon, Raebareli



The Government stated that construction agencies were solely responsible for the quality of works and that the agencies submitted completion certificates in token of it. The reply was evasive as it did not answer specific audit observations about non-conduct of quality checks by PWD and Task Force. Further, the Government had itself admitted poor quality of civil works and ordered inquiry (July 2011) into all civil works sanctioned during 2009-11.

4.13 Risk of encroachment/litigation

Subsequent to transfer of *Gram Sabha* land to Medical Department for construction of sub centres, necessary changes (mutation) were to be made in the revenue records to obviate disputes. However, on physical verification of 125 sub centres test-checked ***(Appendix-4.3)*** in October 2011, Audit observed that the title of land was not transferred to the Medical Department. Audit also observed that the required approval of the municipal corporations/ development authorities for layout plans for constructions in urban areas had not been obtained rendering these constructions unauthorised.

The Government stated that necessary instructions had been issued and in future work would be started only on transfer of title of land.

4.14 Selection of construction agencies – a case study

4.14.1 Basis of procurement - Competition *versus* Nomination

Bye-laws of SHS stipulate that procurement of goods and services, to be financed by funds received from GoI, shall be in accordance with procedures recommended by GoI. CVC has clarified[15] that "tendering process or public auction is a basic requirement for the award of contract by any Government agency, as any other method, especially award of contract on

[15] CVC circular No.005/CRD/19 dated 5 July 2007.

nomination basis, would amount to breach of Article 14 of the Constitution of India".

GoUP laid down (January 2007) a system for award of the Government contracts in an open, transparent and fair manner, with restrictive provisions for contractors with criminal/*mafia* background.

4.14.2 Award of civil works solely on nomination basis

Audit observed that during 2009-11, the EC of SHS disregarded the above provisions and awarded 6004 works amounting to ₹ 1170.78 crore to four State Government corporations and cooperative societies on nomination basis.

The action of EC was flawed as:

a) There was no approval of funding agency (GoI), as required under MoU between GoI and GoUP, bye-laws of SHS and draft Finance and Accounts Manual;

b) Award of work on nomination basis was against CVC circular, State Government's order[16] and judgement of Hon'ble Supreme Court in Meerut Nagar Nigam case[17];

c) This was in violation of even SHS's own delegation of financial powers order dated 1 March 2008, whereby UPRNN was designated the primary construction agency and any other agency could be considered only when that agency would work on competitive basis;

d) Work was awarded without committing construction agencies to execute works on open tender basis; and

e) Two Cooperative Societies and one Government company were preferentially awarded works despite their inherent weaknesses as brought out in subsequent paragraphs. Similarly, work relating to 'Strengthening of District Hospitals' was arbitrarily awarded during 2010-11, as brought in the para 4.15 below.

4.14.3 Preference for Cooperative Societies

EC awarded works amounting to ₹ 835.09 crore to PACCFED and LACCFED during 2009-11.EC's actions were flawed as**:**

a) Cooperative Societies had weak public accountability systems as compared to State PWD and the Government corporations as they were not subject to same level of legislative scrutiny and administrative control. They did not have strong accounting and auditing systems. They were also not under the ambit of RTI Act, 2005, or subject to C&AG's audit.

b) These organisations had weak organisational, financial and technical capabilities ***(Appendix- 4.22)*** and did not get any work except from the State Government in the last five years. They were awarded works in spite of not very encouraging credentials. For example, the Department of Rural Development had barred[18]

[16] Government Order, 5 January 2007.
[17] Nagar Nigam, Meerut vs A1 Faheem Meat Export Pvt Ltd. [SLP (civil)no.10174 of 2006].
[18] Letter no. VIP-58/ 38-3-2005-500 (64)/ 2005 dated 29 November 2005 and no. 22 Vi. Ni./ 38-3-2006-500 (46)/ 2006 dated 03 February 2006.

PACCFED from undertaking works under Member of Parliament Local Area Development (MPLAD) due to poor quality of execution;

c) Finance Department had empanelled (May 2010) LACCFED on provisional basis despite its weak capacity, overruling the decision of Technical Committee, mandated to screen its suitability. This was also confirmed by the fact that no other State Government department awarded work to it during 2010-11. Despite these red flags, EC preferred (July 2010) LACCFED over five other relatively strong empanelled agencies; and

d) Medical and Cooperatives departments had a conflict of interest in their roles as client and service provider. Scrutiny revealed that both departments had a common Minister during 2009-11, when decisions to award works to Cooperative Societies were taken. The conflict of interest situation continued post April 2011, with a common Minister in Medical, Health and Family Welfare and Cooperatives departments.

The Government stated that a common Minister for Health and Cooperative departments did not involve conflict of interest, rather helped in synergising activities.

4.14.4 Antecedents of UPPCL

EC awarded works amounting to ₹ 312.17 crore to UPPCL during 2008-10. This was done without considering the past track record of the agency. A special audit[19] of UPPCL in 2007, by the Office of Principal Accountant General (Civil Audit) Uttar Pradesh, found serious deficiencies in its working. The details are given below:

a) UPPCL was declared (14 July 1999) the executing agency without concurrence of the Finance Department and without ascertaining its technical efficiency;

b) Law Department's concurrence had not been obtained for the format of MoUs and the MoUs did not contain any penal clause;

c) Despite being operational for more than 30 years, UPPCL was yet to frame its rules and procedures. It neither maintained a list of approved contractors nor followed a system of selection on the basis of tendered rates. Instead labour contractors called Piece Rate Workers (PRWs) were selected on the basis of personal contact by local staff;

d) Work orders far in excess of delegated powers were issued and more than one work order was issued in favour of the same PRW, in contravention of financial rules;

e) Quality of works was also not checked adequately by PWD's Technical Audit Cell (TAC); and

f) Fifty eight *per cent* of 155 works due for completion up to 31 March, 2007 remained incomplete at the time of audit.

[19] Finance Department requested for special audit of UPPCL vide its letter no. Vitt Audit Prakosth (Si/Re)/253/x-10(141)/2006-07 dated 15 February 2007. The report of special audit was submitted to the Government vide letter no. PAG (CA)/Sr. DAG (W-II)/Sp. Audit/MoU/61 dated 17 January 2008.

4.14.5 Arbitrary selection of construction agencies

The PIP for 2010-11 had a provision of ₹ 89 crore for upgradation of 89 District Level Hospitals. The scope of work included supply and installation of modular operation theatres. EC decided (July 2010) to get this work done through PACCFED. This was done after eliminating UPPCL for unsatisfactory performance of the same work in 40 other hospitals since March 2010 but without considering the relative strengths and past experience in supply of MOTs by different empanelled agencies. EC subsequently reversed its earlier decision and decided (August 2010) to award the works to UPPCL on the ground that it had done survey work and was satisfactorily executing the same work awarded earlier. Within a month, EC again restored (September 2010) the original decision on the ground that UPPCL's performance was poor and change was recommended by DGNPME. The oscillatory change of construction agencies within a short span of time, with contradictory facts was a manifestation of *ad hoc* and arbitrary decision making at EC level.

Regarding the system of procurement of works, the Government stated that though the Government Order dated 01 March 2008 envisaged execution of work through UP *Rajkiya Nirman Nigam* (UPRNN), this actually meant any Government construction agency, as UPRNN was not capable of executing all Government works. All the Government companies and corporations which were awarded works by EC were also declared the Government agencies by the Finance Department. The work was awarded to construction agencies as a deposit work and there was no provision for competition between the various Government companies/corporations. The reply was not acceptable as at the time of issuing the order nominating UPRNN, the Government was aware of the existence of other companies and corporations and yet did not empanel them. The objective of nominating a competent and tested agency after due consideration, was defeated by the convenient interpretation of orders.

4.15 Deficiencies at the level of construction agencies

4.15.1 Quality Control

Audit observed the following deficiencies relating to quality in execution of work:

- Works Departments in the Government ensures quality through a regime involving works manual, quality control labs in each division or through dedicated quality control divisions, submission of quality control reports with each bill, system of 'check measurement', independent quality audit and finally independent quality check by Technical Wing in Central Vigilance Commission or PWD's Technical Audit Cell. Since no such system existed in these construction agencies, the works assigned to these agencies were fraught with risk of substandard work;

- Quality of work was also to be ensured through engagement of technically competent contractors as contractors were to be screened through the system of 'technical bid' which assesses organisational, financial and technical competence of the bidders. However, construction agencies like UPPCL, PACCFED and LACCFED did not follow the system of open tendering or two bid system. These agencies executed works by procuring materials and concluding labour contracts on piece work rate;

- PACCFED and LACCFED purchased material without conforming to principles of competition and transparency as outlined in CVC circulars and the Government policies. Further, brand names/specifications/quality of materials like steel, cement and bricks procured for construction works were not mentioned in purchase/supply orders. In some test checked cases (***Appendix-4.23***) even copies of purchase/supply orders were not available. Therefore, neither the quality of material used in these constructions nor the quantity actually purchased could be ensured;

- These construction agencies did not have camp offices or stores in every district where they were executing works. Their offices were mostly located in divisional towns. Further, they were not maintaining Material at Site (MAS) accounts to record issue and consumption of stores. The non-availability of store, site office and non-maintenance of MAS account, point towards doubtful receipt and consumption;

- One member of the client department, as per the order of PACCFED, was to be nominated to purchase committee of construction agency. However, this was not done, resulting in lack of assurance about the price, quality and quantity of purchased goods;

- As per PACCFED's order dated 10 September 1998, the Executive Engineer was required to be present at the time of laying slabs, to provide assurance on use of requisite quantity of steel. Audit observed that Measurement Books did not show the presence of the Executive Engineer at the time of laying slabs, in any of the test-checked districts;

- Building works required around 11 tests, as per standard bid documents of building construction agencies, to be carried out at various frequencies (***Appendix-4.24***) to ensure quality work. On the question of the status of mandatory quality control tests, most of the divisions did not produce evidence of any third party material test reports. A few divisions produced test reports related to crushing test *etc*., however, there was no evidence of these tests being conducted at the normative frequency;

- Orders issued by PACCFED required conduct of quality control tests through renowned institutions and submission of test reports to PACCFED headquarters. Audit observed that quality controls tests were not got done through renowned institutions and copies of test reports were not sent to headquarters;

- Construction agencies were to provide plants, machinery and tools required for execution of works to Piece Rate Work (PRW) contractors. Audit observed that in 17 test-checked districts (for physical verification of civil works); there was no documentation of issue and receipt of plants, machinery and tools to and from PRWs. As a result possibility of sub-standard work being executed without requisite machinery could not be ruled out.

The Government did not examine the audit observations and left it to construction agencies to clarify the issues. Further, only two construction agencies (PACCFED, UPPCL) responded to audit observations. They admitted that they did not follow open tender system and executed works on Piece Rate Work (PRW) system. They also claimed availability of quality control labs at zonal (PACCFED) or at headquarter levels. The contention of construction agencies

was not acceptable as no documentary evidence of periodical quality control tests in all works was furnished in support of their argument.

- Test check of MBs revealed that the measurements were mostly recorded in one day after completion of work, which renders the accuracy of measurements questionable, as material consumption for works like foundation laying, erection of the walls *etc*. cannot be measured post construction. PACCFED accepted the fact that measurements in sub centres were done on a single day due to volume of work and remoteness of construction sites.

Thus, the absence of a strong quality control system resulted in wide variations of consumption of material in fully constructed buildings. While under-consumption was indicative of sub-standard work, over-consumption was indicative of suspect purchases or pilferage. The details are given below:

a) Consumption of cement, steel and stone grit was excess in the range of 2.49 to 112 *per cent* in five districts ***(Appendix-4.25);***

b) Inferior bricks were used in construction work (Sub centres, JSY Wards, Drug Warehouses and Training centres) during 2009-11 in Agra. This resulted in construction of sub-standard health facilities costing ₹ 9.48 crore ***(Appendix 4-26)***.

In reply, the Government stated that M-100 bricks had been used on account of the locally available soil.

The reply was not acceptable as bricks were a major component of the building and affected its strength and only M-150 bricks were permissible, which had also been provisioned for in the estimates.

4.15.2 Procurement system in Construction agencies

SHS bye-laws, CVC guidelines and GOs stipulate open, transparent and fair procurement system by all Government, semi-government and autonomous bodies. MoUs with construction agencies provided for association of DGNPME in tendering processes for NRHM related procurements. Test check of procurements by construction agencies revealed that procurement was not competitive and that the technical qualifications of selected firms were questionable. The details are given below:

Purchase of Modular OTs by PACCFED

DGNPME awarded (January 2011) work of upgradation of District Hospitals in 89 districts for ₹ 315.25 crore to PACCFED. This work *inter alia* included supply and installation of pre-fabricated Modular Operation Theatres (MOTs), at ₹ 75 lakh per site. PACCFED awarded the work of supply and installation of MOTs to M/s C.N.C. Metal Forming Limited, Gajraula, J.P. Nagar, at ₹ 75 lakh per unit. Test check of process of procurement revealed irregularities in both award and execution of work as detailed below:

a) PACCFED did not resort to open tendering despite (i) contract value being ₹ 58.50 crore, (ii) the specialised nature of work and (iii) the Government orders/SHS

bye-laws. Instead, PACCFED invited firms for empanelment to supply MOTs, without wide publicity;

b) Criteria for empanelment for such specialised work did not include past experience and financial and organisational competence. The pre-qualification was restricted to registrations with tax authorities. This was in contrast to criteria of annual turnover of ₹ five crore in last five years, past experience of execution of three similar works during previous two years, availability of WHO-GMP[20], Indian Standard Institute (ISI)/Certificate of Europe (CE) certificates, stipulated in tender notices of a central autonomous body during 2011;

c) Such weak pre-qualification criteria coupled with low bid publicity led to participation by only eight firms with poor organisational, technical and financial competence, all from a particular district/region;

d) Despite the weak pre-qualifications, only three firms succeeded in getting empanelled. Of these three empanelled firms, none had prior experience of supply and installation of MOTs, as was evident from the comparative chart for pre-qualification/ empanelment. Audit cross verified their credentials using VAT registration papers and it was observed that they were not in the business of supply and installation of MOTs. In fact, M/s C.N.C. Metal Forming Limited, Gajraula, JP Nagar, who was awarded this work on 04 February 2011, informed UP Commercial Tax Department in February 2011 about its change in business activities only after receipt of this supply order. Test check of records relating to execution of supply order and returns filed with UP Commercial Tax Department by the limited firm revealed that PACCFED extended undue favours to the supplier as detailed below:

i) PACCFED paid ₹ 26.55 crore (45[21] *per cent* of total value) to supplier within 10 days of award of work (February 2011) even though delivery schedule extended over 12 months. Further, five[22] unit offices of PACCFED in sampled districts paid the supplier without supply of material and without any claim by the supplier. Records revealed that actual supplies were made between two to four months from the date of payments;

ii) Test check of returns submitted to UP Commercial Tax department revealed that the firm had purchased material valuing ₹ 69 lakh during February to March 2011, whereas it had received ₹ 26.55 crore against this supply order;

iii) Supply order/works order did not contain any terms and conditions of the contract. Only bill of quantities was given. There were no provisions relating to payment terms, statutory TDS deductions, warranty, dispute resolution, liquidated damages, third party inspections, labour laws *etc*. This was in contrast with another supply order[23] given by UPPCL for same work under NRHM in April 2010, which gave detailed terms and conditions;

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[20] World Health Organisation –Good Manufacturing Practices

[21] (26.55/58.5) x 100 = 45 *per cent*. (Cost of MOT = 78 x ₹ 75 lakh = ₹ 58.50 crore).

[22] Jhansi, Kushi Nagar, Orai, Shahjahanpur and Varanasi.

[23] Supply order no 1465/PCL/HQ/Modular OT/P&P dated 16 April 2010.

iv) Audit observed during joint inspection that packing of supplied material did not contain brand names or makes;

v) Payments were released to the firm without receipt of bills and two to four months before receipt of goods;

vi) During joint physical verification of 14 hospitals in nine districts[24] (October 2011), it was found that equipments of MOTs received between April and August 2011, were unutilised; and

vii) Only two MOTs were installed completely by the firm. A third party quality inspection report of modular OT in District Hospital, Fatehpur, revealed that the construction was not as per IPHS/specifications.

Government while endorsing reply of PACCFED stated that empanelment process involved availability of staff with certain experiences and admitted that some material was supplied after payment was made. The reply was not acceptable as neither PACCFED nor its vendor had prior experience of execution of work of such nature. Slow progress in supply and installation of modular operation theatre despite release of funds also reflected weak capacity of the PACCFED and its vendor.

4.15.3 Purchase of furniture and furnishings for JSY Wards

DGNPME awarded (May 2010) construction of 942 JSY Wards in PHCs to PACCFED, including furnishing, at a total cost of ₹ 72.53 crore. Furnishing comprised supply of patient beds, mattresses and TVs (with trolleys) and DVD players. The estimated cost of TV, DVD player and trolley was ₹ 25,000 per set. Test check of procurement related records and joint inspection in six[25] test checked districts revealed that:

a) PACCFED, Lucknow, placed orders on two suppliers – M/s New Life Hospicare, Meerut and M/s BBN Enterprises, Lucknow – for supplying *inter alia* TVs, DVD players and TV Trolleys at ₹ 22,000 per set. PACCFED's supply order did not stipulate the brand or specifications of items to be supplied. The procurement was made without resorting to open tendering and association of DGNPME;

b) PACCFED supplied '*Beltek*' TVs, DVD players and TV trolleys at ₹ 22,000 per set, whereas MRP/market prices[26] for these items were approximately ₹ 10,000 per set. Thus, PACCFED procured and supplied products of questionable market value, at inflated costs, resulting in undue benefit of ₹ 6.24 lakh to the supplier for 52 sets; and

c) The items were supplied directly to PHCs from Lucknow/branch office of suppliers without any delivery challan and no documents such as specification/make of items supplied, quantity and quality to be supplied, bill, warranty certificate, transporters liability *etc*. were made available to MOICs of Block Primary Health Centres.

CMO, Etah, while responding to Audit, stated that during 2010-11, all the above inventories were directly supplied by DGNPME to the concerned CHCs /Block Primary Health Centres.

[24] Budaun (02), Etah (01), Jalaun (02), Jhansi (01), Kushi Nagar (01), Mirzapur (01), Shahjahanpur (02), Unnao (02) and Varanasi (02).
[25] Agra, Etah, Gorakhpur, Jaunpur, Jhansi and Varanasi.
[26] The combination of MRP/estimated costs comprises MRP of Beltek TV – ₹ 4990, approximate market price of branded DVD player – ₹ 4000, approximate market price of TV trolley – ₹ 1000, totaling around ₹ 10000.

No documents regarding specifications, make/brands, guarantee/warranty certificate, transporters' bill, or copy of supply order was made available by supplier, but only a list of items was made available by the supplier to CMO.

In its reply endorsed by the Government, PACCFED stated that items were purchased from suppliers through its Branch Offices and generally supplied to the concerned medical officers. It further stated that the charged rates cannot be stated to be inflated considering the benefit of two years' guarantee.

The reply was not acceptable as PACCFED was unable to state with certainty that supplies had been made against purchase orders. Moreover, the concept of paying more for guarantee was not acceptable, as the benefit of guarantee on purchase of reputed items, without paying any additional amount over the maximum retail price was passed on to the consumer.

4.15.4 Non-compliance with labour regulations

Nominated construction agencies were awarded works at estimated costs. The estimated costs were based on PWD's SoR, which provided for expenses by the contractor, for fulfillment of statutory labour obligations. Audit observed that nominated construction agencies did not ensure compliance with labour regulations by their contractors. This benefitted construction agencies as they could hire labour at lower costs as compared to estimates. The details are given below:

- Construction agencies were required to get themselves registered with Labour Department in compliance with Building and Other Construction Workers' Welfare Cess Act, 1996 and rules thereunder (February 2009). However, Audit observed that unit 3 of PACCFED, Lucknow, got the registration in September 2011. Further, test check revealed that these divisions had not deducted labour cess from the payments to labour contractors/PRWs, which was to be deposited into cess account; and

- As per terms and conditions of the work order given to PRWs, they were to comply with labour regulations and also to PWD/CPWD specifications. Test check revealed that PRW contractors did not maintain any records to show compliance with labour laws and had no documents regarding registration of PRWs with the Labour Department and unlike CPWD divisions, no Labour Inspector was appointed, despite the fact that they were only engaged in labour contracts. There was no report on PRWs' regular and due payments to labourers, supported with vouchers.

PACCFED accepted that cess was not being deducted and that it would be done in future. Further, its unit offices had been instructed to comply with labour regulations. Audit observed that the Medical Department, however, disassociated itself from any responsibility, stating that the issue concerned to the executing agencies.

4.16 Construction through VHSCs in 2008-09

An allotment of ₹ 80 crore was included in PIP of 2008-09, for construction of sub centres. SPMU released (May 2008) ₹ 80 crore from NRHM funds directly to DHS for construction of 1142 sub centres in 35 districts. In addition, State funds (Grant Numbers 35 and 83) were also released for construction of 2863 sub centres. CMOs of the concerned districts were to transfer these funds to VHSCs, who were to construct building as per guidelines. As funds were not transferred to VHSCs in seven districts, the Government directed (March 2009)

DGNPME to transfer a sum of ₹ 6.21 crore, out of the non-transferred NRHM funds, to UPPCL for construction of 90 sub centres, out of 260 approved for these districts.

As per guidelines issued by the Government[27] construction works were to be carried out through daily wage labourers, the Gram Pradhan/ANM were to purchase material by inviting quotations and cash book, material register, muster roll, inspection register, day-to-day progress register *etc*. were to be maintained at VHSC.

Test check of records in the offices of CMOs and Block PHCs revealed delays in construction of sub centres as pointed out in *paragraph 4.5* of this report and other deficiencies related to poor record keeping, poor quality and monitoring as discussed in succeeding paragraphs.

4.16.1 Deficiency in guidelines

Scrutiny of guidelines revealed that it did not provide for (a) sanctioning the required number of labourers at different stages of work (labour mandays); (b) maintenance of muster roll issue register; and (c) maintaining of measurement book (MBs) to measure executed work. This resulted in non-accountal of work done and wide variations in labour mandays.

4.16.2 Non-maintenance of records

Test check of records of 31 sub centres[28] in four test checked districts which produced records to Audit, revealed that it did not maintain cash book, cheque issue register, material register, inspection register *etc*. as envisaged in the guidelines. The records of 11 VHSCs[29] were not produced to Audit.

Audit observed that in most sub centres, payment vouchers in respect of commercial ply flush door, aluminum fitting with screws for doors and windows shutters, MS section glazed windows, water proof cement for second coat painting, material for one coat primer/two coats distemper *etc*. were not found, which rendered the claims about quantity and quality of material consumed doubtful.

4.16.3 Quality control

Guidelines envisaged achievement of quality in work through training of VHSC functionaries, maintenance of records and system of technical inspections. However, these provisions were not utilised. Physical inspection of three sub centres test-checked in two districts[30] revealed poor quality of work, as evidenced from incomplete works, cracks and poorly finished exteriors.

Besides the wide variations in consumption of material in the 31 test checked sub centres listed in previous paragraph, are tabulated below. While a reasonable margin of 10 *per cent* may be acceptable, the variations were beyond the envelope of acceptability. Under consumption could be a pointer to inferior work, while excess consumptions point towards

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[27] Government orders dated 31 May 2008 and 07 June 2008.

[28] **Agra** – Bichaula, Dhausangi, Fareri, Govra, Karanpura, Khalaua, Luhaita, Mai, Nandgawan and Sunari; **Etah** – Hayatpur-Mafi and Qasimpur; **Jalaun** – Abdullahpur, Bardh, Barguan, Bairai, Baroda Kala, Bharsuda, Dhaguwan Kala, Madora, Malthua, Manpura, Nipaniya, Randhirpur, Ruara-Jaitia, Salaya-Buzurg and Sarsai; **Jhansi –** Berwai, Kadura, Sigari and Siya

[29] **Etah** – Akbarpur, Dadupura, Datai, Nagla-Mai, Sakrauli, Sirsavadan**; Jhansi –** Bangra-Bangri, Borai, Dhauda, Luhari and Nirora.

[30] Hayatpur Mafi at Marhara (Etah), Berwai and Katera at Mauranipur (Jhansi).

suspect purchases and pilferages. Based on consumption of material and labour in Agra, the variations calculated in audit in four districts (Agra, Etah, Jalaun, Jhansi) are tabulated below:

Table 4.9 : Variations in consumption of materials and labour (sub centres) based on Agra district

Sl. No.	Material/Labour	Norms	Range of Consumption +/- (10 *per cent*)	
			Substantially Lesser	Substantially Greater
1	Cement (bags)	382.03 bags	09 (below 344)	09 (above 420)
2	Coarse sand	50.57 cum	Unascertainable as measurement was in terms of trucks/ tractor/trolleys brought	
3	Stone/Bricks ballast	34.08 cum		
4	Bricks (No.)	39509	14 (below 35558)	07 (above 43460)
5	MS Iron (Qtl.)	21.39 Quintals	13 (below 19.00)	09 (above 24.00)
6	Labour component (₹ in lakh)	Not fixed	06 – (₹ 0.50 to 1.00 lakh) 15 – (₹ 1.00 to 1.50 lakh) 07 – (₹ 1.50 to 2.00 lakh) 03 – (₹ Above 2.00 lakh)	

Non-maintenance of records and lack of supervision by Junior Engineers/CMOs/Executive Engineers, coupled with wide variations in material consumption and labour costs, point towards sub-standard execution in construction of sub centres.

In reply, the Government stated that DGNPME was not aware of such deficiencies and Engineers nominated by DMs were primarily responsible for quality control and monitoring. The Government also assured to hold an inquiry into the matter.

4.17 Recommendations:

- *The Government may take immediate action to tighten norms for selection of agencies and for award of works. Even if work is to be awarded only to the Government agencies, competitiveness and transparency must still be ensured and experience and capabilities must be given due weightage;*

- *While releasing funds, attention must be paid to comparability with industry norms or market rates to ensure reasonableness of rates and to guard against overcharging, leakages and excess expenditure; and*

- *The Government should strengthen its quality control mechanisms to ensure that execution of works is of the desired quality and are as per schedule.*

Chapter 5 Capacity Building - Human Resource

5.1 Introduction

The Mission aimed to increase the availability of manpower through provision of trained female community health worker, ASHA, at village level, a minimum of two ANMs at each sub centre and three staff nurses at every PHC to ensure round the clock availability of services. The Out Patient Department (OPD) at PHC was to be strengthened through posting/ appointment of AYUSH doctors over and above the Medical Officers posted there. The State Government was to fill up the existing vacancies by new contractual appointments for which GoI support was available. CHCs were to be brought at par with the Indian Public Health Standards (IPHS) norms to provide round the clock services by providing seven Specialists and nine staff nurses in every CHC. A separate AYUSH set up was also to be provided in each CHC/ PHC.

In reply, the Government stated that IPHS norms would be implemented in future.

5.2 Availability of health personnel

The requirement of health workers for rural health facilities as per IPHS norms *vis-à-vis* the personnel available there against were as below:

Table 5.1 : Health personnel at rural health facilities as on 31 March 2011

Level/ Posts	Number of facilities	Requirement as per IPHS norms		Persons in position	Shortfall (4-5)	
		Posts per facility	Total		Number	Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sub centre/ ANM	20521	2	41042	21192	19850	48
P H C/ Doctors[1]	3692	2	7384	2861	4523	61
C H C/ Specialists[2]	515	7	3605	1256	2349	65

(**Source :** Reply of the Government (December 2011)

Thus, the vacant posts ranged between 48 and 65 *per cent* as compared to those required to be at par with IPHS norms. In case of staff nurses, the total requirement at CHCs and PHCs worked out to 8327[3] whereas only 4948 posts were sanctioned in the State including the requirement at the district level and only 4606 staff nurses (93 *per cent*) were working against these posts.

The position of availability of staff as of 31 March 2011 was not furnished. The vacancies of health workers, doctors, nurses and radiographers, critical for efficient implementation of the Mission objectives, were high. Audit also observed that Obstetricians/Gynaecologists,

[1] Including one AYUSH practitioner.
[2] General Surgeon, Physician, Obstetrician/ Gynaecologist, Paediatrician, Anaesthetist, Eye Surgeon and Public Health Programme Manager.
[3] (515 CHCs X9 Staff Nurses)+(3692 PHCs X 1 Staff Nurse).

Anesthetists and Paediatricians, required at CHC level, were disproportionately deployed in the District Hospital causing shortages at the sub-district level (rural areas) health centres as tabulated below:

Table 5.2 : Shortage of doctors in sub-district level centres (2009-10)

Positions	Locations	Posts sanctioned	Persons in position	Surplus (+)/ Shortage (-)	
				Number	Percentage
(1)	(2)	(3)	(4)	(4)	(6)
Obstetrician/ Gynaecologist	District Hospitals	134	310	(+) 176	Surplus
	CHCs	438	140	(-) 298	68
Anesthetics	District Hospitals	134	202	(+) 68	Surplus
	CHCs	438	122	(-) 316	72
Surgeons	District Hospitals	268	260	(-) 8	3
	CHCs	438	227	(-) 211	48
Pediatrician	District Hospitals	134	250	(+) 116	Surplus
	CHCs	438	281	(-) 157	36
Radiographers	District Hospitals	134	49	(-) 85	63
	CHCs	438	62	(-) 376	86

(**Source :** State PIP of 2010-11)

There were shortages in all categories of health workers in the health centres as shown below:

Table 5.3 : Shortage of doctors in health centres

Category	Health Centre	Posts sanctioned	Persons in position	Shortage	
				Number	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Auxiliary Nursing Midwife (ANM)	Sub centre and PHC	23570	21024	2546	11
Multi Purpose Worker (Male)	Sub centre	8857	2160	6697	76
Lady Health Visitor (LHV)	PHC	3690	3509	181	5
Doctor	PHC/ CHC/ District Hospitals	14103	8482	5621	40

(**Source :** State PIP of 2010-11)

GoI's Rural Health Statistics (RHS) published for March 2010 revealed that only 2861 out of 4509 doctors were available at PHCs, leaving 1648 (37 *per cent*) posts vacant. Acute shortage of doctors and specialists (*Table 5.2)* at CHCs and PHCs deprived the rural population of the envisaged health services and may have contributed adversely to the implementation of NRHM.

The Government stated that 21192 out of 23565 posts of ANMs and 9276 out of 14785 posts of doctors were filled. Despite considering the latest data furnished by the Government, 2373 (10 *per cent*) posts of ANMs and 5509 (37 *per cent*) posts of doctors remained vacant.

5.3 Accredited Social Health Activist (ASHA)

5.3.1 Availability of ASHA

NRHM framework envisages providing one ASHA in every village with a population of 1000. ASHA was the interface between the community and the public health system and the nodal person for assessing the local health needs. The data collected by them for preparation of grass root level health plans, constituted inputs for the State Health Action Plan (SHAP). ASHAs were to undergo five modules of induction training, apart from periodic skill up-gradation and provided drug kits to enhance their utility and credibility. ASHAs paid from the Mission flexipool were to reinforce community action for universal immunisation, safe delivery, new born care, prevention of water-borne and other communicable diseases, nutrition and sanitation. ASHA was also to help promote preventive health by converging activities of nutrition, education, drinking water, sanitation *etc*.

Audit observed that against the requirement of 1,36,268 ASHAs only 1,36,183 ASHAs were selected as of 31 March 2011. Out of the selected ASHAs, only 1,11,058 (82 *per cent*) had completed all the five modules of training. Further, the data for 2005-11, collected from 21[4] out of 22 test checked districts, revealed shortages up to 24 *per cent* ASHAs during 2005-06 (***Appendix-5.1***). In six districts[5] adequate numbers of ASHAs were not selected for training.

The Government stated that till date 1,21,580 ASHAs had been trained.

5.3.2 Purchase of ASHA kits

As provided in State PIPs, every year ASHAs were to be provided with a kit, including items like Oral Rehydration Solution (ORS), sets of 10 basic medicines and contraceptives. The State PIPs included following provisions for procurement of ASHA Kits:

Table 5.4 : Provisions for procurement of ASHA Kits

Year	Provision (₹ in crore)	Number of kits to be procured and rate per unit
2007-08	3.69	0.30 lakh kits @ ₹1000 each
2008-09	6.75	1.35 lakh kits @ ₹500 each
2009-10	6.75	1.35 lakh kits @ ₹500 each
2010-11[6]	12.94	2.58 lakh kits @ ₹500 each

(**Source :** State PIPs of 2007-08, 2008-09, 2009-10 and 2010-11)

Audit observed that no kits were procured during 2005-06, 2006-07, 2007-08 and 2010-11. Only 1,32,995 kits and 1,31,684 kits were procured during 2008-09 and 2009-10 respectively. Thus, during four years, ASHAs worked without the prescribed kit.

The Government accepted release of fund to the districts for purchase of ASHA kits only during 2008-09 and 2009-10 for purchase of 1,32,995 and 1,31,684 kits respectively.

[4] Data for Budaun, though called for, was not furnished.
[5] Agra, Allahabad, Deoria, Jalaun, Mirzapur and Unnao.
[6] Two kits per ASHA was to be provided.

ASHA kits were to comprise 12 items including Iron Folic Acid (IFA) Tablets (large). SPMU decided (07 July 2008) to purchase IFA tablets (large) centrally and retained ₹ 125 per kit. Balance ₹ 375 per kit was released to the districts for procurement of remaining items locally. CMOs informed SPMU that ₹ 375 was insufficient to procure remaining items. Consequently, the Mission Director, SPMU, revised (August 2008) the quantity of some items to be included in the kit as tabulated below reducing their effectiveness:

Table 5.5 : Quantity of items in ASHA Kits

Items	Original quantity	Revised quantity
Disposable Delivery Kit	20	10
ORS Packet (WHO)	100	10
Cotton	500 gms	200 gms
Oral contraceptive pills	300	Nil

(**Source :** Information furnished by SPMU)

As a result requisite medicines prescribed in the kits were not provided to ASHAs for providing effective services.

Further, ₹ 12.94 crore was released (November 2010) to DGNPME for purchase of IFA tablets at the rate of ₹ 125 per kit. DGNPME returned the amount to SPMU (April 2011) stating that the tender was cancelled as the rates received were higher than those prescribed in PIP. Thus, no IFA tablets were purchased during 2008-11 for ASHA kits compromising the effectiveness of ASHAs.

The Government stated that certain items were reduced from the kit as the institutional deliveries had increased. The reply was not correct as contraceptive pills, used for spacing the pregnancies, were to be distributed among rural women; and cotton and ORS packets are used also for emergencies other than deliveries. Thus, the increase in institutional deliveries did not reduce the requirement of the kit. Moreover, PIPs did not mention the reduction effected.

5.4 Sub centres

Two female ANMs and one Multi Purpose Worker-Male (MPW-M) were to be posted in each sub-centre. The position of availability of the ANM and MPW-M was not furnished. As per the RHS, 2010, the deployment of ANM and MPW-M for 20521 sub centres was short by 58 and 90 *per cent* respectively against the IPHS norms as of March 2010.

The Government, while accepting the observation stated that 3276 sub centres were running without ANMs and 2489 (28 *per cent*) Multi Purpose Workers were available against 8853 sanctioned posts.

The vacancies of regular posts were to be filled by the State and the additional posts required for NRHM activities by contractual staff to be paid out of NRHM funds. The target in PIPs of 2009-10 and 2010-11 for appointment of ANMs on contract and achievement thereof were as under:

Table 5.6 : Appointment of contractual ANMs

Sl. No.	Year	Target for contractual appointment	Persons appointed	Shortage	
				Number	Percentage
1.	2009-10	1500	813	687	46
2.	2010-11	2500	807	1693	68

Source : Information furnished by SPMU

The Government informed that only 1500 ANMs were appointed against 2500 contractual appointments proposed in PIP 2011-12 and in 16 districts 847, ANM-II, with qualification lower than that prescribed for ANMs, were also appointed. Thus, even the proposed contractual appointments were not made and persons were appointed as ANM-II without any provisions in the PIP.

5.5 Primary Health Centre (PHCs)

Three staff nurses were required at every PHC for round the clock services. Para-medical staff like staff nurse, pharmacist, lab technician and LHVs were also to be appointed. As per RHS, 2010 availability in some of the categories of staff, as of March 2010, at PHCs was as below:

Table 5.7: Availability of personnel at PHCs

Category of staff	Sanctioned	In position	Vacancies	Percentage of vacant posts
Health Assistant (Female)	3811	2040	1771	46
Health Assistant (Male)	5757	4518	1239	22
Doctors	4509	2861	1648	37

(**Source :** RHS, 2010)

AYUSH practitioners were posted in only 428 out of 3692 PHCs. No provision was made for AYUSH medicines in PIPs during 2005-11. In 21 out of 22 test checked districts, the shortage of medical officers, lab assistants and pharmacists was 24, 18 and 34 *per cent* respectively (***Appendix-5.2***). Information was not furnished by Budaun district.

The Government stated that 3478 Health Supervisors (Female) and 4294 Health Supervisors (Male) were in position. However, eight *per cent* posts of Health Supervisors (Female) and 25 *per cent* posts of Health Supervisors (Male) were vacant.

Further, the Government also informed that 1140 male and 810 female AYUSH doctors were in place against those proposed in PIP 2011-12. Audit observed that contractual appointment of 2410 AYUSH doctors was proposed in that PIP and 460 (19 *per cent*) posts were still vacant.

5.6 Community Health Centre (CHCs)

There were 515 CHCs in the State. As per IPHS norms, seven specialist doctors and nine staff nurses were to be provided in each CHC. As per RHS, 2010 the shortages *vis-à-vis* sanctioned strength in some important categories of staff, as of March 2010, at CHCs were as under :

Table 5.8 : Shortage of personnel at CHC

Category of staff	Sanctioned	In position	Vacancies (-)/ Surplus (+)	Percentage of vacant posts
Specialist	1460	1256	(-) 204	14
General Duty Medical Officers	161	167	(+) 6	Not applicable
Radiographers	269	163	(-) 106	39

(**Source :** RHS Data 2010)

According to IPHS norms, 3605 posts of specialists were required to be approved. Not only the envisaged number of posts were not created, the persons in position were far less than the sanctioned posts.

The position of health personnel was test-checked in 21 districts (except Budaun which did not furnish information). Shortages at sub centres in 21 districts ranged between 17 *per cent* (ANM-Regular) and 90 *per cent* (MPW-M); at PHCs, between 14 *per cent* (LHVs) and 42 *per cent* (staff nurse); at CHCs, between 23 *per cent* (Paediatrician) and 84 *per cent* (Pathologists) for specialists and between 14 *per cent* (statistical assistant) and 22 *per cent* (pharmacist) for other staff; and at districts between 45 *per cent* (District Immunisation Officer) and 50 *per cent* (Deputy CMO). The district level position did not include the doctors *etc*. posted in District Hospitals (***Appendix-5.2***). Audit observed that the vacancies were more pronounced at the sub-district level.

The Government stated that IPHS norms were not implemented due to lack of infrastructure.

5.7 Contractual appointments

The targets for appointment of contractual staff, fixed in PIPs of 2009-10 and 2010-11 and achievements there against were as under:

Table 5.9 : Appointment of contractual staff

Post	Contractual Staff in 2009-10				Contractual Staff in 2010-11			
	T	A	S	*Per cent*	T	A	S	*Per cent*
Staff Nurse	2869	1085	1784	62	1500	1484	16	1
Lab Technician	726	106	620	85	584	239	345	59
M.O. Female (ISM)	766	578	188	25	901	810	91	10
M.O. Male (ISM)	284	147	137	48	1500	1140	360	24
MBBS/BDS	929	355	574	62	523	523	0	0
Specialist	826	149	677	82	300	191	109	36

(**Source :** Information furnished by SPMU) T-Target, A-Achievement and S-Shortfall

Thus, the shortfall ranged between 25 and 85 *per cent* during 2009-10 and between zero and 68 *per cent* during 2010-11.

The Government informed that non-availability of skilled health and medical personnel was the cause of shortfall in engagement of contractual staff.

5.8 Training

NRHM Framework stipulates that the implementation teams, particularly at the district and State level, would require development of specific skills. The State level Resource Centre will be identified to enable innovations and impart new technical skills. Further, the investment required was to be identified to successfully carry out the training/ sensitization programmes. However, SPMU did not intimate whether any resource centre was identified.

GoI, MoHFW Review Report (May 2011) mentioned that the State designated the State Institute of Health and Family Welfare (SIHFW) as Collaborating Training Institute (CTI) to coordinate with Directorates, other training institutes and agencies for design and implementation of training all over the State.

The Government did not offer any comment in this regard.

5.8.1 Training infrastructure

As intimated by SIHFW following training facilities were available in the State:

Table 5.10 : Training facilities available in State

Sl. No.	Name of the training centre	Number	Training capacity per batch
1.	State Institute of Health and Family Welfare	1	100
2.	Regional Health and Family Welfare Training Centres (RHFWTC)	11	100
3.	Lady Health Visitor Training Centre	4	N.A.
4.	Public Health Nurse Training Centre	1	N.A.
5.	ANM Training Centre (ANMTC)	40	60
6.	Achal Training Centre (DPTT)	30	N.A.
7.	Nursing Training Schools[7]	9	N.A.

[Source : Review report (May 2011) of MoHFW, GoI] **(N.A.:** Not Available)

Audit observed that to augment the training facilities in the State DGNPME paid ₹ 20.78 crore (March 2010) to PACCFED for up-gradation of 11 Regional Training Centres (RTCs) and four ANM Training Centres (ANMTCs). Though the payment was made in advance and the works were to be completed within ten months (RTCs) and nine months (ANMTC) respectively, all the works were still incomplete (November 2011).

The Government stated that the work was held up as the third party evaluation, ordered by GoI, was yet to be completed. However, the fact remained (December 2011) that the completion of RTCs and ANMTCs was way behind the schedule.

5.8.2 Training activities

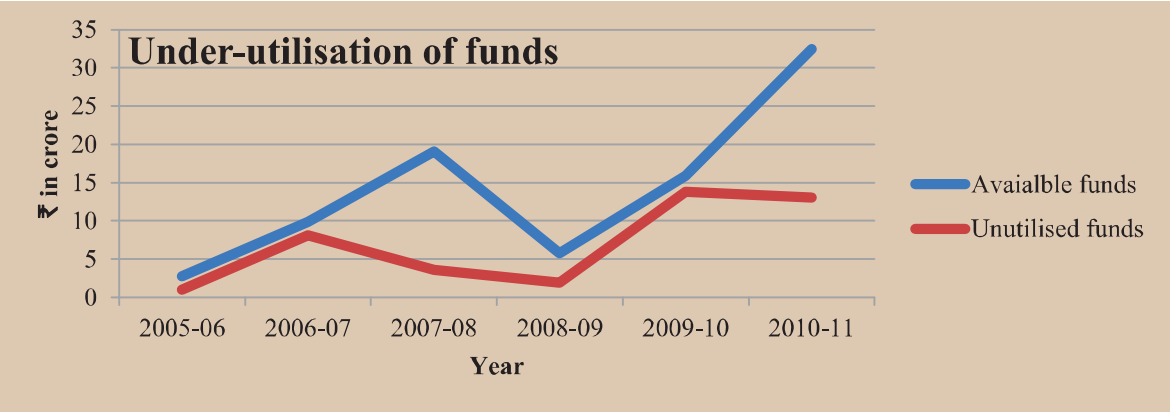
During 2005-11 SIHFW, utilized ₹ 44.14 crore (₹ 35.23 crore at district and ₹ 8.91 crore at State level) out of ₹ 57.15 crore available under RCH-II and NRHM for training programmes as below :

[7] Nursing Training Colleges are not under the control of SIHFW as these are functioning under various Medical colleges and Hospital.

Table 5.11: Receipt and utilisation of Grants at SIHFW

Year	OB	Grants received	Bank Interest and other receipts	Total funds available	Funds transferred to other training centres	Utilisation at SIHFW	CB	Percentage of unutilised funds
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	(₹ in crore)							
2005-06	0.00	2.76	0.00	2.76	1.60	0.10	1.06	38
2006-07	1.06	8.75	0.04	9.85	0.33	1.39	8.13	83
2007-08	8.13	10.73	0.17	19.03	14.38	1.02	3.63	19
2008-09	3.63	1.95	0.18	5.76	0.76	3.08	1.92	34
2009-10	1.92	13.91	0.07	15.90	1.80	0.27	13.83	87
2010-11	13.83	18.05	0.54	32.42	16.36	3.05	13.01	40
Total		**56.15**	**1.00**	**85.78**	**35.23**	**8.91**		

(**Source :** Information furnished by SIHFW) OB-Opening Balance and CB-Closing Balance



Thus, funds ranging between 19 and 87 *per cent* remained un-utilised at SIHFW. No details of the unspent balances at districts were furnished.

No reply was received from the Government.

5.8.3 Number of training courses

Targets for training courses and trainees were not fixed by DGNPME at the time of releasing funds to SIHFW. The details of the training courses organised by SIHFW during 2005-11 were as below:

Table 5.12 : Training programmes organised at SIHFW

Year	Number of training courses organised		Number of days of training	Number of participants
	Courses	Batches		
2005-06	04	19	186	470
2006-07	06	15	147	453
2007-08	11	60	380	1733
2008-09	14	66	399+16 weeks+ 18 weeks	1918
2009-10	11	28	195 + 16 weeks	751
2010-11	30	110	562+16 weeks+ 18 weeks	2344

(**Source :** Information furnished by SIHFW)

Thus, during 2009-10 the number of training batches declined to 28 (751 participants) from 66 (1918 participants) during previous year resulting in 87 *per cent* of the available funds remaining unutilised (***Table 5.11***).

The Government did not offer any comment in this regard.

Audit observed that three day Trainings of Trainers (TOT) in 1st Module of ASHA training were organized between October 2005 and March 2006 wherein 411 district trainers participated. Second round of training in a composite course of 2nd, 3rd and 4th modules was organised between July 2007 and February 2008, wherein 468 trainers participated. The training for 183 trainers in 5th module of ASHA training was organised between November 2009 and March 2010. Thus, 57 such trainers were inducted for training in 2nd, 3rd and 4th modules who did not attend the training of first module and 285 and 228 trainers, who participated in the first and second round of training respectively, were not imparted training in the 5th module. Thus, the districts were equipped with trainers having capacity to provide training for all the five modules of ASHA training in March 2010, whereas the Appendix-II (b) to MOU signed between GoI and the State Government of November 2006 provided that 50 *per cent* of ASHAs would be trained by 30 June 2007. This target, however, remained unachieved.

Further, according to SIHFW Report on "coordination of district level training activities, 2008-09", only one training course (two-day) was organised at each district for VHSC members wherein 47891 persons participated. No such training was arranged to cover the members of other VHSCs. No training for RKSs was planned/organised.

Details of training programmes organized during 2005-11 were not furnished to audit. According to PIPs of 2008-09 & 2009-10, details of training programmes organised in 17 districts[8] covered in first phase were as below:

Table 5.13: Training programmes in first phase

Sl. No.	Activity	Target number of participants	Number of actual participants	Shortfall	Percentage
Progress during 2007-08 (as on January 2008) [As per PIP of 2008-09]					
1	Training of ASHAs	9000	2500	6500	72
2	Training of ANMs	4000	360	3640	91
3	Training of Medical Officers	612	221	391	64
Progress during 2008-09 (estimated achievement up to March 2009) [As per PIP of 2009-10]					
1	Training of ASHAs	30000	11800	18200	61
2	Training of ANMs	5200	1900	3300	63
3	Training of Medical officers	1100	458	642	58

(**Source :** PIPs of 2008-09 and 2009-10)

[8] Aligarh, Azamgarh, Banda, Bahraich, Bulandshahar, Faizabad, Gorakhpur, Jhansi, Kannauj, Lakhimpur Kheri, Mirzapur, Moradabad, Pratapgarh, Saharanpur, Shahjahanpur, Siddharthnagar and Varanasi.

According to PIP of 2010-11, 19 more districts[9] were taken for organising training courses. The achievement of the training organised in these 36 districts was as below:

Table 5.14: Slot utilisation in training programmes

Sl. No.	Activity	Target number of participants	Number of actual participants	Shortfall	Percentage
Progress during 2009-10 (estimated achievement up to March 2010)					
1	Training of ASHAs	71000	24150	46850	66
2	Training of ANMs/LHV/HS	13940	4550	9390	67
3	Training of Medical officers (in 17 districts)	1262	400	862	68
4	Training of Medical officers and Staff Nurses (in 19 districts)	858	90	768	90

(**Source:** PIP of 2010-11)

Thus, the shortfalls of slot utilisation ranged between 66 and 90 *per cent* during 2007-10.

The Government attributed the non-achievement of targets to involvement of personnel in programmes like pulse polio, routine immunisation, organising health camps, national programmes like control of malaria, filaria, Japanese Encephalitis *etc*. Reply was not acceptable as these trainings were part of skill upgradation, as envisaged in NRHM framework and would have made implementation of mission activities more effective.

5.8.4 Training conducted by SIHFW

According to information furnished (August 2011) SIHFW conducted following training courses:

Table-5.15: Trainings conducted by SIHFW

Year	Number of training courses	Target for number of participants	Actual number of participants	Percentage of participation
2009-10	14	1242	889	72
2010-11	30	3952	2416	61

(**Source:** The Government reply December 2011)

The Government attributed the shortfall to delay in receipt of funds. The reply was not correct as unspent balances were available with SIHFW and adequate funds were also available with SHS as discussed in table 5.17 below.

5.8.5 State Innovation in Family Planning Services Agency (SIFPSA)

SIFPSA was managing the Family Planning trainings, *viz*. laparoscopic induction, abdominal tubectomy, IUCD, NSV and BEmOC training of medical officers. During 2009-10, following training courses were conducted by SIFPSA for NRHM:

[9] Allahabad, Budaun, Barabanki, Basti, Bhadohi, Bijnore, Chitrakoot, Etah, Farrukhbad, Ghaziabad, Gonda, Jalaun, Jaunpur, Lalitpur, Maharajganj, Mathura, Mau, Muzaffarnagar and Unnao.

Table-5.16: Training courses conducted by SIFPSA

Sl. No.	Name of the training courses	Target	Achievement	Percentage
1.	Skilled Birth Attendance (SBA) for medical officers	336	327	97
2.	Laparoscopic Tubal Ligation Training	352 (240 MOs and 112 Staff Nurses)	85 (54 MOs and 31 SN)	24
3.	Minilap Abdominal Tubectomy	210 (145 MOs and 66 Staff Nurses)	41 (28 MOs and 13 SN)	20
4.	No Scalpel Vasectomy (NSV) for MOs	282	108	38

(**Source:** The Government reply, December 2011)

Thus, the achievement ranged between 20 and 38 *per cent* except in case of SBA where it was 97 *per cent*.

The Government attributed the shortfall to non-availability of Divisional Clinical Training Centre (DCTC) and post-graduate participants and non-turning up of selected participants.

PIP of 2011-12 emphasised the need for pre-service training of health workers. The training duration of female workers was of 18 months and these were conducted at 40 ANMTCs in batches of 60 each. The training duration of male workers was of 12 months and training was conducted at RHFWTCs. It implied that a total number of 2400 ANMs were to be trained during 2008-10. However, only 1904 (79 *per cent*) ANMs were trained during 2008-10. PIP also mentioned that ₹ 25.82 crore, approved in PIP of 2010-11, was transferred to DGNPME for arranging training programmes for 2400 ANMs and 5000 male workers. But these were not organised.

The Government clarified that the pre-service training scheduled for 2010-11 could not be organized as DGNPME cancelled the selection process for appointment of Health Workers (Male and Female) on 20 April, 2011. This indicated that the time required for completion of selection process was not assessed and demand for funds was included in PIP without ensuring availability of participants/trainees.

5.8.6 Training at district level

The status of training programmes was test checked in 22 districts. Information was not made available by four districts[10]. Audit observed that no training programmes, other than those for ASHAs, were organised in seven districts[11]. In remaining 11 districts, the shortfall in training programmes ranged between six (medical officers) and 67 *per cent* (Traditional Birth Attendant). In Jalaun, no training was organized for ASHAs. In the remaining 17 districts, the shortfall in training of ASHAs ranged between four (Ballia) and 23 *per cent* (Azamgarh).

Audit observed that seven (78 *per cent*) out of nine posts of Principals and 40 (70 *per cent*) out of 57 posts of Tutor available in 18 test checked districts[12] were vacant. Thus, shortage of training staff adversely affected training programmes at the district level ***(Appendix-5.3)***.

[10] Agra, Budaun, Jhansi and Raebareli.
[11] Allahabad, Azamgarh, Bahraich, Kushi Nagar, Mirzapur, Moradabad and Shahjahnpur.
[12] Allahabad, Azamgarh, Bahraich, Bareilly, Budaun, Bulandshahar, Deoria, Gorakhpur, Jalaun, Jaunpur, Jhansi, Kushi Nagar, Mirzapur, Moradabad, Raebareli, Shahjahanpur, Unnao and Varanasi.

The Government attributed the shortfall to utilisation of these personnel for achieving targets of National programmes.

GoI, MoHFW Review Report May 2011 also pointed to under-utilisation of the funds allotted for training programmes. The position of availability and utilisation of funds during 2009-10 and 2010-11 were stated as below:

Table 5.17 : Utilisation of funds for training

Programme	2009-10			2010-11		
	PIP Approved	Utilisation	Percentage unutilised	PIP Approved	Utilisation	Percentage unutilised
	(₹ in crore)			(₹ in crore)		
RCH Flexipool	40.80	12.34	70	53.73	16.45	69
Mission Flexipool	13.42	2.45	82	45.39	5.08	89

[Source : Review Report (May 2011) of MoHFW, GoI]

Although adequate funds were available for the training programmes proposed in PIPs, these were not organised.

The Government agreed and stated that human resource at various training centres was not sufficient.

5.9 Posting of junior officers as Chief Medical Officers

The post of CMO, FW was created (May 2010), without taking into account that one CMO was already available in each district and was abolished (April 2011) within one year of its creation citing coordination problems. Further, the Hon'ble High Court of Judicature at Allahabad directed (12 January 2011) the State Government to adhere to "rule of seniority" while selecting level-4 officers for posting as CMOs. Notwithstanding this direction, junior officers continued to be posted as CMOs. Thus, the judicial pronouncement was not being followed in true spirit.

The Government did not furnish any reply to the audit observation.

5.10 Recommendation:

Staffing may be ensured through regular and contractual recruitments to achieve IPHS norms; and training courses, as per training need analysis, may be ensured.

Chapter 6

Procurement - State Level

6.1 Procurement System

Timely supply of drugs and equipment of good quality, involving procurement as well as logistics management, is of critical importance in any health system. NRHM, therefore, envisaged streamlining procurement and logistics to ensure availability of drugs and medicines at all health centres.

The capacity for decentralised procurement at the district level was to be developed. A State led initiative for capacity building and setting up of State Procurement Systems and Distribution Networks for improved supplies and distribution were planned in the framework. SHM and DHMs were to establish a transparent and accountable system in procurement, stores and logistics. Fifty *per cent* of the streamlining to ensure availability of drugs and medicines at sub centres/PHC/CHC was to be done by 2007 and the entire process was to be completed by 2008. An external assessment of the outcome of the streamlining process was also to be conducted. The procurement system of GoI was to be relied upon in the interim till capacities were developed at State/district/block levels with an emphasis on timely, transparent and quality procurements.

6.1.1 Weakness of procurement system in the State

The procurement policy of the State has been under severe criticism by various agencies. The World Bank in its report on UP State Financial Accountability Assessment 2004 had found loose controls in the system and absence of procurement rules as well as of a central agency to develop policies and norms. The State planning Board (SPB) in the 11th Five Year Plan documents (2007-12) for UP in chapter on Governance, observed that the procurement system of drugs and medical equipment was marked by delays, lack of transparency and flourishing corruption.

6.1.2 Risk areas of procurement under NRHM

The adverse observations of the World Bank and SPB on the procurement process under the Government system need to be viewed in the light of high risk involved in further relaxed procedure being followed under NRHM as discussed below.

- Full powers to EC of SHS in purchases as against limited financial powers to the departmental heads in the State Government; and

- Involvement of only one Principal Secretary level officer in decision making body (EC) of SHS for high value contracts against three Principal Secretary level officers in the Government including Finance and Planning Department in EFC before approval by the Cabinet.

6.1.3 Non-adherence to NRHM guidelines/Diversions from NRHM goals

Despite high risks involved in procurement, even the provisions of NRHM guidelines were not adhered to the following extent :

- Decentralisation of procurement to the district level by setting up State Procurement System and Distribution networks, which was required to be completed by 2008, had not been taken up to secure improved supplies and distribution;

- A Procurement Cell at SPMU for strengthening the procurement process, which was to be headed by one Procurement Specialist with supporting staff, was not set up as of November, 2011 even though a budgetary provision of ₹ 1.13 crore was made in PIP of 2008-09. This enabled technical Directorates to act as procurement agents. The details are discussed later in the chapter.

- Contracts for procurement of goods and construction were awarded to seven Government sponsored agencies on nomination basis without following any competitive and open bid system;

- Award of work on nomination basis was also against CVC circular[1], the State Government's order[2] and Hon'ble Supreme Court's judgment in Meerut Nagar Nigam case[3];

- Past experience and organizational and technical capabilities of nominated agencies were not considered to ensure timely and quality delivery; and

- The reasonability of rates was not ensured while outsourcing services.

6.1.4 Procurement framework

SHS bye-laws provide that procurement from the money received from GoI for NRHM programmes will be carried out as per recommended policy of GoI. Any procurement; in cases wherein GoI had authorised GoUP, including procurement of services and goods; would be prioritised in the following order:

- DGS&D rate contract, if not available then;

- Rate contract of other organisation of GoI, if not available then;

- Rate contract approved by GoUP, if not available then;

- Tender procedure recommended by GoI.

Audit observed that the Executive Committee (EC) and High Power Committee authorised DGNPME to make procurements which in turn authorised various agencies to make procurements. This authorisation was done on nomination basis. The nominated agencies in turn procured goods and services through a process which was not in consonance with open

[1] CVC circular no 005/CRD/19, dated 5 July, 2007
[2] Government Order of 5 January, 2007
[3] Nagar Nigam Meerut vs A1 Faheem Meet Export Private Limited [SLP (Civil) no 10174 of 2006]

tendering and NRHM framework. Further, DGNPME was authorised for procurements only up to ₹ 10 lakh, but it often transgressed that limit.

The Government confirmed that GoI's recommended policy was not being followed. Instead, the State purchase policy was being taken recourse to.

6.1.5 Procurement through Technical Directorates

In the absence of Procurement Cell within SPMU, Technical Directorates like DGNPME, DGMH and DGME became procurement agents. They, in turn released funds to State Government companies (UPSIC) and cooperative societies (Cooperative Press Federation, NCCF, LACCFED-*Panchayat Udyog*) on nomination basis. DGNPME functioned as the primary procurement agency[4] for SHS/SPMU. The Executive Committee (EC) released funds amounting to ₹ 375.31 crore during 2008-11 to DGNPME for procurement of medicines and equipment as given in Table 6.1 below while DGMET received ₹ 9.15 crore for telemedicine project.

Table 6.1: Release of funds for procurement to DGNPME during 2008-11

(₹ in crore)

Year	Medicine	Equipment	IEC	Total
2008-09	21.54	0.06	1.73	23.33
2009-10	47.96	83.43	19.14	150.53
2010-11	36.11	134.86	30.48	201.45
Total	**105.61**	**218.35**	**51.35**	**375.31**

(**Source:** Information furnished by DGNPME)

The Government stated that funds were transferred to Directorates to ensure effective monitoring.

The Government in its reply stated that following NRHM they had constituted (July 2009) a Central Purchase Committee under DGNPME. The reply was not acceptable as this was not a new comprehensive system but only mirroring of an already existing arrangement in the Directorate of Medical and Health. DGNPME also stated that bulk purchases were made through Rate contract at Directorate level and smaller purchases at district level. Again the reply was at variance with facts as brought out in subsequent paragraphs.

6.1.6 Procurement decisions

A codified purchase manual, containing detailed purchase guidelines, procedures and delegation of powers is necessary to ensure systematic and uniform approach in decision-making relating to procurements. However, in the absence of procurement manual, standard formats for submission of financial proposals and their independent financial vetting by the proposed Procurement Cell within SHS, there was no transparency and consistency in the decisions of EC.

Proposals were put up to EC by the Programme Managers in SPMU without vetting by independent professionals, unlike in Government where PFAD plays this role. The agenda papers of EC meetings were generally deficient and did not have any details, timelines by

[4] During 2008-11 SPMU also made some procurements of medicine and equipment amounting to ₹ 74.29 crore through UNOPS.

which the procurement was to be made, specifications of the items to be procured, competence of the agencies being considered, lessons learnt in past in similar procurements, risks in procurement, utilisation of stores *etc*. The decisions of EC did not have any reference to the procurement policy adopted and justification for the procurement decision. Further, no formal sanctions based on EC's decisions were issued.

The Government stated that EC under SHS had full administrative and financial powers to sanction all financial proposals. It was stated further that procurement related funds were placed at the disposal of DGNPME for better monitoring. The reply was not acceptable as Procurement Cell within SPMU was to act as a professional unit to manage procurements and also DGNPME had failed to effectively monitor the procurements which suffered from delays, high costs and non/partial supplies.

6.2 Procurement

6.2.1 Planning

The State and Districts were to have a procurement and logistics plan. Instances of inability to procure and non-utilisation of procured items were observed due to lack of proper planning. This defeated the objective of timely procurement and resulted in blockage of funds.

6.2.1.1 Procurement of EMTS

To reduce delays in access to medical care during emergencies, SHS planned for Emergency Medical Transport Services (EMTS) during 2010-11 throughout the State, with 988 ambulances for ₹ 71.48 crore. EMTS was to be operated in PPP mode. DGNPME issued supply order (July 2010) to TATA Motors for 988 vehicles at DGS&D rates for ₹ 70.04 crore. The delivery was to be made between October 2010 and February 2011 as per monthly schedule. DGNPME had paid ₹ 42.51 crore to the firm for supply of 589 vehicles. Out of 589, DGNPME had physically taken over only 159 vehicles and sent them (November 2010) to the districts. The firm supplied all remaining vehicles against stated revised supply order of 779 vehicles, and they were parked in the firm's premises.

Vehicles parked in vendor's premises, Lucknow, 01 November 2011.



Audit observed that:

- DGNPME did not finalise the contract to operate the ambulances on PPP mode even after 9 to 12 months of delivery. This resulted in inability to take delivery of the supplies. Meanwhile, DGNPME also took no action to postpone/reschedule delivery, though admissible under the agreement. As a result, ₹ 27.53 crore remained blocked;

- Warranty period of 18 months of the vehicles, which started from the date of invoice (July 2010), had already lapsed for periods ranging from 10 to 16 months (December 2011);

- DGNPME changed contract conditions to take delivery at Lucknow instead of Pune. This resulted in an avoidable expenditure of ₹ 1.44 crore due to differential VAT rates in the two States;

- DGS&D rates include cost of inspection by that agency. By placing supply order directly on the firm DGNPME was deprived of services of DGS&D; and

- DGNPME did not consider the option of open tender although such a large order was likely to attract many suppliers which were likely to result in more competitive rates.

The Government stated that the service provider had now been selected and the process of entering into an agreement with the vendor was in progress. Improper planning and non-operationalisation of EMTS defeated the objective of reducing delays in access to medical care during emergencies. It also resulted in blockage of ₹ 42.51 crore and the possibility of deterioration of asset lying in the open.

6.2.1.2 Inability to procure Medicines and Equipment

EC approved (2010-11) and released ₹ 37.26 crore to DGNPME for procurement of medicines and equipment like IFA & De-worming tablets, Kits for ASHA, Pregnancy test kits, new drug kits, child survival kits *etc*. However, it was observed that DGNPME surrendered (23 April 2011) ₹ 26.40 crore to SPMU and transferred ₹ 10.86 crore to districts during 2010-11 because of its inability to make purchases. The Government stated that tendering process was abandoned due to higher rates of certain items and the Government's intimation that financial power of DGNPME was limited to ₹ 10 lakh. The reply was not acceptable as financial powers of DGNPME were well-known and the reasonability of price was not ensured.

6.2.2 Contract management

Audit observed that contract management was weak. This resulted in non-protection of the interests of the stakeholders, extension of undue benefits to the vendors, delay in supply and blockage of funds.

6.2.2.1 Procurements through UNOPS

EC decided (July 2008) to hire United Nations Offices for Project Services (UNOPS) as its procurement agent in view of non-formation of Procurement Cell within SPMU. UNOPS was selected as it felt that UNOPS was a professional procurement agency with specialisation in medical supplies and Ministry of Health and Family Welfare in GoI had hired for its procurements under World Bank funded project. SHS entered (July 2008) into contract with

UNOPS without protecting its own interests. The unfavorable clauses included 100 *per cent* advance payment on finalisation of tender, refund clause of advance on simple interest without bank/performance guarantee and absence of punitive clauses for failure to comply with contract obligations, including liquidated damages clause. SHS was to be associated in the whole procurement process as an observer. During the bid evaluation process its role as an observer was limited to "concurrence with recommendations limited to pricing only". Audit observed that there was a lack of technical expertise in SPMU to carry out the tasks and it did not participate in bid evaluation process of high value items. Further, no reports and returns, although stipulated in agreement were received/called for. No proper monitoring system was established, resulting in delayed supplies, non-supply of certain items and blockage of funds.

The Government in its reply stated that the agreement to engage UNOPS as procurement agent for SHS was identical to a similar agreement entered into by the Ministry of Health & Family Welfare, GoI. However, Audit observed that the provisions related to World Bank funded procurements and these were not applicable to NRHM, which envisaged open and competitive system for procurement.

6.2.2.2 Blockage of funds by UNOPS

SHS and DGNPME together placed two procurement requests with UNOPS. One in July 2008 for ₹ 74.29 crore and another in January, 2010 for ₹ 81.04 crore. With respect to supply order for Medicine and equipment, placed in July 2008, UNOPS supplied 724 laparoscopes for ₹ 51.36 crore with a delay of 223 days. Similarly, for procurement requests placed in January 2010, it took eight months (October 2010) for part supply (₹ 39.81 crore) from the date of payment of advance (March 2010). Balance supplies worth ₹ 41.23 crore were not made till December 2010. After persuasion and filing of a FIR in November 2010, UNOPS refunded ₹ 38.90 crore in December 2010. An amount of ₹ 2.33 crore remains unrecovered (December 2011).

Audit also observed that an advance of ₹ 81.04 crore made to UNOPS in March, 2010, included items worth ₹ 19.08 crore which were not approved in PIP (2009-10). This was included by diversion of fund from other activities ***(Appendix-6.1).***

Thus, SHS and DGNPME extended undue favours to UNOPS including award of large supply orders by diverting ₹ 19.08 crore from other activities. It also failed to manage the contract with the supplier, which led to erratic supply, blockade of funds and unrecovered advance.

The Government admitted that supply of laparoscope and zinc sulphate tablets was delayed and attributed it to its inability to provide road permits to the supplier firm. It also denied diversion citing approved RoP (approved PIP for 2009-10) which was factually incorrect.

6.2.2.3 Award of work by UNOPS

UNOPS as procurement agent was to manage tendering process in an open, fair and transparent manner. Audit examined the system of tendering by UNOPS through a case study relating to procurement of laparoscopes amounting to ₹ 51.38 crore. UNOPS invited tenders for 1224 laparoscopes in five Schedules to enable suppliers to bid according to their capacity ***(Appendix-6.2)*** in August 2008. Four suppliers participated in the tender. Records relating to

Schedule II showed that one bidder, M/s Pregna International, which was assessed as L-1 bidder, was not awarded the work on the ground that it was not technically compliant. Scrutiny of Bid Evaluation Report showed that UNOPS followed three stage evaluations. Initially, a preliminary and general assessment was performed to verify completeness of bids and to review suppliers' background. All bids found to be substantially responsive in this assessment were taken up for detailed price and technical evaluation. Thus, technical evaluation was done with full knowledge of financial bids.

Audit observed that:

a) Though the Government claimed that Bid Evaluation Committee (BEC) comprised three members in which two were independent and in no way connected with UNOPS, the fact was that BEC was chaired by Senior Pharmaceutical Product/ Supply Chain Officer, UNOPS and the other member was Financial Consultant, UNOPS;

b) Though the Government claimed that technical evaluation was done by a very senior and eminent expert from AIIMS, the fact was that the technical assessment sheet was signed only by two UNOPS members and not by third technical expert from AIIMS;

c) The system of technical assessment after the price evaluation of substantially responsive bids was against GoI/CVC[5] and GoUP guidelines and best practices and was also fraught with risk of fraud and corruption. SHS did not insist on two-envelope system which was very much permissible under UNOPS procurement manual.

d) Under Standards and warranty provision of technical assessment report, the product of M/s Pregna International was found to be in conformity with industry standards[6]. However, in final technical assessment the firm was disqualified on the ground that the firm did not provide evidence of CE certification. This was done after BEC noted that firm claimed ISO certificate issued by Quality Systems (QS) certification services to be in line with CE requirement;

e) Post qualification assessment sheet stated that the qualified bidder had valid ISO-9001 and ISO-13485/13488 standards. There was no mention of compliance of product with FDA, CE, Underwriters Laboratories Inc. (UL) or BIS standards;

f) Against estimated cost of laparoscope of ₹ 4 lakh per unit in PIP of 2007-08 SHS accepted the offer of second lowest and qualified bidder Karl Storz at ₹ 6.55 lakh per unit. This was done knowing that M/s Pregna International's offer was ₹ 3.94 lakh and SHS could exercise its power of "concurrence with recommendation limited to pricing only" to reject Karl Storz offer. On further inquiry UNOPS itself admitted that Tamil Nadu had procured laparoscopes at ₹ 4.67 lakh per unit. UNOPS, however, justified higher cost due to richer specifications (₹ 0.45 lakh), customs duty, incidental costs (₹ 0.53 lakh) and exchange variations; and

g) M/s Pregna International Limited, complained to Mission Director about irregularities in tender procedure adopted by UNOPS and an internal inquiry was held. Since Mission

[5] CVC Office Order No. 44/9/03 issued vide letter no 98/ORD/1 dated 4 September 2003.

[6] Food and Drug Administration of USA (FDA), European Union (CE), UL or Bureau of Indian Standards (BIS) approved product standards.

Director was associated with the process of award of procurement made by UNOPS, it was improper for EC to have disposed the complaint without holding independent inquiry and without referring it to the Governing Body of SHS.

Thus, acceptance of a substantially higher rate in a single bid situation for a large purchase resulted in excess expenditure of ₹ 6.52 crore on purchase of laparoscopes when compared to rates of the lowest bidder.

The Government stated in its reply that M/s Pregna International Limited did not satisfy the technical requirement of CE certification which was a necessary requirement. Further, complaint in tendering process was not taken up with Governing Body as it did not involve any separate policy issue. The reply was not acceptable as the Government accepted flawed and complex bidding process and higher rates of UNOPS in a single bid situation.

6.2.2.4 Supply of Intrauterine Device (IUD) Kits

PIP of 2007-08 included provision for Daily IUD 380-A counseling service for achieving the objective of Population Stabilisation. This service was to be provided in different District Women Hospitals, 426 CHCs and 397 block PHCs under NRHM Additionalities. 5000 IUD Kits were to be procured for counseling service. No procurement was, however, made during 2007-08. Procurement of these kits was undertaken during 2008-09 in two schedules (stages) through UNOPS. In each schedule, 2500 IUD Kits were to be supplied.

UNOPS invited bids (September 2008) for procurement of 5000 IUD Kits. Two bids were received. The lowest bidder was technically disqualified. The other bidder, M/s South India Surgical Company Limited was awarded the contract. The rates quoted by M/s South India Surgicals Co. Limited, were higher than the rate of ₹ 3000 per kit provided in PIP. Therefore, the accepted bid of ₹ 4844 per kit exceeded the rate given in PIP by ₹ 1844 (61 *per cent*). The tendering process which was reduced to a single bid and the quoted price being higher than the reserve price warranted re-tendering.

Against an allocation of ₹ 150 lakh in the approved PIP, UNOPS received ₹ 242.19 lakh from SPMU (November 2008) as advance for the supply of IUD kits. Receipt and distribution of these kits to hospitals was not confirmed by SPMU and the approval for the excess expenditure of ₹ 92.19 lakh was also not obtained.

The Government stated that a single bid situation did not necessarily warrant re-tendering as per UNOPS procurement procedures. The Government, thus, followed the policies of procurement agents without protecting its own interest, thereby depriving the State of the benefits of competitive rates.

6.2.2.5 Procurement under Information Education and Communication (IEC) and Behaviour Change Communication (BCC) activities

EC sanctioned (August, 2010) and released ₹ 13.70 crore to DGNPME for outdoor media for wide publicity through wall paintings, hoardings, flex banners and community notice boards. DGNPME executed (August 2010) a contract with UPSIC for supply of these items. DGNPME amended the MOU with UPSIC within six days of its signing, to raise the advance payable from 25 to 75 *per cent* and released ₹ 9.75 crore as advance.

UPSIC invited tenders for the work on 26 August 2010 from its registered firms. It invited short term tender of six days without associating the representatives of DGNPME in the tendering process, though stipulated in the agreement/work order. The rates obtained were higher than the rates at which the work was awarded to UPSIC merely a fortnight ago. UPSIC, without analysing those rates and making any efforts for seeking reduction in the rates, submitted it to DGNPME. DGNPME without ascertaining reasonability of prices and competitiveness of tendering process accorded approval for the higher rates and reduced the quantity to be procured. Sanction of EC was not obtained for the reduced scope of work/quantity due to higher rates.

UPSIC awarded the aforesaid work in favour of M/s Siddhi Traders, Moradabad vide supply order dated 14 September 2010. It sanctioned ₹ three crore as advance to the supplier on 22 September 2010, against the mortgage of stock which was in the custody of the supplier itself and without obtaining any bank guarantee. The execution of work at rates higher than those agreed upon between UPSIC and DGNPME, barely a fortnight earlier, resulted in excess expenditure of ₹ 4.32 crore ***(Appendix-6.3)***. Moreover, UPSIC did not impose any penalty for delay in supplies as of September 2011. Thus, DGNPME and UPSIC violated financial rules and contract conditions to extend undue favour to the supplier, M/s Siddhi Traders, Moradabad.

The Government stated that UPSIC did not associate representatives of DGNPME during the tendering process which was against the provisions. It was assured that it would impose penalty on UPSIC while making final payment.

6.2.2.6 Mobile Medical units (MMUs)

It was proposed to operationalise 135 MMUs in 15 districts[7] of the State. MMUs were to be positioned at selected villages/habitation, as per a pre-determined regular monthly schedule. One MMU was to be positioned in each block, except district headquarters' block. Each MMU was to work for eight hours a day, for six days a week. Thus, one MMU was to cover approximately six centres/villages in a month.

The operationalisation of MMUs was to be done by private service providers under PPP model. SHS/ DGNPME was to pay the cost of vehicle and fabrication to the manufacturers of vehicles and fabricators through letters of credit (LC) while recurring cost for medicines, management, IEC *etc*. was to be reimbursed to service providers on actual basis. A provision of ₹ 42.68 crore was made in PIP of 2010-11 for operation of MMUs as detailed below:

Table 6.2: Costing of MMUs

(₹ in lakh)

Sl. No.	Component	Quantity	Unit cost	Total cost
1	(a) Capital expenditure of MMUs	135	13.28	1792.80
	(b) Office expenditure	15	3.00	45.00
2	Operational expenditure	135	18.00	2430.00
			Total	**4267.80 Say ₹42.68 crore**

[7] Ballia, Banda, Chandauli, Chitrkoot, Deoria, Ghazipur, Hamirpur, Jalaun, Jhansi, Kushi Nagar, Lalitpur, Mahoba, Mau, Mirzapur and Sonebhadra.

EC decided (August 2009) that DGNPME will manage the tender process within the sanctioned cost of ₹ 25.16 crore and to manage PPP based procurements, M/s Feedback Ventures Private Ltd. was selected (November 2010) as Consultant. The Consultant was to manage the entire bidding process from preparation of bid documents to recommendations for selection of Private Bidder(s). DGNPME invited (November 2010) an open tender for selection of service providers in which they were to submit break up of capital and operational cost for five years against each applied for district. The lowest bids differed greatly with estimated cost in PIP as shown in Table below.

Table 6.3: Variations between sanctioned rates in PIP and service providers' rates

Item	Rate as per PIP	Total cost as per PIP	Rate as per agreement/ letter of intent	Total cost as per agreement
Capital Expenditure	₹ 13.28 lakh per MMU	₹ 1793 lakh	Ranged from ₹ 16.42 lakh to ₹ 31.94 lakh per MMU	₹ 3504 lakh for 133 MMUs
Cost of Office setup (Cost per year)	₹ 3 lakh per district	₹ 45 lakh	Ranged from ₹ 22.19 lakh to ₹ 24.42 lakh per MMU	₹ 3035 lakh for 133 MMUs
Operational Cost (Cost per year)	₹ 18.00 lakh per MMU	₹ 2430 lakh		
Total		**₹ 4268 lakh Say ₹ 42.68 crore**		**₹ 6539 lakh Say ₹ 65.40 crore**

DGNPME accepted (December 2010) the bids of three service providers and entered into an agreement with them in January 2011. Further, DGNPME placed ₹ 35.04 crore as LC in February 2011, for vehicles and fabrication as follows:

Table 6.4: Details of letters of credit opened for vehicles and fabrication works

Sl. No.	Service Provider	Districts	Amount of LC (₹ in crore)			Ratio of cost of fabrication to cost of vehicle
			Vehicle	Fabrication	Total	
1	Dr. Jain Video on Wheels and Jain Studio, New Delhi	Banda, Chitrakoot, Jalaun, Jhansi, Lalitpur, Mahoba and Mau	3.05	7.89	10.94	2.58
2	Community Action through Motivation, Rewa, Madhya Pradesh	Chandauli, Hamirpur, Mirzapur and Sonbhadra	1.63	3.63	5.26	2.22
3	Jagran Solution, New Delhi	Ballia, Deoria, Ghazipur and Kushi Nagar	3.00	15.84	18.84	5.28
				Total	**35.04**	

Audit observed that:

- The Consultant was to prepare the bid document (Request for Proposal, RFP) for operationalisation of MMU. However, DGNPME invited tender ten days before selection of the Consultant;

- As per extant financial orders, DGNPME's financial power was limited to ₹ 10 lakh for purchase of equipment. Moreover, procurement of service provider for operation of MMU was complex and a new procurement system and, therefore, a Consultant was hired. Still DGNPME accepted the composite tender of ₹ 65.39 crore (inclusive of capital cost of ₹ 35 crore);

- The Government/SHS bore capital costs of vehicle and fabrication without ownership. Further, they were to bear recurring costs (salaries of staff, fuel and vehicle maintenance, consumables) on specified terms. Such an arrangement imposed minimum risk on service provider and all the risk got transferred to the Government/SHS. Despite this DGNPME stated (October 2011) that it was a contract agreement and not a PPP mode procurement.

- DGNPME had contracted service providers at rates higher than those sanctioned in PIP. The capital costs went up from ₹ 17.93 to ₹ 35.04 crore (95 *per cent*) while operational cost went up from ₹ 24.30 crore to ₹ 30.35 crore (25 *per cent*) per year as shown in Table ***-6.3.*** Thus, DGNPME did not ensure execution of the scheme within the sanctioned amount in PIP and incurred excess expenditure of ₹ 18.11 crore as capital cost;

- DGNPME changed the contract condition of making direct payments to fabricators through LC. It opened LC in service provider's name for making payments to the fabricators. This change allowed service provider to get fabrication done at lower rates and get undue benefit;

- DGNPME did not give brand name or make of vehicles and specific design for fabrication while calling for RFPs. This resulted in wide variations in prices. For instance, the ratio of cost of vehicle to cost of fabrication varied from 2.22 to 5.38.

- Integrity and confidentiality of the tendering process was not ensured. RFP required submission of financial and technical bids in soft copy. However, many CDs furnished by the bidders contained both financial and technical bids. Thus, separate secrecy of technical and financial bids was not ensured;

- There were delays in operation of MMUs by service providers which attracted penalty but it was not calculated, imposed and recovered. The exact dates of operationalisation of MMUs were not furnished to Audit;

- During physical verification of MMUs by the Transport Commissioner, it was found that in many cases many items of fabrication and equipment were missing. Thus, the department failed to ensure fabrication and installation of equipment in MMUs as per specifications. Moreover, no effective action was taken or systemic improvements made as follow up to the enquiry reports of Transport Commissioner and Chairman, Board of

Revenue. A technical inquiry as recommended by Transport Commissioner had not been set up (November 2011);

- Though the Technical and Financial bids were evaluated by Consultant and finalised by committee of DGNPME, the bids were not available in the Office of DGNPME; and

- Amount of Bank Guarantee to be taken from service providers, 10 *per cent* of total cost for five years, was reduced to 10 *per cent* of cost for one year after the vendors were selected.

The Government in its reply stated that the tender papers were approved by the Cabinet and the changes in the amount of bid security and payment of fabrication cost to service provider were made by committees headed by the Principal Secretary. It was, however, improper to change the terms and conditions of a contract to the service provider's advantage after issue of letter of intent. On the issue of CD containing both technical and financial bid, the Government stated that the CD was not used in the process. The reply was not convincing as department did not provide evidence of maintenance of confidentiality of the contents of CD or availability of CD in sealed cover. Further, Chairperson, Board of Revenue had also pointed out vitiation of tendering process on this count. There was also no reason to call for a CD which was not to be used. The Government stated that it did not receive the enquiry report of the Chairman, Board of Revenue. However, Audit observed that DGNPME had furnished (August 2011) its response to findings of Chairperson, Board of Revenue in July 2011.

6.2.2.7 Procurement of FRU Kits

EC sanctioned and released ₹ 31.59 crore[8] to DGNPME for purchase of FRU/IUD kits. The High Power Purchase Committee, headed by Principal Secretary, decided (19 August 2009) to purchase these items through UPSIC, on the ground that GO dated 01 July 2000 provided for purchase of family planning kits and surgical items from UPSIC. The rates were to be decided on the basis of tenders to be invited by UPSIC. DGNPME placed (28 August, 2009) the supply order on UPSIC for the supply of 515 FRU kits and 2050 IUD kits. DGNPME entered into an agreement with UPSIC on terms and conditions, which were not legally vetted and approved by competent authority. This resulted in the incorporation of a condition that 90 *per cent* advance payment would be made to UPSIC which was also against past practices adopted by DGNPME where only 25 *per cent* advance was admissible to the nominated agencies.

According to the agreement (3 September, 2009) between DGNPME and UPSIC, the equipment, with ISI certification and CE mark, were to be supplied within 90 days. The company, selected for supply by UPSIC, was to fulfil WHO/GMP[9] standards. In case of delay, a penalty of ₹ 1000 per day was to be imposed. A representative of DGNPME was to be part of the tendering process. UPSIC was to keep DGNPME informed about the progress of the tendering process.

[8] 9/2009 : ₹ 28.62 crore and 12/2009 : ₹ 2.97 crore.

[9] World Health Organisation (WHO) and Good Manufacturing Practices (GMP).

The items of medical instruments had been reserved for procurement from MSME (Micro, Small & Medium Enterprises). UPSIC, therefore, sought procurement of these items from the firms registered as MSME. A short term tender notice of 13 days for procurement of FRU/IUD kits was invited. Orders for supply of 515 FRU Kits at the rate of ₹ 5.94 lakh per kit and 2050 IUD Kits at the rate of ₹ 4859 per kit were placed on Surgicoin Mediquip (P) Ltd and agreement was signed with the party. The party supplied the kits (FRU Kits: 515, IUD Kits: 2050) and payment of ₹ 31.59 crore was released to the party.

As per terms and conditions (Clause 3(j) of the technical bid), the firms submitting their offer must have valid WHO, GMP certification. However, the manufacturing facility of Surgicoin Mediquip (P) Limited, registered with UPSIC from where the supplies were made, was not having WHO, GMP certification. As per clause 3(e) of the technical bid, the firms submitting their offer must enclose their commercial tax registration under VAT, including CST, along with their offer. However, the supplier had been registered with VAT Authorities on 29 September 2009 i.e. after the date of opening of the tender. Therefore, the supplier in question did not technically qualify to participate in the bid and as such its bid was not valid and, therefore, not to be considered.

The firm applied for registration on 29 August 2009 and was registered on the same day in UPSIC for participation in UPSIC's assistance scheme just one day (28 August 2009) after the supply order was placed on UPSIC by DGNPME.

M/s SGS Private Limited, Ghaziabad, was selected by UPSIC for third party inspection. Scope of inspection and testing covered quality inspection, conformity to specifications, performance test, quality verification and review of Test Certificate. Certificates given by M/s SGS (P) Ltd. for pre-dispatch material revealed that it did not cover performance test results against the six parameters. Report submitted by the third party inspectors, did not show tests with reference to relevant scope of inspection and testing including performance check.

The Government instead of replying to audit observation stated that UPSIC would respond. However, UPSIC did not furnish any reply to this and other audit observations relating to procurements mentioned in this Report.

6.2.2.8 Procurement of medical solution and kits

Orders for supply of various medical and surgical items were placed (October 2010) on UPSIC, by DGNPME for ₹ 5.93 crore. An advance of ₹ 4.42 crore was made to UPSIC. A short term tender notice for procurement of these items was issued. The supply order was placed on two firms namely M/s Kapil Medical Agency (for NSV Kits, Auodofer solution, sterilised surgical gloves, hand wash solution, gluteldihide solution and salt testing kits) and M/s Guru Kripa Enterprises (for MVA syringe, IUD kits, Surgical bathroom scale). The vendor supplied the aforesaid items for ₹ 5.93 crore by December 2010 ***(Appendix-6.4)*** and UPSIC released payment of ₹ 4.42 crore without obtaining any confirmation from DGNPME or any bank guarantee from the supplier.

It was observed that the rates for procurement of various items were not based on any analysis of the reasonability of the rates leading to excess expenditure of ₹ 24.86 lakh as detailed below:

Table 6.5: Excess expenditure on procurements

Name of drug	Unit	Rate at which procured by UPSIC (In ₹)	Market rate /RC price[10] (In ₹)	Difference in rate per unit (In ₹)	Quantity	Excess expenditure (₹ in lakh)
Auodofer (Povydon Iodine 5 *per cent*)	500 ml	270	74.97	195.03	3283	6.40
Sterilized Surgical gloves	Per pair	34	12.50	21.50	3300	0.71
NSV kits	Per kit	2500	725	1775	1000	17.75
					Total	**24.86**

(**Source:** Supply orders and payment details furnished by UPSIC)

Audit also observed that:

a) DGNPME had awarded the procurements to UPSIC on nomination basis;

b) UPSIC was procuring lot of supplies from Moradabad based proprietory firms for NRHM. Many of these firms were owned by a single family. While Guru Kripa Enterprises, owned by one Shri Sourabh Jain got a supply order amounting to ₹ 4.75 crore for supply of medical and surgical goods, Siddhi Enterprises owned by Rajni Jain, wife of Sourabh Jain, got a supply order amounting to ₹ 13.69 crore for supply of IEC material.

c) Guru Kripa Enterprises had got VAT registration for business related to registers (stationary), maps, furniture *etc.*; and

d) DGNPME cancelled the supply order in January 2011, on the ground that rates of some items were high without recording source of information or reasons for wrong *ab initiao*.

In reply, the Government stated that evaluation and verification of supplied material was got done through Department of Food and Drugs Administration, GoUP, in which medicines and equipment were found to be sub-standard and at higher rates. Further, the Directorate had initiated action to return the advance of ₹ 4.42 crore with interest.

6.2.2.9 Purchase of computers

A sum of ₹ 12 crore was provided in PIP of 2009-10 for purchase of computers under Mission flexi pool for establishing Health Management Information System. EC decided (July 2009) to procure 951 computer hardware/peripherals valuing ₹ 9.94 crore from M/s Shreetron India Limited (supplier), a State Government empanelled agency. Audit observed that:

a) Despite the fact that the then Secretary/Mission Director had directed (February 2007) not to procure computers from M/s Shreetron India Limited for reasons of supply on

[10] Market rates have been taken in case of Auodofer (Povydon Iodine 5 *per cent*) as per RC of Director of Industries; in case of Sterlized Surgical glove as per UPSIC's previous procurement and in case of NSV kits at the rate offered by a firm which had supplied the same item (During 2009-10).

inferior quality of computer. The supplier was chosen by EC despite availability of other options under State Government orders;

b) The supplier was paid 90 *per cent* of the order value, amounting to ₹ 8.11 crore, despite there being no such clause in the supply agreement. Besides, no security/bank guarantee was obtained from the vendor before making this payment.

c) The supply did not commence till October 2009, although the supply was to be completed within a period of two to four weeks from the date of issue of the supply order i.e. September 2009. Computers were installed at District Hospitals and CHCs/PHCs during May to August 2010. Though, the computers were not supplied within the schedule, no penalty for delay was imposed on the supplier;

d) A letter for Pre-Delivery Inspection (PDI) was issued to supplier on 06 April, 2010 i.e. seven months after the issue of purchase order. The clause of PDI of only five *per cent* of the computers was introduced in May, 2010. No external expert, with technical knowledge, was included in the PDI team.

e) Though the number of computers to be procured was large, neither was open tender system adopted nor were other suppliers, approved by the Government of UP, invited to tender their rates. The Original Equipment Manufacturer was also not contacted for obtaining supplies directly from the manufacture. Rates approved by DGS&D and the Director of Industries were also not considered.

The Government stated that extant orders[11] did not envisage invitation of rates from the Government authorised agencies. The reply of the Government was not factually correct as the Government Order envisaged invitation of quotations for small purchases and placement of large supply order on original equipment manufacturer on open tender basis. Moreover, SPMU disregarded its own past experience when the then Secretary/Mission Director had directed (February, 2007) not to procure computers from M/s Shreetron India Ltd. due to supply of inferior quality.

6.2.2.10 Deficiencies in hiring of vehicles by SPMU

The State Project Management Unit (SPMU) did not invite proper tenders for hiring of vehicles for the headquarters office at Lucknow to avail the benefit of competitive rates. It also violated the approved pre-bid conditions in considering the offers received. SPMU not only incurred higher cost on hiring but also allowed operation of non-commercial vehicles for the purpose.

The work was awarded (26 August, 2008) to Singh Travel Agency, Lucknow (Agency), selected on short term tender basis for a period of two years. SPMU paid (2009-11) ₹ 1.01 crore to the Agency as hiring charges. Audit observed the following deficiencies in availing the services of hired vehicle:

(a) Relaxation of pre-bid criteria

The pre-bid criteria approved (19 June, 2008) by the Mission Director included participation by a registered travel agency, registered with Service Tax Department and having authorised

[11] G.O. 08/78-IT-2-2001 dated 12September, 2001; G.O. 785/78-2-2004-25-IT/2004 dated 25 August, 2004

commercial vehicles. The criteria also provided agencies to possess a minimum of 15 cars (mainly Indica, Ambassador, Indigo, Esteem or other semi-luxury) of 2005 or later makes. Notwithstanding the approved pre-bid criteria, the criteria were relaxed lowering the possession of taxis from 15 to 3 and changing the year of the make from 2005 to 2000.

As the Agency had only six vehicles (three not registered as taxi) and cars of years earlier than 2005, the relaxation facilitated the Agency to participate in the tender.

(b) Excess expenditure on hiring

During the same period, another sister unit located in the same complex *viz*. State Innovations in Family Planning Services Project Agency (SIFPSA), was also hiring vehicles from the same agency at ₹ 20519 per month per AC taxi during the same period. Against this, SPMU allowed higher rate of ₹ 23500 to the same Agency. Further, the rates obtained from two other agencies[12] against the short term tender, rejected on untenable grounds, were ₹ 18275 and ₹ 18990 respectively. Compared to the rates of the sister unit (₹ 20519), the excess expenditure on hiring of vehicles worked out to ₹ 9.30 lakh for two years. Further, the service tax registration number of the service provider was also not mentioned on the bills of the Agency, as contemplated in GoI circular of August 2007 on Service Tax, facilitating evasion of service tax.

(c) Private cars used for commercial purposes

Further, a list of 35 vehicles cross verified from the RTO, Lucknow indicated that (i) only two vehicles (out of 35 vehicles) were registered as taxis; (ii) registration numbers mentioned were incomplete/incorrect in respect of 20 vehicles and (iii) out of 13 remaining vehicles, only five vehicles were for commercial use. The rest eight were private vehicles.

SPMU stated (November 2011) that the Agency had been asked to put their service tax registration no. on all their bills. For violating the pre-bid criteria, it stated that approval for the same could not be obtained due to time constraint and that a letter was being sent to the agency to provide renewed registration numbers of its vehicles.

The reply was indicative of SPMU's failure to adhere to the prescribed procedures/ Government Rules and disregard to the directives of higher authorities.

6.2.2.11 Purchase of Modular Operation Theatres (MOT) by UPPCL

EC decided (July 2009) to award the work of upgradation of district level hospitals as per IPHS norms, to UPPCL. DGNPME released ₹ 145.53 crore (₹ 40 crore in September 2009; ₹ 102.61 crore in February 2010; and ₹ 2.92 crore in February 2011) to UPPCL. Further, DGNPME entered into an MoU with UPPCL on 3 March 2010 for execution of this work. The scope of work included supply and installation of MOT at an estimated cost of ₹ 50 lakh per unit. The total cost for supply and installation of MOT in 36 district level hospitals was to be ₹ 19.60 crore. Audit observed that:

- EC decided to award this work to UPPCL without checking its credentials, past experience and technical capacity and without considering the agenda proposal of getting such nature of work done through an experienced and technically capable organization like UPRNN, Uttar Pradesh Jal Nigam or Hindustan Pre-fab Limited. Further, UPPCL did not have encouraging credentials, as brought out in paragraph 4.14.4 of this report.

[12] MARS Tours and Travels, Lucknow and Raj Tour and Travels, Charbagh, Lucknow.

- UPPCL did not go for two bid, open tender system. Instead, it invited (January 2010) Expression of Interest, with a short term notice of 14 days, for short listing firms to supply and install MOT. In the second stage, UPPCL invited (February 2010) financial offer from the three short listed firms (M/s Surgicoin Medequip Private Limited, Delhi, M/s Unicure India Private Limited, Noida, and M/s Anod Pharma Private Limited, Kanpur), again at a short notice of 16 days.
- UPPCL accepted (April 2010) the lowest offer of M/s Surgicoin Medequip Private Limited, Delhi at the rate of ₹ 74.06 lakh per MOT (₹ 45.16 lakh for MOT and ₹ 28.90 lakh for Air Handling unit) against an estimated cost of ₹ 50 lakh. The accepted offer was higher than the estimated cost by ₹ 24.06 lakh (48.12 *per cent*). Thus, the cost of work increased from ₹ 19.60 crore to ₹ 26.66 crore. DGNPME's representative in Empanelment Committee, however, did not object to the increased cost. The work was awarded (April 2010) to the vendor with the condition to complete the work in 12 months. The firm did not complete installation in any of the sites as of June 2011, despite lapse of 13 months since award of supply order. Payment of ₹ 19.73 crore was, however, released to the firm till November 2011
- UPPCL extended undue favour to the firm by making payment of ₹ 10.22 crore in 10 districts, without making tax deductions at source on account of Income Tax (IT) and UPVAT, as of November 2011. This resulted in extra payment of ₹ 21.05 lakh and ₹ 20.43 lakh to the firm due to non-deductions under IT and UPVAT provisions respectively.
- The installation of MOT attracted service tax at the rate of 10.3 *per cent* on 33 *per cent* of cost of installation. However, there was no evidence that the supplier firm had paid the service tax.
- The same set of three firms was also short listed earlier, by UPSIC in September 2009 for supply of FRU and IUD kits to DGNPME under NRHM. As brought out in paragraph 6.2.2.7 of this Report, UPSIC had awarded that supply order by extending undue favour to M/s Surgicoin Medequip Private Limited. Thus, the firm received supply orders amounting to ₹ 58.25 crore (₹ 26.66 crore for MOT; ₹ 31.59 crore for supply of FRU/IUD kits) during September 2009 to April 2010 under NRHM for two different activities. The furnished reply was not convincing. In the event of collusion amongst bidders and award of work to specific firms at higher rates, the possibility of fraud and embezzlement could not be ruled out.

6.2.3 Funding Requirements

It was observed that procurements were made by diverting funds from other components and also items not planned for procurement were procured. Due sanctions were also not obtained for the diversion of funds/deviations from approved PIPs.

6.2.3.1 Supply of printed registers and logbook

EC sanctioned and released (July 2010) ₹ 2.27 crore to DGNPME for printing of ASHA payment slips, Generator Log Books, MCH Registers and Village Health Index Registers. DGNPME entrusted this job to UP Cooperative Federation (Press), Lucknow for ₹ 2.27 crore on nomination basis without checking with the Government Press or assessing competitive rates. The details were as follows:

Table 6.6: Detail of Items sanctioned by EC and supply order given by DGNPME

Sl. No.	Item No.	No. of Unit	Rate/Unit (in ₹)	Amount (₹ in lakh)	No. of Unit	Rate/Unit (in ₹)	Amount (₹ in lakh)
	Sanctioned by EC				As per supply order		
1.	Asha Payment Slips	75000	45	33.75	47484	79.50	37.75
2.	Generator Log Book	1000	30	0.30	1405	21.35	0.30
3.	MCH Register	1,10,000	70	77.00	1,10,791	70.00	77.00
4.	Village Health Index Register	1,40,000	80	112.00	84,541	132.48	112.00
			Total	**223.05**			**227.05 Say ₹ 2.27 crore**

(**Source:** Agenda of EC meeting, July 2010, September 2010 and supply order)

Audit also observed that printing work was carried out at rates higher than those sanctioned by EC and higher rates given to the UP Cooperative Federation (Press) resulted in printing of reduced quantities than approved by EC in the sanctioned cost. Despite the availability of funds, payment was not made to the Press and no reason was assigned for continuing with the liability. Supply of material in terms of quantity and quality was also not checked by DGNPME.

While accepting the facts, the Government stated that DGNPME acted on decision of the EC (September 2010). However, EC had not taken the decision after considering NRHM guidelines and the Government orders regarding printing. Further, DGNPME did not get revised sanction of EC for the higher rates and reduced scope of work.

6.2.3.2 Printing and supply of flex banners

Director, IEC Bureau invited (October 2007) tenders for printing and supply of Flex Banners for Routine Immunisation programme, without any administrative and financial sanction. Director, IEC Bureau issued a work order on 20 October 2007 in favour of M/s Stellar Poly Plast Private Limited, Lucknow, for ₹ 68.80 lakh for supply of 25000 Flex Banners. IEC Bureau received ₹ 68.80 lakh for this work. However, the payment to the firm was not made for want of due approvals, as verification of stock entry from the districts was still awaited. IEC bureau did not ensure receipt of utilisation and assurances on quality of banners (November 2011).

The Government in its reply stated that the decision to carry out procurement in anticipation of funds was taken in a meeting (October 2007) headed by the Principal Secretary, Department of Medical, Health and Family Welfare. Further, the verification report had been received from 28 districts. However, verification reports from the other districts had not been received, for which reminders had been sent. The reply was not acceptable as liability was created without availability of funds and without ensuring delivery and verification of goods even after three years of stated supply.

6.2.3.3 Supply of Incomplete ASHA Kits

A provision of ₹ 6.75 crore was made in PIP of 2008-09 for supply of 1.35 lakh ASHA kits. Estimated cost per ASHA kit was ₹ 500. CMOs were to make the procurement in the districts. However, CMOs were directed not to procure IFA tablets, which was part of ASHA kit. IFA tablets were purchased from UNOPS at the rate of ₹ 125 per kit. CMOs were directed (August 2008) to procure feasible quantity of medicines within the available balance amount of ₹ 375 for each kit. Resultantly, the quantity and items of kit were reduced ***(Appendix-6.5)***. Thus, due to inability to procure IFA tablets at competitive rates, kits with reduced quantity of medicines and without some items were made available to ASHAs.

SPMU did not reply to the core issue of competitive rates and elaborated on irregular supply of Kit A and Kit B by GoI.

6.2.4 Approval of Requirements and Funding

6.2.4.1 Procurement of furniture and instruments

DGNPME entered (24 January 2011) into an agreement with LACCFED for supply of furniture and instruments to 3867 accredited sub centres of the State under JSY. As per the agreement, furniture and instruments of approved specifications were to be supplied within two months. There was a penalty clause of 0.1 *per cent* per day on the cost of supplied material for delays. Three-fourth of total sanctioned/estimated cost of ₹ 10.80 crore was given as advance. Items to be supplied included delivery beds, examination tables, footsteps (single), weighing scales (adult), baby weighing scales, BP instruments, stoves, emergency lanterns, hospital beds, mattresses, pillows, sheets, blankets *etc*.

Audit observed that:

a) LACCFED was awarded the work on nomination basis even though it was not a recognised/empaneled agency for supply of medical store and furniture *etc*. Finance Department had allowed (May 2010) provisional empanelment of LACCFED only for construction work;

b) LACCFED did not go for competitive bidding. Quotations were called from six firms in an arbitrary manner and without specifications. LACCFED agreed to undertake full supplies for not less than ₹ 14.83 crore against the estimated cost of ₹ 10.93 crore. DGNPME agreed to take the supplies at rates offered by LACCFED by reducing the scope of work without examining its reasonableness;

c) The DGNPME did not seek the approval of EC for higher rates and procurements of reduced quantity limiting the PIP amount to ₹ 10.93 crore. Further, DGNPME did not explore the possibility of buying the items on DGS&D, ESI or CMSD rate contracts;

d) Quality and specifications of supplied material was not checked/ensured by DGNPME through third party evaluation, as per contract conditions;

e) Although supply was not completed (November 2011), the clause for penalty for delay was not invoked against LACCFED.

The Government stated that the work was allotted to LACCFED as per decision of EC (August 2010). DGNPME had directed LACCFED that material would be supplied as per DGS&D rate contract or ESIC rates, in absence of which purchase would be done as per Uttar Pradesh Government purchase policy. It was also directed (February 2011) that rates given in PIP were the maximum permissible. Action was being taken for third party evaluation. The Government assured that penalty for delay will be imposed at the time of final payment.

The reply of the Government was not acceptable as the decision of awarding work without tender to LACCFED for supply of hospital material was not justified. It was a nominated agency for construction and not for supply of medical material. Although it was communicated by DGNPME that rates given in PIP were the maximum permissible, rates given by LACCFED were almost 1.5 times higher than those in the PIP.

6.2.4.2 Providing CUG connectivity

PIP of 2009-10 provided an allotment of ₹ 76.80 lakh under Mission flexi pool for supplying Closed User Group (CUG) connectivity to the doctors/ officers/ other related employees for the whole year. This CUG was to connect 1000 users and the unit connectivity charge was assessed at ₹ 640per user per month. EC approved (August 2009) the proposal for obtaining 1000 CUG connections from M/s BSNL at the rate of ₹ 640 per month. SPMU placed an order (October 2009) on M/s BSNL, for 1250 connections.

The actual expenditure worked out to ₹ 1.02 crore against ₹ 76.80 lakh provided in PIP. This led to unauthorised diversion of ₹ 25.20 lakh. Additional Connections, numbering 250, were procured in excess of the numbers approved in PIP involving an unapproved expenditure of ₹ 10.55 lakh. Handsets, numbering 28, were not distributed (November 2011). This indicated that these were actually not required and an expenditure of ₹ 1.91 lakh on their purchase was avoidable. Audit further observed that the purchase included 10 Blackberry Bold 3G handsets which were more expensive than the other GSM mobile handsets.

The Government stated that EC (August 2009) decided to procure maximum numbers of handsets from BSNL in the given budget so that CUG network facility might be provided to maximum number of functionaries. BSNL agreed to provide 1250 connections at the same cost sanctioned for 1000 CUG connections.

The reply of the Government was not acceptable because as per the said EC meeting, ₹ 76.80 lakh was approved for 1000 users at the rate of ₹ 640 per month for the year 2009-10. But BSNL provided 1250 CUG with recurring expenditure for only six months instead of 12 months. Moreover, the reason for unauthorised excess expenditure of ₹ 25.20 lakh was not provided by the Government.

6.2.5 Monitoring

It was observed that supplies were not as per the prescribed specifications and within the specified time frame due to absence of monitoring.

6.2.5.1 Installation of Reverse Osmosis (RO) systems and strengthening of toilets

Installation of 133 units of RO systems for ₹ 19.95 crore was approved in PIP of 2009-10 to provide safe drinking water at the District Hospitals in the State. PIP proposed that the recurring expenditure on the systems would be met through PPP mode. Further, ₹ 2.68 crore was provided in PIP for improving the toilet facilities at District Hospitals. As per the approved PIP, a consultant was to be hired for preparation of bid document, tendering and evaluation.

EC decided (August 2009) that this work be undertaken by UPSIC. Accordingly, DGNPME placed order on UPSIC on nomination basis and paid 90 *per cent* of estimated cost as advance on 3 September 2009. The work was to be completed by February 2010.

Audit observed that:

- Work required to be completed within six months of the order remained incomplete even after two years of award of work, despite the fact that 90 *per cent* advance was paid to UPSIC. By October 2011, only 120 RO systems were installed, whereas work of strengthening of toilets had not yet been taken up. DGNPME did not make any efforts to invoke the penalty clause; and

- The quality and specifications of RO systems were not got checked by DGNPME. There were frequent demands for repairs by Chief Medical Suprintendents (CMSs) of different hospitals. UPSIC had not submitted the inspection reports regarding installation and functioning of plants. An internal inquiry set up by the Government pointed to shortcomings in the supplies/installations (September 2011).

As pointed out earlier the Government did not respond on the plea that UPSIC would respond to the audit observation. UPSIC, however, gave no reply.

6.2.5.2 Purchase of spectacles

The High Power Purchase Committee authorised (October 2009) UPSIC for purchase of spectacles on the basis of indents of CMOs. DGNPME entered into an MoU (18 January 2010) with UPSIC for supply of 2,14,200 spectacles for patients of cataract operation and 70,000 spectacles for school children, with vision disability, of different districts in the State. The demand for supply was communicated to UPSIC by DGNPME on 26 October 2009. The rate was fixed by UPSIC at ₹ 163 and ₹ 124.85 per spectacle for vision disabled children and patients of cataract operations respectively on the basis of tender.

DGNPME advanced (75 *per cent*) ₹ 2.84 crore to UPSIC on 31 January 2010, against the contracted amount of ₹ 3.81 crore, from the National Programme for Control of Blindness (NPCB). Spectacles were to be supplied as per specifications given by DGNPME and the quality of supply was to be ensured by inspection of third party. Supply was to be made as per indents of CMOs of Districts, limited to quantity allotted to them in supply order/agreement. The spectacles were to be supplied within 45 days of the date of receipt of indent from CMOs.

Twenty out of 71 districts did not indent for any spectacles. UPSIC completed 14 *per cent* of the order and returned ₹ 2.29 crore (31 March 2011) as per DGNPME's order. The quality and specification of spectacles supplied was not ensured through third party evaluation as

envisaged in the agreement. Internal inquiry set up in July 2011 revealed that there was discrepancy in the number of spectacles claimed to have been distributed and actual supplies as ascertained in physical verification. The quality of lens of spectacles was not tested due to non-availability of technical knowhow in the specialist panel deputed for the purpose. The returned amount, ₹ 2.29 crore was given to CMOs for supply of spectacles by DGNPME as per the decision of EC.

As pointed out in previous paragraph the Government did not respond to the audit observation.

6.2.5.3 Deficiencies in execution of contract for Hospital Waste Management

Uttar Pradesh Health System Development Project (UPHSDP), a World Bank Aided Project in the State, entered into an agreement (August 2006) with four firms (M/s SNG Mercantile Private Ltd., M/s Synergy Waste Management, M/s S. S. Medical System, M/s Sonosite Medical Systems (I) Pvt. Ltd.) for Hospital Waste Management in hospitals of the States on turn-key basis. The scope of work included supply of equipment and consumables, recurring training to concerned staff, waste collection/ transportation to their Combined Treatment Facility (CTF), treatment/disinfection and finally disposal of biomedical waste as per Biomedical Waste Management and Handling Rules,1998 and Central Pollution Control Board's (CPCB) guidelines.

As per the agreement (August 2006), 80 *per cent* payment to firms was to be made by DGNPME on presentation of bill at the end of each month after verification. However, ₹ 1.73 crore was paid (May–June 2010) to two firms, M/s SS Medical system and M/s SS Medical India Pvt. Ltd., without verification of bills. Remaining 20 *per cent* payment was to be made after receipt of review committee report. No payment could be made to firms for want of this report. Besides, as per the agreement, the firms were to submit registration numbers and type of vehicles being used for carriage of waste and records of insurance and EPF details of employees engaged. Only two firms, M/s Synergy Waste Management and M/s SNG Mercantile, submitted such records. The two other firms, M/s SS Medical system and M/s SS Medical System Pvt. Ltd., did not submit these records. Payment for 2010-11 was not made to firms, although budget of ₹ 13 crore was available with DGNPME.

The Government in its reply stated that the remaining 20 *per cent* payment was not made in view of non-formation of review committee.

6.2.5.4 Repair of Vehicles

For 2006-07, State Empowered Committee of RCH Programme approved release of ₹ 3.50 crore on (March 2007) for mobility support for monitoring and evaluation. DGNPME released this amount @ ₹ 5 lakh to 70 CMOs for repair of the Government vehicles and deployment of contractual drivers to help intensive monitoring and evaluation of different NRHM programmes.

DGNPME decided (May 2007) that five vehicles be repaired under each CMO and five vehicle drivers may be appointed on contract for driving these vehicles in the absence of regular drivers. Contractual drivers were to be appointed at the district level by forming a committee. The monthly expenditure was to be submitted to DGNPME by the fifth of the following month.

Audit observed that neither any statement of expenditure nor any detail about the repair of vehicles and deployment of contractual drivers were intimated (December 2011) to DGNPME. List of repaired vehicles, their utilisation, expenditure on repair, operational expenses on vehicles and contractual drivers engaged were not available with DGNPME.

The Government replied that it had written to the districts on 31 October 2011 calling for information on expenditure of the fund. The fact remains that the Government was unaware of utilisation of fund even after four years of its release.

6.2.5.5 Procurement of Deep Freezers

SHS engaged (August 2008) UNOPS to provide procurement services for purchase of 140 Deep Freezers (-10ºC to -20ºC) for 140 First Referral Units (FRUs) in 70 districts under Immunisation programme. The estimated price of each unit was ₹ 50,000. SPMU advanced (February 2009) ₹ 73.70 lakh, being the total cost of 140 Deep Freezers, to UNOPS.

The Deep Freezers supplied by UNOPS did not comply with the required specifications i.e. FDA, CE (Certificate of Europe), UL or ISI (Indian Standard Institute) certified.

The Government stated that the supplier in this case submitted 'CCC' certificate which the Bid Evaluation Committee, comprising of Technical Expert from the All India Institute of Medical Sciences, New Delhi, found acceptable. The reply was not factually correct as the Committee had irregularly relaxed this condition on different grounds and no 'CCC' certificate was furnished by the supplier.

6.2.5.6 Procurement of printed material for Filaria Day

Additional Director, Malaria and Vector Borne Diseases, Lucknow paid (March 2008) ₹ 6.62 lakh to Sanyukta Samiti Udyog, Chinahat, Lucknow for Pamphlets, Folders and Posters meant for Filaria Day observed from 25 to 27 February 2008. The bill numbers by which payments were reportedly made were 2382, 2383 and 2384, all dated 25 February 2008. On verification from the Commercial Tax Department (2 November, 2011), these bills were found cancelled in the sale statement submitted by the supplier firm. Given the cancellation of the said sale from the sale bill, the payment appeared to be fraudulent.

6.2.5.7 Loss in printing of publicity material for healthcare

SPMU, Centre for Health Action, Research and Training (CHART) and DGNPME required publicity material for healthcare to be used or distributed by the DHSs and other associated offices. Audit observed that in violation of the guidelines and procurement rules, they did not invite tenders for competitive rates. Instead, they placed 32 work orders valuing ₹ 16.55 crore[13] between April 2008 and March 2011[14] on UP Cooperative Federation Press, Lucknow (Press) against which ₹ 12.64 crore was paid (June 2008-January 2011) to the Press[15].

[13] These details were obtained from UP Cooperative Federation Press, Lucknow (Press) as no proper documentation was available with the SPMU or its sister units.
[14] (2008-09: ₹ 2.69 crore, 2009-10: ₹ 3.77crore and 2010-11: ₹ 10.09 crore).
[15] ₹ 3.91 crore was outstanding as of October 2011.

Audit further observed that the Press got these works done through tenders, at a margin of six *per cent,* from outside printing presses[16], as it did not have required 4-colour printing facility, thus incurring extra cost on these works aggregating ₹ 99.30 lakh[17]. Further, the challans used for delivery of material to the DHSs were that of the Press (with headquarters and printing press at Lucknow) while the printers doing the work were located at Agra, Noida, Lucknow or Jhansi.

Audit also observed that reference of the stock entry was not recorded on the bills or invoices in the claims submitted for payments. Further, the delivery challans were not found in sequence. While challan numbers 828 to 834 and 851 to 855 were of 5 November 2008 but challan numbers 772 to 912 were of 6 November 2008. The procurement was, thus, fraught with the risk of fraudulent delivery. On cross verification of receipts by 22 sampled DHSs and based on part information received from 15 DHSs, shortage of material valuing ₹ 0.60 crore was noticed as detailed in ***Appendix-6.6.***

SPMU stated (November 2011) that it was an administrative decision to allot work to the Press. For other queries, they stated that this can be answered by the Press. The reply indicated SPMU's failure to adhere to the prescribed procedure. No reply was received for the shortage of material or lack of transparent and competitive tendering procedure to control fraudulent transactions.

6.2.5.8 Telemedicine

A project for creating telemedicine facilities for rural people, to provide access to advance medical facilities in ten districts of State, with support of Sanjay Gandhi Postgraduate Institute of Medical Sciences (SGPGI), Lucknow, was approved in the State PIP for 2008-09 for ₹ 9.15 crore. In each selected district, specified health facilities (PHC, CHC, District Hospital) were to be connected to a State level hospital (SGPGI). The districts were to be selected on the basis of distance from tertiary care facilities, remoteness and inaccessibility to specialised care either in the Government or the private sector.

The Government empanelled (July 2008) National Consumer Cooperative Federation of India (NCCF), Lucknow, on nomination basis and released ₹ 9.15 crore (June 2009). NCCF established the telemedicine centres with video conferencing facilities at medical colleges of Allahabad, Kanpur, Meerut, T.B. Sapru Hospital, Allahabad, and strengthened the hub at SGPGI, Lucknow. Audit observed that the scope of work had been completely changed from linking health facilities of 10 remote districts to SGPGI to linking of medical colleges in major towns with SGPGI. This was done without the approval of EC.

On being pointed out, DGMET admitted (October 2011) that the facility of telemedicine was not to be created in Medical Colleges. On receipt of instructions, NCCF had established the telemedicine facility in Medical Colleges for which no objection was received from either the Government or SPMU or DGMH. The reply was not convincing as there was no approval of the competent authority, the EC.

Thus, the objective of providing telemedicine facilities for rural people of 10 districts was defeated.

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[16] (i) Alok Printers, Agra (ii) Atul Graphic, Lucknow, (iii) Saraswati Printing Press, Noida and (iv) Pitambara Books Private Limited, Jhansi.
[17] (6/100 x ₹ 16.55 crore).

6.2.6 Logistics

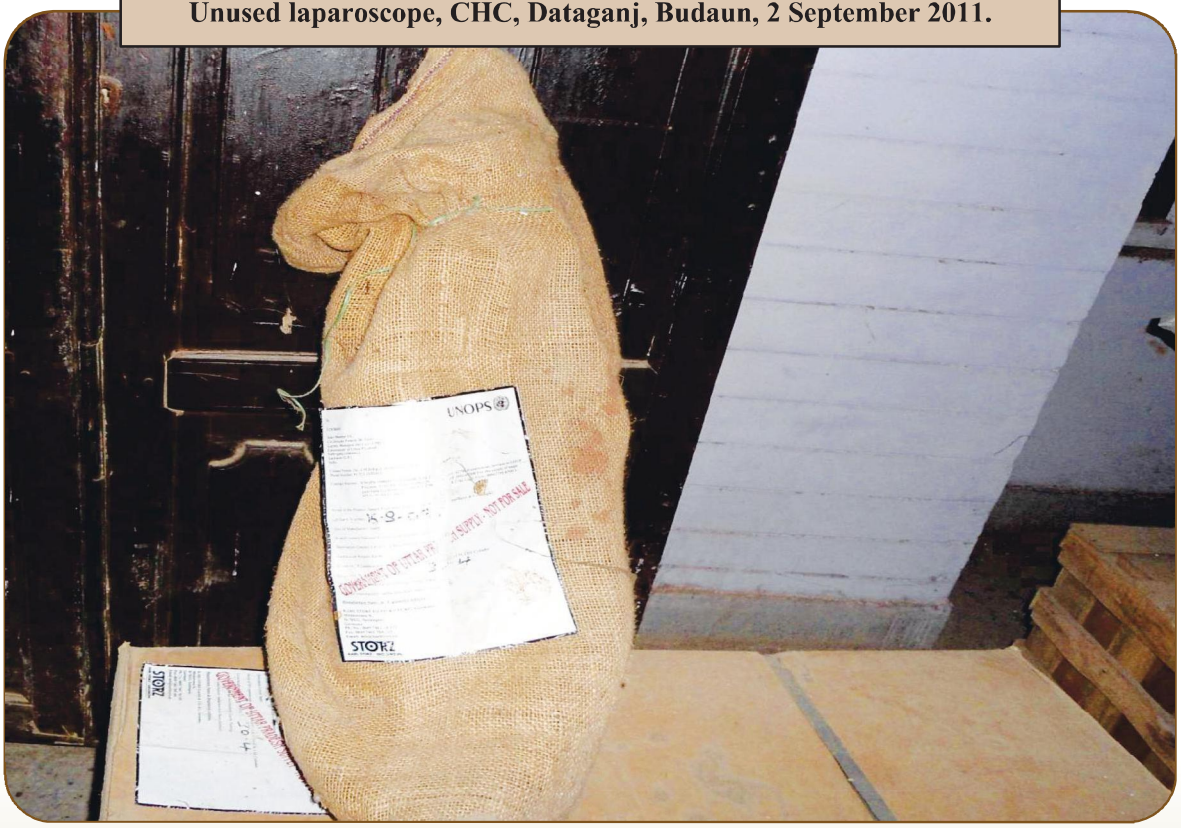
A Procurement Management Information System (PMIS) was envisaged in PIP 2010-11, at a cost of ₹ 1.96 crore, so as to enhance transparency, competitiveness, timeliness of supplies, record keeping, complaint handling and decision making in drug warehouses at the State, regional and district levels. PMIS was not implemented.

6.2.6.1 Idle Laparoscopes

Scrutiny of records of Logistic Management Cell (LMC), Lucknow, revealed that 1225 out of 1293 laparoscopes procured (2009-10: 724 & 2010-11: 569) from UNOPS were issued. Sixty-Eight laparoscopes, amounting ₹ 5.30 crore, were lying idle at LMC and 227 laparoscopes, amounting to ₹ 15.89 crore, were lying unutilised in stores at 23 test checked districts (***Appendix-6.7)***.

DGNPME stated (November 2011) that laparoscopes had been kept in reserve for replacement in various training facilities in case of break down and also for utilisation in mega camps. Hence, it was sort of backup arrangement in case of contingencies. The reply was not acceptable as PIP or any other procurement plan did not mention such intended use. Further, the Government furnished no reply about laparoscopes lying idle at district levels.

Unused laparoscope, CHC, Dataganj, Budaun, 2 September 2011.



6.2.6.2 Stores management

It was observed from the Stock Registers of logistic management cell (LMC) that UNOPS had supplied (August 2010) 52.10 crore IFA tablets at the rate of ₹ 14 per 100 tablets for ₹ 6.61 crore. LMC received the consignments without physical verification and quality

checks. Further, LMC issued these IFA tablets to different CMOs through suppliers. The receipt of medicine in CMO's store was to be cross-checked with reference to an acknowledgement with stock entry. The acknowledgement in the form of counterfoil was to be signed by the store in-charge and countersigned by the concerned CMO. Audit, however, observed that all CMOs had not furnished this acknowledgement, and, wherever furnished these were not countersigned by the concerned CMOs. This raised doubts over supplies. As per financial rules, physical verification of all stores should be made at least once every year. The physical verification of stores had not been done.

DGNPME stated that the acknowledgement vouchers had been called for from concerned CMOs. The Government did not furnish any reply.

6.3 Recommendations:

- *SHS should strengthen its procurement system through establishment of Procurement and logistics wing, laying down of Procurement Manual and preparation of annual procurement plan;*

- *Procurement related risks should be periodically identified and reviewed to mitigate risks in procurement. Adequate and effective controls should be put in place. Complexities in Public Private Partnerships (PPP) should be managed in a professional manner;*

- *Procurement through open, transparent and competitive system should be resorted to get value for money; and*

- *Expeditious action on unutilized assets should be taken.*

Chapter 7 Procurement - District Level

7.1 Procurement out of funds transferred irregularly by DGNPME

SPMU released (2009-10 and 2010-11) funds to DGNPME for centralised procurement. An amount of ₹ 36.49 crore was not utilised by DGNPME and was transferred to district CMOs during 2009-10 and 2010-11. Test check of records revealed the following:

7.1.1 Purchase of drugs

7.1.1.1 Purchase of IFA tablets

DGNPME released (December 2010) ₹ 10.33 crore to CMOs, FW for purchase of IFA tablets under school health programme. Test check of purchase of IFA tablets in sampled districts revealed procurements at higher rates through quotations and poor documentation of purchase process. In violation of extant financial rules, the purchases were not made on competitive basis by adopting open tender system.

Test check of records in 16 districts[1] (test checked) revealed that M/s C.I. Laboratories, Kolkata and M/s Charisma Health Care, Lucknow supplied IFA tablets in five[2] and three[3] districts respectively. Further, unit rate varied from ₹ 2.40 to ₹ 18.00 per 10 tablets against a competitive rate[4] of ₹ 1.40. This resulted in excess expenditure of ₹ 1.66 crore (***Appendix-7.1)***. Audit observed in five districts[5]:

a) Though wide publicity was not done, M/s C. I. Laboratories, a Kolkata based firm got supply orders from CMOs of widely dispersed districts like Etah and Kushi Nagar on quotation basis. Further, the same set of five firms gave identical rates in four districts[6] for supply of IFA tablets;

b) In all the five districts where M/s C.I. Laboratories had given quotation for supply of drugs, M/s Seva Enterprises, Lucknow had also supplied hospital and miscellaneous items during the same period. It had also replaced 19.78 lakh poor quality IFA tablets, supplied by M/s C.I. Laboratories in Kushi Nagar, in September 2011; and

c) Thirteen invoices amounting to ₹ 10.09 lakh of M/s C.I. Laboratories, Kolkata made available by CMO, Etah were cross verified through the tax authorities at Kolkata. The firm denied having issued these invoices. Thus, the possibility of fraudulent purchases of IFA tablets in four other sampled districts from M/s C.I. Laboratories cannot be ruled out.

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[1] Six out of 22 test checked districts *viz*, Ballia, Bareilly, Jaunpur, Kanpur Nagar, Mirzapur and Unnao did not purchase IFA tablets.
[2] Budaun, Deoria, Etah, Gorakhpur and Kushi Nagar.
[3] Bahraich, Jalaun and Jhansi.
[4] DGNPME purchased IFA tablets through UNOPS, an UN agency, at ₹ 1.40 per ten tablets in March 2010. (Additional agenda item No. 7 of 22nd meeting of State Executive Committee held on 22 March 2010).
[5] Budaun, Deoria, Etah, Gorakhpur and Kushi Nagar.
[6] Budaun, Deoria, Etah and Kushi Nagar.

Most of the CMOs, while admitting the facts, stated that due to lack of time and non-availability of RC rates the purchases were made on quotation basis. The Government endorsed the replies. The replies were not acceptable as the tablets were procured at much higher rates than the comparable market rates.

7.1.1.2 Purchase of de-worming tablets

DGNPME released (December 2010) ₹ 2.95 crore to CMOs, FW to purchase de-worming tablets for distribution to school going children. Audit observed that M/s C.I. Laboratories, Kolkata had supplied de-worming tablets in five districts[7] whereas M/s Charisma Health Care, Lucknow and M/s S.K.P. Pharma, Lucknow had supplied de-worming tablets in three and two districts[8] respectively. Further, unit rate varied from ₹ 1.70 to ₹ 4.60 per tablet against the Rate Contract (RC) rate[9] of ₹ 1.40 per tablet resulting in excess payment of ₹ 20.29 lakh (***Appendix-7.2).*** Audit also observed that:

a) Eight invoices amounting to ₹ 2.88 lakh of M/s C.I. Laboratories, Kolkata made available by CMO, Etah were cross verified through the tax authorities at Kolkata. The firm denied having issued these invoices. Thus, the possibility of fraudulent purchases of de-worming tablets in four other sampled districts, from M/s C.I. Laboratories cannot be ruled out;

b) Though wide publicity was not done, M/s C. I. Laboratories, a Kolkata based firm got supply orders from CMOs of widely dispersed districts like Etah and Kushi Nagar on quotation basis. Further, the same set of five firms gave identical rates in five districts for supply of de-worming tablets; and

c) In all five districts where M/s C.I. Laboratories had given quotation for supply of drugs, M/s Seva Enterprises, Lucknow had also supplied hospital and miscellaneous items during the same period as elucidated in para 7.3.

Most of the CMOs, while admitting the facts, stated that due to lack of time and non-availability of RC of CMSD the purchases were made on quotation basis. The Government endorsed the replies. The replies were not acceptable as the RC of DGS&D was available.

7.1.2 Purchase of spectacles

DGNPME released (February 2011) ₹ two crore to CMOs, FW to purchase spectacles for distribution to school going children. Test check of records in 11 districts (test checked), which purchased this item, revealed that cost of spectacles purchased on limited quotation basis varied from ₹ 183 to ₹ 200 per spectacle against the estimated cost of ₹ 100 per spectacle as proposed in PIP 2010−11. The higher prices resulted in excess payment of ₹ 15.69 lakh (***Appendix-7.3***). Further, test check revealed that M/s Seva Enterprises, Lucknow and M/s S.S. Trading Co., Kanshiram Nagar were paid ₹ 4.16 lakh and ₹ 3.50 lakh for supply of spectacles in Budaun and Agra respectively. On inquiry CMO, Budaun stated that payment was made to the supplier but no spectacles were supplied. On a similar inquiry, CMO, Agra stated that no spectacles were received in two test checked blocks through central store of CMO, Agra which claimed to have supplied the same.

[7] Budaun, Deoria, Etah, Gorakhpur and Kushi Nagar.
[8] Charisma Health Care in Bahraich, Jalaun and Jhansi and S.K.P. Pharma in Bulandshahar and Moradabad.
[9] DGS&D, New Delhi Rate Contract no. DM-CPSE/OC-5/RC-81010000/H5/OA407/08 Med. valid up to 06 August 2011.

7.1.3 Training for VHSC members

As per decision of EC (December 2009), training for VHSC members was to be organised at State level through CHART/SIHFW and ₹ 10.56 crore was released (March 2010) to CHART. However, reversing the earlier decision, EC decided (October 2010) to give funds to the districts despite the fact that the CMOs could utilise only ₹ 2.02 crore up to June 2008 out of ₹ 8.40 crore released to them for training VHSC members under Awareness Generation Training (AGT) Programme during 2007-08. Further, DGNPME and not SPMU, got funds back from CHART and released ₹ 10.56 crore to CMOs, FW during 2010-11.

Audit observed in twelve test checked districts[10], which provided information, that CMOs, FW and MOICs spent this fund without financial sanction and reporting to DHS. In Agra, CMO, FW in violation of orders of the DM, transferred these funds to MOICs on 22 March 2011 who kept them in unauthorised bank accounts. Further, District Programme Manager (DPM), District Account Manager (DAM) and District Community Mobiliser (DCM) did not confirm holding of this training in sampled BPHCs through monthly monitoring reports or special reports. The training in BPHC, Fatehabad, started on 11 March 2011, before receipt of funds (23 March 2011) and despite DM's order of 8 March 2011 to hold a meeting on modalities of conducting this training. CMO, Agra offered no comments on the audit observation.

7.2 Expenditure under Untied funds

Untied funds and AMG are given to CHCs, BPHCs, APHCs, sub centres and VHSCs in specified amounts every year. ECs of RKSs at CHCs/PHCs accord financial sanctions, after ascertaining needs through Advisory Committees. Similarly, at sub centre and VHSC levels, Gram Pradhan and ANM undertake financial transactions after need/requirements are ascertained through VHSC.

The Government ordered (October 2010) that CMO, FW would be joint signatory for transactions at the block level, citing large number of transactions and limited accounting knowledge at that level. Test check of records revealed that this decision was taken on the proposal of DGNPME. The proposal was not examined by SPMU or EC of SHS, who were responsible for financial management of NRHM funds. The Government did not consider strengthening the Block Programme Management Units (BPMU) as an option to strengthen financial management at the block level, despite GoI's repeated suggestions to this effect. Following reporting of financial irregularities in NRHM in April 2011, the Government had created (June 2011) a post of Finance and Accounts officer, to be drawn from UP Finance and Accounts Services, in DHS. The Government also abolished (April 2011) the post of CMO, FW and the system of joint signatory referred to above.

Test check of records revealed that introduction of system of joint operation of block level accounts in October 2010 was followed by occurrence of financial irregularities.

7.2.1 Withholding of Untied funds at block level

In order to decentralise decision making and ensure community participation, RKSs were created as a separate legal entity to exercise administrative and financial powers. Similarly,

[10]Agra, Bahraich, Bareilly, Bulandshahar, Jalaun, Jaunpur, Jhansi, Kushi Nagar, Moradabad, Raebareli, Shahjahanpur and Unnao.

VHSCs were also independent, with their own administrative and financial role. It was also noticed that funds meant for sub centres and VHSCs were withheld at block level as pointed out in paragraph 2.3.4.1 and 7.5 of this report so that more funds would be available at block level for purchases jointly by CMO, FW and MOIC during 2010-11.

7.3 Preference for suppliers

In five[11] out of 22 test checked districts, M/s Seva Enterprises, Lucknow was the major supplier.

Case study: Supplies made by M/s Seva Enterprises, Lucknow

Background of firm

M/s Seva Enterprises was a proprietary firm registered with TIN 09550014227 with Commercial Taxes Department on 10 February 2010. The firm's activities co-existed with the post of CMO, FW. Further, the firm's sale-purchase ratio was high considering its nature of business activity and the ratio of peer firm. The details are given below:

Table 7.1: Transactions of M/s Seva Enterprises

Period of transaction	Purchase (₹ in lakh)	Sale (₹ in lakh)	Sale-purchase ratio	Sale-purchase ratio of Hindustan Trading Co.	Remarks
Feb-Mar 2010	Nil	Nil	Nil	-	
Apr-Jun 2010	0.34	Nil	0	-	Post of DPO, FW created
Jul-Sep 2010	23.33	52.85	2.26	1.50	
Oct-Dec 2010	59.75	86.73	1.45	1.10	Post renamed as CMO, FW
Jan 2011	4.06	23.00	5.66	-	
Feb 2011	41.72	59.20	1.42	-	
Mar 2011	120.72	399.87	3.31	-	
Jan to Mar 2011	166.50	482.07	2.89	1.32	
Total	**249.92**	**621.65**	**2.49 (Average)**	**1.33 (Average)**	
April 2011	7.57	Nil	0	-	Post of CMO, FW abolished on 7 April 2011
May 2011	0.75	Nil	0	-	
Jun 2011	Nil	Nil	0	-	
July 2011	Nil	Nil	0	-	
Aug 2011	0.21	Nil	0	-	
Total	**8.53**	Nil	0	-	

(**Source:** VAT returns of the firms)

M/s Seva Enterprises bought stores from M/s Hindustan Trading Company (TIN 09850014221 registered on 10 February 2010) which was located adjacent to it and was owned by the spouse of purchasing firm M/s Seva Enterprises' proprietor.

[11] Budaun, Deoria, Etah, Gorakhpur and Kushi Nagar.

Modus operandi of transactions

This firm supplied stores in five districts *viz*, Budaun, Deoria, Etah, Gorakhpur and Kushi Nagar. These purchases were generally made out of Untied funds and after October 2010 when CMO, FW became joint signatory with MOIC of Block PHCs in operating bank account. Further, these purchases were made without open tender, demand from RKS and reasonability of rates as pointed out in Table below:

Table 7.2: Equipment/articles purchased at exorbitant rates

(Amount in ₹)

Sl. No.	Equipment/Articles	M.R.P.	Supply rate
1	B.P. Instrument (Deoria)	550	2500
2	Needle destroyer (Deoria)	540	3800
3	Stethoscope	495	680
4	Colour LCD 21" Samsung (Gorakhpur)	15000	25000
5	DVD Player Samsung (Gorakhpur)	2900	5500
6	Wall Clock (Ajanta)	145	700
7	Regent Strip for glucose albumin test (100 strips)	362	780
8	Mucous Extractor	38	125
9	Emergency Light (Bajaj)	1195	2900
10	BP Instrument dial (Gorakhpur)	550	900
11	Syringe Destroyer (Etah)	1650	3800

(**Source:** Supplier's invoices and MRP printed on cartons containing supplied goods)

In 16 test checked blocks of five districts, the purchases of above equipment and articles (2010-11) on the basis of quotations, at exorbitant rates as compared to Maximum Retail Price (MRP), resulted in excess payment of ₹ 15.63 lakh.

The above case brings out uneconomical and ineffective procurement system under NRHM with inadequate controls leading to suspected frauds. CMOs of three districts[12] accepted the facts whereas CMO, Gorakhpur stated that the firm had replaced the items which were not up to the desired specifications. The reply of CMO was not acceptable as no justification for procurement at high rates were provided. CMO, Budaun furnished no reply.

In view of such suspected frauds in five out of 22 test checked districts, the possibility of more such suspected frauds in remaining districts cannot be ruled out. The Government may actively consider independent inquiries in all the districts.

7.4 Maintenance of stock register

Audit conducted a test check of stock registers in 22 districts (test checked) through a questionnaire. Out of 22 test checked districts, Agra did not produce records. Audit observed that:

[12] Deoria, Etah and Kushi Nagar.

a) A control (index) register mentioning all files and registers was not maintained in any of the districts. In the absence of such control register, Audit could not ascertain the completeness of records produced.

b) As per financial rules, periodical closing and physical verification of stores should be conducted. Audit observed that periodical closing of stock books and physical verification was not done in any of the districts during 2005-11.

c) CMOs of five districts did not produce stock books as detailed below:

Table 7.3 : Non-production of stock registers

Sl. No.	District	Stock Register	Period
1.	Ballia	No stock register available with the unit. Stated to have been put up to CBI.	2005-06 to 2010-11
2.	Etah	Medicine and Equipment	2005-06 to 2007-08
		Property and Vehicle register	2005-06 to 2010-11
		Stationary and Dead Stock	2005-06 to 2007-08
		Contingent Register	2005-06 to 2007-08
3.	Gorakhpur	Flexi Board of CMSD	2007-08
		All stock registers	2005-06
4.	Jalaun	Medicine and Equipment	2005-06 to 2007-08
5.	Kanpur Nagar	Stock Book of Equipment	2005-06 to 2008-09

Given the fact that either the stock registers were not being maintained or maintained improperly without periodical closing and physical verifications, the receipts and issues of stock, particularly to beneficiaries, were suspect.

7.5 Other observations in sampled districts

7.5.1 Procurement ignoring rate contract

In order to effect economy, material should be purchased from the lowest bidder. However, test check of records revealed that in the following cases material were purchased at rates higher than those of Rate Contract (RC) of DGS&D and GoUP or without following due procedure:

- CMO, Allahabad purchased (2010-11) Ciprofloxacin tablets valuing ₹ 3.91 lakh at ₹ 18.60 per ten tablets, as per price given in RC of Employees State Insurance Corporation (ESIC) although it was available at cheaper rate in the departmental RC at ₹ 9.05 per ten tablets, thus, incurring an extra expenditure of ₹ 2.01 lakh. The Government replied that to avoid any hindrance in family welfare camps, the medicines were procured on ESIC RC. The reply was not convincing as drugs were purchased at higher rate despite the option of cheaper rate in the departmental RC.

- CMO, Allahabad purchased (2010-11) medicines for ₹ 1.90 lakh at higher rate on local purchase despite option of cheaper rate in departmental RC. This resulted in extra expenditure of ₹ 1.37 lakh. Government replied that to avoid any hindrance in

implementation of programmes, preference was given to local firms. The reply was not convincing as cheaper option was not exercised.

- CMO, Bareilly procured (2009-10) 35,000 IUD Kits by splitting the purchase. The kits were purchased from M/s Charisma Health Care, Lucknow at the rate of ₹ 20.06 per kit including taxes against DGS&D rate of ₹ 10.53. This resulted in extra expenditure of ₹ 3.34 lakh. In September 2010, various kits (RCH Follow-up Kit, RCH Camp Kit, RCH Camp Surgical Kit and IUD Kit) worth ₹ 12.36 lakh, were procured on quotation basis. These kits contained general medicines/drugs which were available on DGS&D RC list/CMSD RC list/RC approved by GoUP. The procurement of these kits at higher rate, flouting procurement procedure, resulted in undue favour to the firm (M/s Medicare, Lucknow) and loss of ₹ 7.57 lakh to the Government. The Government stated that complete kit was not available in RC of DGS&D, medicines given in the kits were of better quality than the medicines available on RC; kits were also inclusive of cost of packing and printing charges of pamphlets describing method of medicine usage. The reply of the Government was not acceptable as the rates at which procurements were made were higher by 90 *per cent* for purchases of 2009-10 and 158 *per cent* for purchases of September 2010, as compared to RC rates.

- MOIC of PHC Bhatani, Deoria procured items like BP Machine, Emergency light, needle destroyer and stethoscope from Untied fund, AMG and RKS funds. No quotation/tender was invited. M/s Seva Enterprises supplied the items at rates higher than printed MRP. Fictitious stock entries were made and funds were drawn but kept undelivered as bank drafts. The Government stated that the quality of material was not good, so the firm was not paid. The reply was contrary to the reply of MOIC during audit when the facts were admitted. Further, no record of correspondence with the vendor regarding quality of goods received was observed by audit.

- MOICs of PHC Bhathat, Gagaha and Brahmpur (Gorakhpur) paid ₹ 28.76 lakh to M/s Seva Enterprises (October 2010, February 2011 and March 2011) for purchase of various items. In case of eight test checked items (procured for ₹ 5.04 lakh), the rates of supply were higher than their MRP which resulted in excess expenditure of ₹ 2.61 lakh as compared to the MRP.

- During 2008-11, CMO, Moradabad purchased RCH Kits, Copper T Follow-up kits and Nasbandi operation kits for ₹ 45.26 lakh at rates higher than RC rates resulting in extra expenditure of ₹ 27.62 lakh. Moreover, 630 RTI/ STI kits containing general medicines were purchased (2010-11) from M/s S.K.P. Pharma, Lucknow at ₹ 55 per kit, although one kit could have been assembled at a cost of ₹ 23.92, inclusive five *per cent* VAT, in case medicines were purchased at rate contract. The Government replied that in view of shortage of time and importance of the programme, purchases were made on quotation basis as no RC rates were available for the kits. However, Audit observed that procured cost was more than two times higher than the cost of the medicines in the Rate Contract.

- CMO, FW, Shahjahanpur purchased (December 2010) IUD Kits (₹ 6.37 lakh), on quotation basis. The medicines in the kit were available on DGS&D rates. On the basis of comparative analysis of rates, it was observed that the kits were procured at rates

higher than those of DGS&D which resulted in extra expenditure of ₹ 3.37 lakh. The facts were admitted by the Government.

7.5.2 Splitting of procurement

Every indenting officer can approve purchases within his delegated financial powers. Approval of appropriate authority was necessary in case of purchases beyond that limit. However, test check of records revealed that, in the following districts, purchase orders were split to avoid obtaining sanctions of higher authorities. Moreover, the requirement for open tender was also circumvented by splitting the purchases.

Table 7.4: Details of splitting of purchase order

(₹ in lakh)

Authority	Year	Amount (₹ in lakh)	Vendors	Amount (₹ in lakh)	No. of bills	Items purchased
CMO & CMO, FW, Agra	2008-11	70.50	M/s V.S. Pharma, Lucknow	25.72	27	Medicines
			M/s S. Kumar and Associates, Allahabad	5.32	23	Generator set
			M/s Sri Balaji Sales, Allahabad	3.19	25	Batteries
			M/s S.S. Trading Co., Kanshiram Nagar	2.58	3	Hire charges (Gen. set.)
			M/s Shree Ganesh Pharmaceuticals, Allahabad	12.20	16	Medicines
			M/s Manglam Sumanglam Asso., Agra	18.03	62	Furniture, Electronic items and stationery
			M/s S Tech and Surgicals, Allahabad.	3.46	5	Equipments
CMO, FW Bahraich	2010-11	8.00	M/s Quality Product, Kanpur	8.00	7	Furniture and fixtures
CMO, FW Jaunpur	2010-11	47.74	M/s Adarsh Enterprises, Jaunpur	3.48	2	DVD player and Consumables
			M/s Krishna & Co, Jhansi/Lucknow	9.17	6	Stationery
			M/s Maya Enterprises, Kanpur	9.94	4	Stationery
			M/s Neo Surgicals & Pharmaceuticals, Lucknow	10.32	5	Stationery
			M/s Printing & Book Binding Industrial Co. Society, Jaunpur	2.21	6	Stationery
			M/s Shanti Enterprises, Allahabad	9.30	18	Stationery
			M/s Shivans Offset Industries, Jaunpur	0.31	2	Stationery

			M/s Shree Ganesh Pharmaceuticals, Allahabad	3.01	2	Stationery & Medical equipments
CMO & CMO, FW Jhansi	2008-11	24.21	M/s Somya Enterprises, Jhansi	5.61	24	Stationery/cards
				8.21	36	Battery, Stationery, Electricals, Cards *etc.*
				1.07	5	
				1.16	3	
			M/s Hariom Enterprises, Jhansi	6.48	42	Lunch/Breakfast, Equipment repairs , Hoarding *etc.*
				1.68	8	
CMO & CMO, FW Moradabad	2010-11	43.95	M/s S.K.P. Pharma, Lucknow	12.70	62	IUD kits and medicines
			M/s Micron Pharmaceuticals, Vapi	4.73	5	Medicines
	2009-10		M/s Gupta Brothers, Lucknow	19.39	19	Medicines
			M/s Saraswati Surgicals, Lalbag Lucknow	2.04	2	Operation kits
	2008-09		M/s Saraswati Surgicals, Lalbag Lucknow	5.09	5	Medicines
CMO, FW Raebareli	2010-11	27.20	M/s Gunjan Enterprises, Lucknow	10.48	11	IUD/Nasbandi kit
			M/s Rohit Industries, Lucknow	9.80	15	Furniture
			M/s Maya Enterprises, Kanpur	6.92	9	Stationery
CMO & CMO, FW, Bareilly	2010-11	19.38	M/s Medicare Pharma, Lucknow	12.36	13	Medicine kits
	2009-10		M/s Charisma Health Care, Lucknow	7.02	7	Medicine kits

7.5.3 Non-adoption of open tender procedure

As per extant rules, in order to avail benefit of competitive prices, open tenders should be invited for purchases exceeding ₹ one lakh. However, during test check, following irregularities were observed:

- CMO, Agra procured (2008-11) various items and services (₹ 40.31 lakh) like generators, computer accessories, stationery, printing of forms, lunch packets, curtains, brooms, phenyl, chairs (ordinary and executive), PVC flooring, hoarding, banners, ceiling fans, coolers, inverters, batteries, air conditioners, television, LCD-TV, DVD player, electrical goods, videography, wall painting, advertisement through rickshaw, tents and shamiyanas, cosmetics *etc.* from M/s Manglam Sumanglam Associates, Agra on quotation basis. Audit observed that value of purchases was more than ₹ one lakh in ten instances. The Government accepted the facts.

- During 2008-11, CMO, Allahabad purchased (₹ 31.51 lakh) various items on quotation basis, although value of each supply was for more than ₹ one lakh. Further, supply orders were sent by hand and opening date of the quotations were not entered on the envelopes. The Government did not reply.

- MOIC, PHC, Pathardeva Deoria issued purchase orders (January 2011), without Purchase Order number, for consumables/non consumables and various equipments worth ₹ 14.32 lakh to M/s Seva Enterprises, Lucknow. The firm raised bills worth ₹ 14.32 lakh during 08-10 February 2011. Items mentioned in the firm's bills were taken in stock register without mentioning the references of supply invoices and price of material/equipment. Bank drafts in favour of the firm were prepared (30 March 2011) but not delivered (3 May 2011), when these were cancelled. These purchases were made from Untied grant provided to RKSs and sub centres. Requirements of these equipments/materials were not ascertained before procurement. Approvals of RKS were also not obtained, open tenders were not invited, evidence/ certification of quality and quantity of supplied material were not available on record, reference of page number of stock book was not recorded on bills and no evidence of date of actual receipt of material at PHC's/CHC's store was available. A similar case of ₹ 9.68 lakh was noticed at CHC, Bhatani where cheques were drawn on 31 March 2011 against purchase of goods from M/s Seva Enterprises, Lucknow. The cheques were kept undelivered, but the expenditure was charged to Untied fund, AMG and RKS. No quotation/tender was invited for the procurement. No supply orders were available in the records and requirements were not assessed from sub centres/PHCs. The Government replied that material supplied was broken and to avoid loss, the Bank DDs were not released. The reply was not acceptable as the broken material could have been got replaced by the firm. Further, the correspondence, if any, made with the vendor on the issue was not produced to audit.

- CMO, Gorakhpur purchased (February 2011) drugs and consumables for use at Urban Health Posts for ₹ 6.20 lakh from M/s Seva Enterprises, Lucknow without calling for open tenders. De-worming tablets valuing ₹ 6.84 lakh were also purchased from M/s C.I. Laboratories, Kolkata on quotations (December 2010). IFA tablets (large) at the rate of ₹ 0.44 per tablet for ₹ 3.16 lakh were also purchased (March 2011) on quotation basis. The Government in reply stated that in view of shortage of medicines at Urban Post, it was not possible to float open tenders. However, no records in support of the claim were furnished to Audit though called for.

- During 2009-11, CMO, Mirzapur procured medicines from three firms *viz.* M/s Bhagwati Enterprises, Varanasi (₹ 17.95 lakh), M/s Care Chemists and Druggists, Mirzapur (₹ 9.10 lakh) and M/s Sleek Pharma, Lucknow (₹ 12.14 lakh) by splitting the purchases and on quotation basis. The Government replied that purchases were made at old rates of 2008-09, on requirement basis and on quotations due to shortage of time. The reply was not correct as due procedure was not followed for the procurements.

7.5.4 Deficiencies in receipt of procured items and release of payment

Procured items should be duly received and payments released promptly. This was not followed in following cases:

- CMO Budaun, under National Blindness Control Programme (NBCP), received (May-June 2010) 1152 spectacles (₹ 1.88 lakh) from M/s Surgicoin Mediquip Private Limited, Ghaziabad (on behalf of UPSIC) for distribution to students. The records relating to receipt and distribution of the same were not made available. Genuineness of the transaction could, therefore, not be ascertained in Audit. The Government did not reply.

- CMO, Deoria procured IFA tablets during 2010-11 without calling open tenders. No evidence regarding delivery and actual date of receipt of stock was available on record. There was also no evidence of quality control tests. IFA tablets were taken in stock on 28 January 2011 but were recorded as issued to PHCs/CHCs during July 2011 from central store of CMO. However, in test checked PHCs no tablets were distributed. Government replied that funds were obtained in December 2010 and due to shortage of time and urgency of requirements, procurement was made on quotations. The reply was not acceptable as no records relating to demands from PHC/CHCs were made available. Further, the medicines were recorded to be distributed to blocks after six months.

- Equipment worth ₹ 2.20 lakh were purchased by MOIC, Bhaluani, Deoria out of RKS funds without indent and approval of RKS. The Government replied that procurement was made on the basis of requirements of sub centres. The reply was not supported by any document on the assessment of requirements. The Government also did not provide any reply on not following the due process for the procurement.

- PHC, Bhathat, Gorakhpur paid ₹ 6.24 lakh for medical instruments, equipment, furniture, colour LCD TV along with DVD player in February-March 2011 to M/s Seva Enterprises, Lucknow. However, material worth ₹ 0.77 lakh were not received from the supplier as of August 2011. Similarly, several items amounting to ₹ 0.61 lakh, out of ₹ 9.42 lakh paid, were not received at PHC, Brahmpur, though the firm had raised the invoices and payment was made (March 2011). The Government stated that the items have now been supplied. The delivery challans (30 September 2011) shown to audit on 12 December 2011, however, did not contain any challan number and TIN number. Thus, the authenticity of the challans could not be verified. Moreover, the Government did not furnish any reason for release of payments without ensuring delivery of the items.

- MOIC, CHC, Ramkola, Kushi Nagar issued 22 purchase orders (without purchase order numbers and dates) for consumables/ non-consumables and equipment (₹ 13.78 lakh) to M/s Seva Enterprises, Lucknow. Stock entry was made on the basis of the firm's bills, without mentioning the references of supply invoices and price of material/ equipment. Further, bank drafts (11) were prepared (29 and 31 March 2011) but not delivered to the firm. Similar position was noticed in CHCs, Hata and Tamkuhiraj for purchases worth ₹ 22.84 lakh. The Government stated that due to incomplete supply of materials the drafts were not released. However, the reply did not furnish reasons for drawal of funds without proper purchase order and due stock entries.

- CMO, Kushi Nagar purchased (2008-09) 650 Intraocular Lenses (IOLs) (₹ 98.00 each), for ₹ 63,700 under NBCP, from M/s Intra Ocular Care Private Limited, Vadodara, but these were not entered in the stock register. Thus, in the absence of appropriate evidencing, genuineness of the transaction was not ascertainable. The

Government replied that IOLs had since been entered in stock book. It was not mentioned as to how the materials were verified and entered in the stock book after they had been issued. The Government also did not furnish the details and proof of distribution of IOLs.

- CMO, FW, Kushi Nagar placed order (under RNTCP during 2010-11 at ₹ 4.14 lakh) for laboratory materials from M/s Seva Enterprises, Lucknow. However, no evidence for the receipt of material was available on records. The Government replied that materials had not been supplied (December 2011) and the drafts were not released. However, the amount was booked as expenditure in FMR/Ledger.

- At CHC, Bhitergaon, Kanpur Nagar 1,16,000 IFA tablets were shown distributed to ANMs on 15 November 2008, though records revealed distribution of only 37,000 tablets on that date. Further, 79,000 tablets (₹ 9,480)[13] were distributed to different ANMs without any acknowledgement in support of receipt. The Government replied that signature of the ANMs was not taken at the time of distribution of IFA tablets but the IFA tablets were distributed to the beneficiaries. Acknowledgement of the beneficiaries in support of receipt was not available. In the absence of due documentation, genuineness of the transaction could not be vouchsafed.

- CMO, Mirzapur procured medicine and drugs from four firms. Payment (₹ 8.13 lakh) was released through self cheque No. 245254 drawn on 15 June 2007. However, no entries were observed in the stock register. The Government replied that medicines were entered in RCH Stock book, the reply was not acceptable as RCH-2 was closed on 31 March 2007 while purchases were made in June 2007. Moreover, stock books were not furnished during audit. In Dec. 2011 photocopies of stock book, instead of originals were furnished at Allahabad, which was, therefore, not verifiable.

- CMO, FW, Azamgarh purchased (December 2010) Fefovit tablets worth ₹ 27.67 lakh and De-worming tablets worth ₹ 7.70 lakh. During physical verification, it was found that the supplied Fefovit tablets were of batch RT 233, while the supply invoices recorded batch numbers RT 325, 272, 368, 329 and 379. The payment was stopped. Audit observed that without complete investigation, the medicines were distributed. Further, the medicines purchased were at higher rates as compared to the rates approved in favour of M/s UNOPS, for IFA which also resulted in extra expenditure of ₹ 24.30 lakh. The Government did not furnish any reply.

- PHC, Bilariaganj and CHC, Mehnagar, Azamgarh (₹ 2.00 lakh and ₹ 2.35 lakh respectively) procured various items from M/s Sun Surgical, Lucknow (rate and firm decided by SHS). Audit observed that the firm did not make complete supplies at Bilariaganj. At CHC, Mehnagar payment was made without any entry in the stock register, thus, rendering the transaction suspicious. The Government in reply stated that the items not supplied earlier, had now been received from the concerned firm. In respect of Mehnagar, it was stated that the material was procured and sent to APHCs and SCs but vouchers were passed inadvertently without reference to stock entry which was rectified at a later date. It was not clear as to how payment was made without verification of the procured items.

[13] Cost on the basis of PIP Kanpur Nagar for 2008-09

7.5.5 Deficiencies in procurement process

For ensuring quality of material purchased and obtaining competitive rates, it is necessary for indenting authority to give wide publicity to the notice inviting tenders. It is also necessary that the details of supplier/ vendor are registered with relevant tax authorities. Test check of records revealed that this was not ensured as below:

- CMO, Jhansi made purchases (2008-11) from vendors not registered with different tax authorities. The Government accepted the facts.
- CMO, Raebareli, purchased (March 2011) IFA tablets through short term tender, from M/s R.T.G. Pharmaceuticals, Lucknow, a firm technically ineligible as its Drug license had expired on 31 December 2001 and the registration of Sales Tax/VAT expired on 31 March, 2006. Government replied that Drug licence was renewed till 31 December, 2011. The reply was not acceptable as, on the date of procurement, the firm had no valid drug licence. Further, the Government stated that the firm had obtained permanent registration with the Sales Tax department. No documentary evidence was produced with the reply.
- CMO, Varanasi purchased medicines worth ₹ 23.78 lakh (RCH kits) during 2007-08 from UP Consumers Cooperative Federation Limited. According to the Government, the renewal of Drug licence was applied for the period till 31 December 2011. The reply was not correct as on the date of purchase, the Federation did not have authorisation to sell medicines.

7.5.6 Procurement without requirements

At the time of purchase, the indenting authority should assess the actual requirement on the basis of indents received from sources for whom the purchases were being made. Test check revealed that equipment costing more than ₹ 5.82 crore[14] were lying unutilised.

- CMO Allahabad received (October–December 2010) 55 items from CSMD, Lucknow neither against demand from the district nor as per provisions in District PIPs. Many of the items Deep Freezer: 06 (₹ 3.16 lakh), Ice Lined Refrigerator (ILR), small: 07 and large: 02 were lying unused (November 2011). Reply was not furnished by the Government.
- Three out of seven FRU Kits (₹ 17.82 lakh) received (October to December 2010) from Lucknow for FRUs were not utilised as there are only four FRUs (Handia, Phoolpur, Soraon and Karchhana) in Allahabad. The Government replied that all seven kits were distributed to CHCs/PHCs. Reply was in contravention of the provisions of PIP which did not provide for FRU kits to non-FRU units.
- CMO, Ballia received (June 2010) four solar refrigerators from GoI to maintain cold chain services round the clock. As per insurance amount, cost of these refrigerators was ₹ 5.25 crore. These were sent to four PHCs (Bahuri, Maniyar, Murli Chhapra and Ratsar) in July 2010. Out of these, it was installed only at Bahuri but was not functioning due to some defects. The Government accepted the facts.
- CMO, Ballia received deep freezers (Six MF 114 and two 286 - ₹ 3.16 lakh), 20 stabilizers and eight ILRs, for CHCs/PHCs and other hospitals. These were lying

[14] Figures provided are approximate cost of equipment.

idle since their receipt (February 2011). The Government replied that five deep freezers and five ILRs were issued to CHCs/PHCs, but were not yet installed.

- At CMO, Bulandshahar 200 ASHA Kits, one ECG Machine, 14,900 Nischay Pregnancy kits, two FRU kits (₹ 11.88 lakh) 24 IUD kits (₹ 1.12 lakh), 13 BP instruments, 4550 Fallopian rings, 26 stethoscopes and 11,440 med. kits supplied during August 2009 to March 2011 were lying idle (November 2011). The Government replied that the items have been distributed.
- FRU kit (₹ 5.94 lakh) received by CHC, Gulawati, Bulandshahar were not used since February 2010 due to non-availability of anaesthetist and blood bank facility. No reply was furnished by the Government.
- At CHC Dataganj, Budaun, Operation table, Boyles' apparatus, Electric sterilizer, Radiant warmer, Baby phototherapy unit, General Orthopaedic kit, Caesarean operation kit, Anaesthesia kit and Accredited Delivery kit costing ₹ 3.79 lakh were lying idle since their receipt (February to November 2009). The Government did not furnish any reply.
- DHS, Gorakhpur projected requirement of 55 Deep Freezers (DF) and 64 ILRs for 19 PHCs/CHCs, against which 44 DF and 31 ILRs were available. Out of the shortage of 11 DF (20 *per cent*) and 33 ILRs (50 *per cent*), there were shortages of seven DF (33 *per cent*) and 4 ILR (20 *per cent*) in Health posts and four DF and 29 ILRs at PHCs/CHCs. However, six DF (₹ 3.16 lakh) and four ILRs were surplus at district level indicating mismanagement in maintaining the cold chain. The reply of the Government did not address the issue of surplus at district level and shortages at sub-district level.
- At Jalaun, equipment like Radiant warmer, Phototherapy incubator, Boyles' apparatus *etc*., supplied by Central Procuring Agency in Lucknow, were lying in stores of District Women Hospital/CHC/ PHC due to non-availability of trained staff. The Government accepted the facts.
- Articles like hospital beds, baby weighing machines, examination table, bed side lockers *etc*., received for PHC, Bhitargaon from CMO store, Kanpur Nagar on 24 December 2008 and 13 March 2009 were lying dumped within CHC campus since their receipt due to non-completion of civil works. The Government stated that on completion of the new building, items will be utilised.
- CMO, Mirzapur issued (April 2010) blood transfusion instruments and two FRU kits (₹ 11.88 lakh) to CHC, Lalganj without ascertaining their requirements. Instruments and FRU kits remained idle (November 2011) due to non-functioning of O.T. and non-establishment of blood bank. The Government accepted the facts.
- CHC, Khutar, Shahjahanpur supplied materials (₹ 6.63 lakh) to 15 sub centres and 47 VHSCs, purchased from Untied fund of sub centres and VHSCs, without ascertaining the demand. Similarly, at CHC Tilhar, 17 ANM kits and 17 solar lanterns (₹ 1.48 lakh) were distributed to ANMs posted at sub centres using Untied fund without considering the requirement. Most of the items were lying idle in the store at CHC. The Government stated that as patients sometimes come in the evening, the items procured were important. Directions to CHC, Tilhar were issued to distribute the items.

7.5.7 Other observations

- Additional Director/Officer in Charge, Regional Drug House, Varanasi received drugs and medicines from GoI and CMSD, Lucknow for 19 districts. Medicines worth ₹ 27.79 lakh expired in Varanasi during 2008-09 and 2009-10. The Government stated that expired medicines were returned from districts and kept separately in Drug Warehouse which will be disposed off after issue of sanction for write off by State Tuberculosis Officer.

- At Baragaon BPHC, Varanasi 10.10 lakh IFA (large) tablets expired (2009-10) as the quantity supplied was more than required. The Government stated that medicines were received from GoI without demand and were distributed to 40 ANMs. The reply was contrary to the facts admitted by the concerned MOIC during Audit (September 2011).

- At District TB Clinic, Allahabad 33,393 vials of injections of Streptomycin (0.75 gram) consumable in seven months were received from Additional Director, Varanasi during 2007-09. Of those, 17,620 vials (12,000 vials on 18 October 2008 and 5,620 vials on 04 February 2009) were returned because they had expired. Facts were admitted by the Government.

- CMO, FW, Jaunpur withdrew ₹ 24.94 lakh out of ₹ 50.90 lakh, allocated to sub centres under Untied grants during 2010-11 by DHS and purchased (February 2011) certain medical stores *viz* Heamoglobinometer book, Urostick and HIV test kits without any demand from sub-district level. The items were not to be purchased from Untied grants as per NRHM frame work and the order dated 26 September 2005 of DGNPME. The items were purchased through short term tender notice published in local newspaper and without the approval of the purchase committee. HIV kits remained unutilised at the sub centres. They were taken back (May 2011) by CHCs/PHCs and were still lying unutilised (November 2011). The reply furnished by the Government was not relevant as the procurement was against NRHM framework.

- Audit observed that separate stock registers were maintained for 2010-11 by CMO FW Agra, Etah and Jalaun instead of this being maintained by store keeper, under the supervision of Senior Medical Officer.

7.6 Recommendations:

- *Procurements may be made only after assessing the requirements and the capacity to utilise;*

- *Procurements may be made on rate contract rates, wherever such rates are available. In cases such rates are not available, due procedure in calling for quotations/tenders and obtaining of sanctions from the competent authority may be strictly adhered to;*

- *Procurements may be made against clearly defined specifications. Procured items may be duly checked by competent authority against the prescribed specifications and due entries be made in the stock register; and*

- *Issue/utilisation of procured items may be duly entered in the stock/issue register which should be periodically closed and reconciled to ensure effective logistic management.*

Chapter 8 Family Welfare, Reproductive and Child Health

The Mission objectives included reduction in child and maternal mortality, population stabilisation, gender and demographic balance. Universal access to public services for food and nutrition, sanitation and hygiene, public health care services with emphasis on women's and children's health and universal immunisation.

Some of the components of the Mission and their performance were as follows:

8.1 Janani Suraksha Yojana

The *Janani Suraksha Yojana* (JSY) was introduced in 2005-06 as a key intervention to enable women to access institutional deliveries and thereby effect reductions in Maternal Mortality Rate (MMR) and Infant Mortality Rate (IMR) to 100/100000 and 30/1000 live births respectively by 2012. The *website* of MoHFW puts the levels (2009-10) of MMR and IMR in Uttar Pradesh at 359/100000 and 63/1000 live births.

Institutional deliveries help pregnant women access skilled birth attendants more readily and reliably and also improve their access to emergency obstetric care. JSY was to encourage institutional deliveries by providing a financial package to all pregnant women.

All pregnant women in rural areas of high focus States, who deliver in a health centre, ware eligible for a cash incentive of ₹ 1,400 to meet both direct and indirect expenses incurred on delivery. BPL women who deliver at home were also eligible for a cash incentive of ₹ 500.

ASHAs have been given a major role in the implementation of the scheme. Each ASHA is given ₹ 200 to motivate a pregnant woman for institutional delivery and antenatal care and paid ₹ 250 for transport of a pregnant woman to the hospital. In addition, if the ASHA escorts and stays in the health centre with the woman she is paid ₹ 150. Thus, an ASHA is entitled to receive ₹ 600 if she performs all the above activities of motivation, transportation and escorting a pregnant woman to the hospital.

8.1.1 Target and Achievement

The objective of the scheme was to achieve the target of 70 *per cent* institutional deliveries by the end of March 2012. The target and achievement of institutional deliveries and cash compensation paid under JSY during the period of the review were as under:

Table 8.1: Target and achievements of JSY

Year	No. of Pregnant women registered (in lakh)	No. of beneficiaries of cash payment (in lakh)	Expenditure (₹ in crore)	No. of Institutional deliveries		Percentage shortfall in institutional deliveries in comparison to target of 70 *per cent* of registered pregnant women
				Target (in lakh)	Achievement (in lakh)	
2005-06	53.28	0.12	1.49	NA	NA	NA
2006-07	53.56	1.68	19.22	NA	1.68	96

2007-08	53.63	7.63	113.06	7.33	9.64	74
2008-09	56.18	15.44	270.03	15.00	15.63	60
2009-10	58.49	20.82	378.85	18.00	20.82	49
2010-11	54.05	23.41	436.88	21.00	23.41	38
Total	**329.19**	**69.10**	**1219.53**	**61.33**	**71.18**	**69**

(**Source:** Information provided by the Government)

As evident from the above table, although the number of beneficiaries increased from 0.12 lakh in 2005-06 to 23.41 lakh in 2010-11, the shortfall in achievement of target ranged between 38 *per cent* in 2010-11 and 96 *per cent* in 2006-07. There was a steady increase in institutional deliveries in terms of number and also in terms of percentage of registered women over the last six years between 2005-06 and 2010-11. The status of achievements against the targets in 20[1] out of 23 sampled districts is given below:

Table 8.2: Achievements under JSY in sampled districts

Year	No. of Pregnant women registered (in lakh)	No. of beneficiaries of cash payment (in lakh)	No. of Institutional deliveries		Percentage shortfall in institutional deliveries in comparison to 70 *per cent* of registered pregnant women
			Target (in lakh)	Achievement (in lakh)	
2005-06	17.28	0.03	3.22	3.15	74
2006-07	19.15	0.26	3.24	3.10	77
2007-08	19.63	1.58	3.62	3.52	74
2008-09	20.59	3.12	5.01	5.78	60
2009-10	21.23	4.18	6.14	7.58	49
2010-11	19.47	4.66	7.31	8.45	38

(**Source:** Information collected during audit)

The shortfall ranged from 77 in 2006-07 to 38 *per cent* in 2010-11 ***(Appendix- 8.1)***

8.1.2 Implementation of the Scheme

Under NRHM framework all registered pregnant women were to be provided with Mother and Child Health (MCH) Cards. ANMs were required to prepare Micro Birth Plan (MBP) for identification of beneficiaries and monitoring of the antenatal and post natal care effectively. In 21[2] test checked districts, Micro Birth Plan had not been prepared at PHCs and Sub centre level. Consequently, institutional mechanism to track the registered pregnant women in the test checked districts for checkups, institutional delivery and post delivery care by ANMs was insufficient. Further, a majority of pregnant women, registered between 2005-06 and 2010-11, did not opt for treatment in health centres for institutional delivery. Of 71.18 lakh institutional deliveries reported during 2005-11, 69.10 lakh pregnant women were provided the incentive under JSY. Test check of records revealed that during 2006-11, an amount of ₹ 5.71 lakh to be paid to beneficiaries for 434 institutional deliveries in four districts was not paid as stated below:

[1] Agra, Allahabad, Azamgarh, Bahraich, Ballia, Bareilly, Bulandshahar, Deoria, Etah, Gorakhpur, Jalaun, Jaunpur, Jhansi, Kanpur Nagar, Mirzapur, Moradabad, Raebareli, Shahjahanpur, Unnao and Varanasi. Three districts did not submit any data.

[2] Allahabad, Azamgarh, Bahraich, Ballia, Bareilly, Budaun, Bulandshahar, Deoria, Etah, Gorakhpur, Jalaun, Jaunpur, Jhansi, Kanpur Nagar, Kushi Nagar, Mirzapur, Moradabad, Raebareli, Shahjahanpur, Unnao and Varanasi.

Table 8.3: Non-payment of incentive to beneficiaries

Name of unit	Period	No. of cases in which incentive was not paid	Rate (in ₹)	Amount (₹ in lakh)
DH(F), Gorakhpur	2008-09 to 2009-10	76	1400	1.35
		28	1000	
		01	600	
Dufferin Hospital, Kanpur Nagar	2007-08 to 2009-10	51	1000	0.51
DH(F), Raibareli	2006-07 to 2007-08	183	1400	2.56
DH(F), Ballia	2010-11	85	1400	1.29
		10	1000	
Total		**434**		**5.71**

(**Source:** Information collected during audit from records made available)

The Government did not furnish any reply in the cases of DHs (F) Ballia and Raebareli. In the case of DH (F) Gorakhpur, the Government stated that since the beneficiaries had left the hospital suddenly, cheques could not be given to them. The reply was not convincing as the patients were discharged from the hospital only after being declared fit by the operating surgeon. In the case of Dufferin Hospital, Kanpur it was stated that since the beneficiaries did not turn up for receiving cheques the same were lying undelivered. The reply was not acceptable as the incentive was to be paid at the time of discharge from the hospital.

8.1.3 Verification and monitoring

An amount of ₹ 1,219.53 crore was disbursed towards cash compensation to 69.10 lakh women for institutional deliveries during 2005-11. As per State PIP of 2008-09, 10 *per cent* of JSY cases were to be verified. Further, in the year 2009-10, it was decided to ensure monitoring of 5 to 10 *per cent* cases through deployment of monitors, departmental staff, as well as through external agencies. 71 districts were to be covered in each quarter by deploying four monitors, who would cover six to seven districts every month. These monitors were to visit the districts to monitor JSY activities and follow-up complaints. Verification and monitoring, as planned, was not conducted by SHS. Thus, expenditure of ₹ 1,085.76 crore, incurred under JSY, in 2008-09, 2009-10 and 2010-11 remained unverified.

The Government accepted the observation.

Test check of records of 22 out of 23 sampled districts revealed irregularities and fraudulent payments as brought out below:

8.1.3.1 Excess payment

According to guidelines for implementation of JSY, if an institutional delivery of a rural beneficiary takes place in an urban area hospital, she would be paid ₹ 1400 on production of proof of rural residential address like *Kisan bahi, Kutumb* register, *Khasra khatauni*, referral slip submitted by ANM/ASHA or domicile certificate issued by *Gram Pradhan*. Otherwise, she would be paid only ₹ 1,000, as an urban beneficiary.

In four test checked District Hospitals (Female) during 2007-11, out of 61014 beneficiaries, 5608 beneficiaries (9.20 *per cent*) were paid ₹ 1400, without obtaining proof of rural residence as specified in the guidelines. As a result, the authenticity of payment of ₹ 22.43 lakh could not be established in audit ***(Appendix-8.2).***

The Government in the case of DH(F), Mirzapur stated that incentive was paid on the basis of referral slip but no documents to substantiate it were furnished to audit. In the case of DH(F), Bulandshahar, the Government stated that incentive was paid on the basis of address proof of husband. The reply was not acceptable as address of husband was not supported by proper documents. In the case of DH(F), Khurja, Bulandshahar, the Government stated that incentive of ₹ 1400 was paid on the basis of verification of rural address by ASHA. The reply was not acceptable because verification of address by ASHA was not a valid proof of residence. Further, in the case of the Government Combined Hospital, Sikandarabad in district Bulandshahar, the Government stated that instructions had been issued to ASHAs for obtaining address proof from the beneficiaries.

8.1.3.2 Suspected Fraudulent payments

Test check of records revealed the following cases of payments of ₹ 0.61 lakh, released without proper documentary evidence highlighting the possibility of fraudulent payment of ₹ 0.61 lakh:

- Between April 2009 and March 2011 payment was released by PHC, Kuandanda, Bareilly to ASHAs for 36 rural institutional deliveries in CHC, Faridpur which were not found entered in the delivery register. The payment made was calculated in audit as ₹ 0.22 lakh (at the rate of ₹ 600 per delivery). The Government did not furnish any reply.

- In PHC Mauaiama and Pratappur, Allahabad suspected payment of incentive of ₹ 0.13 lakh for nine deliveries during 2010-11 was pointed out (22 September 2011). MOIC recovered (26 September 2011) ₹ 0.09 lakh in 6 cases. The Government accepted the audit observation.

- In PHC, Kuandanda, Bareilly, test check of claims in 128 cases, during 2009-11, made by ASHAs as deliveries at District Hospital (Female), Bareilly revealed that 44 deliveries for which ₹ 0.26 lakh was paid did not take place at the District Hospital (Female), Bareilly.

The Government stated that ASHAs were paid incentive on the basis of beneficiaries' discharge certificate, issued by DH (F) Bareilly. The reply was incorrect as CMS of the hospital had certified that out of 128 deliveries, 44 had not taken place in DH(F) Bareilly.

8.1.3.3 Doubtful payments of incentive

- In District Hospital (Female), Budaun, 100 cases (in a bundle of vouchers starting from 09 August 2007) were test checked and it was observed that payment made to beneficiaries as per slip issued to ASHA in 33 cases was shown at the rate of ₹ 1000 per beneficiary. However, as per vouchers (JSY card), the payment to the beneficiaries was shown to be made at the rate of ₹ 1400 per beneficiary. The cash book was also altered and ₹ 400 was added to ₹ 1000 to show payment at the rate of ₹ 1400. Thus, payment of ₹ 0.13 lakh appeared to be doubtful.

The Government did not furnish any reply.

- In PHC, Kuandanda, Bareilly, during 2007-08, 177 beneficiaries were paid incentive at the rate of ₹ 500 per case. But there was no proof of receipt, like signature, thumb impression *etc*., of recipients in 172 cases. Thus, the payment of ₹ 0.86 lakh was doubtful.

The Government stated that beneficiaries were paid the incentive. But the documents in support of the payments were stolen on 13 March 2011, for which FIR had been lodged. However, details of the records stated to have been stolen were not recorded in the FIR.

8.1.3.4 Non-payment of transportation charges under JSY

The State PIP provided that in case ASHA fails to arrange transportation for a pregnant woman to the hospital, the beneficiary would get ₹ 250 immediately on reaching the hospital. In four test checked units, it was observed that in 53,333 cases of delivery, the beneficiaries came to hospital by arranging their own transport and were not paid transportation charges. Thus, a payment of ₹ 133.33 lakh, which was due to the beneficiaries, was not made during 2007-08 to 2010-11 ***(Appendix-8.3)***.

The Government did not give any reply in the case of DHS, Shahjahanpur. However, findings of DHS, Jhansi were accepted. In the cases of DHSs Azamgarh and Deoria, it was stated that the transportation charges were not paid as the beneficiaries did not submit the transportation cost vouchers. The fact remained that there was no pursuance of matter with the beneficiaries by the staff/authorities of health institutions.

8.1.3.5 Belated payment of incentive

Under JSY, disbursement of cash incentive was to be made to the beneficiaries immediately after delivery or at the time of discharge. In six test checked units, payment of cash incentive of ₹ 3.01 crore to eligible beneficiaries was delayed for periods ranging from 8 to 780 days ***(Appendix-8.4)***.

In the cases of PHC, Ashafpur (Budaun) and PHCs, Chittaura and Tejwapur (Bahraich), the Government did not give any reply. However, findings of CHC, Mauranipur, Jhansi were accepted. Non-availability and delayed release of fund were attributed as the reasons for delayed payment in DH(F) Raebareli. In the case of CHC, Lakhauti, Bulandshahar, it was stated that due to delayed submission of identity proof/Ration Card by the beneficiaries, payment of incentive was not made on time. However, as per GO dated 08 June 2007, in case of non-availability of any proof of identification with the beneficiary, MOIC was made responsible to disburse the incentive to the beneficiary on any holiday in the presence of two witnesses having independent identifications.

8.1.3.6 Payment of incentive to persons other than the beneficiary

Under NRHM framework, payment of incentive was to be made only to the beneficiary. During 2006-07 to 2010-11, in three audited units ₹ 105.17 lakh was paid to individuals other than beneficiary, like husband, relatives, ANM and ASHA in 7912 cases of institutional deliveries ***(Appendix-8.5)***.

In the case of PHC, Tejwapur, Bahraich, the Government did not give any reply. Cases of CHC, Machhalishahar and PHC, Rampur, Jaunpur were stated to be noted for future compliance. In the case of A.H.M. Dufferin Hospital, Kanpur Nagar, the Government stated that since after operation some patients left the hospital before the payment of incentive, it was made to the inducer/relative. The reply was not acceptable as the patients are discharged from the hospital only after being declared fit by the operating surgeon.

8.1.3.7 Other financial irregularities

Test check of records revealed:

- Under JSY, ASHA would get ₹ 250 as transportation cost for conveyance of beneficiaries to health centre, provided the certificate relating to above transportation charges was counter signed by the beneficiary. In CHC, Payagpur and PHC, Chittaura, Bahraich payment of ₹ 16.66 lakh, on account of transportation charges, was made to ASHAs either without any supporting voucher for transportation charges or without counter signature of the beneficiary between 2008-09 and 2010-11, the genuineness of which could not be ensured in audit.

Table 8.4: Irregular payment in CHC, Payagpur and PHC, Chittaura

Year	No. of cases in CHC/PHC		Total No. of cases	Payment @ ₹ 250/case (in ₹)
	Chittaura	Payagpur		
2008-09	453	-	453	113250
2009-10	854	1416	2270	567500
2010-11	935	3005	3940	985000
		Total	**6663**	**1665750**

(**Source:** Information collected during audit)

The Government accepted the observation.

- Payment to ASHAs is made at the rate of ₹ 600 per delivery by CHC/PHC to which ASHA belongs, on the basis of certificate, regarding presence of ASHA with the beneficiaries, issued by hospital in which delivery takes place. In DH (F), Gorakhpur, out of the 946 beneficiaries checked, 346 were urban and 600 were rural. CMS (F) issued certificates to 471 ASHAs for accompanying the beneficiaries. In 151 cases, initially it was recorded that 'No' ASHA accompanied the pregnant women. But while issuing the certificates, 'No' was deleted. The deletion was not attested by any officer. Further, presence of ASHA was not corroborated from other records. JSY forms were also not signed by ASHA. This rendered the payment of ₹ 0.91 lakh doubtful.

The Government did not furnish any reply.

- In PHCs, Chittaura and Tejwapur, Bahraich, JSY payment vouchers were not supported by MCH Cards. Payment of ₹ 143.55 lakh was, therefore, irregular as detailed below:

Table 8.5: Irregular payments in PHC, Chittaura and PHC, Tejwapur

Name of CHC/PHC	Period	No. of cases not supported with MCH Card	Amount paid to Beneficiaries (₹ in lakh)
PHC, Tejwapur	2007-08 to 2010-11	8011	112.15
PHC, Chittaura	2008-09 to 2010-11	2243	31.40
Total		**10254**	**143.55**

(**Source:** Information collected during field audit)

In addition, payments amounting to ₹ 11.84 lakh were made in PHC, Chittaura, Bahraich, to 592 beneficiaries between March 2010 and March 2011 without signature of MOIC on the vouchers.

The Government accepted the observations.

- During 2007-08, DHS, Jaunpur, wrongly reported 430 home delivery cases as institutional deliveries which resulted in loss of ₹ 6.02 lakh to the Government. An enquiry was conducted by the DM and the then CMO suspended, but reinstated subsequently. Charge sheets to the concerned MOICs and Junior Clerks and ANMs involved in all the 430 cases were prepared at the Directorate level and submitted to the Government on 31 July 2009. The CMO and Regional Deputy CMO were appointed as inquiry officers whose reports were awaited (November 2011). While, recovery against 282 cases was made, in the remaining 148 cases of ₹ 2.07 lakh recovery was outstanding. However, no disciplinary action was taken or penalty imposed on officials for fraudulent withdrawals.

The Government stated that disciplinary action was pending and action to recover the loss was being taken and remedial action will be taken to prevent recurrence;

- PIP for 2008-09 provided for payment of ₹ 330 to CHC/PHC staff on account of each night delivery (during 8 PM to 7 AM) exceeding 30 night deliveries during a particular month, provided the total number of deliveries was more than 60. In CHC, Bahjoi, Moradabad, out of the 812 deliveries that were test checked payments of ₹ 0.32 lakh were to be made for 312 night deliveries. However, ₹ 1.03 lakh was paid to the staff resulting in an excess payment of ₹ 0.71 lakh.

The Government stated that this was because of ignorance of rule.

- ₹ five lakh was transferred to DH (F) by CMO, Bahraich in January 2010. The amount was not entered in the cash book of CMS (F) till September 2011. Though the above amount was found entered in the statement of bank accounts pertaining to CMO and CMS (F), Bahraich in January 2010, the same remained out of transaction for more than 22 months owing to non-reconciliation of accounts.

The Government accepted the observation.

8.1.4 Inadequate documentation and record keeping

As expenditure under JSY was the highest on any single component of NRHM at the District level it called for proper documentation. Audit observed that documentation and record

keeping in the sampled/test checked units of the selected districts was inadequate. Proper records and vouchers in support of payment of incentive were not always maintained. Further, in three test checked hospitals certain JSY records were not made available to audit on the pretext of either being lost or not being received at the time of assumption of charge. The details are tabulated below:

Table 8.6: Records not made available to Audit

Name of Hospital	Name of records not provided	Period of records	Amount involved (₹ in lakh)	Reasons attributed
CHC, Bilsi, Budaun	All JSY records except payment register	2010-11	67.89	The then MOIC at the time of handing over charge did not make JSY records available.
PHC, Bhojipura, Bareilly	JSY payment register	2008-09 (Apr-Sep)	NA	Register lost by ANM. FIR had been lodged by the concerned ANM.
CHC Tilhar, Shahjahanpur	Delivery register	2009-10	NA	Not maintained

(**Source:** Information collected during audit)

The Government stated that records of CHC, Tilhar, Shahjahanpur will be furnished to the next audit team.

8.1.5 *Saubhagyavati Surakshit Matritva Yojna* (SSMY)

Under the scheme launched in the State in May 2008, beneficiaries from BPL families were to be provided delivery facilities at Private Nursing Homes, which were entitled to a payment of ₹ 1.85 lakh per hundred deliveries.

Audit observed in Unnao district that against an allotment of ₹ 7.70 lakh under SSMY during 2008-11, only ₹ 3.72 lakh (48.31 *per cent*) was spent and the balance was lying unutilised, resulting in blockage of fund.

In CMO, Bahraich, as per FMR, ₹ 9.25 lakh was allotted for payment to Private Hospitals for 500 cases. It was observed that M/s Raj Hospital, Bahraich, empanelled under SSMY, registered 258 cases of deliveries during 2008-09 to 2010-11, for which ₹ 4.77 lakh at ₹ 1850 per case was payable to them. But payment of ₹ 6.77 lakh was made to the hospital.

Audit observed that though the incentive was to be paid to beneficiaries by DHS itself, payments of ₹ 1.99 lakh to 140 rural and 3 urban beneficiaries were routed through M/s Raj Hospital, retaining ₹ 0.01 lakh. Further, photocopy of BPL cards for 258 beneficiaries was not available in either the hospital or in DHS records. Non-possession of copy of BPL card rendered the entire payment of ₹ 6.77 lakh doubtful.

The Government accepted that due to ignorance of rules, incentive of ₹ 1.99 lakh was paid to beneficiaries by M/s Raj Hospital. The remaining amount ₹ 0.01 lakh had been recovered (December 2011) from them. It further stated that photocopies of BPL cards were burnt in a fire. However, in the report of Fire Fighting Department, no records were reported to have been burnt in the fire. Only inverter, furniture and some pathological equipment/machines were certified to be damaged in the fire.

8.2 Family planning

The objective of the Mission was to reach the replacement levels of TFR of 2.1 by 2012. The Family Planning Programme aimed to reduce the TFR by encouraging adoption of appropriate family planning methods and increasing the Contraceptive Prevalence Rate. As per PIP of 2011-12, TFR (2007-08) was 3.8. The Government stated that efforts were on to achieve the goal and reasons for slow progress were also being evaluated through various studies being conducted in the State.

8.2.1 Performance of various family planning methods

8.2.1.1 Limiting Methods

Limiting methods of family planning consist of vasectomy for male and tubectomy for female. A target of 9.7 lakh cases per year was fixed for sterilisation in Uttar Pradesh, against which shortfall ranged between 51 to 61 *per cent*. The status of target and achievement in the State was as below:

Table 8.7: Achievements of sterilisation targets in the State

(in lakh)

Year	Target for sterilisation	Achievement	Shortfall	Percentage of shortfall
2005-06	9.70	4.50	5.20	53.61
2006-07	9.70	4.29	5.41	55.77
2007-08	9.70	4.72	4.98	51.34
2008-09	9.70	4.80	4.90	50.52
2009-10	9.70	4.20	5.50	56.70
2010-11	9.70	3.79	5.91	60.93

(**Source:** Information collected during audit)

As would be evident from the above table, the achievement *vis a vis* target for sterlisation declined from 49.48 in 2008-09 to 43.30 in 2009-10 and 39.07 *per cent* in 2010-11, although the targets remained constant during 2005-11.

No separate targets were fixed for vasectomy and tubectomy. Shortfall in achievement against the target for sterilisation in the test checked districts ranged between 0 and 84 *per cent*. ***(Appendix-8.6)***

The Government did not furnish any reply.

Vasectomy

With the aim of increasing participation of males in population stabilisation efforts, the GoI developed a scheme to promote No-Scalpel Vasectomy (NSV). In the 22 test checked districts while 11.46 lakh females underwent tubectomy operation during 2005-11, during the same period, only 0.14 lakh males had under gone vasectomy operation. The ratio between vasectomy and tubectomy was 1:82, signifying that implementation of limiting methods was biased towards women. Vasectomy operations were only 0 to 5 *per cent* of total sterilisation in the test checked districts. The average percentage of vasectomy for the period 2005-11

ranged between 0.04 (Etah) and two (Varanasi). No vasectomy was performed in Etah in 2008-09 and 2010-11. In Jalaun, no vasectomy was performed in 2005-06.

The Government did not furnish any reply.

Tubectomy

Tubectomy through laparoscopic procedure had the advantages of ease of operation and quick recovery. 1293 laparoscopes, valuing ₹ 102.94 crore were procured during 2009-11. This included 36 laparoscopes for training. To operate the above laparoscopes only 454 (36 *per cent*) trained doctors were available in the State as of March 2011.

The Government stated that the State had a pool of 411 trained doctors and it had trained 43 new doctors. No separate training was required to these doctors on the fresh stock of laparoscopes. The reply was not acceptable as laparoscopes were more than two and half times the number of trained doctors.

8.2.1.2 Spacing methods

Oral pills, condoms and Intra Uterine Device (IUD) insertions were the three prevailing spacing methods of family planning to regulate fertility and promote couple protection rate. A target of 26.11 lakh cases per year was fixed for IUD insertions in the State during 2005-11. The shortfall in IUD insertions in the State ranged from 24 *per cent* in 2005-06 to 42 *per cent* in 2009-10 ***(Appendix 8.7-A)***. The short fall in respect of IUD in the test checked districts ranged between 22 and 48 *per cent* ***(Appendix-8.7-B)***. Among the spacing methods, usage of condom constituted around 35 *per cent,* oral pills 18 *per cent* and IUD 47 *per cent* during 2005-11. Decreasing trend of distribution of condoms and oral pills was observed between 2006-07 and 2010-11. Also, in test checked districts distribution of condoms and oral pills was declining.

The Government did not furnish any reply.

8.2.2 Quality Assurance

District Quality Assurance Committee (DQAC) was to be established in all the districts to conduct provider-wise monitoring of sterilisation cases. These DQACs were to be actively involved in verifying sterilisation cases as well as to ensure that standards and quality of delivery of services were being followed. Besides, they had to submit monthly reports. According to SHAP 2010-11, DQACs were established in all the districts.

Out of 22 test checked districts, status of DQAC was received in respect of 21 districts[3]. Audit observed that in Allahabad, Bahraich, Ballia, Budaun, Deoria, Etah and Jhansi, DQACs had not been formed till March 2011. In Jaunpur, DQAC was functioning for cases of failure of sterilisation and deaths. In Bareilly, Bulandshahar, Jalaun, Kushi Nagar, Mirzapur, Moradabad, Raebareli, and Shahjahanpur, DQAC had been reportedly constituted between 2005-06 and 2010-11 but no monitoring and verification of sterilisation cases were conducted and no monthly reports were sent to the Directorate.

[3] Allahabad, Azamgarh, Bahraich, Ballia, Bareilly, Budaun, Bulandshahar, Deoria, Etah, Gorakhpur, Jalaun, Jaunpur, Jhansi, Kanpur Nagar, Kushi Nagar, Mirzapur, Moradabad, Raebareli, Shahjahanpur, Unnao and Varanasi.

The Government stated that DQAC had been constituted at district level but regular reports were not being sent to the Directorate. The reply was not acceptable, as in many districts, DQAC had not been constituted and where formed, they were not conducting expected monitoring and verification of sterlisation and hence not sending any report to the Directorate.

8.2.3 Cash compensation to beneficiaries of sterilisation

As per State Government orders compensation was payable to persons undergoing vasectomy or tubectomy. SHS reported a total of 0.43 lakh cases of vasectomy and 25.88 lakh cases of tubectomy during 2005-11. The total amount of cash compensation paid worked out to ₹ 181.57 crore (vasectomy: ₹ 5.02 crore and tubectomy: ₹ 176.55 crore). The cash compensation paid in test checked districts worked out to ₹ 79.21 crore (vasectomy: ₹ 1.53 crore for 0.14 lakh cases and tubectomy: ₹ 77.68 crore for 11.46 lakh cases)

The payments made in many cases examined were either doubtful or against the norms as below:

- In CHC, Chunar, Mirzapur, payment of ₹ 10.81 lakh was made to 1518 tubectomy beneficiaries during 2006-11 but the payment was not supported in the payment register by signature/thumb impressions of the beneficiaries. The related forms which were filled up by the motivator of beneficiaries did not mention the amount. Also, the thumb impressions of the beneficiaries were taken on blank forms without mentioning the amount to be paid to the beneficiaries resulting in doubtful payments of ₹ 10.81 lakh.

The Government stated that the matter was noted for future compliance;

- In District Hospital (Female), Gorakhpur, an expenditure of ₹ 10.38 lakh was incurred on tubectomy during 2005-11, but no cash book was maintained for this purpose. The details were recorded in a register of beneficiaries. The details shown in the register indicated that, against 198 cases of tubectomy, payment of ₹ 0.09 lakh in 58 cases, to be made to the motivator, were actually made to the surgeon.

The Government stated that the matter was noted for future compliance;

- In eight units[4] of test checked districts during 2005-11, payment of ₹ 73.60 lakh for 15049 cases of sterilisation to be made to beneficiaries was given to the inducers/ASHAs. There was nothing on record to show if inducers/ASHAs had paid the received incentive to the actual beneficiaries.

In the cases of CHC, Bhitargaon, Kanpur Nagar, PHC, Mauaima, Allahabad, PHC, Singhpur, Raebareli, CHC, Lakhauti, Bulandshahar and DH(F), Bulandshahar, the Government stated that since after operation the patients do not recover fully from the effects of anesthesia, the incentive amount was given to the inducers/ASHAs. The reply was not acceptable because the patients are discharged only after regaining consciousness and therefore, payment of incentive should have been made to the beneficiaries. In the cases of PHC, Brahampur, Gorakhpur, CHC Machhalishahar, Jaunpur and CHC, Araziline, Varanasi, the Government

[4] DH(F), Bulandshahar and CHC, Lakhauti, Bulandshahar, (₹ 6.10 lakh for 940 cases); PHC, Brahampur, Gorakhpur (₹ 16.55 lakh for 3595 cases); CHC, Bhitargaon, Kanpur Nagar (₹ 7.49 lakh for 1424 cases); PHC, Singhapur, Raebareli (₹ 10.98 lakh for 1810 cases); PHC, Mauaima, Allahabad (₹ 3.80 lakh for 633 cases); CHC, Araziline, Varanasi (₹ 21.95 lakh for 3658 cases) and CHC, Machhalishahar, Jaunpur (₹ 6.73 lakh for 2989 cases).

stated that receipt for payment of compensation to sterlisation beneficiaries was taken on Nasbandi Form. The reply was not acceptable as receipt of compensation payment was to be recorded in the payment register.

- Against an allotment of ₹ 29.42 lakh for purchase of medicines and dressing material under sterlisation scheme, DHS Jhansi spent (2008-11) ₹ 43.75 lakh exceeding the allotment by ₹ 14.33 lakh. The Government did not furnish any reply.
- In CHC, Hata, Kushi Nagar compensation of ₹ 31.84 lakh was paid to 3538 beneficiaries during 2007-11. But Bed Head Ticket (BHT) and Discharge Head Ticket (DHT) numbers were not found recorded in any case. Further, neither Opreation Theater (OT) records, mentioning the number of women operated for tubectomy, nor payment register were maintained. As a result, payments made to the beneficiaries could not be verified.

The Government did not furnish any reply.

8.3 Routine Immunisation (RI)

RI is an important child survival strategy, which mainly focuses on preventive aspects to reduce morbidity to a great extent. The immunisation of children against six preventable diseases, namely diphtheria, measles, pertussis, polio, tetanus and tuberculosis has been the cornerstone of RI under the Universal Immunisation Programme.

8.3.1 Targets and Achievement

The achievement against target of immunisation of children between 0 to 1 year age group is tabulated below:

Table 8.8: Immunisation of children in the State

(Figures in lakh)

Year	Target	Achievement							
		BCG		Measles		DPT		OPV	
		No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
2005-06	53.43	56.11	105.02	51.81	96.97	53.21	99.59	53.43	100
2006-07	54.43	56.46	103.73	51.04	93.77	54.57	100.26	54.58	100.28
2007-08	54.30	56.42	103.91	52.44	96.57	53.18	97.94	52.38	96.47
2008-09	55.55	56.05	100.90	52.94	95.30	52.53	94.56	54.07	97.34
2009-10	55.18	57.07	103.39	54.77	99.26	53.33	96.65	55.33	100.27
2010-11	56.01	51.87	92.61	45.59	81.40	47.87	85.47	47.92	85.56

(**Source:** Information furnished by DGNPME)

The achievements of target of immunisation of children between 0 to 1 age group under Bacillus Calmette - Guerin (BCG), Measles, diphtheria Pertusis Tetanus (DPT) and Oral Polio Vaccine (OPV) ranged between 92.61 and 105.02 *per cent*; 81.40 and 99.26 *per cent*; 85.47 and 100.26 *per cent;* 88.56 and 100.28 *per cent* respectively during 2005-11. Further, the achievement of immunisation against the diseases during 2010-11 ranged between 81.40 *per cent* (Measles) and 92.61 *per cent* (BCG).

Children in the age group of five to six years were required to be administered DT (Diphtheria Toxoid) and subsequently two doses of TT (Tetanus Toxoid) at ages of 10 and 16. The year-wise position of children administered with DT and TT during 2005-11, vis-à-vis targets, is tabulated below:

Table 8.9: Administration of DT/TT in the State

(Figures in lakh)

Year	DT (5 years)		TT (10 years)		TT (16 years)	
	Target	Achievement	Target	Achievement	Target	Achievement
2005-06	45.00	17.80	43.59	18.65	35.95	15.31
2006-07	45.84	14.35	44.41	14.45	36.62	12.52
2007-08	45.74	4.76	44.31	4.50	36.54	4.35
2008-09	46.79	NA	45.32	NA	37.38	NA
2009-10	46.65	34.45	45.19	27.64	37.27	23.30
2010-11	47.18	7.00	45.70	22.44	37.69	21.38

(**Source:** Information furnished by DGNPME)

The shortfalls in achievements in the immunisation ranged between 26.15 and 89.59 *per cent* for DT, between 38.83 and 89.84 *per cent* for TT (10 years) and from 37.48 to 88.10 *per cent* for TT (16 years).

For effective implementation of RI programme, availability of required quantities of vaccines was a prerequisite. In 17 test checked districts[5], Audit observed that the availability of vaccines was generally lesser than the required quantity during 2005-11. Except Jaunpur, DT vaccine was not available in the other districts during 2010-11.

The Government stated that (i) due to lesser community participation and utilisation of private facilities, TT immunisation was low, (ii) GoI had promoted DPT in place of DT and stopped supply of DT vaccine from 2010-11 and (iii) shortage of vaccine was due to irregular supply by GoI. Reply indicated that either the targets set were unrealistic or steps taken for immunisation of children were inadequate.

8.3.2 Deficiencies in implementation

8.3.2.1 Excess and irregular payment to RI mobilisers/vaccinators in Budaun

Payment to RI vaccinators and mobilisers were made on the basis of provisions made in the PIP. Audit observed that:

- PIP of Budaun of 2008-09 provided for RIs in rural areas only. CMO, Budaun, conducted 464 sessions in urban areas between April and September 2008 and irregularly released ₹ 1.39 lakh. Further, as against the approved rates of ₹ 150 per session, the CMO Budaun paid ₹ 300 per session to ASHAs/Vaccination Mobilisers.

- In the State PIP of 2009-10, 11 districts (Agra, Aligarh, Allahabad, Bareilly, Ghaziabad, Gorakhpur, Meerut, Moradabad, Kanpur Nagar, Lucknow and Varanasi) having substantial urban population, were selected for strengthening RI in slum areas.

[5] Agra, Allahabad, Azamgarh, Ballia, Budaun, Bulandshahar, Deoria, Gorakhpur, Jalaun, Jaunpur, Jhansi, Kanpur Nagar, Mirzapur, Moradabad, Raebareli, Shahjahanpur and Varanasi.

Immunisation services in slum areas of these districts were to be provided by contractual ANMs and hired vaccinators. Though Budaun did not figure in the list of 11 selected districts it received sanction for hired vaccinators for strengthening RI in urban slum areas in the district PIP of 2009-10, the CMO conducted 1092 sessions (91 in each month of the year) of RI in urban slum areas during the year and paid ₹ 2.87 lakh to hired vaccinators. The vaccinators were paid ₹ 150 per session for first three months and ₹ 300 per session for the remaining nine months.

- Between April and October 2010, CMO, Budaun, paid ₹ 1.85 lakh to 11 hired vaccinators at ₹ 300 per session for eight sessions in each of the seven months, in addition to payments made to RI mobilisers at prescribed rates (₹ 150 per session). As there was no approval, the entire expenditure was irregular.

CMO, Budaun stated (September 2011) that immunisation during April to July 2008 was undertaken as per past practice and though Budaun was not included (State PIP of 2009-10) in the list of districts planned for RI in urban slum areas, funds were provided in the district PIP of Budaun. Reply indicated discrepancy between planning and sanction of funds in PIP.

8.3.2.2 IVRS System in Moradabad

On the basis of sanction (₹ 32.50 lakh) received (September 2008) from SPMU, CMO Moradabad procured (February 2011) hardware and software worth ₹ 1.08 lakh and ₹ 6.75 lakh (including AMC of ₹ 1.65 lakh) respectively for implementation of Interactive Voice Response System (IVRS). Subsequently, the SPMU directed (February 2011) that the project be abandoned. The belated decision of abandoning the system, taken after five months of issue of sanction, resulted in unfruitful expenditure of ₹ 6.75 lakh.

The Government stated that installation of IVRS was approved in DHS. Reply was not convincing as decision to abandon the project was taken belatedly by SPMU leading to unfruitful expenditure.

8.4 Pulse Polio Immunisation

The Pulse Polio Immunisation (PPI) was launched in 1995 to eradicate polio and ensure zero transmission by end of 2008.

8.4.1 Targets and Achievements

The year-wise details of new polio cases detected in the State, targeted number of children for administration of Polio drops and achievement thereagainst were as under:

Table 8.10: Targets and Achievement of Polio Vaccination

Year (January - December)	Number of polio cases	Number of children given polio drops	
		Target	Achievement
2005	29	36162500	37360426
2006	548	39927893	39570780
2007	341	36162500	38124192
2008	305	36162500	37420325
2009	602	38020856	37490350
2010	10	38167057	35842002

(Source: Information furnished by DGNPME)

PPI campaign stipulated two National Immunisation Days (NIDs), six Special National Immunisation Days (SNIDs) and additional rounds every 3-4 weeks in selected districts of Uttar Pradesh. Despite the fact that the two NIDs and six SNIDs were observed in the State during 2005-11, the target of zero transmission by end of 2008 was not achieved. The number of new polio cases in the State, however, reduced to 10 in 2010. In 22 test checked districts, no new case of polio was recorded during 2010. The Government stated that no polio case was reported after 21 April 2010.

8.4.2 Wastage of vaccines

The Central Store at District Headquarters receives polio vaccines from GoI, which are then issued on the basis of requirements for RI and PPI. During movement, some vaccines become unusable due to breakdown of cold chain and normal wastages. A wastage rate of 25 *per cent*, or a Wastage Multiplication Factor (WMF) of 1.33[6] is allowed for all vaccines supplied in Uttar Pradesh. The WMF is used to arrive at the correct quantum of vaccine needed for an immunisation session.

Test check of records revealed that in some test checked districts, the wastage was considerably higher than the norms prescribed as tabulated below:

Table 8.11: Excess wastage of vaccines

Sl. No.	District	Period	Total number of children immunised (A)	Total dozes required (including wastage as per norm) A* 1.33 (B)	Total dozes utilised (including wastage) in immunising children at A (C)	Excess wastage (C - B)
1.	Etah	2007-11	1,65,35,250	2,19,91,883	2,31,49,200	11,57,317
2.	Jalaun	2007-11	76,92,367	1,02,30,848	1,12,146,40	9,83,792
3.	Moradabad	2007- 11	3,66,50,976	4,87,45,798	5,24,23,000	36,77,202
		Total	**6,08,78,593**	**8,09,68,529**	**8,68,33,280**	**58,18,311**

(**Source:** Information collected during field audit)

The excess wastage of vaccines indicated poor cold chain management or pilferage. The loss on account of excess wastage and missing stock in the three test checked districts, worked out to ₹ 3.62 crore. The detailed calculations are ***Appendix 8.8.***

The Government accepted the excess wastage and stated that it was mainly due to handling of vaccine by untrained personnel, kind of vaccine, instability of vaccine during summer, administration of vaccine to children above five years and improper fitting of dropper on vaccine.

8.4.3 Deficiencies in implementation

Audit observed the following deficiencies in Agra and Jhansi:

- The number of children in age group 0-5 years who were supposedly given Oral Polio Vaccination (OPV) drops in Agra and Jhansi ranged between 9 to 10 lakh and 3.41 to 3.86 lakh respectively in different rounds. This achievement was doubtful as Census

[6] WMF =100/(100 - 25) = 1.33

2011 shows the number of children in the age group 0-6 years at 6.38 lakh and 2.49 lakh in Agra and Jhansi respectively;

- The micro-plan for PPI indicated village-wise, booth-wise and household to household duty roster for vaccinators and supervisors. It also indicated the targeted population in terms of number of newborns since last campaign and the number of children in age groups 0-1, 1-3 and 3-5. Since the micro-plan indicated only numbers and as the number of children in age group 0-5 varied greatly from Census 2011 figure, the accuracy of the micro-plan was doubtful;

- The number of children who were not administered OPV due to resistance/opposition from family members in Agra ranged between 937 and 2923. These figures indicated that expenditure incurred on IEC activities during 2005-11, including the efforts through mass media, rallies, posters, work-shops and engagement with local influential persons to eliminate misconceptions about OPV did not yield the desired result; and

- The report (Jhansi - September 2008 and September 2009, Agra - February 2011) of surveillance teams of WHO-NPSP[7] on each round repeatedly indicated various deficiencies during actual implementation of the programme which included untrained or no vaccinators, booths opening late and closing early, work not being done in accordance with the micro plan, lack of supervision, non-availability of list of houses and children uncovered in previous PPI rounds and non-distribution of ICDS nutrition and/or mid-day meal.

The Government accepted the observation and stated that micro plan was prepared at sub-centre level and target for vaccination was set on the basis of tally sheet used in the last round of vaccination. Reply was not convincing in view of difference between figures of census and achievement of vaccination.

8.5 Mobility Support

PIP of 2010-11 made provision for hired vehicles (four-wheeler) for mobility support for immunisation programmes, inspection and monitoring of ANMs/ASHAs, as tabulated below:

Table: 8.12: Provision in PIP for mobility

Sl. No.	Particulars	Rate	Source of Fund
1.	Mobility support to Blocks, for Universal Immunisation Programme (UIP) (one vehicle per Block for six days a month, for 12 months)	₹ 800 per vehicle per day	Mission Flexipool (FMR Code 26.5)
2.	Mobility support for monitoring (one vehicle per Block/ District Hospital per month for 12 months)	₹ 18000 per month	Mission Flexipool (FMR Code 18.3.2)
3.s	Mobility support for alternate delivery of vaccine (two vehicles per Block for eight days in a month for nine months)	Funds allotted (number of sessions to be held @ ₹ 50 per session)	Routine Immunisation

(**Source:** District PIP)

[7] World Health Organisation – National Polio Surveillance Project.

These vehicles were to be utilised in RI programmes, held every week on Wednesdays and Saturdays in the villages. Audit observed the following shortcomings in the districts of Budaun, Bareilly, Moradabad and Shahjahanpur:

8.5.1 Mobility Support to Blocks

(i) Funds for mobility support were approved in June 2010. CMOs of Bareilly and Budaun transferred funds for eight months to CHCs/PHCs in August 2010. Against the provision of hiring vehicles for six days a month (₹ 4,800), CMO, Bareilly, transferred funds at the rate of eight days a month (₹ 6,400) for the remaining eight months to 15 CHCs/PHCs totaling to ₹ 7.68 lakh of which ₹ 7.27 lakh was utilised during the year resulting in excess expenditure of ₹ 1.51 lakh. CMO, Budaun, transferred ₹ 9.89 lakh to 18 CHCs/PHCs, which resulted in excess expenditure of ₹ 2.98 lakh. Thus, in the last eight months of 2010-11, excess expenditure of ₹ 4.49 lakh was incurred by the CMOs of Budaun and Bareilly.

In case of Bareilly, the Government stated that it was not feasible to run three vehicles for eight days and one vehicle for six days in a month. Four vehicles were, therefore, deployed for eight days in a month. In respect of Budaun, no reply was furnished.

(ii) PIP of 2010-11 of Moradabad (13 Blocks) and Shahjahanpur (14 Blocks) provided for ₹ 7.49 lakh and ₹ 8.64 lakh respectively for mobility support to blocks for the entire year. The DHS transferred ₹ 7.07 lakh and ₹ 8.06 lakh respectively to the blocks. The entire amount was utilised in Moradabad and ₹ 7.41 lakh was utilised in Shahjahanpur in nine months resulting in excess expenditure of ₹ 2.82 lakh.

In case of Shahjahanpur, the Government stated that PIP was prepared and sanctioned for the whole year and no instructions were received for not utilising the fund before June, 2010. Reply was not convincing as PIP was approved on 25 June 2010 and provision for mobility support to blocks was introduced for the first time in 2010-11.

8.5.2 Mobility support for monitoring

DHS, Moradabad, transferred funds to CMS (F), Moradabad, for nine months as the PIP was approved in June 2010. Similarly, DHSs of Bareilly, Budaun, Moradabad and Shahjahanpur, were required to transfer ₹ 1.62 lakh per CHC/PHC, for nine months. DHSs of Bareilly, Moradabad and Shahjahanpur, however, transferred ₹ 2.16 lakh, which would have covered the expenditure for 12 months. In Budaun, of 18 CHCs/PHCs, funds to 10 CHCs/PHCs were transferred at the rate of ₹ 2.16 lakh per CHC/PHC and to eight CHCs/PHCs at the rate of ₹ 1.95 lakh. Out of remaining amount of ₹ 1.65 lakh, ₹ 1.65 lakh was irregularly spent at the district headquarters. It was also observed that CHCs/PHCs of Budaun and Moradabad utilised the funds of ₹ 38.88 lakh and ₹ 28.08 lakh respectively, meant for the entire year, in nine months. Similarly, CHCs/PHCs of Bareilly and Shahjahanpur utilised ₹ 32.10 lakh and ₹ 28.64 lakh in nine months against the transferred amount of ₹ 32.40 lakh and ₹ 30.24 lakh respectively. This resulted in excess expenditure of ₹ 30.50 lakh.

In case of Moradabad, the Government stated that the fund was transferred to the account of Medical Officers/Medical Superintendent and they used the vehicles from April 2010 to March 2011. In case of Bareilly, it was stated that expenditure was incurred for twelve

months according to PIP. In case of Shahjahanpur, the Government stated that PIP was prepared and sanctioned for the whole year (2010-11). Hence, inspection and monitoring of ANM/ASHA started from April 2010. The reply was not convincing as PIP was approved on 25 June 2010 and this provision was introduced for the first time in 2010-11. Thus, incurring the expenditure from April 2010 to June 2010, against the PIP sanctioned on 25 June 2010, was irregular and possibilities of fraudulent payments cannot be ruled out. In case of Budaun, no reply was furnished.

8.5.3 Mobility support for alternate delivery of vaccine

(i) PIP of Moradabad for 2010-11 provided ₹ 16.61 lakh for alternative delivery of vaccines. Prior to approval of PIP (June 2010), delivery of vaccine was done through four wheelers, two wheelers or cycle rickshaw at the rate of ₹ 50 per session and accordingly DHS, Moradabad, transferred ₹ 3.37 lakh to CHCs/PHCs during April to June 2010, leaving a balance of ₹ 13.24 lakh. DHS, Moradabad, subsequently transferred ₹ 16.13 lakh to its CHCs/PHCs for hiring of two vehicles for eight days a month for the remaining nine months, at ₹ 800 per vehicle per day which led to an excess expenditure of ₹ 2.89 lakh.

In case of Moradabad, the Government stated that extra vehicle was sanctioned by DM, Moradabad, however, audit observed that no extra vehicle was sanctioned by DM. Further, the vehicles were to be deployed on the basis of provision made in district PIPs and not on the sanctions of DM.

(ii) PIP of 2010-11 for Shahjahanpur provided for alternate delivery of vaccines through conventional methods, at ₹ 50 per session, for the first three months (April to June 2010) only and for the remaining nine months, it provided for hiring of two vehicles per block, for eight days in a month. ₹ 12.28 lakh was provided for delivery of vaccine. DHS, during April to June 2010, held 7464 RI sessions and transferred ₹ 3.73 lakh to CHCs/PHCs, at ₹ 50 per session. After transferring ₹ 3.73 lakh, the available balance against hiring of vehicles for alternative delivery of vaccine was ₹ 8.55 lakh for the remaining nine months. DHS, however, transferred ₹ 14.34 lakh (₹ 1.024 lakh each to all 14 blocks). Against the said transfer, the blocks utilised ₹ 14.24 lakh resulting in excess expenditure amounting to ₹ 5.69 lakh.

The Government stated that PIP was prepared and sanctioned for the whole year (2010-11). Hence, inspection and monitoring of ANM/ASHA started from April 2010. It was also stated that action would be taken against responsible officials at block level for any irregularity noticed. Reply was not convincing as PIP was approved on 25 June 2010 and this provision was introduced for the first time in 2010-11.

8.5.4 Fraudulent and other irregular expenditures on hired vehicles

Audit observed that while hiring vehicles at CHCs/PHCs of Agra, Allahabad, Azamgarh, Bahraich, Jhansi, Kanpur Nagar, Raebareli and Shahjahanpur:

- No tenders/quotations were invited;
- Vehicles that were not registered as Taxis were hired; and

- No proper bills for hired vehicles were produced. Audit observed that payments were made against typed/handwritten paper receipts with incomplete information.

Further, in Moradabad, a large number of hired taxis were registered in districts other than Moradabad.

On cross-verification of the registration of the vehicles supposedly hired in these districts with the records of Regional Transport Officer (RTO), it was seen that payments totaling ₹ 26.77 lakh were made to vehicles registered as 'moped', 'scooter', 'motorcycle', 'delivery van' and 'tractor'. Interestingly, the car of the District Magistrate Shahjahanpur (Vehicle No. UP-27-7777) was apparently hired by CHC, Jalalabad, Shahjahanpur from 24 May 2010 to 28 May 2010 and again from 20 June 2010 to 23 June 2010. Details of such cases are annexed as ***Appendix-8.9.***

The Government stated that in case of Shahjahanpur, the vehicle No. UP-30-7777 was wrongly noted on vouchers as UP-27-7777 and an affidavit was furnished by the owner of the vehicle in this regard. However, audit observed that the vehicle was registered in the name of the owner after the date of hiring of the vehicle.

The Government accepted the observation on Agra. For the other districts, it was stated that the number and type of vehicle were wrongly quoted. The reply was not convincing as the vehicle numbers and type were taken from vouchers provided by CMOs/MOICs and were got verified from the respective RTO.

In case of Azamgarh, Bahraich and Jhansi, no reply was furnished by the Government.

In Moradabad, it was observed that double payments amounting to ₹ 5,600 were made to M/s Royal Travels, Rampur (***Appendix-8.10)***.

The Government stated that vehicle numbers were wrongly mentioned. The reply was not convincing as these vehicle numbers were found repeated twice in the vouchers.

PHC, Bighapur, Unnao hired (2010-11) two vehicles[8] and paid ₹ 1.02 lakh to their single owner. Verification of these vehicles with the records of RTO revealed that these vehicles were registered in the names of two owners, different from the owner shown in the records of DHS. The Government furnished no reply.

Instances of irregular, double and fraudulent payments for hiring of vehicles indicated weak internal controls.

8.5.5 Other irregularity:

In Agra, ₹ 6.56 lakh was spent (2009-11) from PPI budget for purchasing fuel for 21 Government vehicles. There was no vehicle roster, duty slip, log book, acknowledgement of officials using vehicles or vehicle census report to confirm their deployment and actual usage during PPI rounds. Possibility of fictitious filling/filling of fuel in unauthorised vehicles cannot be ruled out.

[8] UP-35H-3152 and UP-35H-5425.

Further, a large number of vehicles were hired for PPI rounds (2009-10), ₹ 6.22 lakh was paid for six rounds. Payments were made to one travel agency[9] which was not registered with the Service Tax department.

In reply, the Government accepted the observation and stated that taxis will be hired after verification of registration.

In the presentation made by Principal Secretary, Medical, Health and Family Welfare, during exit conference (16 December 2011), it was stated that although the target of the mission were not met, the achievements relating to MMR and IMR has shown improvement as below:

- MMR in Uttar Pradesh declined from 707 in 1997 to 359 during 2007-09 compared to the National Average decline from 408 to 212 over the same period. It was pointed out that over the period of 10 years (1997 to 2007-09) the decline in Uttar Pradesh in MMR was by 348 points compared to 196 points in National Average; and

- IMR in Uttar Pradesh declined from 73 to 63 whereas the National Average declined from 59 to 50 over four years (2005 to 2009). In particular, it was stated that the decline was marked between 2008 and 2009 when the IMR in Uttar Pradesh and the National Average were 67 and 53 in 2008 and 63 and 50 in 2009 respectively.

8.6 Recommendations:

- *Non-payment and delay in payment of cash incentive to beneficiaries should be avoided to encourage women for institutional deliveries;*

- *Evidencing and documentation of transactions need strengthening;*

- *District Quality Assurance Committee may be made functional; and*

- *Concerted effort to ensure achievement of targets in immunisation must be made, including efficient management of logistics.*

[9] Laxmi Tours and Travels, Opposite Bhatia petrol pump, Sudama Puri, Nagaich, Agra.

Chapter 9 National Disease Control Programmes

9.1 National Disease Control Programmes (NDCP)

Programmes for disease control such as National Programme for Control of Blindness, National Vector Borne Disease Control Programme, Revised National Tuberculosis Control Programme, National Leprosy Eradication Programme, National Iodine Deficiency Disorders Control Programme and Integrated Disease Surveillance Project were brought under NRHM umbrella. For planning, implementation and monitoring of these programmes, the Government formed (16 November 2006) the "Medical and Health Programme Implementation Committee" which was chaired by the Principal Secretary, Medical, Health and Family Welfare. The Director General, Medical and Health was member secretary of this committee and NDCPs were implemented by his Directorate under the supervision of SHM/ SHS.

9.1.1 National Programme for Control of Blindness (NPCB)

NPCB was launched in 1976 and brought into the ambit of NRHM in 2005-06. As per the survey conducted in 2001-02, prevalence rate of blindness in Uttar Pradesh was one *per cent*. NPCB aimed to reduce the cases of blindness to 0.5 *per cent* by 2012 through increased cataract surgery (46 lakh cases by 2012); school eye screening and free distribution of spectacles to children; and strengthening of infrastructure by way of supply of equipment and imparting training to eye surgeons and nurses.

9.1.1.1 Cataract operations

Cataract operations were performed in the Government hospitals, private practitioners and by NGOs. Sector wise details of cataract operations performed in the State during 2005-11 were as under:

Table 9.1: Sectorwise details of cataract operations in State

Year	Total Cataract Operations (in lakh)	Performance of Cataract Operations in the Government sector		Performance of Cataract Operations by NGOs		Performance of Cataract Operations by private practitioners and others	
		Number (in lakh)	Percentage	Number (in lakh)	Percentage	Number (in lakh)	Percentage
2005-06	6.24	1.66	26.60	2.23	35.74	2.35	37.66
2006-07	6.37	1.45	22.76	2.34	36.74	2.58	40.50
2007-08	5.98	1.40	23.41	2.35	39.30	2.23	37.29
2008-09	6.82	1.60	23.46	1.89	27.71	3.33	48.83
2009-10	7.32	1.69	23.09	2.89	39.48	2.74	37.43
2010-11	7.68	1.94	25.26	2.62	34.11	3.12	40.63
Total	**40.41**	**9.74**		**14.32**		**16.35**	

(**Source:** NPCB, Uttar Pradesh)

The Cataract Operation performed by private and Government sectors was expected to be in the ratio of 1:1. However, the number of cataract operations performed by NGOs and private sector exceeded 75 *per cent*. Further, the cataract operations rate was lower than the envisaged 600 *per* lakh population *per* year and ranged between 300 and 400 during 2005-11.

The Government stated that there were only 202 posts of Eye Surgeons in District Hospitals and some selected hospitals. The number of operations performed by them was satisfactory.

9.1.1.2 Irregular payments to NGOs in eye care activities

Under NPCB, NGOs were engaged to carry out various eye care activities including performance of free cataract operations. The scheme for participation of NGOs, relating to cataract operation provides:

- NGO/Voluntary Organisation (VO), empanelled, should be registered under the Indian Societies Registration Act, 1860/Charitable Public Trust registered under any extant law and have facilities for secondary level eye care services, well trained staff, infrastructure and the required managerial expertise to organise and carry out cataract operation and other eye related activities; and

- Financial assistance upto a maximum of ₹ 750[1] for performing each free cataract operation.

Under the scheme, camps were allowed only for eye screening (not operation). The screened patients were referred and all the cataract operations were performed in only Fixed OT facility. CMOs of Agra, Budaun and Mirzapur accorded permission for holding eye screening camps to NGOs from time to time. In these districts, NGOs performed cataract operations in camps also and were irregularly paid ₹ 66.98 lakh as below:

Table 9.2 : Details of irregular payment

Sl. No.	Name of the district	Cataract Operations performed by NGOs in camps	Total amount paid to NGOs (₹ in lakh)
1.	Agra	2593	10.94
2.	Budaun	1834	12.43
3.	Mirzapur	10467	43.61
	Total	**14894**	**66.98**

In reply, DPM, Budaun stated that operations were performed by NGOs in camps having fixed OT facility and DPM, Mirzapur stated that plain surgeries were undertaken in camps due to availability of very few surgeons trained in IOL method. No reply was furnished by DPM Agra.

9.1.1.3 Doubtful payments to NGOs

As per NPCB guidelines, NGOs performing cataract surgeries were required to maintain Cataract Surgery Record[2] (CSR) and other OPD/ Indoor ward records; submit monthly report

[1] For Intraocular Lens (IOL) cataract surgery-Drugs and consumables: ₹ 200; Sutures: ₹ 50; Spectacles: ₹ 125; Transport/POL: ₹100; Organisation and Publicity: ₹ 75; IOL, Viscoelastics and additional consumables: ₹ 200.

[2] CSR: a format in which details relating to identity, pre-operative examination and cataract surgery performed in respect of each beneficiary is kept.

on cases screened, treated and operated in the prescribed format and seek reimbursement within three months of surgery. A maximum of ₹ 125 and ₹ 75 were payable for each cataract surgery to NGOs for distribution of spectacles and publicity respectively.

During 2005-11, the District Blindness Control Society (DBCS), Bareilly, paid ₹ 1.67 crore for cataract operations to 10 NGOs[3]. No records in support of payments made (like claims lodged, bill diary/register, copy of acknowledgement of the claim *etc*.) were available with the DBCS, except cash book. Even CSRs for 2005-08 were not available. CSRs for the subsequent years lacked complete details of the beneficiaries. In the absence of any verifiable detail with DBCS, Audit requisitioned records of NGOs for verification, but only three NGOs[4] responded.

None of the NGOs produced any vouchers/records relating to purchase and distribution of spectacles to the beneficiaries and expenditure incurred on organisation and publicity. There were no records with DBCS relating to intimation given by NGOs for organising eye screening camps, acknowledgement given by DPM and records showing that the reimbursement of expenditures on account of procurement and distribution of spectacles and organising publicity were made after due verification. Audit observed that:

- DBCS, Bareilly paid ₹ 26.89 lakh to seven NGOs[5] during 2005-08. No record in support of above payment (except cash book) was available with the DBCS. The concerned NGOs also did not furnish any records;

- One NGO (*Lok Kalyan Vikas Samiti*, Bareilly), that received ₹ 60.52 lakh for cataract surgeries performed during 2006-11, did not produce any record to audit and informed that those (2004-10) were lost;

- Another NGO (*Prerna Utthan Samiti*, Bareilly) received ₹ 43.12 lakh during 2008-11. The Balance Sheet showing receipt of grant from DBCS, produced by the Society, pertained to Bareilly Institute of Para Medical Sciences;

- *Sri Ram Murti Smarak Trust*, Bareilly received ₹ 31.51 lakh during 2005-11. In most of the cases, the produced CSRs lacked verifiable details of the beneficiaries;

- Three NGOs[6] that received ₹ 11.64 lakh during 2008-11, did not produce any record; and

- Despite the fact that no records relating to the period 2005-08 was available with DBCS and though NPCB guidelines required that claims be lodged within three months of cataract surgery, failing which the claims would become invalid, the DBCS cleared old

[3] Shri Ram Murti Smarak Trust, National Society For Prevention of Blindness, Astha Samaj Seva Samiti, Lok Kalyan Vikas Samiti, District Eye Relief Society, Prerna Utthan Samiti, Bharat Seva Trust, Om Satva Charitable Trust, Mata Prasad Jan Kalyan Seva Samiti and Pandit Keshava Dutta Gaur Memorial Society - all in Bareilly.

[4] Prerna Utthan Samiti, Shri Ram Murti Smarak Trust and District Eye Relief Society- all in Bareilly.

[5] National Society For Prevention of Blindness, Astha Samaj Seva Samiti, Lok Kalyan Vikas Samiti, Bharat Seva Trust, Om Satva Charitable Trust, Mata Prasad Jan Kalyan Seva Samiti and Pandit Keshava Dutta Gaur Memorial Society – all in Bareilly.

[6] Bharat Seva Trust, National Society for Prevention of Blindness and Om Satva Charitable Trust – all in Bareilly.

liabilities of ₹ 50.90 lakh pertaining to the period 2002-08 during 2007-10. The achievement of cataract operations performed by NGOs in Bareilly was much higher (155 *per cent*) than the targets fixed during 2008-11.

The Government stated that claim diary/register was not prepared prior to 2011-12, records for 2005-08 were not available with DBCS and payments were made on the basis of CSRs submitted by NGOs. It further stated that records relating to purchase and distribution of spectacles as well as organisation and publicity were available with NGOs and verification of operations performed by NGOs were done by CMO/DPM/Optometrist. Reply was not convincing as none of the NGOs produced records relating to procurement and distribution of spectacles, organisation and publicity. Further, no records supporting payments made to NGOs were available with DBCS.

9.1.1.4 Inadmissible payment to NGOs

NPCB guidelines provided for a maximum payable amount of ₹ 175 per cataract operation to NGOs for identifying, motivating and transporting the beneficiaries to the Government/ NGOs fixed facilities.

Audit observed that:

- In March 2008, the Government Eye Surgeon performed 272 plain operations and 168 IOL operations in the District Hospital, Shahjahanpur. The DPM, Shahjahanpur paid at the rate of ₹ 450 and ₹ 500 per plain and IOL operation respectively against permissible rate of ₹ 175 *per* operations to two NGOs (Lions Club, Central: ₹ 1.41 lakh for 179 plain and 136 IOL operations, Lions Club Vishal: ₹ 57,850 for 93 plain and 32 IOL operations) for identifying, motivating and transporting the beneficiaries to the Government hospital resulting in excess payment of ₹ 1.21 lakh.

  The Government stated that payments were made as per the rates prescribed. Reply was not correct as the operations were performed by the Government surgeon in the Government hospital and as per NPCB guidelines, only ₹ 175 *per* case was payable to NGOs for identifying, motivating and transporting the beneficiaries to the Government hospital.

- CMO, Allahabad recognised four to 10 NGOs for eye care activities and made payments of ₹ 1.37 crore (16,922 cataract operations: for ₹ 1.21 crore, 9218 cases of transportation, organisation and publicity: ₹ 0.16 crore) for performing 26,140 cataract operations during 2006-11. The DPM stated (October 2011) that the payments to NGOs were based on the list of beneficiaries verified by the concerned MOICs. No records relating to organising eye screening were, however, available with the concerned CHCs/ PHCs from where beneficiaries were shown to have been sent for cataract operations as these were stated to be available with DPM, DBCS. Due to above, the expenditure incurred could not be verified.

The Government stated that beneficiaries were selected in screening camps and payments to NGOs were made after due verification. Reply was not convincing as records relating to holding of eye screening camps were not available with the concerned CHCs/PHCs.

9.1.1.5 Payment made to ineligible NGO

Under the guidelines of NPCB, NGOs for cataract surgeries were recognised by CMO after obtaining various documents which includes registration under the Societies Registration Act, 1860, details of base hospital, facilities available and audit report of the Chartered Accountant for the last three years.

An NGO (*Roopa Lalit Jan Kalyaan Samiti*, Kanpur), bearing registration number 1602/2004-2005 valid up to 22 March, 2010, was recognised by CMO, Unnao for performing cataract operations. The society tampered the records and showed its registration to be valid up to 23 March 2015. CMO, however, paid ₹ 2.45 lakh (pertaining to 2009-10) for carrying out NPCB related activities and ₹ 7.16 lakh pertaining to 2010-11 was outstanding for payment (December 2011).

The Government accepted that the NGO was working for many years and the tampered papers were accepted unknowingly.

9.1.1.6 Inadmissible expenditure

Findings of various districts (***Appendix-9.1***) revealed inadmissible expenditure of ₹ 25.32 lakh on account of payments in excess of admissible amount and irregular expenditure of ₹ 12.68 lakh.

9.1.1.7 Procurement of inadmissible items

SPMU advanced ₹ 7.49 crore (2007-11) to 11 hospitals and adjusted ₹ 6.53 crore in respect of nine out of 11 hospitals (details of Aligarh and SGPGI, Lucknow were not available). Audit observed procurement of 20 inadmissible items for ₹ 66.19 lakh during 2007-11 as detailed below:

Table 9.3: Details of inadmissible items

Hospital	Number of items	Value (₹ in lakh)	Main items
Eye Deptt, CSMMU, Lucknow	05	3.05	Omni eight seater van (Maruti), laptop, computer and deskjet printer.
M. D. Eye Hospital, Allahabad	9	21.97	Eclad surgical laser, slit lamp, *etc.*
B. R. D. Medical College, Gorakhpur	03	18.20	Software VK-2, computer, printer, computer peripherals, digital camera, cable and accessories.
Ganesh Shankar Vidyarthi Memorial Medical College, Kanpur	01	6.98	A-scan with pachymeter
Maharani Laxmibai Medical College, Jhansi	02	15.99	Green laser console, green laser foot paddle *etc.*
Total	**20**	**66.19**	

(**Source :** Information collected during field audit)

Further, the hospitals procured admissible items at varying rates during the period (date of procurement not available in the SOE) as given below:

Table 9.4: Details of procurement at varying rates

(Amount in ₹)

Items	District		Difference
Keratio meters	**Allahabad**	**Gorakhpur**	
	147619	65000	82619
Fundus camera	**Agra**	**Gorakhpur**	
	2719500	952000	1767500
OCT machine	**Agra**	**Varanasi**	
	3800000	3033217	766783
Phaco emulsifier	**Kanpur**	**Jhansi**	
	3999190	962520	3036670
Auto refracto meter	**Jhansi**	**Lucknow**	
	469350	405350	64000
Total	**11135659**	**5418087**	**5717572**

(**Source:** Information collected during field audit)

Thus, compared to the lower rates at which the other hospitals procured the same items, the excess cost incurred worked out to ₹ 57.18 lakh.

The Government stated that clarification regarding inadmissible procurement was being sought.

9.1.1.8 Refractive error and free distribution of spectacles

The students in the Government and the Government aided schools were to be screened for refractive error for free distribution of spectacles. The status of screening and distribution of spectacles during 2005-11 was as below:

Table 9.5 : Status of screening and distribution of spectacles

Year	Eye screening of children (in lakh)		Children affected by refractive error (in lakh)		Free distribution of spectacles to children (in lakh)		Percentage of spectacles distributed to children with refractive error
	Target	Achievement	Target	Achievement	Target	Achievement	
2005-06	50.00	28.18	3.50	1.60	1.05	0.89	55.63
2006-07	58.33	28.16	4.08	1.50	1.22	0.90	60.00
2007-08	58.33	29.57	4.08	1.57	1.22	1.00	63.69
2008-09	26.67	32.06	1.87	1.04	0.56	0.60	57.69
2009-10	33.00	20.75	1.98	0.68	0.70	0.32	47.05
2010-11	33.00	25.38	1.98	0.75	0.70	0.61	81.33
Total	**259.33**	**164.10**	**17.49**	**7.14**	**5.45**	**4.32**	**60.50**

(**Source:** SHS)

The target fixed for free distribution of spectacles to children had no relation to the number of children found with refractive error. Further, the number of free spectacles issued did not correspond to the students suffering from refractive error. The achievement of distribution of spectacles ranged between 47.05 and 81.33 *per cent* during 2005-11 and overall achievement was 60.51 *per cent*.

The Government furnished no reply.

9.2 National Iodine Deficiency Disorders Control Programme (NIDDCP)

NIDDCP was launched in 1992 to control Iodine Deficiency Disorders (IDDs). The important objectives and components of NIDDCP are to - conduct surveys to assess the magnitude of the IDDs; supply iodised salt in place of common salt through Public Distribution System; conduct resurveys after every five years to assess the extent of IDDs and the impact of iodised salt, monitor urinary iodine excretion and provide health education and create awareness through publicity.

Out of 71 districts of the State, 54 districts were surveyed (1974-1992) in phases and 24 districts were identified as endemic to IDD. During 2005-2011, only eight districts were surveyed (2005-07) and two re-surveyed (2006-07). During 2005-07, neither any target was fixed nor was any salt sample analysed. During 2007-11, 1.80 lakh salt samples were tested. Further, during 2008-11, 15.29 lakh tonnes of salt, against the allotment of 23.33 lakh tonnes, were distributed. For public awareness, ₹ five lakh was allotted under NIDDCP during 2007-08. No allocations were made for public awareness during 2008-11.

The Government accepted the facts and admitted that no funds were received from the Government of India.

9.3 National Leprosy Eradication Programme (NLEP)

NLEP was to ensure leprosy prevalence rate of less than one patient *per* ten thousand population by the end of 2012 and sustain the level thereof. The status of leprosy cases in the State during 2005-11 was as below:-

Table 9.6: Status of leprosy cases in the State during 2005-11

Sl. No.	Year	Population in crore	No. of leprosy cases at the end of year	New cases detected	Prevalence rate[7]
1	2005-06	18.60	21,761	36,409	1.17
2	2006-07	19.03	18,104	32,413	0.95
3	2007-08	19.54	18,254	31,208	0.94
4	2008-09	19.91	16,206	27,577	0.81
5	2009-10	20.37	16,484	27,473	0.81
6	2010-11	20.37	15,719	25,509	0.77
		Total	**1,06,528**	**1,80,589**	

(**Source:** SHS)

[7]Prevalence rate calculated as balance number of leprosy cases *per* ten thousand population.

Out of 22 test checked districts, the prevalence rate was more than one in 19[8] , 12[9], nine[10], eight[11], eight[12] and six[13] districts respectively during 2005-11. According to SHAP 2010-11, low achievement was due to late detection, poor awareness and inadequate skills of Staff.

The Government stated that medical officers and staff have been imparted orientation training and various steps have been taken for public awareness and sensitisation.

9.4 National Vector Borne Disease Control Programme (NVBDCP)

NVBDCP endeavours to control vector borne diseases by reducing mortality and morbidity due to Malaria, Filaria, *Kala-azar*, Dengue, Chikungunya and Acute Encephalitis Syndrome (AES)/Japanese Encephalitis (JE) in endemic areas. Under NRHM following targets were set for these diseases:

- Malaria morbidity and mortality reduction by 50 *per cent* by 2010;
- Reduction of Filaria/Micro Filaria by 70 *per cent* by 2010;
- Elimination of *Kala-azar* by 2010;
- Reduction in JE mortality rate by 50 *per cent* by 2010;
- Reduction in Dengue mortality rate by 50 *per cent* by 2010; and
- Effective control over Chikungunya morbidity.

9.4.1 Incidence of vector borne diseases

During 2005-11, morbidity and mortality in the State due to various vector borne diseases were as below:

Table 9.7: Details of morbidity and mortality

Year	Malaria			Filaria		AES/JE		Dengue/ Chikungunya		*Kala-azar*	
	Positive	P.f.[14]	Death	Cases	M.f.[15]	Cases	Death	Cases	Death	Cases	Death
2005	105302	3149	0	7249	525	5581	1593	121	4	68	2
2006	91566	1875	0	5609	817	2073	476	617	14	83	0
2007	81580	1989	0	5791	637	2675	577	130	2	69	1
2008	93383	2310	0	5956	491	2730	486	51	2	26	0
2009	54480	660	0	3077	466	3073	556	161	2	17	1
2010	64606	1382	0	2289	412	3548	498	960	8	14	0

(**Source:** SHS)

[8] Allahabad, Azamgarh, Bahraich, Ballia, Bareilly, Budaun, Deoria, Goarkhpur, Jalaun, Jaunpur, Jhansi, Kanpur Nagar, Kushi Nagar, Mirzapur, Moradabad, Raebareli, Shahjahanpur, Unnao and Varanasi.

[9] Allahabad, Bahraich, Ballia, Budaun, Deoria, Jalaun, Jaunpur, Kanpur Nagar, Mirzapur, Moradabad, Raebareli and Shahjahanpur.

[10] Bahraich, Ballia, Bareilly, Budaun, Jalaun, Kanpur Nagar, Mirzapur, Moradabad and Shahjahanpur.

[11] Bahraich, Ballia, Budaun, Jalaun, Jhansi, Mirzapur, Moradabad and Shahjahanpur.

[12] Azamgarh, Bahraich, Bareilly, Budaun, Jalaun, Mirzapur, Moradabad and Shahjahnapur.

[13] Bahraich, Bareilly, Budaun, Jalaun, Moradabad and Shahjahanpur.

[14] P.f. - Plasmodium Falciparum (species causing cerebral Malaria).

[15] M.f. - Micro Filaria (stage of filarial parasite detected in blood examination).

As evident from the above table in respect of none of the diseases, the targets were achieved by 2010. The cases of Malaria, JE and Dengue/Chikungunya increased during 2010.

The Government stated that targets of Malaria and Dengue/Chikungunya were achieved.

9.4.2 Malaria

NVBDCP targeted ABER[16] of 10 *per cent* and API[17] of less than 0.5 *per* thousand for the country. In the State, ABER was 2.53, 2.33, 2.02, 2.38, 2.39 and 2.33 and API was 0.63, 0.54, 0.47, 0.54, 0.31 and 0.37 during 2005-11 respectively. In 22 test checked districts, it was observed that ABER ranged between 0.7 and six and API was more than 0.5 in Allahabad (3), Budaun (0.7), Etah (0.7) and Mirzapur (2.9). Further, poor surveillance due to idle infrastructure/lack of manpower, especially at the grass root level and inadequate measures taken to control breeding of mosquitoes were the reasons attributed for non-achievement of the target.

The Government stated that the target of ABER could not be achieved due to lack of manpower and that necessary steps were taken to improve infrastructure/surveillance and control breeding.

9.4.3 Filaria

To eliminate Filaria by 2015, microfilaria rate in 50 endemic districts[18] needs to be less than one *per cent* to interrupt transmission. Despite having 29 Filaria Control Units and 31 Filaria Clinics, it continued to be endemic in 50 districts (State PIP of 2010-11). Out of these 50 districts, 15 were covered in audit and it was found that Micro filaria (M.f.) rate in Jaunpur and Mirzapur was more than one *per cent* during 2010.

The Government stated that insecticidal/larvicidal activities were undertaken and there was no "epidemic" area of filaria. Reply was not convincing as M.f., rate of less than one was yet to be achieved in all the districts.

9.4.4 *Kala-azar*

Kala-azar which is hyper endemic in four districts of eastern Uttar Pradesh *viz*. Ballia, Deoria, Kushi Nagar and Varanasi was targeted for elimination by 2010. Audit observed that in these districts, there were 179 cases and two deaths during the years 2006 to 2010, of which 14 cases were reported during 2010. Thus, the target of elimination of *Kala-azar* by the end of 2010 was not achieved. As per PIP of 2010-11, the constraint in implementation of programme was non-availability of reliable kits (RK-39).

The Government stated that due to migration of labourers from neighbouring State (where the disease is prevalent), the elimination of *Kala-azar* could not be achieved. Reply showed lack of planning in eradication of *Kala-azar*.

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[16] ABER - Annual Blood Examination Rate.

[17] API (Annual Parasite Incidence)-Positive Malaria cases *per* thousand population.

[18] Allahabad, Ambedkar Nagar, Auraiya, Azamgarh, Bahraich, Ballia, Balrampur, Banda, Barabanki, Bareilly, Basti, Chandauli, Chitrakoot, Deoria, Etawah, Faizabad, Farrukhabad, Fatehpur, Ghazipur, Gonda, Gorakhpur, Hamirpur, Hardoi, Jalaun, Jaunpur, Kannauj, Kanpur Nagar, Kaushambi, Kheri, Kushi Nagar, Lucknow, Maharajganj, Mahoba, Mau, Mirzapur, Pilibhit, Pratapgarh, Raebareli, Ramabai Nagar, Rampur, Sant Kabir Nagar, Sant Ravidas Nagar, Shahjahanpur, Siddhartha Nagar, Sitapur, Sonbhadra, Sravasti, Sultanpur, Unnao and Varanasi.

9.4.5 Dengue/Chikungunya

To treat the disease, the number of Super Speciality Hospitals (SSHs) was enhanced from 10 to 22 in the State during 2010-11 and all SSHs were linked to SGPGI, Lucknow - an apex referral laboratory. Deaths due to Dengue/Chikungunya indicated that the disease remained uncontrolled during these years due to lack of preventive measures in incipient stage before spreading.

The State has five districts[19] endemic to Dengue and two districts[20] endemic to Chikungunya. Out of these districts, Kanpur Nagar and Agra were covered in audit. There were one and three cases of Chikungunya in Kanpur Nagar in 2006 and 2010 respectively. Non-sensitisation of VHSCs to contain mosquito breeding by improving sanitation; awareness among the habitants; lack of training to Medical Officers and lab technicians; and inadequacy of infrastructural facilities were the reasons for the increasing trends.

The Government stated that there was effective control over the disease as there was no increasing trend. Reply was not convincing as number of cases and deaths increased from 121 to 960 and four to eight respectively during 2005 and 2010.

9.4.6 Acute Encephalitis Syndrome (AES)/Japanese Encephalitis (JE)

JE is the leading cause of viral encephalitis and a significant cause of disability in children. Extensive and devastating outbreaks were a feature of JE in eastern region of Uttar Pradesh.

9.4.6.1 Early diagnosis and treatment

Establishing/strengthening diagnostic facilities and arranging for adequate medicines and equipment in all JE treating centres was required for early diagnosis and prompt treatment. Sentinel laboratories were established only in 14 districts while 26 districts were sensitive as recently as 2009. One regional laboratory was established in *Chhatrapati Sahuji Maharaj* Medical University, Lucknow. Seven[21] out of these 14 districts[22] were covered in audit. In Allahabad, Azamgarh and Bahraich, no medicine for treatment of JE was available whereas in Kushi Nagar the stock of medicine was below the minimum required. In Allahabad and Bahraich, there was no equipment for treatment of JE patients while in Azamgarh, Deoria and Kushi Nagar these were partially available.

The Government stated that though district Allahabad is not an endemic district for JE but the sentinel laboratory at Allahabad caters to the diagnosis of JE for the neighboring districts. Regarding Kushi Nagar, it was stated that diagnostic facilities were available in Joint District Hospital. Reply was not convincing as laboratories were established (Allahabad and Kushi Nagar) without developing/strengthening basic infrastructure for treatment of JE.

9.4.6.2 Vaccination of children

Vaccination for JE is undertaken under routine immunisation programme with other diseases. In Deoria, Gorakhpur and Kushi Nagar, JE vaccination was done in 2006 and 2010; in

[19] Agra, GB Nagar, Ghaziabad, Kanpur Nagar and Lucknow.
[20] Kanpur Nagar and Lucknow.
[21] Allahabad, Azamgarh, Bahraich, Deoria, Gorakhpur, Kushi Nagar and Raebareli.
[22] Allahabad, Azamgarh, Bahraich, Basti, Deoria, Faizabad, Gonda, Gorakhpur, Kheri, Kushi Nagar, Lucknow, Raebareli, Saharanpur and Siddhartha Nagar.

Bahraich and Raebareli vaccination was done in 2007; in Azamgarh in 2008; while in Allahabad in 2009. Thus, there was no uniformity in vaccination of children.

GoI released (March 2009) ₹ 5.88 crore for JE vaccination programme. Of that, SHS released (May 2009) ₹ 4.57 crore to seven districts as below:

Table 9.8: Details of funds transferred to districts for JE vaccination

Sl. No.	District	Amount transferred (₹in lakh)
1.	Allahabad	94.90
2.	Fatehpur	46.75
3.	Ghazipur	56.88
4.	Jaunpur	77.01
5.	Kanpur Nagar	80.33
6.	Pratapgarh	51.31
7.	Shahjahapur	50.16
	Total	**457.34**
		Say ₹4.57 crore

(**Source:** SHS)

In none of the above districts (Allahabad, Jaunpur, Kanpur Nagar and Shahjahanpur were selected in audit), there were death/JE affected cases except two JE affected cases reported in Allahabad. Audit further observed that:

CMO, Jaunpur utilised ₹ 88.56 lakh against ₹ 77.01 lakh released. Neither were any medicines available nor equipment and laboratory for diagnosis of JE patients in Jaunpur. Thus, release of funds, utilisation thereof and creation of liability of ₹ 11.55 lakh, were unjustified. Despite excess expenditure, the target for vaccination was not met (achievement was 89 *per cent*).

Out of ₹ 88.56 lakh, ₹ 46.41 lakh was spent on publicity and printing of immunisation cards, posters, banners, handbills and stickers. Deficiencies/irregularities were observed in the tender for printing *viz*. short-term tender with 10 days for publicity and estimated quantities of printing not mentioned. The agreement was also not signed with the successful bidder.

The Government stated that though there was no case of JE in the district but JE being highly infectious, JE Vaccination was done on war footing. Reply was not convincing as even after incurring expenditure in excess of funds received, the achievement was 89 *per cent* and there was no infrastructure for treatment of JE patients.

9.4.6.3 Establishment of epidemic ward at BRD Medical College, Gorakhpur

Under NVBDCP, GoI sanctioned (June 2009) ₹ 5.88 crore for up-gradation of JE epidemic ward at BRD, Medical College, Gorakhpur (Department of Paediatrics). SPMU released the funds in July 2009. The project cost included non-recurring expenditure of ₹ 3.34 crore (one time cost of building, alteration: ₹ 1.05 crore and purchase of equipment: ₹ 2.29 crore) and recurring expenditure of ₹ 2.54 crore (for recruitment of specialists and supporting staff on contract basis *etc*.). DGMET accorded administrative approval for ₹ 97.84 lakh

(October 2010) after 16 months of release of fund by GoI and appointed Construction & Design Services, Uttar Pradesh, *Jal Nigam* (C&DS) as executing agency. C&DS accorded technical sanction in March 2011. The executing agency started the work in June 2011. Thus, due to administrative delays of about 22 months, the work which was to be completed by 2009 was still in progress (November 2011).

Further, the work of ₹ 97.84 lakh, awarded to C&DS did not include various items valuing ₹ 24.28 lakh, though the GoI's sanction (₹ 1.05 crore) included these items. Equipment worth ₹ 224.31 lakh were purchased between February 2010 and August 2011. However, equipment procured worth ₹ 10.19 lakh were not included in the sanctioned list. Equipment worth ₹ 2.87 lakh were purchased in excess of requirement and equipment worth ₹ 25.95 lakh, included in the GoI list, were not procured. The proposed recruitment of specialist on contract basis was also not made.

The Government stated that the purchases were made as per requirement. Reply was not acceptable as the purchases were to be made in accordance with the sanction issued by GoI. Regarding deployment of manpower, it was stated that despite making appointment to the post of Professor, Paediatrics, the candidate did not join.

9.4.6.4 Vector Control

As per information furnished, DHSs in seven test checked districts[23], did not receive any funds during 2005-11. Funds were provided for limited periods to four districts *viz*. Deoria (₹ 0.87 lakh) in 2009-10; Gorakhpur, Kushi Nagar (₹ nine lakh each) and Raebareli (₹ four lakh) in 2010-11. DHS, Deoria spent ₹ 0.87 lakh, DHS, Gorakhpur did not incur any expenditure while DHS, Kushi Nagar and Raebareli spent only ₹ 5.20 lakh and ₹ 0.56 lakh on fogging. In CHC, Tamkuhi, Kushi Nagar, only one round of fogging was done in 51 out of 53 villages although PIP of 2010-11 provided for two rounds.

9.4.6.5 Information, Education & Communication (IEC)/Behavior Change Communication (BCC)

The change in behavior of people in JE affected districts was to be effected through IEC/BCC. During 2005-11, Allahabad, Bahraich, Kushi Nagar and Raebareli did not receive any fund for IEC; Gorakhpur received ₹ 2.50 lakh during 2009-11; Azamgarh received ₹ 0.65 lakh during 2010-11; and Deoria received ₹ 0.50 lakh and ₹ two lakh during 2008-09 and 2010-11 respectively. These were spent on IEC/BCC.

The Government stated that IEC/BCC activities were done through ANMs/ASHAs and Anganwadi Workers. The reply was not convincing as there was no uniformity in the distribution of funds for IEC/BCC activities.

9.4.6.6 Sentinel Surveillance Laboratories

Under the programme, 14 Sentinel Laboratories in District Hospitals and one Regional Laboratory at Lucknow were established in the State. With a view to strengthen the diagnostic facilities in these labs ₹ 7.60 lakh was released (November 2010) to each district

[23] Allahabad, Azamgarh, Bahraich, Deoria, Gorakhpur, Kushi Nagar and Raebareli.

having Sentinel Laboratory for procurement of equipments[24]. Out of the said fund, Allahabad procured only a computer for ₹ 0.29 lakh and the balance was lying with CMO; Gorakhpur and Raebareli procured Elisa Reader and Deep Freezer; Deoria procured Elisa Reader (lying uninstalled); and Kushi Nagar transferred the entire amount to CMS, District Children Hospital, where no equipment were procured (October 2011). Azamgarh and Bahraich did not procure any equipment. Further, no data operator was appointed in any of the test checked districts, except in Kushi Nagar and Raebareli. Thus, the objective of strengthening of sentinel laboratories was defeated.

The Government stated that 14 sentinel labs were active in the State and sending reports continuously. The reply was not convincing as strengthening of laboratories and appointment of data operators was yet to be made in various districts.

9.5 Revised National Tuberculosis Control Programme (RNTCP)

National Tuberculosis Control Programme, operational since 1962, was subsumed under NRHM in 2005-06. The main objective of RNTCP was to detect at least 70 *per cent* new smear positive cases and achieve a cure rate of at least 85 *per cent* of smear positive cases through Directly Observed Treatment Short Course (DOTS).

9.5.1 Detection of cases

Against the target of 200 sputum examinations *per* lakh population *per* year during 2006 to 2010, the achievement ranged between 125 and 154 *per* lakh population. The detection of new smear positive cases during 2005-10 ranged between 49 to 79 *per cent*. Further, in 2010, the new sputum positive case detection rate was less than the targeted 70 *per cent* in 57 districts (State PIP 2011-12) whereas the cure rate for detected cases was less than the targeted 85 *per cent* in 19 districts[25] (Eight[26] districts covered in audit).

The Government stated that achievements of some districts were below the norms for which expert opinion was being obtained to achieve the target.

9.5.2 Effectiveness of DOTS Centres

The numbers of failures, defaulters and death cases were fluctuating during 2005-10 as detailed below:

Table 9.9: Details of number of failures, defaulters and death cases

(Figures in numbers)

Year	TB patients registered	Cured + treatment completed (percentage)	Death[27] (percentage)	Failures[28] (percentage)	Defaulters[29] (percentage)
2005	172821	149834 (86.70)	5690 (3.29)	2000 (1.16)	15077 (8.72)
2006	217935	186624 (85.63)	7536 (3.46)	2811 (1.29)	19722 (9.05)

[24] One Computer, one deep freezer, one Elisa Reader and consumable articles.

[25] Allahabad, Auraiya, Azamgarh, Ballia, Chandauli, Deoria, Fatehpur, Firozabad, Ghazipur, Kanpur Nagar, Kheri, Lalitpur, Lucknow, Moradabad, Pilibhit, Raebareli, Sant Kabir Nagar, Shahjahanpur and Sitapur.

[26] Allahabad, Azamgarh, Ballia, Deoria, Kanpur Nagar, Moradabad, Raebareli and Shahjahanpur.

[27] Patients died of TB.

[28] Patients not successfully treated.

[29] Patients left the treatment in between.

2007	236540	204921 (86.63)	8048 (3.40)	2692 (1.14)	16927 (7.16)
2008	265711	231700 (87.20)	9447 (3.56)	2769 (1.04)	19499 (7.34)
2009	270954	238715 (88.10)	9007 (3.32)	2575 (0.95)	18354 (6.77)
2010 (September)	211366	187481 (88.03)	6078 (3.29)	1706 (1.16)	14140 (6.60)

(**Source :** SHS)

The Government stated that drug resistance was the main reason for deaths and failures. In view of fluctuating numbers of deaths, failures and defaulters, it appeared that more concerted efforts were needed to address the problem.

9.5.3 Expiry of TB medicines

RNTCP drugs were supplied by GoI, free of cost and stored at Regional Drug Warehouse at Agra, Bareilly, Lucknow and Varanasi for further distribution. AD, Medical Health and Family Welfare intimated (06 January, 2011) to AD/State TB Control Officer, DGMH that medicines supplied during 2005-10 were distributed to the districts and the following quantities of medicines expired at Regional Drug Warehouse, Lucknow as tabulated below:

Table 9.10: Details of medicines lying at Regional Drug Warehouse

Sl. No.	Medicine	Received from GoI		Expiry date	Expired quantity (in Numbers)
		Date	Quantity (in Numbers)		
1	Streptomycin (Injection)	28.06.2007	41760	May 2008	31239
		22.05.2008	115500	August 2008	1920
		20.10.2008	73440	June 2008	25335
2	Isonex 100 mg.	20.02.2006	2051400	June 2009 December 2009 January 2010	330394
		17.09.2010	500000	March 2011	343200
3	Isonex 300 mg.	14.11.2005	2054900	August 2009	358380
		03.09.2007	211200	August 2009	
		22.12.2009	72400	October 2010	42168
4	Ethambutol 800 mg.	14.11.2005	1649700	March 2009	181330
		03.09.2009	211200	June 2009	204684
		22.03.2010	50000	November 2010	27500

(**Source:** SHS)

Further, all medicines supplied by Regional Drug Warehouse, Lucknow were not distributed to the beneficiaries and the same expired, as detailed below:

Table 9.11: Details of medicines supplied and not distributed

Medicine	District	Expiry month	Quantity expired
Streptomycin	Bulandshahar	November 2008	9900 vials
	Kanpur Nagar	August 2008	2640 vials
	Bareilly	March to October 2008	4842 vials
Isokin	Kanpur Nagar	August 2009	24,000 tablets
Isonex 100 mg.	Shahjahanpur	July 2011	18,500 tablets
Isonex 300 mg.	Shahjahanpur	August 2009	21,700 tablets
Ethambutol	Kanpur Nagar	December 2009	4,200 tablets
	Moradabad	November 2010	13,346 tablets
	Shahjahanpur	March 2009	17,122 tablets
Category III	Kanpur Nagar	August and December 2009	For 240 persons

(**Source:** DHS)

Despite the disturbing trend in death and failure cases during 2005-10, supplied medicines were unjustifiably not distributed.

The Government stated that directives have been received from GoI for writing off the expired medicines valuing less than one *per cent* of the cost of supply. Reply was not convincing as the medicines expired in the stores without distribution to the districts and ultimately to the beneficiaries.

9.5.4 Involvement of NGOs

RNTCP aimed to improve cure rate among TB patients by more than 85 *per cent*. NGOs were also involved in RNTCP to provide treatment and care to the identified patients. As per terms of MoU, they were to submit quarterly UCs to the concerned DHS, bringing out details of expenditure and unspent balances. Audit observed that:

- During 2005-10[30], DTO, Allahabad engaged 12 NGOs to provide treatment and care to the identified patients without executing MoU. These NGOs found 1141 sputum positive cases. The NGOs, however, did not submit details of 463 sputum positive patients on proper format to DTO. As a result these patients remained uncovered.

- Six[31] out of seven NGOs engaged in Jaunpur received grant of ₹ 11.82 lakh during 2005-11 but these did not submit adjustment vouchers and UCs to DHS as of October 2011. These NGOs, however, were being released grants regularly.

The Government accepted that NGOs in Allahabad were engaged without executing MoUs. Regarding observations on Jaunpur, it stated that directives had been issued to furnish activity-wise adjustment and UCs respectively.

[30] Programme runs in calendar year.
[31] Gaurav Shiksha Samiti Jaunpur, Gram Vikas Samiti, Jaunpur, Home for Disabled Society, Jaunpur, Kushtha Niyantran Evam Unmoolan Samiti, G B Nagar, Navjagriti Samiti, Lucknow and Srijan Shiv Seva Samiti, Jhansi.

9.5.5 Miscellaneous irregularities

(a) As per RNTCP guidelines, all TB patients were to be registered and subjected to treatment under effective monitoring system. By sputum examination, SRN hospital, Allahabad identified 2222 smear positive cases during the last five years up to September 2011. Of these cases, only 1268 cases were put on DOTS, i.e. only 57 *per cent* of the smear positive cases detected.

(b) In contravention of RNTCP guidelines, ₹ 2.08 lakh of interest earned on the balances in the bank account was diverted and allotted to MLN Medical College, Allahabad under RNTCP and spent on POL & maintenance of vehicle (₹ 0.89 lakh), hiring of vehicle (₹ 0.43 lakh), payment of contractual staff (₹ 0.57 lakh) and miscellaneous items (₹ 0.18 lakh). Further, ₹ 0.42 lakh was spent on procurement of laptop without provision in PIP of 2010-11.

The Government stated that NGOs and Medical Officers intentionally put the patients on private treatment and accepted that ₹ 2.08 lakh was spent without approval of DHS.

9.6 Integrated Disease Surveillance Project

Integrated Disease Surveillance Project (IDSP) aims to detect early warning signals of impending outbreaks and to initiate effective timely responses. This included human resource development, strengthening of Information Technology (IT) and Networking and laboratory upgradation.

IDSP in the State was launched (2006-07) to establish a decentralised system of surveillance for communicable and non-communicable diseases by strengthening disease surveillance at the State, district and sub-district levels, improving laboratory support, training for disease surveillance and action.

9.6.1 Manpower

9.6.1.1 State Level

Against the sanctioned posts, the posts of Epidemiologist (one); Entomologist (one); Consultant, Finance (one); and Consultant, Training (one) at State Surveillance Unit (SSU) were lying vacant (November 2011).

9.6.1.2 District Level

District level Surveillance Units (DSUs) were set up in all 71 districts in the State. However, there was inadequate deployment of manpower at DSUs as detailed below:

Table 9.12: Status of deployment of manpower at DSUs levels

Sl. No.	Designation	Sanctioned Posts	Persons-in-Position	Number of vacancies (percentage)
1	Microbiologist	2	0	2 (100)
2	Epidemiologist	72	41	31 (43)
3	Data Manager	72	61	11 (15)
4	DEO	72	44	28 (39)
5	DEOs at 10 Medical Colleges	10	4	6 (60)

(**Source:** DGMH)

The vacancies ranged from 15 to 100 *per cent.* The vacancy at the level of DEOs was as high as 60 *per cent* in Medical Colleges and about 39 *per cent* in the DSUs.

The Government accepted the observations.

9.6.2 District level Surveillance Units

In 22 test checked districts, Audit observed that:

- DSU, Ballia was not functional (November 2011) as all personnel posted there had resigned;
- Posts of Epidemiologist were vacant in DSUs Ballia, Budaun, Bulandshahar, Etah and Varanasi;
- Posts of Data Manager were vacant in Ballia, Etah and Mirzapur;
- Posts of DEOs were vacant in Allahabad, Ballia, Bareilly, Deoria, Jaunpur, Kushi Nagar, Mirzapur, Moradabad, Shahjahanpur and Unnao;
- IDSP equipment were partially received and partially functional in DSU, Raebareli. Although all equipment were received in DSUs of Agra, Bahraich, Jalaun, Jaunpur, Kanpur Nagar, Moradabad and Unnao, these were not fully functional. Some equipment were reported to be missing from DSU, Shahjahanpur. No equipment was installed in Bareilly for want of space and the installed equipment in Ballia were lying idle. In other 11 districts[32], the equipment were reported to be installed and functional;
- Online data entry had started in 21 test checked districts (except Ballia) but video conferencing was yet to take off in these districts;
- Of six Medical Colleges located in 22 test checked districts, IDSP centres had been established at Gorakhpur, Jhansi, Kanpur Nagar and Varanasi but not established at Agra and Allahabad;
- Private hospitals/nursing homes had not been associated with IDSP except in Bulandshahar, Jalaun and Bareilly; and
- It was envisaged to have EDUSAT (satellite dedicated for educational services) installations (2008-09) at headquarters and ten medical colleges. Very Small Aperture Terminal (VSAT), installed at SSU, had not been working since January 2011 (November 2011).

The Government stated that the project was implemented as per guidelines and yielding desired results. Reply was not convincing as desired human and physical infrastructure, envisaged in the IDSP, was yet to be put in place.

9.6.3 Laboratory Up-gradation

GoI issued instructions (State PIP of 2009-10) to include the strengthening of district level laboratories under IDSP in 2009-10. The objectives were to strengthen the diagnosis centres for outbreak investigations of various epidemic diseases and create laboratory based surveillance data at the district and State level. This was not considered for inclusion in the PIP for the year 2011-12.

[32] Allahabad, Azamgarh, Budaun, Bulandshahar, Deoria, Etah, Gorakhpur, Jhansi, Kushi Nagar, Mirzapur and Varanasi.

As per guidelines of IDSP, the District and CHCs/PHCs labs were required to be strengthened. Only five (Azamgarh, Bahraich, Gorakhpur, Raebareli and Varanasi) out of 22 test checked districts reported to be having District Surveillance Laboratory although the seventh and the last year of the Mission period is coming to an end.

CHCs were to function as peripheral surveillance unit and collate, analyse and report information to DSUs, which in turn were to repeat the exercise for the whole district and transmit the same to SSU.

In DHAP 2010-11 of Allahabad, requisition for ₹ 17 lakh was sent for strengthening of labs (22 CHCs/PHCs: ₹ 11 lakh and 3 Hospital labs: ₹ six lakh), against which no fund was allotted. As a result, district and peripheral labs were not strengthened. Further, in PHC, Mauaima and CHC, Harakhpur, only Malaria and sputum tests were being done.

The Government stated that PIP of 2011-12 was prepared in accordance with GoI guidelines for strengthening and upgradation of district level laboratories but it did not get approval.

9.7 District Innovation

GoI approved ₹ 21 crore under "District Innovation" in the State Action Plan for 2008-09. This fund was to be utilised for activities like Sanitation day (on 2 October), health camp at *Magh Mela* in Allahabad besides district specific interventions like prevention of occupational diseases, health camps in arsenic and flurosis affected districts and in weaver belt, performance rating of CHCs/PHCs, display of immunisation schedule in villages, birth companionship programme, outsourcing of sanitation facilities, outreach and blood donation camps *etc*. SPMU released (January 2009) ₹ 30 lakh for each district to undertake the activities mentioned above.

A test check of records revealed that the:

State Government ordered (21 July 2010) special audit by Director, Local Fund Audit, Allahabad (DLFA). DLFA's report for 29 districts pointed out irregularities and misuse of funds in the districts. The report was submitted (April-May 2011) to the concerned CMOs along with a copy to the Mission Director, NRHM recommending enquiry against delinquent officials/officers and recovery of involved amounts. However, no information on action taken on DLFA's report was made available to audit.

Audit observed, in 22 test checked districts, that a large part of the funds received under District Innovation were utilised for purposes other than those for which it was meant. The districts spent:

(i) ₹ 13.65 lakh on purchase of television/DVD player/Dish TV connection in Budaun, Bulandshahar, Gorakhpur, Kanpur Nagar, Mirzapur, Raebareli and Unnao during 2008-09;

In case of Bulandshahar, the Government stated that proposals were approved by DHS. Reply was not convincing as purchase of TV/DVD player, Dish TV was not provided in the State PIP;

(ii) ₹ 13.74 lakh on renovation, repair and maintenance of office buildings and office vehicles (for which regular provision under NRHM exists) in Jaunpur (₹ 11.58 lakh),

Bahraich (₹ one lakh), Varanasi (₹ 0.66 lakh) and Raebareli (₹ 0.50 lakh) during 2008-09;

In case of Bahraich, the Government accepted the facts for compliance in future whereas in case of Jaunpur and Varanasi, it stated that proposals were approved by respective DHSs. Reply was not convincing as maintenance of office and vehicles were not part of district innovation;

(iii) ₹ 10 lakh on construction of road in Moradabad during 2008-09, which was admissible in new districts only;

The Government stated that DHS had approved the work. Reply was not convincing as strengthening of infrastructure was admissible in new districts only;

(iv) ₹ 7.20 lakh, during 2008-09, on one day training camps on *kishori balikaon hetu prashikshan* at CHCs/PHCs in Budaun (₹ 4.50 lakh) and Jalaun (₹ 2.70 lakh).

The Government did not furnish any reply.

(v) ₹ 5.71 lakh during 2008-09 on wall painting and ₹ 5.24 lakh on ASHA/ANM registers in Bareilly.

The Government stated that activities were proposed and approved in DHS. Reply was not convincing as approval of DHS was not taken.

(vi) As per information furnished, no activity for prevention of Fluorosis was undertaken in Agra and Unnao districts. No health camps for weavers were organised as envisaged in State PIP in Mirzapur.

(vii) There was no expenditure on IEC activities in Mirzapur. Other districts spent three *per cent* to 60 *per ce*nt of the innovation fund on IEC.

(viii) As per information furnished ₹ 29 lakh in Agra and ₹ 10.31 lakh in Azamgarh remained unspent as of November 2011.

(ix) Details of expenditure were not furnished by CMOs of Etah and Ballia.

Most of the expenditure was characterised by irregularities like purchase orders were split, quotations were selectively invited and not given due publicity by publishing them in newspapers *etc*. The fund was released in January 2009 and utilised by March 2009 and largely spent on inadmissible items.

The Government furnished no reply.

9.8 Recommendations:

- *Due documentation of work done by NGOs may be ensured to enable verifiability;*
- *Efforts may be made to ensure achievement of targets for screening for various diseases so that effective and timely treatment can be provided; and*
- *Laboratories and surveillance network needs to be strengthened for effective disease surveillance.*

Chapter 10 Information, Education and Communication

The Information, Education and Communication (IEC) activities under NRHM aimed to spread awareness about preventive health care and dissemination of information about availability of easily accessible quality health care facilities for poor, women and children in rural areas. IEC component was built into every major NRHM activity and funds for the purpose were provided under respective programme heads. Various publicity media like television, radio, newspapers, handbills, placards, hoardings *etc*. are generally used for spreading the message. The message of NRHM was also to be spread by organising *health melas*, observing World Health Day, Village Health and Nutrition Day *etc*.

10.1 Expenditure on IEC

SPMU did not provide details of funds allotted for IEC activities and utilisation thereof. The information available in PIPs and the accounts of SHS revealed the following releases and utilisation of fund for IEC during 2005-11:

Table 10.1 : Details of fund allotted and utilised

Sl. No.	Year	Funds provided (₹ in crore)	Utilisation (₹ in crore)	Percentage of expenditure
1.	2005-06	Information not available		
2.	2006-07	Information not available		
3.	2007-08	33.73	6.55	19
4.	2008-09	24.73	4.88	20
5.	2009-10	27.79	3.74	13
6.	2010-11	36.72	19.87	54

(Source: State PIPs, Annual Accounts for 2007-08 to 2009-10 and SOE for 2010-11)

Thus, during 2007-10 the expenditure ranged only between 13 and 20 *per cent* which, however, increased to 54 *per cent* during 2010-11.

10.2 Activities undertaken under IEC

IEC Bureau, headed by a Director, received funds from DGNPME for IEC. DGNPME also awarded work orders for IEC related activities at its level. Some of IEC activities are discussed in following paragraphs:

10.2.1 Hiring of media services

DGNPME approved (June 2007) an expenditure of ₹ 1.75 crore for telecast/broadcasting of messages on TV and Radio through two advertising firms without availability of funds. Audit observed that bills of the two firms for ₹ 1.74 crore were still (November 2011) awaiting payment.

IEC Bureau replied (October 2011) that it functioned under the direction of DGNPME and payments would be made after its approval. The reply was not acceptable as SPMU transferred (August 2007) funds (₹ 1.75 crore), for the work. DGNPME, however, did not release funds to IEC Bureau. The status of hiring of media services, worth ₹ 1.75 crore could not be ascertained.

10.2.2 Printing and supply of flex banners

DGNPME released (November 2007) ₹ 68.83 lakh to the Bureau for supply of Flex Banners under Routine Immunisation Programme. The Director, IEC Bureau invited (October 2007) tenders for printing and supply of the material without any administrative and financial sanctions and issued a work order for ₹ 68.83 lakh (20 October, 2007) for supply of 25000 Banners. The Bureau neither obtained assurances on quality of banners supplied/numbers received and utilised nor made payment (November 2011).

In reply (October 2011), IEC Bureau accepted the facts and stated that payment was not released and CMOs were asked to furnish stock entry reports, which were awaited.

10.2.3 Wall painting

DGNPME allotted (April 2010) ₹ 4.88 crore to all the districts for 'wall paintings', aimed at creating awareness among people about 'Mother and Child Health', 'Child Health & Routine Immunisation', 'Family Planning' *etc*., at District Male and Female Hospitals/CHCs/PHCs/ Sub centres/Anganwadi Centres/Gram Panchayats and ASHAs' residences. The guidelines issued in April 2010 provided for award of work on tender basis at maximum rate of ₹ seven *per* square feet (sq. ft); monitoring the paintings by ACMO/ Deputy CMO, nominated as Nodal Officer; and 100 *per cent* verification of site, monitoring and supervision by MOICs at the health centres, verification of 20 *per cent* of the work by District Project Manager/ District Community Mobilizer/ Block Programme Managers on random selection basis.

Audit observed that payments for wall paintings were made in eight test-checked districts[1] without necessary verification. A summary of audit observations are mentioned in ***Appendix-10.1***. Further, audit observations in the test checked districts are discussed in succeeding paragraphs.

10.2.3.1 CMO, Ballia received (March 2010) ₹ 15 lakh for wall paintings and after entering into the cash book of RCH Flexipool, transferred it to the account of CMO, FW. CMO accepted (September 2011) the transfer of money to non-NRHM account and stated that this money was distributed to MOIC through cheques. Thus, transfer of NRHM fund to non-NRHM account was irregular.

10.2.3.2 CMO, FW Moradabad paid ₹ 19.99 lakh for 4.83 lakh sq. ft. of wall painting at ₹ 3.75 *per* sq. ft. plus taxes against the stipulated quantity of 1.39 lakh sq. ft. communicated (April 2010) by DGNPME. This resulted in an extra payment of ₹ 14.23 lakh. The CMO stated in reply (October 2011) that release of ₹ 20 lakh against a requirement of ₹ 9.75 lakh indicated that extra work was to be executed. Reply was not correct as the payment was for area exceeding the area approved by DGNPME.

[1] Allahabad, Bahraich, Etah, Gorakhpur, Jaunpur, Jhansi, Moradabad and Raebareli.

10.2.3.3 CMO, Etah received (March 2010) ₹ 12 lakh for wall paintings. CMO issued work order and made payments of ₹ 10.13 lakh (between June and December 2010) for painting 1,00,106 sq. ft. DGNPME had approved (April 2010) wall painting for only 74085 sq. ft. Thus, payment of ₹ 2.65 lakh was made for 26021 sq. ft. of excess work.

The Government replied that no direction regarding area of wall paintings was received. The reply was not acceptable as details of the wall painting area were annexed to DGNPME's order dated 23 April 2010.

Further, although the lowest bidder had reduced (May 2010) its rate to ₹ seven per sq. ft., CMO made payment at ₹ 10 *per* sq. ft., which resulted in excess expenditure of ₹ three lakh. CMO replied (December 2011) that approval for higher rate was obtained from DGNPME in May 2010. Reply was not acceptable because the vendor had reduced his rates before the payment was made.

10.2.3.4 CMO, Jhansi received (March 2010) and spent ₹ 3.75 lakh for wall painting. However, MOIC, Chrigaon, MOIC Mauranipur and MOIC, Bangra intimated that no wall painting was taken up in their areas. Thus, payment of ₹ 1.38 lakh (₹ 0.46 lakh for each block) in these three blocks was doubtful. CMO stated (November 2011) that the completion reports were submitted by the erstwhile MOICs and the reply furnished by the present MOICs may be due to their lack of awareness. However, the verification reports referred to in reply were not furnished to audit.

10.2.3.5 CMO, Allahabad was allotted (March 2010) ₹ six lakh for wall paintings, including ₹ 1.50 lakh for wall painting on ASHA's residence. Entire amount was utilized (August 2010) but as per the payment vouchers made available to audit, painting was not done on the walls of ASHA's residence.

CMO stated in reply (October 2011) that wall paintings were carried on ASHA's residence and relevant vouchers were shown to audit. Reply was not correct, as the vouchers presented to audit did not include ASHA's residence.

10.2.3.6 Wall paintings from 'innovation fund'

Wall paintings were not included in the activities covered under "district innovation". CMO, Bareilly spent (March 2009) ₹ 5.71 lakh from innovation fund. The Bills submitted by the firms neither carried the TIN and VAT registration number nor were verified by the concerned MOICs. No photographs of the wall paintings done were produced to audit. No evidence of calling quotations was on record. CMO accepted (November 2011) non-invitation of tenders, non-maintenance of dispatch register, non-availability of work order and agreement and non-indication of TIN/ VAT registration number on vendor's bill.

10.2.4 Health Melas

As per PIP 2010-11, Health Melas were to be organised at block level every month. Further, EC accorded (13 July, 2010) ex-post facto approval for ₹ 4.37 crore, (₹ 3.55 crore: at district; ₹ 0.82 crore at block level) for Health Mela. Audit observed that expenditure of ₹ 3.55 crore was shown to have been incurred at district level from 11 to 17 July, 2010. The evidencing and

documentation in support of organising Health *Melas* in 13[2] test checked districts and CHC, Manda, Allahabad was very weak creating doubts on the expenditure on HMs.

10.3 Recommendations:

- *The activities under IEC should be clearly defined in the State and District Health Action Plans. Clear guidelines should be issued for documentation and evidencing of IEC activities and their adherence should be ensured; and*

- *As NRHM caters mainly to rural population, the focus of IEC activities needs to be oriented for rural areas by taking up activities during festivals and melas and traditional methods like rickshaw-advertisements/announcements in and around villages, tehsils, rural schools etc., should be encouraged.*

[2] Bahraich, Ballia, Bareilly, Budaun, Bulandshahar, Gorakhpur, Jaunpur, Kanpur Nagar, Moradabad, Raebareli, Shahjahnpur, Unnao and Varanasi.

Chapter 11 Monitoring

11.1 Institutional mechanism for monitoring

NRHM envisaged a robust accountability framework through a three pronged mechanism of internal monitoring, community based monitoring and external evaluations. The State Government issued order (16 November 2006) defining the composition and functions of the Mission and Societies at the State, district and sub-district levels for implementation and monitoring of NRHM activities. This order provided the following framework:

1. State Health Mission with the Chief Minister as Chairperson.
2. State Health Society comprising:
    a. Governing Body chaired by the Chief Secretary;
    b. Executive Committee chaired by the Principal Secretary, Medical, Health and Family Welfare; and
    c. State Project Management Unit headed by the Mission Director.
3. District Health Mission chaired by the Minister in-charge of the district.
4. District Health Society comprising:
    a. Governing Body headed by the District Magistrate;
    b. Executive Committee headed by the Chief Medical Officer; and
    c. District Programme Management Unit headed by the Additional CMO/RCH.
5. *Rogi Kalyan Samiti*:
    a. At the district level RKS will comprise:
        i. Executive Committee headed by the Chief Medical Superintendant (Male) and co-chaired by Chief Medical Superintendant (Female); and
        ii. Advisory Committee headed by the Mayor/Chairperson, *Nagar Palika*/ Chairperson, *Zila Panchayat*.
    b. At CHC/ PHC level, RKS:
        i. Executive Committee headed by the Medical Officer in-charge; and
        ii. Advisory Committee headed by the representative of *Panchayat Samiti*.

The committees were to meet periodically and *inter alia* review the progress of implementation of NRHM.

Audit observed that the State Health Mission never met since its inception and the Governing Body of State Health Society was convened only twice during 2005-11. The Executive Committee of the State Health Society, however, met regularly but deliberated only administrative and financial matters. As discussed in the chapter on Planning of this Report, in the 23 sampled districts the District Health Missions were not constituted and the meetings

of the Governing Bodies/Executive Committees of District Health Societies were not convened at designated intervals. Similar situation existed at sub-district level. Thus, the institutional mechanism for monitoring of NRHM activities remained ineffective.

The State Government stated that the first meeting of SHM was held on 01 December 2011. Although, the State Government replied that DHM had been constituted in most of the test checked districts and their meetings were held in five districts, no records in support of the assertion were made available. Further, the Government intimated that DHSs were functional and regular meetings were being conducted but dates, records of minutes *etc*. of these meetings, although stated to have been annexed to replies were not furnished.

The Financial Management Groups (FMG), consisting of skilled persons, were to be formed both at the State and district levels to ensure timely transfer of funds, obtain utilisation certificates, prepare accounts and get those audited by the Chartered Accountants *etc*. However, FMGs were not formed. The Government stated that in place of FMG separate Finance and Accounts wings had been formed at State and district levels but were non-functional due to vacancies in various cadres.

The Executive Committee was to review physical and financial progress. Test check of agenda papers revealed that physical and financial progresses were reported without identifying key areas of concern, constraints, poorly performing districts and best practices. In fact, EC meetings were held largely for financial sanctions. Moreover, there was little participation of senior members from other departments, GoI nominee and development partners.

The Government stated that Regional Director, NRHM, MoHFW, GoI participated in most of the meetings and his views/advice was considered and accordingly included in the minutes. In the meetings, apart from financial sanctions, achievements of important programmes were also reviewed and instructions given to the concerned programme officers for improvement. However, the fact remained that senior functionaries of other departments and representatives of progressive partners remained dormant/absent in EC meetings and most of the decisions taken therin were related to allotment and release of funds to various executing agencies and districts.

11.2 Programme Implementation Committees (PIC)

The Government order dated 16 November 2006 envisaged formation of two Programme Implementation Committees headed by the Principal Secretary, Medical, Health and Family Welfare. These committees were to operate, supervise, monitor RCH-II programme, to ensure outreach of the services to rural areas through coordination among different projects related to health and nutrition, disease control programmes, AYUSH, disease surveillance, rural cleanliness, water supply besides inter-departmental coordination and to release funds and furnish expenditure statement to EC. However, the responsibilities and role of the two committees was not distinctly segregated. The composition of these committees was as below:

Table 11.1: Composition of Programme Implementation Committees

Sl. No.	Family Welfare Programme Implementation Committee	Medical and Health Programme Implementation Committee
1.	Secretary, Medical, Health and Family Welfare	Secretary, Medical Health and Family Welfare
2.	Director General, Medical and Health	Director General, NPME
3.	Director General, Medical Education	Director General, Medical Education
4.	Finance Controller, Directorate of National Programmes, Monitoring and Evaluation	Finance Controller, Directorate of Medical and Health Services
5.	Director, Women and Child Development	Director, Women and Child Development
6.	Director, Basic Education	Director, Basic Education
7.	Director, State Health and Family Welfare Institute	Director, State Health and Family Welfare Institute
8.	Director, Homeopathy	Director, Homeopathy
9.	Director, Ayurvedic and Unani	Director, Ayurvedic and Unani
10.	Director General, NPME, was Member Secretary	Director General, Medical and Health was Member Secretary

It was noticed that these committees were not functional as no monitoring reports were being sent to SHS/SHM. Incidentally, the team of GoI in its report mentioned that DGMH and DGNPME (and also Family Welfare for 2010-11) were not aware of existence of these two PICs.

The Government stated that PICs were supervising, monitoring and evaluating the programme, but did not furnish any record in support of its assertion.

11.3 Health Management Information System Reporting

NRHM Framework also envisaged accountability through computer based monthly Health Management Information System (HMIS). In order to implement HMIS, all officers/officials at blocks and district facilities, CMOs offices were to be trained and provided with computers and personnel for data entry. Accordingly, PIP for 2010-11 made provisions for ₹ 10.86 crore, against which SHS spent ₹ 10.06 crore up to March 2011.

SHS procured 951 computers which were supplied and installed up to January and March 2011 respectively at the block and district level health facilities, with delay exceeding one year, as supply was to be completed within two to four weeks, i.e. by September 2009, against the supply orders placed in July 2009. Further, in 48 districts only 151 Data Entry Operators (DEOs) were posted against required 641 DEOs (November 2011).

Status of uploading of data in HMIS was delayed as data was first uploaded during April 2008 to April 2009 in 22 out of 23 sampled districts. Similarly, data uploading in other web based MIS was delayed as first uploading of data for Routine Immunisation Management System took place from September 2006 to November 2008, Integrated Disease Surveillance Project (IDSP) from April 2008 to July 2011 and Personnel Information System from March 2006 to December 2009 and Mother & Child Tracking System (MCTS) from June 2011.

Thus, due to delay in procurement of computers and appointment of DEOs, HMIS was not implemented in a meaningful manner depriving the senior management of a very important monitoring tool as envisaged under NRHM.

While accepting the facts the State Government stated that the system implemented would act as monitoring tool in effective decision making.

11.4 State Quality Monitors

It was proposed in PIP of 2008-09 to place State Quality Monitors (SQMs) in the form of one person at each division for monitoring availability and quality of services in various districts of the division. People from outside the Government system, preferably retired Government officers having requisite experience of functioning of health sector were to be deployed. Eight SQMs were deployed during 2008-09 in eight divisions and remaining ten divisions remained without SQMs. No SQMs were engaged during 2009-10 and only one more person was engaged during 2010-11 raising the number of SQMs to nine. Thus, the quality of services provided by the health facilities remained un-monitored in nine out of the 18 divisions. No records relating to follow up action on SQMs monitoring were made available at the State level and 23 sampled districts.

The State Government attributed that the shortage of SQMs to non-availability of qualified candidates and non-joining of selected candidates. Further, only 18 reports were issued during 2010-11 with nine SQMs against 57 reports issued during 2009-10 with eight SQMs indicating weakening of intended monitoring.

11.5 Procurement Cell

PIP of 2008-09 included a proposal to establish a procurement cell at State level for inspection and testing of the material procured under NRHM. This proposal was repeated in PIPs of subsequent years, including PIP for 2011-12. The Procurement Cell, a centralised facility to inspect the material procured under NRHM, was yet to be established.

The Government stated that purchase committee was established (06 October 1987) at Directorate of Medical and Health. A medicine review committee was established (18 July 2009) for various procurements and purchases under NRHM. However, the fact remained that "medicine review committee" only reviewed the medicines and a dedicated purchase committee to attend to the requirements of NRHM was yet to be formed.

11.6 JSY Cell

A proposal was included in PIP of 2008-09 to form a Cell at SPMU/Directorate level to maintain a good reporting system, to update records, for fund management and monitoring issues relating to JSY. This Cell was to comprise of two DEOs and one post each of data analyst, financial analyst and accountant. The Cell was not constituted up to March 2010. Further, PIP of 2009-10 included a proposal for monitoring of five to 10 *per cent* cases of JSY through deployment of monitors and posts of four monitors were also included in the Cell. PIP of 2010-11 revealed that though the Cell was formed (2009-10), however, 'monitors' were not appointed (December 2011). Thus, the reported cases of JSY remained unmonitored.

The Government confirmed non-appointment of monitors.

11.7 Internal Audit

Directorate of Internal Audit, established in Finance Department, headed by the State Internal Auditor, monitors internal audit in all departments and undertakes special investigations.

Internal Audit Unit (IAU) was not constituted at SPMU. Two IAUs- one in each of the Directorates - were functioning in Medical, Health and Family Welfare Department under the control of respective Finance Controller. No internal audit manual was available in either of the Directorates. DGMH and DGNPME informed (December 2011) that NRHM records were not being scrutinised by their auditors as the concurrent auditors[1] were carrying out necessary examination. The decision not to submit the records to internal auditors was flawed as the concurrent auditor was mandated to examine records for the purpose of preparing the accounts of DHSs whereas compliance issues formed the basis of scrutiny of records by IAUs.

11.8 Community based Monitoring

NRHM envisaged community based monitoring besides external surveys and internal monitoring. Facility and Household Survey, NFHS-II, RHS (2002) was to act as the baseline for the Mission against which the progress was to be measured. Health Planning and Monitoring Committees were to be formed at PHC, Block, District and State levels for ensuring continuous community based monitoring of activities at respective levels along with facilitating relevant inputs for planning. Details about formation of these committees were not available with SPMU. The community and community based organisations were not involved to report on the quality and effectiveness of the health care delivery system.

The Government stated that the district, block and PHC level monitoring and planning committees were not constituted as GoI did not select Uttar Pradesh for initiation of Community Based Monitoring in the first phase. The reply was not tenable as GoI included the State under the scheme of community based monitoring vide MoHFW letter dated 26 March 2008. Further, the Government accepted, in their reply to the *Paragraph 2.3.3 ante*, that on suggestion of GoI a detailed proposal for implementing the community monitoring was put up but a decision in this regard was not taken (December 2011).

11.9 Public hearings and Public dialogues

NRHM framework provided for holding of periodic public hearings (*Jan Sunvai*) or public dialogues (*Jan Samvad*) to strengthen the accountability of the Health System to the community. Details about these hearings were not furnished to audit. The public hearings and dialogues, as envisaged in NRHM were not organised at any level in any of the sampled districts. Further, a system of organising *Tehsil Divas*, for redressal of all kinds of grievances, at that level on first and third Tuesday of the month (one *Tehsil* can cover more than one block) was prevalent in the State. On the specified days all district authorities assembled at one place to redress grievances of the public. These included health related grievances also but were not NRHM specific. No records in support of NRHM specific issues having been discussed and acted upon during *Tehsil Diwas* were made available.

[1] Chartered Accountants' Firms engaged by SPMU for checking of accounts records.

The Government accepted non-implementation of system of holding *Jan Sunwai* and *Jan Samvad*. The Government, however, confirmed that issues of JSY, ASHAs and functionalities of subcentres were discussed in *Tehsil Diwas*.

11.10 Publication of Health Reports

Public Reports on Health were envisaged to be published annually at the State and the district levels to inform the community on progress made under NRHM. The report on health at State level and in the test-checked districts was not published. No specific reply about publication of Health Reports was furnished by the Government.

11.11 Vigilance Mechanism

GoI, MoHFW directed (September 2010) formation of "District Level Vigilance and Monitoring Committee (DLVMC) in each district. DLVMC, headed by one of the Members of *Lok Sabha* (MP) of the district, nominated by the Ministry, was to comprise all MPs and all MLAs of the district, Chairperson of *Zila Panchayat*, District Magistrate, Chairpersons of *Panchayat Samitis* (*Block Pramukh*), officers in charge of Women & Child Development, Water Supply & Sanitation and CEO DRDA/ Project Director DRDA. CMO was to be the Member Secretary and Convener of DLVMC. DLVMC was to review the progress of implementation of DHAP and to provide guidance; to review the release of funds, utilisation thereof and unspent balance; and undertake regular monitoring visits to the field to ensure achievement of programme objectives and service delivery in an effective and efficient manner.

The DLVMCs were not formed in the State (December 2011). No reply was received from the Government in this regard.

11.12 Sensitivity to error signals

With a view to make the Mission accountable to the people, it was imperative that a system to detect error signals emanating from various sources together with a system for grievance redressal was put in place at the State, District and Sub-district levels. Further, as envisaged under NRHM, lessons-learnt mechanism was to be a part of the implementation strategy to effect mid-course corrections.

Some of the sources generating error signals were as below:

- Questions raised by the respected members of the Parliament and the State Legislature;
- Reports of the Statutory Auditors and Concurrent Auditors;
- Reports of the Comptroller & Auditor General of India tabled in the *Lok Sabha* and *Vidhan Sabha*;
- Inspection Reports of the State Accountant General;
- Reports of the Common Review Missions to monitor the performance of NRHM in the State;
- Reports of the Regional Evaluation Teams from the Regional Director of the Ministry;

- Reports of the Director of Internal Audit, the Government of UP;
- Reports of NRHM Finance Team on financial administration and utilisation of NRHM funds;
- Annual Reports of the Joint Review Missions to appraise Reproductive and Child Health component of NRHM;
- Information called for under RTI Act, 2005 by various applicants; and
- Reports appearing in media-electronic and print.

Audit observed that:

- No information relating to Questions on NRHM, although called for, was furnished either from the Secretariats of Legislative Assembly and the Council or the Government. Questions on NRHM in both the Houses of the Parliament were downloaded from the net. When analysed Audit observed that the issues agitating the respected Members kept recurring;
- The observations made by the Statutory and Concurrent Auditors recurred even in their following years' reports. These comments pointed towards serious financial irregularities but no worthwhile action was discernible at any level including that of SHM;
- Reports of the Comptroller & Auditor General of India for the period ending 31 March 2008 for both the Union and the State comprehensively pointed out gaps, weaknesses, deficiencies, irregularities *etc*. Inspection Reports (IRs) of Principal Accountant General (Civil Audit), UP, sent to the Department and the Government, for the period 2009-12 (up to June 2011) on NRHM revealed similar observations. Even the first replies of the Department/Government, required to be furnished within two months of IRs being issued, were not received in most of the cases;
- Similarly, the Reports of Common Review Missions (GoI & GoUP); Regional Evaluation Teams (GoI); Director of Internal Audit, Government of UP; NRHM Finance Team (GoI) and Joint Review Missions remained largely unattended;
- System of maintaining records of reports appearing in newspapers and television in the Government, bodies of NRHM and health centres were not working; and
- Information called for RTI applications received during 2005-2011 was not furnished by the Government.

Although adequate mechanisms to generate error signals relating to NRHM were in place but documentation of their detection and correctives thereon appeared to be largely absent. Far and few effective systemic remedial measures had been taken. Database, detecting the error signals and correctives effected thereon, was called for, but not produced. Thus, the State Government was not very sensitive in detection of error signals and effecting correctives thereon.

The Government stated that a cell for this purpose has been formed in DGMH and DGNPME, but deficiencies and irregularities persisted. During exit conference the Government also stated that post September 2011, mechanism had been geared up to ensure better monitoring of health schemes.

11.13 Recommendations

- *SHM should be invigorated to play its designated role in NRHM framework;*
- *Governing Body and Executive Committee of SHS/ DHS should hold regular meetings, undertake focused monitoring and be sensitive to error signals;*
- *System for Community monitoring should be devised and put in place at village, block and district levels and community monitors should be appointed and strengthened; and*
- *Computer based MIS like HMIS and HIS should be put in place to ensure an accurate and reliable reporting system from grass-root level to GoI.*

Chapter 12 Conclusion

The National Rural Health Mission (2005-2012) envisaged bringing ongoing disease control programmes under one umbrella and improving the physical and human infrastructure and capacity of the healthcare system.

The Mission sought to bring reliable and efficient healthcare to the doorsteps of the needy rural populace. It also sought to improve health indicators and address local endemic diseases through community participation and feedback and by enhancing public awareness.

Audit observed that the decentralised bottom up planning format had not taken off and health plans were not based on grass root health plans. Village Health Plans were either not prepared or were not based on actual data and Village Health Index Registers were not complete. The interdepartmental convergence was more in the nature of tokenism and coordinated plans were not being prepared.

The desired level of community participation and ownership of assets was not achieved. Public health activists were not involved at SHS and DHS levels and neither was NGOs participation as envisaged. Social audit through the system of "*jan sunwai*" and "*jan samvad*" was not in place.

The management of the Mission, especially financial and accounts procedures suffered from systemic weaknesses. The improper and deficient maintenance of books of accounts resulted in accounts not reflecting true and fair picture of NRHM in the State, apart from resulting in serious financial irregularities. Financial transactions need further investigation.

A large number of construction works were undertaken as part of the Mission, but remained incomplete. The selection of vendors/ suppliers and construction agencies was also not transparent as open tender system was not followed. Extra avoidable expenditure were incurred. The Government suffered loss on account of non-deduction of VAT. The quality control system was also weak resulting in substandard works.

The scope for improvement of human infrastructure was large, as a large number of vacancies, especially of skilled staff, continued to affect services and sufficient training was not provided to health workers like ANMs and ASHAs. Audit observed that despite the focus of the Mission being the rural populace, deployment of personnel showed an urban bias, with the personnel often exceeding the sanctioned strength in urban health centres.

The SHS did not establish Procurement Cell to professionally manage procurements under NRHM. SHS used technical directorates, especially, Directorate General of National Programmes, Monitoring and Evaluation to make procurements on its behalf. These technical directorates nominated various Uttar Pradesh Government companies and cooperative societies to make procurements. The working of these nominated agencies was characterised

by lack of transparency and of open competition. This resulted in costlier and delayed procurements, as also part/non-supply of goods and services.

Although the health indicators in the State improved due to targeted interventions and better outreach, the improvement was not commensurate with expenditure and was still some way behind targets. Audit observed that the shortage of rural health facilities ranged between 16 (PHCs) and 53 *per cent* (CHCs) and that the number of sub centres has remained stagnant over the past six years.

Implementation of NRHM in the State has been affected by weak institutional monitoring mechanisms. The apex institutions at the State level – the State Health Mission and the Governing Body and the Executive Committee of the State Health Society did not adequately discharge their responsibilities. Some District Health Missions, which were to be the apex institutions at the districts, were not even constituted. Two programme implementation committees, formed (November 2006) to monitor implementation of various components of the Mission, also did not meet regularly.

The Government did not appear to be sensitive to error signals emanating from various sources like reports of statutory auditors, chartered accountants and concurrent auditors.

The Government should plug holes in the implementation system and reinvent the delivery mechanism to ensure that the objectives of the Mission are fully achieved across the State.

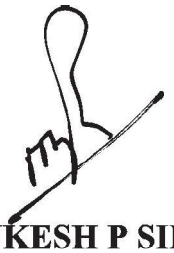
Gist of Recommendations

The Government should:

- *undertake a comprehensive baseline survey, to assess health services needs, plan effectively for creation of requisite physical and human infrastructure to meet the gap in health services within a reasonable time frame;*
- *migrate quickly to a bottom up oriented planning mechanism, involving the local populace, and also strengthen the monitoring framework, especially of community based organisations;*
- *actively and effectively encourage convergence of health related activities being undertaken by various departments of the Government from village to the State levels, and ensure community ownership through relevant and related activities/ interventions;*
- *strengthen SPMU suitably in terms of skilled manpower and infrastructure to improve its working to enable it to discharge its responsibility in matters of finance, accounting, civil works and procurement;*
- *ensure that all receipts and expenditures under NRHM are captured in accounts and reconciliation of inter-unit/fund receipts and transfers carried out at periodical intervals and position reviewed centrally by SPMU;*
- *secure that the number of Bank Accounts are reduced both at the State headquarters and in the field, in consultation with MoHFW, GoI, to ensure better control and monitoring of banking transactions, and also ensure that no transactions are allowed outside the authorised banking arrangement;*
- *take urgent action to tighten norms for selection of agencies and for award of works competitively to capable agencies;*

- *ensure adherence to quality and execution schedule, while assuring itself that payments are comparable with industry norms. The Government should guard against overcharging, leakages and excess expenditure;*
- *invoke penal clauses for delay in completion of works, to guard against delays and also to ensure that income due to the Government is not lost. The Government should also take steps to ensure that interest on funds advanced to executing agencies, accrue to its account;*
- *ensure proper staffing through regular and contractual recruitment to achieve IPHS norms;*
- *strengthen SHS procurement system through establishment of procurement and logistics wing, mitigate risks in procurement through periodical reviews and put in place adequate and effective controls;*
- *ensure procurement through open, transparent and competitive systems to maximise value for money. Procurement should be through rate contracts or quotations/tenders against clearly defined specifications, and should be need driven, underscored by the capacity for utilisation/consumption;*
- *ensure that issue/utilisation of procured items are recorded in the stock/issue register and carefully monitored;*
- *ensure prompt payment of cash incentives and strengtheng transaction evidencing to incentivise institutional deliveries and to mitigate risk of fraud and irregularities;*
- *completely overhaul the delivery mechanisms to ensure target achievement in immunisation programmes;*
- *adopt a more proactive approach, focussing on surveillance to detect and contain diseases;*
- *put in place mechanisms to verify the work of NGOs;*

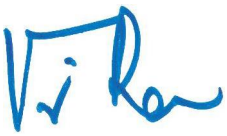
- *ensure that the SHM, Governing Body and Executive Committee of SHS regularly meet and undertake focused monitoring and are sensitive to error signals; and*
- *put in place a more comprehensive, accurate and reliable reporting system from grass-root level to GoI by meaningfully operationalising computer based MIS like HMIS and HIS.*



(MUKESH P SINGH)
Principal Accountant General (Civil Audit)
Uttar Pradesh

ALLAHABAD
The 09 JAN 2012

COUNTERSIGNED



(VINOD RAI)
Comptroller and Auditor General of India

NEW DELHI
The 12 JAN 2012

Appendix **1.1 (A)**

DO letter of Principal Secretary, Medical, Health and Family Welfare, Government of Uttar Pradesh

(Reference : Paragraph no. 1.4.1; page 5)

अर्द्ध शा0प0सं0 578 /PSMH&FW/2011

संजय अग्रवाल,
आई.ए.एस.
प्रमुख सचिव

उत्तर प्रदेश शासन
चिकित्सा, स्वास्थ्य एवं परिवार कल्याण विभाग
कक्ष संख्या–516, पाँचवां तल, विकास भवन,
उ0प्र0 सचिवालय, लखनऊ – 226 001

लखनऊः दिनांकः 10 दिसम्बर, 2011

Dear Mukesh,

DAG (NRHM)
10/12/2011

कृपया राष्ट्रीय ग्रामीण स्वास्थ्य मिशन के विशेष आडिट की ड्राफ्ट रिपोर्ट के सम्बन्ध में मेरे अर्द्ध शा0प0सं0 578/2011–12, दिनांक 10 दिसम्बर, 2011 का संदर्भ ग्रहण करने का कष्ट करें। इस सम्बन्ध में आपसे दूरभाष पर हुई वार्ता के क्रम में संशोधित कार्यक्रम की प्रति अग्रेतर कार्यवाही हेतु संलग्न प्रेषित है।

कृपया तद्नुसार आवश्यक कार्यवाही कराने का कष्ट करें।

संलग्नक : यथोक्त।

Regards,

भवदीय,

(संजय अग्रवाल)

श्री मुकेश पी0 सिंह,
प्रधान महालेखाकार (सिविल आडिट),
उत्तर प्रदेश, इलाहाबाद।

Appendix 1.1 (B)

Enclosure of DO letter of Principal Secretary, Medical, Health and Family Welfare, Government of Uttar Pradesh

(Reference : Paragraph no. 1.4.1; page 5)

Revised

Submission of Audit Records/Responses of NRHM Special Audit in the office of Principal Accountant General (Civil Audit), Allahabad

Date	Time	Districts
12.12.2011	10:00 AM	Lucknow, Raebareli, Allahabad and Kanpur
	02:30 PM	Jalaun, Etah, Gorakhpur and Unnao
13.12.2011	10:00 AM	Director General-Medical & Health Services, Director General- Family Welfare
	02:30 PM	State Programme Management Unit (SPMU), NRHM
14.12.2011	10:00 AM	Jhansi, Jaunpur, Mirzapur, Bareilly and Budaun
	02:30 PM	All civil construction agencies UPPCL, LACCFED, PACCFED and C&DS
15.12.2011	10:00 AM	Bahraich, Agra, Moradabad, Azamgarh and Ballia
	02:30 PM	Shahjahanpur, Kushinagar, Bulandshahr, Deoria and Varanasi

Appendix 1.2

Audit Sample

(Reference: Paragraph no. 1.4.3; page 7)

Sl. No	District	Blocks	CHCs	PHCs	Addl. PHC	SCs	VHSCs
1	Agra	3	3	3	-	12	17
2	Allahabad	3	2	2	2	12	21
3	Azamgarh	3	2	1	3	13	22
4	Bahraich	3	1	2	3	12	24
5	Ballia	5	5	5	-	15	25
6	Bareilly	3	-	3	3	12	24
7	Budaun	5	1	4	5	15	24
8	Bulandshahar	3	2	1	3	12	20
9	Deoria	3	2	3	1	12	24
10	Etah	3	3	3	-	12	22
11	Gorakhpur	3	2	2	2	9	18
12	Jalaun	3	3	3	-	12	17
13	Jaunpur	3	2	2	2	11	22
14	Jhansi	3	1	5	-	12	14
15	Kanpur Nagar	3	2	4	-	12	13
16	Kushi Nagar	3	3	3	-	12	21
17	Lucknow	3	3	3	-	12	19
18	Mirzapur	3	1	5	-	12	23
19	Moradabad	3	2	1	3	12	22
20	Raebareli	3	-	3	3	12	24
21	Shahjahanpur	3	1	2	3	12	23
22	Unnao	3	2	2	2	9	9
23	Varanasi	3	2	2	2	9	18

Appendix 1.3

Major records not furnished at State level

(Reference: Paragraph no. 1.4.5; page 7)

(₹ in crore)

Sl. No.	Issues on which records were sought	Year	Amount	Reasons as attributed by audited entity
Director General, National Programmes, Monitoring and Evaluation Balance Sheet / Accounts				
1	Supporting books of accounts for Annual Accounts – Trial Balances, Grouping files, Consolidation sheets, Journal vouchers, paid vouchers and Journal Book	2005-06 to 2006-07	1277.06	Reasons not furnished

Note : The reports of GoI's Review Committee, Joint Review Committee and NRHM Review Committee of May 2011; Rural Health Satistics, 2010 of GoI etc. were made use of, to the required extent, wherever records were not made available by the State Government.

Appendix 1.4

Major records which were not available as per reply of audited entity

(Reference: Paragraph no. 1.4.5; page 7)

(₹ in crore)

Sl. No.	Issues on which records were sought	Year	Amount	Reasons as attributed by audited entity
Lucknow				
1	Records related to all scheme of NRHM in DHS, Lucknow	2009-10 and 2010-11	40.71	Records had been seized by the CBI
2	All records related to medicine and equipment purchase, utilisation certificate, stock position in CHC, Sarojani Nagar, Lucknow	2009-10 and 2010-11	2.34	
3	All records related to medicine and equipment purchase, utilisation certificate, stock position in CHC, Mall, Lucknow	2005-06 to 2010-11	4.30	Records (2005-06 to 2008-09) not traceable and the rest seized by the CBI
4	(i) All records related to medicine and equipment purchase, utilisation certificate, stock position	2009-10 to 2010-11	2.07	
	(ii) Records of pulse polio in CHC-Kakori, Lucknow	2005-06 to 2006-07	Indeterminable	
Kanpur Nagar				
1	Cash Book, ledger, pass book, tender file, quotation file, purchase file, cheque issue register, bill register, stock book, voucher book of RCH-II	April 2005 to December 2006	2.28	Records missing. FIR lodged
2	Cash Book, ledger, pass book, tender file, quotation file, purchase file, cheque issue register, bill register, stock book, voucher book of Routine Immunisation and Pulse polio	April 2005 to August 2008	10.63	
Unnao				
1	Cash Book, vouchers, Counter foil of cheque book of sub-centres - Band Hamirpur, Banther, Basaina	2005-06 to 2010-11	0.02	Not maintained
	VHSCs - Basaina, Poni, and Sayedpur - (PHC- Achalganj)	2008-09 to 2010-11	0.02	
2	Cash Book of sub-centres, Bharatipur and Raghukhera	2008-09 to 2010 –11	0.02	Not maintained
	All records of sub-centre, Ghatampurkala (PHC, Bighapur)	2005-06 to 2010–11	0.01	The incharge of sub centre stated that the records were locked up by the landlord of the building

3	Cash Book along with vouchers of : (i) RCH Flexi Pool (ii) B Mission Flexi Pool (iii) RCH Flexi Pool (iv) B Mission Flexi Pool (v) R.K.S. (CHC Miyaganj)	 2007 – 08 2007 – 08 2008 – 09 2008 – 09 2008-09 to 2009-10	 0.20 0.07 0.26 0.35 0.09	Not maintained due to shortage of manpower
Raebareli				
1	(i) Cash Book, Vouchers, Counter foils of cheque book of sub centre, Ralpur	2005–06 to 2010 – 11	0.01	Not maintained
	(ii) Cash Book, Vouchers, Counter foils of cheque book of sub centre, Deopur (PHC Sareni)	2008–09 to 2010 - 11	Less than 0.01	
2	Cash Book, Vouchers, Counter foils of cheque book of VHSC (i) Deopur (PHC Sareni)	2008–09 to 2010 –11	0.01	Not maintained
	Cash Book, Vouchers, Counter foils of cheque book of VHSC (ii) Ram Kheda (PHC Sareni)	2008–09 to 2010–11	0.01	
Allahabad				
1	Bank Reconciliation Statement of each bank account and pass books of accounts for the months 3/2006, 3/2007, 3/2008, 3/2009, 3/2010 and 3/2011 (CHC Manda and PHC Mauaima)	2005-06 to 2010-11	Indeterminable	Reasons not furnished
2	JSY beneficiary verification related records (CHC Manda and PHC Mauaima)	2005-06 to 2010-11	Indeterminable	Not maintained
3	Number of JSY beneficiaries verified at block level and number of beneficiaries verified by district level authorities - (PHC Pratappur)	2005-06 to 2010-11	Indeterminable	Not maintained
4	Monthly Bank Reconciliation Statement (PHC Pratappur)	2005-06 to 2010-11	Indeterminable	Not maintained
Bulandshahar				
1	Cash Book and Bank Reconciliation Statement of Tubectomy in District Hospital (Female), Bulandshahar	2005-06 to 2008-09 and 2010-11	0.66	Reasons not furnished
	Cash Book and Bank Reconciliation Statement of JSY in District Hospital (Female), Bulandshahar	2005-06 to 2007-08	0.73	
2	Cash Book of RCH Flexipool, Additionalties under NRHM and pulse polio (PHC Malagarh)	2008-09	0.60	Reasons not furnished

3	Bank Reconciliation Statement	2005-06 to 2007-08	0.36	Reasons not furnished
	Cheque receipt register and Cheque issue register	2005-06 to 2009-10	1.53	
	Bank Statement of MOIC	2005-06 to 2006-07	0.09	
	Cash Book of pulse polio (CHC Lakhawati)	2005-06 to 2010-11	0.93	
4	Cash Book of pulse polio	2005-06 to 2009-10	0.79	Records not handed over by the predecessor and warning given by the audited entity
	Cash book and Ledger (CHC Gulawati)	2005-06 to 2007-08	Indeterminable	
Construction Records				
Lucknow (Headquarter Construction agency- LACCFED)				
1	MBs and related records on the basis of which advances to contractor/supplier were made by LACCFED headquarter up to June 2011	2010-11	14.10	Not available at headquarter Lucknow
Agra				
1	Records related to construction of road by UPRNN in District Hospital (Male) campus	2010-11	0.15	Records not handed over by UPRNN to UPPCL

Note : The reports of GoI's Review Committee, Joint Review Committee and NRHM Review Committee of May 2011; Rural Health Satistics, 2010 of GoI etc. were made use of, to the required extent, wherever records were not made available by the State Government.

Appendix 2.1

Action on 'lessons learnt'

(Reference : Paragraph no. 2.1.3 (k); page 11)

Sl. No.	Gist of lessons learnt	Remedial action taken
1	Need to establish system of concurrent and midterm evaluation for corrective action	No action taken
2	Community convergence with other departments, PRIs etc., needs to be established	No new initiative taken

Appendix 2.2

Essential requirement for preparation of VHAPs

(Reference : Paragraph no. 2.1.8; page 16)

Sl. No.	The NRHM framework prescribed the following essential requirements of context specific and habitation/household specific planning:
1	Constitution of planning team and committees with clearly demarcated responsibilities at each level
2	Engagement of professionals on contract basis to meet planning needs
3	Broad norms for planning activities specifying what is to be taken up and space for diversity and innovations
4	Preparation of training modules for planning teams and finalization of survey format for household survey, Family Health Cards, Village Health Register, mapping of non-governmental providers and health facility surveys
5	Organisation of large scale activities like health camps, public hearings to make the planning process activity intensive
6	Involvement of women's groups and community based organizations in planning activity
7	Release of untied grants to VHSCs
8	Recruitment and relevant training of ASHAs/ANMs
9	Convergent local action along with other departments

Appendix 2.3

Junior High Schools selected under School Health Programme

(Reference : Paragraph no. 2.2.6.1; page 20)

Sl. No.	Name of Block	Name of Junior High School
1	Kaundhiyara	Aamba
2	-do-	Baruli
3	-do-	Belwa
4	-do-	Daahi
5	-do-	Dadhi
6	-do-	Deora
7	-do-	Gaura
8	-do-	Karma
9	-do-	Kathauli
10	-do-	Kaundhiyara
11	-do-	Kheri
12	-do-	Kukudi
13	-do-	Osha
14	-do-	Panwar
15	-do-	Pawanri
16	-do-	Piprahata
17	-do-	Rajapur
18	-do-	Semari
19	-do-	Umari Tal ka pura
20	-do-	Umari Tal ka Purwa (Umari)
21	Pratappur	Bagheri
22	-do-	Chanethu
23	-do-	Janghai
24	-do-	Mathoi
25	-do-	Patwan

Appendix 2.4

Primary Schools not selected for SHP, but where teachers were trained

(Reference : Paragraph no. 2.2.6.1; page 20)

Sl. No.	Name of Block	Name of Primary School
1	**Mauaima-**	Alawalpur
2	-do-	Amanganj
3	-do-	Ismailpur
4	-do-	Markhamau
5	-do-	Pilkhuaa
6	-do-	Shabazpur
7	-do-	Umarpur
8	**Kaundhiyara**	Bakarawa
9	-do-	Bargohna Kala
10	-do-	Bari Bazaria
11	-do-	Chak Sangat Das
12	-do-	Danpur
13	-do-	Ghoshi
14	-do-	Khiptiriya
15	-do-	Mawaiya
16	-do-	Nawgawa

Appendix 2.5

Financial irregularities noticed in expenditure of RKSs

(Reference : Paragraph no. 2.3.5.5; page 24)

(₹ in crore)

Sl. No	District	Unit	Year	Audit findings	Amount
1	Allahabad	CMO	2008-11	Utilisation of corpus funds for CHCs/PHCs and APHCs by CMO itself.	0.26
2	Budaun	BHPC, Asafpur	2008-09	Non-maintenance of cash book, ledger, stock register and cheque issue register. Payments made against unnumbered bills on plain papers.	0.06
3	-do-	CHC, Dataganj	2008-09	Drawal of funds in his own name by the MOIC and cash disbursement against bills on plain papers, unnumbered bills including payment of ₹ 1.59 lakh to a vendor without TDS.	0.08
4	Moradabad	DH(Male)	2007-11	Cash book, asset register, cheque receipt/issue register not maintained. Fund utilised on construction works without recording the measurements.	0.33
5	-do-	DH (Female)	2007-08	Expenditure on inadmissible construction works.	0.20
6	-do-	-do-	2008-09	Expenditure on inadmissible items such as payment of wages to sweepers, grass cutting, purchase of medicines etc.	0.03
7	-do-	CHC, Billari	2007-08	Expenditure on inadmissible construction works without inviting tenders/quotations.	0.04
8	-do-	CHC, Billari	2008-09	Purchase of stationery and electrical items by diverting funds.	0.02
9	-do-	CHC, Sambhal	2010-11	Utilisation of funds for maintenance of sub-centres without involving PRIs.	0.04
10	Shahjahanpur	DH (Female)	2010-11	Release of funds not entered into the cashbook.	0.15
11	Ballia	PHC, Bansdih	2009-11	Utilisation of RKS fund pertaining to APHCs, Kharaun and Chandpur.	0.03
12	-do-	PHC, Pandah	2010-11	Purchase of paint, *Snowcem*, brush etc. from a mobile shop.	0.01
13	-do-	CHC, Sonbarsa	2008-09 & 2010-11	Repair and electrical works by MOIC without approval of RKS.	0.07
14	Varanasi	Pandit Deen Dayal Hospital	2010-11	Against the decision of RKS for purchase of x-ray plates, pathological reagents, generator fuel, beds etc, procurement of mobile handsets for doctors and security guards.	0.01
15	Gorakhpur	PHC, Brahmpur	2008-10	Against the admissibility of transport facility to the patients under emergency for medical treatment, cash payments were made without any justification. Neither the registration number of vehicles nor the details of journey were on records. Vouchers did not have the signatures of MOIC. The payments were made without any acknowledgement.	0.02
16	Jaunpur	CMO	2008-11	Purchase of mobile handsets etc.	0.08

Appendix 3.1 (A)

Financial data under NRHM during the financial years 2005-11

(Reference: Paragraph no. 3.2; page 27)

(₹ in crore)

Sl. No.	Programme	2005-06			2006-07			2007-08			2008-09			2009-10			2010-11		
		A	R	E	A	R	E	A	R	E	A	R	E	A	R	E	A	R	E
1	RCH-II	251.37	169.73	26.21	322.43	156.00	87.12	155.80	192.72	240.91	503.25	373.25	459.16	533.68	533.68	555.97	605.90	605.90	655.09
2	Additionalities under NRHM	0.00	129.52	1.10	293.58	241.77	41.31	513.22	417.21	91.98	432.93	305.43	300.53	570.86	542.30	602.67	671.97	671.97	943.95
3	Routine immunisation	36.39	32.34	13.03	26.85	20.49	25.60	26.00	46.44	32.52	33.74	31.13	43.69	40.55	40.55	47.03	33.94	33.94	46.50
4	PPI	150.00	155.11	147.17	160.44	160.44	145.68	176.17	176.17	151.37	249.28	249.28	189.07	219.22	234.20	171.99	178.58	0.00	128.66
5	Infrastructure Maintenance	238.40	238.40	314.90	254.55	243.41	330.10	350.99	350.99	359.19	383.96	403.96	447.99	382.57	497.57	765.12	465.60	772.06	800.92
6.	Disease Control Programmes																		
a	Integrated Disease Surveillance	0.00	0.23	0.00	8.88	0.00	0.00	26.79	2.50	0.00	2.27	0.00	0.00	5.77	2.75	1.96	2.34	0.00	2.90
b	National Iodine Deficiency Disorders Control	0.06	0.13	0.09	0.08	0.09	0.09	0.14	0.14	0.05	0.24	0.09	0.05	0.24	0.00	0.00	0.18	0.00	0.00
c	National Leprosy Eradication Programme	1.09	0.17	0.55	4.33	0.47	0.83	0.77	4.25	0.54	6.05	5.20	4.21	5.77	5.23	0.00	5.72	4.26	3.65
d	National Programme for Control of Blindness	9.49	9.49	9.80	9.90	11.34	11.33	12.88	13.13	22.15	41.27	41.28	38.69	36.34	36.31	23.07	35.00	28.78	32.54
e	National Vector Borne Control	12.08	29.39	29.39	19.37	21.59	21.59	21.52	16.18	16.18	31.83	20.08	20.09	27.43	20.00	15.10	41.95	27.31	18.03
f	Revised National TB Control Programme	27.19	29.47	31.00	29.99	38.95	40.16	40.82	39.04	41.58	42.78	45.21	42.58	47.95	43.91	29.49	55.94	47.15	33.11
	Total	**726.07**	**793.98**	**573.24**	**1130.40**	**894.55**	**703.81**	**1325.10**	**1258.77**	**956.47**	**1727.60**	**1474.91**	**1546.06**	**1870.38**	**1956.50**	**2212.40**	**2097.12**	**2191.37**	**2665.35**

A indicates Allocation; R indicates Release; and E indicates Expenditure

Appendix 3.1 (B)

Summary of financial data under NRHM during the years 2005-11

(Reference: Paragraph no. 3.2; page 27)

(₹ in crore)

Sl. No.	Name of Programme	Allocation	Releases	Expenditure	Balance
1	**RCH-II**	2372.43	2031.28	2024.46	6.82
2	**Additionalities under NRHM**	2482.56	2308.20	1981.54	326.66
3	**Routine immunisation**	197.47	204.89	208.37	-3.48
4	**PPI**	1133.70	975.20	933.94	41.26
5	**Infrastructure Maintenance**	2076.07	2506.39	3018.22	-511.83
6	**Disease Control Programmes**				
a	**Integrated Disease Surveillance**	46.05	5.48	4.86	0.62
b	**National Iodine Deficiency Disorders Control**	0.94	0.45	0.29	0.16
c	**National Leprosy Eradication Programme**	23.72	19.57	9.78	9.79
d	**National Programme for Control of Blindness**	144.88	140.34	137.59	2.75
e	**National Vector Borne Control**	154.18	134.55	120.38	14.17
f	**Revised National TB Control Programme**	244.67	243.73	217.92	25.81
	Total	**8876.66**	**8570.08**	**8657.35**	**-87.27**

Appendix 3.2

Statement showing fund releases by GoI and percentage of rush of expenditure in March during 3 years up to 2010-11

(Reference: Paragraph no. 3.3.2; page 34)

(₹ in crore)

Sl. No.	Years	2008-09				2009-10				2010-11			
	Programme	Amount	Instal-ments released	Released in March	*Percentage* released in March	Amount	Instal-ments released	Released in March	*Percentage* released in March	Amount	Instal-ments released	Released in March	*Percentage* released in March
1	**RCH Flexipool**	373.25	3	160.73	43	533.68	3	0	0	606.07	4	0	0
2	**Mission Flexipool**	305.43	2	271.75	89	470.86	5	59.11	13	743.41	3	0	0
3	**Immunisation/ RI**	222.23	7	0	0	56.43	4	10.13	18	33.94	3	0	0
4	**RNTCP**	33.34	6	8.50	25	30.20	6	2.14	7	30.58	3	0	0
5	**Vector Borne**	5.79	3	0	0	8.82	4	0	0	6.66	2	0	0
6	**NPCB (Blindness)**	41.89	10	0	0	36.31	7	8.50	23	28.78	3	8.55	30
7	**Leprosy**	5.20	2	2.18	42	3.75	2	0	0	5.28	2	0	0
8	**Deafness**	0.42	5	0	0	0.38	1	0	0	0	0	0	0
9	**IDSP**	0	0	0	0	2.28	2	0	0	0.47	1	0	0
10	**Mental Health**	0	0	0	0	7.02	2	7.02	100	15.56	2	0	0
11	**Pulse polio**	0	0	0	0	276.5	9	11.24	4	0	0	0	0
	Total	**987.55**	**2 to 10**	**443.16**	**25 to 89**	**1426.23**	**1 to 9**	**98.14**	**4 to 100**	**1470.75**	**1 to 4**	**8.55**	**30**

Appendix 3.3

Statement showing rush of State share of fund in March during three years up to 2010-11

(Reference: Paragraph no. 3.3.2; page 34)

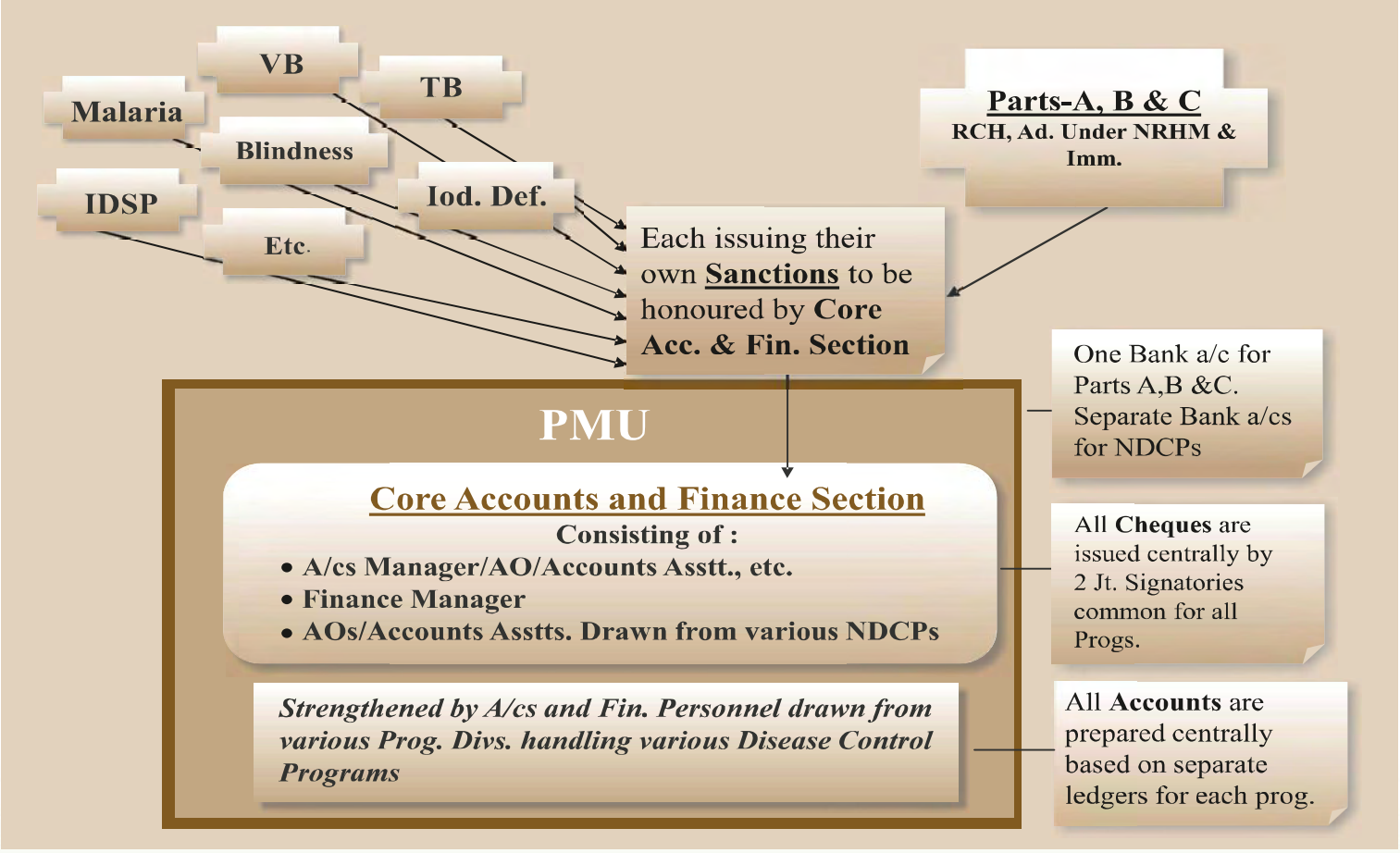
(₹ in crore)

Year	No of Instalments	Month of release	Amount	Amount released in March	*Percentage* of release in March
2008-09	2	October and March	225.00	112.50	50
2009-10	4	September to March	255.52	105.52	41
2010-11	3	November and March	317.49	125.81	40
Total	**2 to 4**	**-**	**798.01**	**343.83**	**43**

Appendix 3.4

Redefined Finance and Accounts Functions and Processes in DHS

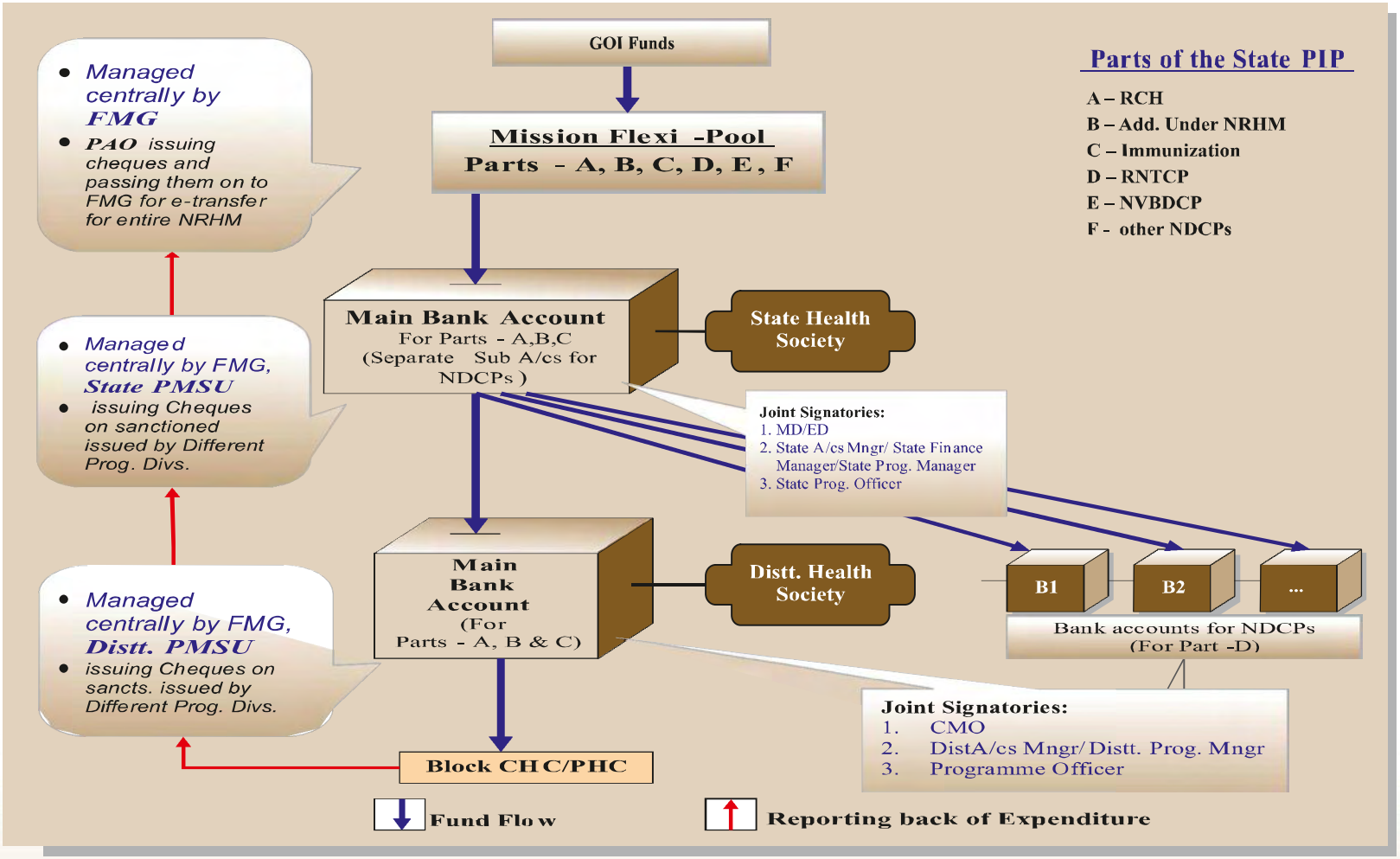
(Reference: Paragraph no. 3.4.2; page 35)



Appendix 3.5

Fund flow reporting process under NRHM

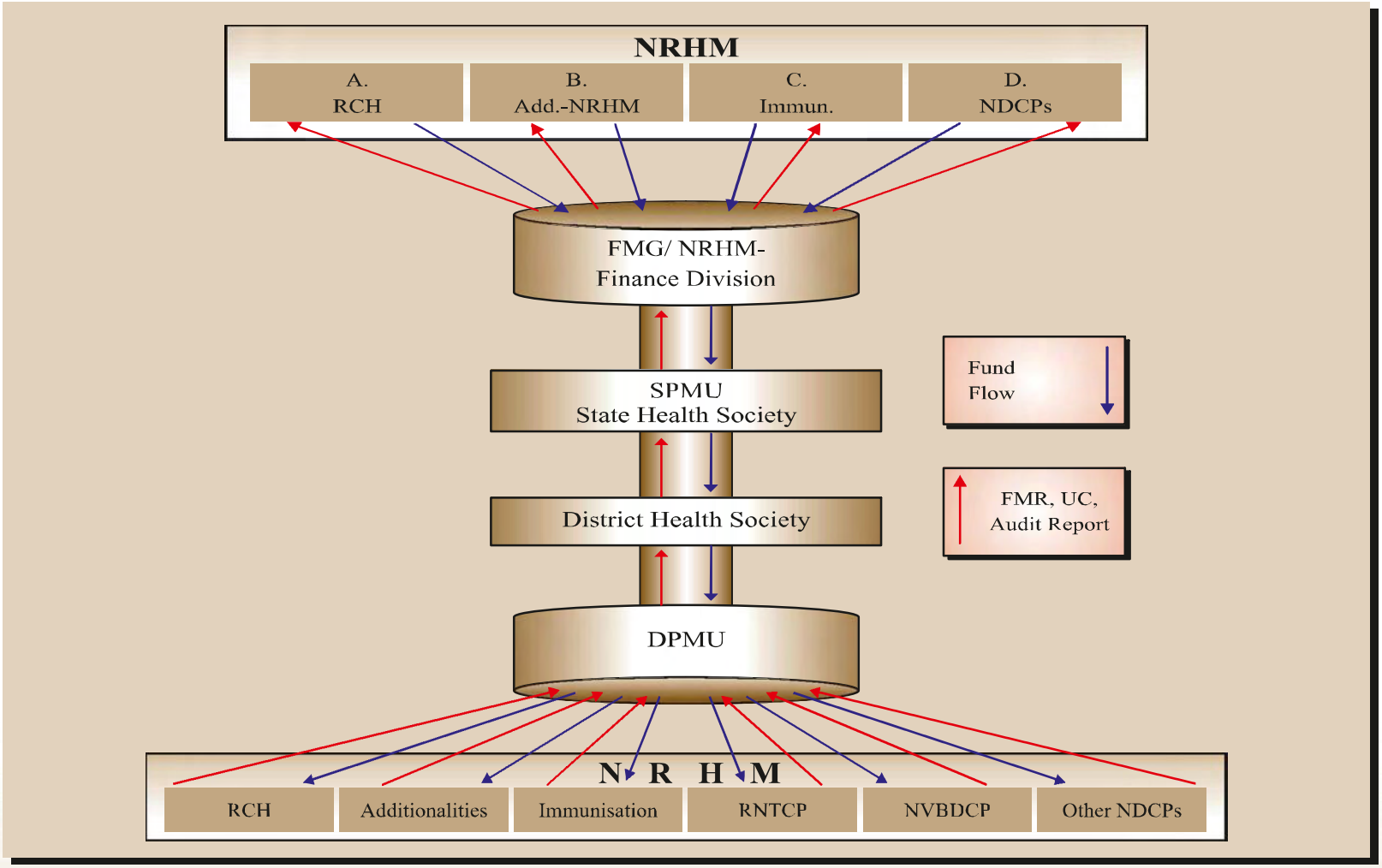
(Reference: Paragraph no. 3.4.2; page 35)



Appendix 3.6

Fund Management at SHS and DHS level

(Reference: Paragraph no. 3.4.2; page 35)



Appendix 3.7

Irregular transfer of funds by Director General, National Programmes Monitoring and Evaluation

(Reference: Paragraph no. 3.4.4; page 37)

(₹ in crore)

Period	Month	Activity/Work	Amount	Number of districts to which drafts/ cheques issued
2009-10	March 2010	Wall Painting	4.88	71
2010-11	May 2010	Procurement of De-worming Tablets	2.48	71
	December 2010	Procurement of Drugs and Consumables at Health Posts	2.30	67
	December 2010	Procurement of De-worming Tablets	2.95	71
	December 2010	Procurement of IFA Tablets	10.33	71
	February 2011	Training of VHSC Members	10.56	71
	February 2011	Procurement of spectacles	2.00	71
	February 2011	IEC Activities under PPNDT	1.00	71
		Total	**36.50**	

Appendix 3.8

Effects of deficient accounting records on internal controls

(Reference: Paragraph no. 3.7; page 40)

Sl. No.	Accounts books/ Registers not maintained	Purpose and control envisaged	Status of maintenance of record	Resultant effect on financial control and monitoring
1	Journal and journal vouchers	Journal is maintained to book expenditure against advances	Not maintained	• The adjustment of expenditure is not routed through books of account; • Statements of expenditure (SoE) figures differ with ledger figures.
2	Bank or paid vouchers	Vouchers for each transaction is prepared by the writer of the Cash Book and checked by the computer accountant.	Not maintained in proper format and not checked	• Vouchers not kept in serial order but kept in respective files: • Vouchers not marked paid and cancelled to prevent misuse.
3	Ledger	To disclose date-wise and head-wise expenditure through bank/ adjustment vouchers	Expenditure against advances not routed through ledgers by SHS and DHSs	• Expenditure against advances not booked and reflected in accounts; • Utilisation position against advances with units not available; and • Financial figures not available for preparation of reliable SoEs/FMRs.
4	Cheque/ Draft Register	Ensure that transactions do not escape entry in the Cash Book.	Not maintained	Accounting of all receipts/ disbursements in the books of accounts could not be ensured.
5	Fixed Assets Register	Existence of fixed assets to prevent defalcation of assets.	Not maintained	Detailed position of assets not available to facilitate physical verification and determine shortages.
6	Register of Non-consumable stores	To exercise effective control over procurement, payment and consumption.	Not maintained at SHS, DGNPME, DHSs, DGMH etc.	No control over physical possession of items possible.
7	Register of Temporary Advances	To facilitate regular review of utilisation of advances to staff, suppliers/ contractors and departmental units.	Not maintained anywhere	The progress against advances not effectively monitored even though 80 *per cent* of programme expenditure is against advances to units.
8	Budget Receipt and Control Register	To indicate datewise and head-wise details of allotment received and progress of expenditure.	Not maintained at SHS and DHSs.	Budgetary control is not exercised to avoid excesses over allotment in various schemes in a systematic manner.
9	Bank Reconciliation Statement	To ensure correctness of bank balance and to detect fraudulent drawal from bank timely.	Not done monthly by DHSs and not done by most of CHCs/PHCs	Cases of excess drawals were found recorded in Cash Books.

Appendix 3.9

Financial and other irregularities in CHC Manda, Allahabad

(Reference: Paragraph no. 3.7; page 40)

A Case Study

(A) Improper maintenance of Cash books and related records: During 2005-08, cash books were not maintained. Scrutiny of cash books for the period 2008-11 revealed:

(i) Entries in the cash book were not made properly. In many places, it was mentioned against the details of payee 'Paid to" but no name was mentioned.

(ii) Vouchers in respect of expenditure of ₹ 1.49 crore out of ₹ 3.20 crore spent during 2008-11 were not made available to audit. It included advances drawn by the Superintendent for cash payment of sterilization compensation and incentives to doctors and promoters.

(iii) An unauthorised bank account in the name of Superintendent, Manda was in operation (Punjab National Bank, Branch Manda, account no: 439536). In this account, transactions relating to JSY were made, but no details of transactions and records viz. Bank statement, cash book, vouchers etc. were made available.

On being pointed out, the Superintendent accepted the audit comments.

(B) Utilisation of RKS funds: CHC Manda received ₹ 11.19 lakh during 2009- 11[1] in respect of corpus fund, AMG and untied fund, but details of expenditure were not furnished separately. Scrutiny of vouchers made available revealed that:

(i) Seven supply orders amounting to ₹ 2.68 lakh for supply of towels, dustbins, buckets, stationery etc. were issued to M/s Sahyogi Enterprises, Katra, Allahabad, between January 2010 and December 2010. Four more supply orders, amounting to ₹ 1.60 lakh, were issued to M/s Sahyogi Enterprises, New Katra, Allahabad, for maintenance work such as painting, white washing etc. on 10.01.2010. Similarly, five supply orders amounting to ₹ 3.65 lakh were issued to M/s Laxmi Associates, Naini, Allahabad, for supply of stationery and toiletry items on 01.02.2011. On the same day, the same firm was issued four other supply orders amounting to ₹ 2.10 lakh for supply of doors/windows and white washing. Details of quotations, comparative charts, stock and issue registers were not furnished to Audit. Further, none of the supply orders bore the supply order number. As such, ₹ 10.03 lakh was paid to two firms, which were considered competent for tasks as varied as supply of stationery to execution of civil works. Significantly, the above expenditure was not even approved by the RKS. Incidentally, the RKS had not met even once since its constitution (3 December 2008).

(C) Utilisation of untied and AMG funds

(i) During 2009-11[2], ₹ 26.10 lakh was made available to Superintendent, Manda for untied grant for 63 VHSCs. The Superintendent was to transfer the fund to the bank accounts of VHSCs. Scrutiny revealed that the entire amount of ₹ 26.10 lakh was shown "spent on VHSC" in the cash book but Superintendent did not make available bank invoices, bank statement/passbook, vouchers in respect of above to Audit. On being asked for the above, he stated (October 2011) that vouchers were not in position to be put up to Audit. The Superintendent further stated that ₹ 6.22 lakh (in respect of untied fund for 15 VHSCs) out of ₹ 26.10 lakh, as mentioned above, was spent at CHC level as these VHSCs did not have bank accounts. Vouchers in support of this expenditure were not made available to audit.

[1] Records in respect of 2005-09 were not made available to audit.
[2] Superintendent did not make available the records relating to 2005-09.

(ii) Seven sampled VHSCs did not make available the cash book, ledgers, vouchers, bank statement/bank pass book etc. due to which transfer of fund from CHC to VHSCs, as shown by the Superintendent, also could not be verified. The concerned ANMs stated that they did not have any records in respect of VHSCs.

(iii) In respect of untied funds for sub centres during 2009-11, ₹ 4.13.lakh was made available to CHC, Manda for onward transfer to 27 sub centres. Scrutiny revealed that the Superintendent did not transfer the aforesaid fund to sub centres and spent the entire amount at CHC level. He did not produce any vouchers in respect of above expenditure.

(iv) ₹ 0.86 lakh was made available to CHC Manda in respect of AMG for sub centres during 2009-11. The Superintendent did not transfer the fund to any sub centre and spent the entire amount at CHC level. No voucher in respect of this expenditure was made available to audit.

(v) During 2008-11, ₹ 7.56 lakh, spent on hiring vehicles under immunisation programme, was shown as paid in cash to drivers, instead of vehicle owners. Audit observed that in violation of financial rules, no tenders/quotations were invited.

(vi) 12 RCH camps[3] were to be organised every year at CHC during 2009-11 on different dates. No records viz. performance report of camps, OPD register, Medicines consumption registers etc. was available at CHC. Records revealed that ₹ 0.61 lakh was spent on organisation of RCH camps during 2009-11. In the absence of records the expenditure could not be verified. Superintendent replied (October 2011) that records would be maintained in future.

(vii) Audit observed that vaccines viz; BCG, OPV, DPT, TT, Measles and DT were not available during eight to 235 days during 2005-11. This hindered programmes of Routine Immunisation and also Intensive Pulse Polio Immunisation.

Audit further observed that the Deep Freezer (225 litres) had gone out of order on 14.05.2009 and the same was not repaired upto 31.05.2009. It was further observed that 2300 doses of Polio vaccines made available during 05 May 2009 to 8 May 2009 were destroyed on 16.05.2009 as they were stated to have been spoilt. The Superintendent stated that the vaccines were destroyed as they had entered 'Stage-III'[4]. The District Immunisation Officer (DIO) stated that at the time of issue of vaccines to CHC, Manda, the vaccines were in 'Stage-I'. The DIO further stated that he was not aware of the reasons for destroying the vaccines and stated that explanation of Superintendent would be called for.

[3] In 2009-10: 18 camps were to be organised.
[4] Stage I vaccines are "fit for use" and vaccines in Stages III and IV are "not fit for use".

Appendix 3.10

Statement showing closing balances of the DHSs which does not include interest income

(Reference: Paragraph no. 3.8.1 (c); page 41)

(₹ in crore)

Sl. No.	DHS	2007-08	2008-09	2009-10
1.	Agra	0.81	4.62	8.44
2.	Allahabad	0	0.4	1.77
3.	Azamgarh	0	0	2.79
4.	Bahraich	0	0.15	0.45
5.	Bareilly	0.37	0.93	2.21
6.	Budaun	0	0	0.14
7.	Bulandshahar	2.48	2.33	1.80
8.	Deoria	0	1.91	1.89
9.	Etah	0	0.61	0.74
10.	Gorakhpur	0.03	0.24	5.47
11.	Jalaun	1.76	1.36	1.55
12.	Jaunpur	0.25	2.31	1.40
13.	Jhansi	0.66	1.48	2.10
14.	Kanpur Nagar	0.75	1.94	1.75
15.	Kushi Nagar	0	0.57	0.94
16.	Lucknow	0	0.57	3.18
17.	Mirzapur	0	0.5	1.10
18.	Moradabad	0	0.87	2.47
19.	Raebareli	0	0.09	0.66
20.	Shahjahanpur	0.23	0	1.55
21.	Unnao	2.37	0.53	5.23
22.	Varanasi	0	0.02	1.04
	TOTAL	**9.71**	**21.43**	**48.67**

Appendix 3.11

Statement showing unexplained difference between opening and closing balance of advances (included under the head Loans and Advances on the assets side of the Balance Sheet) as of March 2010

(Reference: Paragraph no. 3.8.2.1 (b); page 41)

(₹ in crore)

Sl. No.	Scheme	Head of account and schedule no.	Opening balance	Fund released	Expenditure	Closing balance	Unexplained difference
1.	RCH Flexipool	Schedule IV B-District level figures (sheet 1)	24.81	0	0	53.58	28.77
2.	Mission Flexipool	Schedule IV B-District figures (sheet 1)	23.97	0	0	30.32	6.35
3.	Immunis-ation	Schedule IV B-District level figures (sheet 1)	4.67	0	0	5.74	1.07
4.	Mental Health	Schedule IV D - District level figures	0	0	0	5.28	5.28
5.	Deafness Programme	Schedule IV D- State level figures (with DG FW)	0	0	0	0.31	0.31
6.	Deafness Programme	Schedule IV D - State level figures (with DG, MH)	0	0	0	0.53	0.53
7.	Blindness control	Schedule IV E- State level figures (with DG, FW)	0	0	0	13.42	13.42
8.	Blindness control	Schedule IV E - District level figures	0.81	0	0	0.41	-0.40
		Total	**54.26**	**0**	**0**	**109.59**	**55.33**

Appendix 3.12

Statement showing difference in transfer of balance from State Health Society to District Health Societies

(Reference: Paragraph no. 3.9.2.2; page 46)

(₹ in crore)

Sl. No.	DHS	Year	As per SHS	As per DHS	Difference
1	Azamgarh	2009-10	30.31	30.23	0.08
2	Budaun	2009-10	25.22	25.14	0.08
3	Deoria	2009-10	21.29	20.97	0.32
4	Gorakhpur	2009-10	32.85	32.64	0.21
5	Jalaun	2009-10	12.03	11.99	0.04
6	Jaunpur	2009-10	28.95	28.82	0.13
7	Jhansi	2009-10	13.96	13.88	0.08
8	Kushi Nagar	2009-10	22.13	22.06	0.07
9	Moradabad	2009-10	22.87	22.62	0.25
10	Shahjahanpur	2009-10	20.65	20.38	0.27
11	Varanasi	2009-10	21.38	21.31	0.07
		Total	**251.64**	**250.04**	**1.60**

Appendix 3.13

Statement showing difference between monthly FMRs and March FMRs

(Reference: Paragraph no. 3.9.2.3; page 46)

(₹ in crore)

Sl. No.	DHS	Year	Total expenditure as per monthly FMR	Cumulative expenditure shown in FMR of March	Difference
1	Azamgarh	2010-11	19.84	22.42	2.58
2	Budaun	2010-11	27.04	27.83	0.79
3	Bulandshahr	2009-10	20.68	21.10	0.42
4	Deoria	2009-10	19.19	19.13	0.06
5	Deoria	2010-11	24.08	24.21	0.13
6	Jaunpur	2009-10	23.28	24.65	1.37
7	Moradabad	2009-10	24.51	24.18	0.33
8	Moradabad	2010-11	24.10	23.97	0.13
9	Raebareli	2009-10	19.58	21.09	1.51
10	Raebareli	2010-11	26.02	25.99	0.03
11	Shahjahanpur	2010-11	18.61	18.75	0.14
12	Varanasi	2009-10	19.40	19.68	0.28
13	Varanasi	2010-11	22.51	22.67	0.16
		Total	**288.84**	**295.67**	**7.93**

Appendix 3.14

Difference in Closing and Opening Balance of FMRs

(Reference: Paragraph no. 3.9.2.3; page 46)

(₹ in crore)

DHS	CB as per FMR		OB as per FMR		Difference
	Year	Amount	Year	Amount	
Azamgarh	2008-09	2.44	2009-10	1.37	1.07
Bareilly	2009-10	5.16	2010-11	5.59	0.43
Deoria	2009-10	5.40	2010-11	5.12	0.28
Jaunpur	2008-09	3.26	2009-10	3.50	0.24
	2009-10	7.68	2010-11	7.91	0.23
Moradabad	2009-10	5.87	2010-11	5.25	0.62
Shahjahanpur	2008-09	0.81	2009-10	1.75	0.94
	2009-10	4.42	2010-11	5.01	0.59
Varanasi	2009-10	2.62	2010-11	3.14	0.52

Appendix 3.15

Statement showing temporary inter-scheme transfers

(Reference: Paragraph no. 3.9.2.4; page 46)

(₹ in crore)

Sl. No.	District	Year	Inter-scheme transfer		Amount
			From	To	
1.	Allahabad	2008-09	RCH Flexipool	Mission Flexipool	0.25
2.	Bareilly	2007-08	Mission Flexipool	RCH Flexipool	0.10
3.	Budaun	2007-08	Mission Flexipool	RCH Flexipool	0.02
4.		2007-08	Mission Flexipool	RCH Flexipool	0.40
5.		2007-08	Mission Flexipool	RCH Flexipool	0.10
6.		2007-08	Mission Flexipool	RCH Flexipool	0.25
7.		2007-08	Mission Flexipool	RCH Flexipool	0.55
8.		2007-08	RCH Flexipool	Mission Flexipool	0.50
9.		2007-08	Mission Flexipool	RCH Flexipool	0.01
10.		2008-09	Mission Flexipool	RCH Flexipool	0.10
11.		2008-09	RCH Flexipool	Mission Flexipool	0.10
12.		2008-09	Mission Flexipool	RCH Flexipool	0.68
13.		2008-09	Mission Flexipool	RCH Flexipool	0.24
14.		2008-09	Mission Flexipool	RCH Flexipool	0.19
15.		2008-09	Mission Flexipool	RCH Flexipool	0.10
16.		2008-09	Mission Flexipool	RCH Flexipool	0.15
17.		2008-09	RCH Flexipool	Mission Flexipool	0.01
18.		2008-09	RCH Flexipool	Mission Flexipool	0.15
19.		2009-10	Mission Flexipool	RCH Flexipool	0.25
20.		2009-10	RCH Flexipool	Mission Flexipool	0.25
21.	Bulandshahar	2007-08	Mission Flexipool	Immunisation	0.01
22.		2007-08	Mission Flexipool	RCH Flexipool	0.01
23.		2008-09	RCH Flexipool	Mission Flexipool	0.2
24.		2009-10	RCH Flexipool	Mission Flexipool	0.17
25.		2009-10	RCH Flexipool	Mission Flexipool I	0.15
26.	Deoria	2008-09	RCH Flexipool	Mission Flexipool	0.01
27.		2009-10	Mission Flexipool	RCH Flexipool	0.22
28.		2010-11	RCH Flexipool	Mission Flexipool	1.00
29.		2010-11	RCH Flexipool	Mission Flexipool	0.26
30.		2010-11	Mission Flexipool	RCH Flexipool	1.26

31.	Jaunpur	2007-08	Mission Flexipool	Immunisation	0.32
32.		2007-08	RCH Flexipool	Mission Flexipool	0.05
33.		2007-08	Mission Flexipool	Immunisation	0.01
34.		2008-09	RCH Flexipool	Immunisation	0.32
35.	Kanpur Nagar	2009-10	Mission Flexipool	RCH Flexipool	0.02
36.		2010-11	Mission Flexipool	RCH Flexipool	0.01
37.	Raebareli	2007-08	RCH Flexipool	Mission Flexipool	1.53
38.		2008-09	RCH Flexipool	Mission Flexipool	1.56
39.	Shahjahanpur	2007-08	Mission Flexipool	Immunisation	0.28
40.		2007-08	Mission Flexipool	Immunisation	0.28
41.		2007-08	Immunisation	Mission Flexipool	0.28
42.		2008-09	Mission Flexipool	RCH Flexipool	0.32
43.		2008-09	RCH Flexipool	Mission Flexipool	0.32
44.		2008-09	RCH Flexipool	Mission Flexipool	0.65
45.		2008-09	Mission Flexipool	DHS	0.30
46.		2008-09	Mission Flexipool	RCH Flexipool	0.65
47.		2008-09	Mission Flexipool	DHS	0.20
48.	Varanasi	2007-08	Mission Flexipool	Immunisation	0.27
				Total	**15.06**

Appendix 4.1

Status of infrastructure at physically inspected completed Sub centres at Blocks in the years 2008-09 to 2010-11.

(Reference: Paragraph no. 4.4.2; page 54)

Name of District/Blocks	Total sub centre	Sub centres	Infrastructural Attributes						
			Environment/ Cleanliness	Water supply	Water storage facility	Electricity	Approach road	Presence of ANM	Site Selection
Agra/Achnera	03	Gopau	x	√	x	x	√	x	√
		Janutha	x	√	x	x	√	x	x
		Lohkarera	x	√	x	x	√	x	√
Allahabad/Mauaima	04	Dubahi	x	x	x	x	√	√	x
		Jogipur Siswan	x	x	x	x	x	x	x
		Pasiyapur	x	x	x	x	x	x	x
		Sujnipur Dadauli	x	x	x	x	√	x	√
Azamgarh /Bilariyaganj	06	Jolhapur	x	x	x	x	x	√	x
		Kandhrapur	x	√	x	x	x	√	x
		Kapsa	x	x	x	x	x	√	x
		Khalispur	x	√	x	x	x	√	x
		Patila Gauspur	x	x	x	x	x	√	x
		Vasti	x	√	x	x	√	√	√
Budaun/Rajpura	05	Chandu Nagla	x	√	√	x	x	x	x
		Chaupur Danda	x	√	√	x	x	x	x
		Harfari	x	√	√	x	x	x	x
		Sidhauli Kallu	√	√	√	x	√	x	√
		Tumaria Ghat	√	√	√	x	x	x	√
Ballia/Pandah	01	Jagdara	x	√	x	x	x	√	x
Bareilly/Bhojipura	09	Attapatti	√	√	√	x	√	√	√
		Bhairpura	x	√	√	x	x	√	√
		Faridpurramcharan	√	√	√	x	√	√	x

		Majra Gangapur	x	√	√	x	√	x	√
		Majra Gautiya	x	x	√	x	√	√	√
		Mamoorgotiya	x	√	√	x	√	√	x
		Mudiyachetram	x	√	√	x	x	√	x
		Patti Biharipur	x	√	√	x	√	x	√
		Safri	x	x	√	x	√	x	√
Etah/Aliganj	09	Akbarpur	√	√	x	x	√	x	x
		Dadhingara	√	√	x	x	√	x	√
		Fersoli	x	√	x	x	√	x	√
		Kalinjar	x	√	x	x	√	x	√
		Pahara	√	√	x	x	√	x	√
		Rampur	√	√	x	x	√	x	√
		Tajpur Adda	x	√	x	x	x	x	√
		Ubhai	√	√	x	x	√	x	√
		Vijai Devpur	x	√	x	x	√	x	√
Gorakhpur/Brahmpur	03	Pachdeori	√	x	x	x	√	√	√
		RajiVishvanathpur	√	x	x	x	√	√	√
		Singhpur Sahsarab	x	x	x	x	√	√	√
Jalaun/Konch	05	Baraundha Kala	x	x	x	x	√	x	√
		Bharsunda	√	√	x	x	x	√	√
		Chandani	√	√	√	x	x	x	√
		Launa	x	x	x	x	x	x	x
		Nari	√	√	√	x	√	√	√
Jaunpur /Sikrara	01	Dehjuri	√	√	x	x	√	√	√
Jhansi/Bangara	05	Bhitaura	x	x	x	x	x	x	x
		Katera	√	x	√	√	x	√	√
		Luhari	x	x	x	x	√	x	x
		Ninaura	x	√	√	x	√	x	√

		Ranipur	x	x	x	x	x	x	√
Kushi Nagar /Hata	00		-	-	-	-	-	-	-
Lucknow/Kakori	06	Kuda Intgaon	x	√	x	x	x	x	x
		Mahipatmau	√	√	x	x	x	x	√
		Mujaffarnagar Plaiya	x	√	x	x	√	x	√
		Sarosa_Bharosa	√	√	x	x	√	x	√
		Shahpur Bhaliya	x	√	x	x	√	x	√
		Sikrori	x	√	x	x	x	x	√
Mirzapur/Kone	01	Semra	x	x	x	x	x	x	x
Raebareli/Salon	02	Pershurampur Thkahi	√	√	√	x	√	x	√
		Purechandrikabaksh	√	√	√	x	√	x	√
Unnao/Banagamau	05	Atardhani	x	√	x	x	√	x	√
		Pidna	x	√	x	x	x	x	x
		Ramdeenkheda	x	√	x	x	x	x	x
		Tajpur	x	√	x	x	√	x	√
		Utmanpur	x	√	x	x	√	x	√
Varanasi/Araziline	02	Gurdaspur	√	√	x	x	√	√	√
		Rupapur	√	√	x	x	√	√	√
Total	**67**		**45**	**19**	**47**	**66**	**27**	**44**	**24**
Per cent			**67**	**28**	**70**	**98**	**40**	**65**	**36**

Note: √ = Good X = Poor/Bad

Appendix 4.2

Status of infrastructure at physically inspected completed JSY Wards completed at Blocks in the years 2008-09 to 2010-11

(Reference: Paragraph no. 4.4.2; page 54)

Name of District/ Blocks	Name of JSY Wards	Infrastructural Attribute						
		Environment/ Cleanliness	Water supply	Water storage facility	Electricity	Approach road	Presence of ANM	Site selection
Agra/Achnera	Achnera	√	√	√	√	√	√	√
	Runnaka	√	√	√	√	√	√	√
Allahabad/Mauaima	Mauaima	x	x	x	√	√	√	√
Azamgarh/Bilariya ganj	00	-	-	-	-	-	-	-
Budaun/Rajpura	00	-	-	-	-	-	-	-
Ballia/Pandah	00	-	-	-	-	-	-	-
Bareilly/Bhojipura	Bhojupura	√	√	√	√	√	√	√
Gorakhpur/Brahmpur	Brahmpur	x	√	√	x	√	√	√
Etah/Aliganj	00	-	-	-	-	-	-	-
Jalaun/konch	Pindari	√	x	x	x	√	√	√
Jaunpur/Sikrara	Sikrara	√	√	√	√	√	√	√
Jhansi/Bangara	Ranipur	x	x	x	x	√	x	√
	Sakrar	x	x	x	x	√	x	x
Kushi Nagar/Hata	00	-	-	-	-	-	-	-
Lucknow/Kakori	Badagaon	x	x	x	x	√	√	√
	Fatehganj	√	√	√	√	√	√	√
Mirzapur/Kone	Chilh	X	X	x	x	√	√	√
	Kamasin	x	x	x	x	√	√	√
Raebareli/Salon	Karahiya	√	√	√	√	√	√	√
	Soochi	√	√	√	√	√	√	√
Unnao/Banagarmau	00	-	-	-	-	-	-	-
Varanasi/Araziline	Gangapur	√	√	√	√	√	√	√
	Rajatalab	√	√	√	√	√	√	√
Total	**17**	**07**	**07**	**07**	**07**	**-**	**02**	**01**
Per cent		***41***	***41***	***41***	***41***	**-**	**12**	**06**

* In Azamgarh/Bilariyaganj, Etah/Aliganj and Kushi Nagar/Hata no JSY Ward was constructed during the said period. Incomplete in Ballia/Pandah, Budaun/Rajpura, Mirzapur/Kone (Tilthi) and Unnao/Banagarmau

Appendix 4.3

Status of Sub centres stated to be complete physically inspected (October 2011) in 17 test checked districts

(Reference: Paragraph no. 4.5.3; page 59)

Sl. No.	Districts/ Blocks	No. of sub-centres taken up for construction			Complete and handed over			Status	Remark			Agency
		08-09	09-10	10-11	08-09	09-10	10-11	Functional/ Non-functional	08-09	09-10	10-11	
1	Agra/ Achnera	1	3	2	0	3	0	Non-functional	Lack of water & external electric connection Boundary wall not constructed	Lack of water & external electric connection	Under construction	PACCFED
2	Allahabad/ Mauaima	0	4	7	0	4	0	Non-functional	Nil	Lack of external electric & water connection. Approach road & non-deployment of ANM	Lack of external electric & water connection. Approach road & non-deployment of ANM	PACCFED
3	Azamgarh/ Bileriaganj	0	6	4	0	6	0	Non-functional	Nil	Lack of external electric connection, approach road, poor site selection etc	Nil.	PACCFED - 06 in 09-10. LACCFED-04 in 10-11
4	Budaun/ Rajpura	0	7	0	0	5	0	Non-functional.	Nil	Lack of external electric connection, poor approach road	Nil	PACCFED
5	Ballia/ Pandah	0	2	3	0	1	0	Non-functional.	Nil	No approach road and lack of external electric connection	Under construction	LACCFED-03 UPPCL-02
6	Bareilly/ Bhojipura	0	9	0	0	9	0	03-Functional & 06 – Non-functional.	Nil	Lack of external connection, poor approach road & far from inhabited area.	Nil	UPPCL

7	Etah/ Aliganj	5	11	0	0	9	0	Non-functional	Lack of external electric connection; tube-lights, fans not fitted; one sub-centre Khairpura is far from inhabited area; and unautorised possession in Ghevaiya sub-centre	Lack of external electric connection; tube-lights, fans not fitted; and unautorised possession in Vijai Devpur, Fursoli, Akbarpur, Dadhingra Pahra sub-centres.	Nil	05 sub-centres by VHSC in 08-09. PACCFED in 09-10
8	Gorakhpur/ Brahmpur	0	3	11	0	3	0	Functional : 03 sub-centres in 09-10	Nil	Functional	Under construction	03 sub-centres by PACCFED in 09-10. 11 sub-centres by LACCFED in 10-11
9	Jalaun/ Konch	5	1	0	4	1	0	02 - Non-functional in Chandni, Baroudha Kala in 08-09 02- functional	Lack of external electric connection, non -posting of ANM, Work not started in 01 sub-centre due to land dispute	Lack of external electric connection & non- posting of ANM	Nil	PACCFED for 09-10
10	Jaunpur/ Sikrara	0	1	8	0	1	0	Non-functional	Nil	Lack of external electric connection; tube-lights, fans not fitted	Under construction	PACCFED
11	Jhansi/ Bangara	4	2	0	3	2	0	Only one sub-centre in Katera-2 was functional, 04 were non-functional	Non-deployment of ANM & one sub-centre in Dhauda is incomplete due to land dispute	One sub-centre in Ranipur is non-functional due to lack of External electric connection & non-deployment of ANM	Nil	PACCFED
12	Kushi Nagar/ Hata	0	1	0	0	0	0	Non-functional	Nil	Under construction.	Nil	PACCFED
13	Lucknow/ Kakori	0	6	0	0	6	0	Non-functional	Nil	Lack of external electric connection, poor approach road and internal wiring damaged	Nil	PACCFED

14	Mirzapur/ Kone	0	1	0	0	1	0	Non-functional	Nil	Lack of external electric & water connection, approach road & non-deployment of ANM	Nil	PACCFED
15	Raebareli/ Salon	0	2	0	0	02	0	Non-functional	Nil	Lack of external electric connection & internal wiring damaged	Nil	PACCFED
16	Unnao/ Bagaemau	0	5	5	0	5	0	Non-functional - 05 SCs of 09-10 & 06 SCs of 10-11 were under construction	Nil	Lack of external electric connection & internal wiring damaged	Work is under construction	PACCFED
17	Varanasi/ Araziline	0	4	2	0	2	0	Non-functional 02 SCs (Dhampur & Gauramadhukar shahpur) for09-10 were incomplete (plaster work in progress).	Nil	Lack of external electric connection & tube-lights, fans not fitted	Work is under construction	PACCFED

*58 cub-centres were completed and handed over but not functional due to lack of external electric connection, water connection, non-presence of ANM etc.

** Total 125 Sub centres were physically inspected during joint physical verification in 17 test checked districts.

Appendix 4.4

Details of JSY wards

(Reference: Paragraph no. 4.5.3; page 59)

Sl. No.	Name of district/ Block	No. of JSY Wards year wise		Completed and handed over		Status	Remark		Agency
		09-10	10-11	09-10	10-11	Functional/ Non-functional.	09-10	10-11	
1	Agra/Achnera	2	0	2	0	Functional	Functional.	Nil.	PACCFED
2	Allahabad/Mauaima	1	0	0	0	Functional	Functional but not handed over.	Nil.	PACCFED
3	Azamgarh/Bilariyaganj	0	0	0	0	Nil	Nil	Nil	Nil
4	Budaun/Rajpura	1	0	0	0	Non-functional	Work was under construction.	Nil	PACCFED
5	Ballia/Pandah	1	0	0	0	Non-functional	Due to non-handover of building.	Nil	PACCFED
6	Bareilly/Bhojipura	1	0	1	0	Functional	Nil.	Functional	PACCFED
7	Etah/Aliganj	0	0	0	0	Nil	Nil.	Nil	Nil
8	Gorakhpur/Brahmpur	1	0	1	0	Non-functional	Material mentioned in inventory was not fitted & lack of electric connection	Nil	PACCFED
9	Jalaun/Konch	1	0	1	0	Non-functional	Nil.	Lack of external electric connection.	PACCFED
10	Jaunpur/Sikrara	0	1	0	0	Non-functional	Nil	Non-handing over of building	PACCFED
11	Jhansi/Bangra	2	0	2	0	Non-functional	Nil		PACCFED
12	Kushi Nagar/Hata	0	0	0	0	Nil	Nil	Nil	Nil
13	Lucknow/Kakori	2	0	0	0	Non-functional	Internal electrical works not done & JSY ward at PHC, Budaun is under construction	Nil	PACCFED
14	Mirzapur/Kone	3	0	0	0	Non-functional	Non-deployment of ANM, connecting corridor not made, lack of electric/water connection	Nil	PACCFED
15	Raebareli/Salon	2	0	2	0	Functional	Nil		PACCFED
16	Unnao/Bangarmau	0	1	0	0	Non-functional	Incomplete	Only civil work completed	PACCFED
17	Varanasi/Araziline	0	2	0	0	Non-functional	Nil	Non-handing over of building	PACCFED

* 04 JSY ward was completed and handed over but not functional.

Appendix 4.5

Non-operational physically inspected completed Sub centres (October 2011)

(Reference: Paragraph no. 4.6; page 60)

District/Block	Non-operational completed Sub centres					
	91-180 days	No. of SCs	181-365 days	No. of SCs	More than one year	No. of SCs
Agra/Achnera	Gopau, Janutha, Lohkarera	03	-	00	-	00
Allahabad/Mauaima	-	00	Dubahi, Jogipur - Siswa,, Pasiapur, Sujanpur	04	-	00
Azamgarh/ Bilariyaganj	-	00	Vasti	01	Jolhapur, Kandhrapur, Kapsa, Khalispur, Patila-Gauspur	05
Budaun/Rajpura	-	00	Chandu Nagla, Chaupr Doda, Hasfari, Sidhauli Kallu, Tumaria Ghat	05	-	00
Ballia/Pandah	-	00	Jagdara	01	-	00
Bareilly/Bhojpura	-	00	-	00	Bhairpur, Majhaua - Gangapur, Mudia-chetram, Mudia Hafiz, Patti-Bihanpur, Safri	06
Etah/Aliganj	Akbarpur, Dhatingra, Kalinger, Pahra, Pharsoli, Rampur, Tajpur Adda, Ubhai, Vijay Deopur	09	-	00	-	00
Jalaun/Konch	-	00	Baraudha Kala, Chandani	02	Launa	01
Jaunpur/Sikrara	-	00	Dehjuri	01		00
Jhansi/Bangara	Luhari	01	Bhitaura, Ninaura, Ranipur	03	-	00
Lucknow/Kakori	-	00	Shahpur -Bhaliya, Muzaffarnagar - Paliya, Kuda Intagaon, Sarosa-Bharosa,	04	Mahipat Mau, Sikrori	02
Mirzapur/Kone	-	00	Semra	01	-	00
Raebareli/Salon	-	00	-	00	Purechandrikabaksh, Parshurampur Thikahi	02
Unnao/Bangarmau	-	00	-	00	Tajpur, Utmanpur, Ramdeenkheda, Pidna, Atardhani	05
Varanasi/Araziline	-	00	Roopapur, Gurudaspur	02	-	00
	Total	**13**	**Total**	**24**	**Total**	**21**

Appendix 4.6

Non-operational physically inspected completed JSY wards (October 2011)

(Reference: Paragraph no. 4.6; page 60)

District/ Block	01-90 (Days)	91-180 (Days)	181-365 (Days)
Gorakhpur/Brahmpur	-	-	Brahmpur
Jhansi/Bangra	-	Ranipur	Sakrar
Jalaun/Koanch	-	-	Pindari
Total	**Nil**	**01**	**03**

Appendix 4.7

Excess release of funds for 2908 Sub centres – 2009-10

(Reference: Paragraph no. 4.8.2; footnote-10; Page 64)

(In ₹)

Plinth Area Rate as per PWD				PACCFED			UPPCL		
Items	**Rate/ m^2**	**Area (m^2)**	**Amount**	**Rate/ m^2**	**Area (m^2)**	**Amount**	**Rate/ m^2**	**Area (m^2)**	**Amount**
Cost for civil work	5749	74.89	430542.61	7881.21	74.89	590223.64	7151.03	74.89	535540.84
Cost of internal water supply & sanitation	5% cost of civil work		21527.13	-	-	45463.00	-	-	37730.00
Cost for internal/ external electrification	12.50 % cost of civil work		53817.88	-	-	36264.00	-	-	31183.00
Cost for external w/s and sanitation	5% cost of civil work		21527.13	-	-	36000.00	-	-	29288.11
Anti-termite treatment *	189	74.89	14154.21	172	10.23	1758.92*	172	74.89	12881.08*
Boundary wall and gate	2058	23 RM	52334.00 (including gate)	-	-	5000.00 (only gate)	-	-	69593.11
Cost of hand-pump (India Marka II)	-	-	30000.00	-	-	30000.00	-	-	27500.00
Cost for engineering appreciation	-	-	-	-	-	-	-	-	12341.85
Cost of Work	-	-	623902.96	-	-	742950.64	-	-	743177.00
Less 5% due to work done by department	-	-	31195.15	-	-	37147.53	-	-	37158.85
Total			592707.81			705803.11			706018.15
Add 12.50% for centage charges	-	-	74088.48	-	-	88225.39	-	-	88252.26
Total			666796.29			794028.50			794270.04
Cost for external electrification	Already included above			-	-	25000.00	-	-	25000.00
Grand Total			**666796.29 Say 6.67 lakh**			**819028.50 8.19 lakh**			**819270.00 8.19 lakh**
Total cost required	**₹ 6.67x2908** Sub centres= **₹ 19396.36 lakh** **₹ 8.19x2908** Sub centres = **₹ 23816.52 lakh** **Difference = ₹ 4420.16 lakh**								

* In estimate of construction agencies item of anti-termite included in cost of civil work (Sl. No. 1)

Note: Details of amount released in the year 2009-10 ₹ 18977.34 lakh (PACCFED), and ₹ 5022.40 lakh (UPPCL) = ₹ 23999.74 lakh, whereas amount required as per estimate was ₹ 23816.52 lakh.

Appendix 4.8

Excess release of funds for 1756 Sub centres – 2010-11

(Reference: Paragraph no. 4.8.2; footnote-10; page 64)

(in ₹)

Sl. No.	Plinth area rate as per PWD				PACCFED			LACCFED		
	Items	Rate/ (m^2)	Area (m^2)	Amount	Rate/ (m^2)	Area (m^2)	Amount	Rate/ (m^2)	Area (m^2)	Amount
1.	Cost for Civil Work	5980	74.89	447842	7230.20	74.89	541469	7230.20	74.89	541469
2.	Cost of Internal W/S & Sanitation	5% cost of civil work		22392	-	-	46295	-	-	46295
3.	Cost for internal /external electrification	12.50 % cost of civil work		55980	-	-	34054	-	-	34054
4.	Cost for external w/s and sanitation	5% cost of civil work		22392	-	-	33200	-	-	33200
5.	Anti-termite treatment	200	74.89	14978	-	-	14154	-	-	14154
6.	Boundary wall and gate	2058	23 RM	52334	-	-	58345	-	-	58345
7.	Cost of hand-pump (India Marka II)	-	-	30000	-	-	30000	-	-	30000
8.	Cost of Work	-	-	645918	-	-	743364	-	-	743364
9.	Less 5% due to work done by department	-	-	32296	-	-	37168	-	-	37168
10.	**Total**	-	-	613622	-	-	706195	-	-	706195
11.	Add 12.50% for centage charges	-	-	76703	-	-	88274	-	-	88274
12.	**Total**	-	-	690325	-	-	794470	-	-	794470
13.	Cost for external electrification	Already included in Sl. No. 3 above			-	-	25000	-	-	25000
14.	**Grand Total**			**690325**	-	-	**819470**	-	-	**819470**
15.	**Total cost required**	**₹ 6.90x1202** Sub centres = **₹ 8293.80 lakh (PACCFED)** **₹ 6.90x554 total SCs = ₹ 3822.60 lakh (LACCFED)** **Total required cost = ₹ 12116.40 lakh** **As per estimate ₹ 8.19 lakh x 1756 = ₹ 14381.64 lakh** **Difference - ₹ 14381.64 – ₹ 12116.40 = ₹ 2265.24 lakh**									

Note: Details of Amount released in the year 2010-11: ₹ 9858.46 lakh (PACCFED), and ₹ 4537.26 lakh (LACCFED) = ₹ 14395.72 lakh, but required amount as per estimate was ₹ 14381.64 lakh.

Appendix 4.9

Excess release of funds for 942 Janani Suraksha Yojna Wards in 2009-10 as per Plinth Area Rate of PWD, effective from 01.01.2009

(Reference: Paragraph no 4.8.2.; footnote-10; page 64)

(in ₹)

Sl. No.	Name of work	Qty.	Unit	Rate (PWD)	Rate (PACCFED)	Cost as per column (5)	Cost as per column (6)	Difference (7-8)
1	2	3	4	5	6	7	8	9
1	Civil work	50	(m^2)	5749	7482	287450	374100	-86650
2	Additional plinth height (0.15 m)	50	(m^2)	103	103	5150	5150	0
3	Additional Ceiling height (0.15m)	50	(m^2)	103	103	5150	5150	0
4	Anti-termite treatment	50	(m^2)	189	189	9450	9450	0
5	Additional provision for ward	50	(m^2)	685	685	34250	34250	0
6	Earthquake resistance	50	(m^2)	0	257	0	12850	-12850
7	Internal W/S and sewage work (5% of civil work)	-	-	-	-	14372.5	22048	-7675.5
8	External W/S and sewage work (5% of civil work)	-	-	-	-	14372.5	22048	-7675.5
9	External site development (5% of civil work)	-	-	-	-	14372.5	22048	-7675.5
10	Internal wiring (12.50 % of civil work)	-	-	-	-	35931.25	55119	-19187.75
11	Power wiring (4% of civil work)	-	-	-	-	0	17638	-17638
12	Connecting corridor	-	-	-	-	50000	50000	0
	Total 1-12	-	-	-	-	**470498.75**	**629851**	**-159352.3**
13	6.875% as centage charges (on total of Sl. No. 1-12)	-	-	-	-	32346.79	43302	-10955.21
14	Bed (06)	-	-	-	-	72000	72000	0
15	TV, DVD	-	-	-	-	25000	25000	0
					Total	**599845.54**	**770153**	**-170307.5**
						Say 599845	**Say 770000**	**Say 170155**

Note: There was an over estimation of ₹ 1,70,155/- in construction of each JSY ward. Hence, the total over estimation in construction of 942 JSY wards was ₹ 16,02,86,010 (₹ 170155x942)
***Estimated cost ₹ 7.70 lakh per JSY Ward.**

Appendix 4.10

Excess provision in Preliminary Estimate (PE) of Drug Warehouse

(Reference: Paragraph no 4.8.2.; footnote-10; Page 64)

Sl. No.	Item	Qty.	Unit	PAR of PWD effective from 01.01.09	PE Rate	Cost as per Column (5)	Cost as per Column (6)	Difference (7-8)
1	2	3	4	5	6	7	8	9
1	Civil work	287.39	(m^2)	6521	6521	1874070.19	1874070.19	
2	Additional plinth height (0.15 m)	287.39	(m^2)	103	103	29601.17	29601.17	-
3	Additional ceiling height (0.80 m)	287.39	(m^2)	550	550	158064.50	158064.50	-
4	Anti- termite treatment	287.39	(m^2)	189	189	54316.71	54316.71	-
5	Provision for extra module of 35 sqm	287.39	(m^2)	618	618	177607.02	177607.02	-
6	Fire fighting	287.39	(m^2)	532	532	152891.48	152891.48	-
7	Earthquake resistance	287.39	(m^2)	0	257	0.00	73859.23	-
8	Internal W/S and sewage work (5% of civil cost)	-	-	-	-	93703.00	93703.00	-
9	External W/S and sewage (5% of civil cost)	-	-	-	-	93703.00	93703.00	-
10	External site develop-ment (5% of civilz cost)	-	-	-	-	0.00	93703.00	-
11	Internal Electrification (12.5% of civil cost)	-	-	-	-	234258.77	234258.77	-
12	**Total**					**2868215.84**	**3035778.07**	-
13	Tube well and PVC tank (lump sum provision)	-	-	-	-	150000.00	150000.00	-
14	Boundary wall and Gate(lump sum provision)	-	-	-	-	300000.00	300000.00	-
15	**Total** (Sl. No. 12+13 +14) for column 7	-	-	-	-	3318215.84		
16	Less - provision for construction unit 5% for column 7	-	-	-	-	165910.70		
17	**Total** (Sl. No.15-16) for column 7	-	-	-	-	3152305.04		
18	Add - centage charges @ 12.5%	-	-	-	-	394038.00		
19	**Total** (Sl. No.17+18) for column 7	-	-	-	-	3546343.17		

20	15 KVA Gen Set with canopy	-	-	-	-	250000.00	250000.00	-
21	Exhaust fan (24 inch in 08 no. @ Rs. 6000/-)	-	-	-	-	48000.00	48000.00	-
22	1.5 tonne window AC with stabiliser (03 @ Rs. 20000)	-	-	-	-	60000.00	60000.00	-
23	Wall mounted air circulator (24 inch , 08 in no.@ Rs. 6000)	-	-	-	-	48000.00	48000.00	-
24	Extra provision for construction of excess load bearing capacity floor	-	-	-	-	0.00	50000.00	-
25	**Total (Sl. No. 19+20 +21+22+23+24 for column 7 and Sl. No. 12+13+4+20 +21+22+23+24 for column 8)**	-	-	-	-	**3952343.17**	**3941778.07**	-
26	Contingency @ 2%	-	-	-	-	0.00	79000.00	-
27	**Total (Sl. No. 25+26 for column 7 & 8)**	-	-	-	-	**3952343.17**	**4020778.07**	-
28	Less - 5% provision for construction unit	-	-	-	-	**0.00**	**197000.00**	-
29	**Total (Sl. No. 27-28 for column 7 & 8)**	-	-	-	-	**3952343.17**	**3823778.07**	-
30	Add - centage charges @ 12.5%	-	-	-	-	0.00	478000.00	-
31	External electric connection	-	-	-	-	25000.00	25000.00	-
32	Rain water harvesting system	-	-	-	-	0.00	275000.00	-
	Total (Sl. No. 29+30 +31+32 for column 7 & 8)	-	-	-	-	**3977343.17**	**4601778.07**	**-624434.90**
	*** 12.5% centage was charged on ₹ 31,52,305.04/- excluding item of Sl. No. 20,21,22,23 and 24 for column 7 for being proprietary item**							
	As per details, given in the above table, the excess provision of items of ₹ 624434.90 is in each Drug Warehouse as mentioned in sanctioned PE. Hence the excess provision for 30 Drug Warehouse was ₹ 18733047/- i.e. ₹ 1.87 crore.							

Appendix 4.11

Excess Release of funds for 11 RFPTCs

(Reference: Paragraph no. 4.8.2; footnote-10; page 64)

Sl. No.	Item	Area/ Unit	Rate as per plinth area rate of PWD (effective from 01-01-2009) (in ₹)	Amt. (in ₹)	Rate as per model estimate of Executing Agency (per sqm) (in ₹)	Amt. (in ₹)	Difference in Rate (in ₹)	Difference in amount (in ₹)
1	Civil work	1050/sqm	6521	6847050	7688	8072400	1167	1225350
2	Additional plinth height (0.30m)	1050/sqm	206	216300	361	379050	155	162750
3	Additional ceiling height (0.30 m)	1050/sqm	206	216300	361	379050	155	162750
4	Additional termite treatment	1050/sqm	189	198450	206	216300	17	17850
5	Fire fighting system	1050/sqm	532	558600	532	558600	Nil	Nil
6	Anti-earthquake resistance	1050/sqm	257	269850	721	757050	464	487200
	Total			8306550		10362450		**2055900**
7	Add 6.875% centage charge							**141343**
8	**Total**							**2197243**
9	**Grand Total**							**2197243 x 11 = 24169673**
10	**Total excess release in r/o 11 RFTCs**							**₹ 2.42 crore**

Appendix 4.12

Excess expenditure due to incorrect SoR (Schedule of Rates)

(Reference: Paragraph no. 4.8.3; page 66)

(₹ in lakh)

District	Agency	Year	Buildings	No.	Released Amount	Expenditure upto 6/11	Difference between estimate rate and Local SoR (₹)	Total Excess Amount (5)x(8)
1	2	3	4	5	6	7	8	9
Allahabad	PACCFED	2009-10 and 10-11	Sub centre	70	573.30	546.08	1,09,521.81 **Say ₹ 1.10 lakh**	268.40
				174	1425.06	309.48		
	PACCFED	2010-11	RFPTC	01	143.79	60.46	10,79.049.78 **Say ₹ 10.79 lakh**	10.79
	UPPCL	2009-10	District Male Hospital	01	327.55	247.00	39.55,114.13 **Say ₹ 39.55 lakh**	39.55
Mirzapur	PACCFED	2009-10	Sub centre	14	114.66	110.48	1,19,322.00 **Say ₹ 1.19 lakh**	16.66
	PACCFED	2009-10	JSY Ward	23	177.10	177.10	85,000.00 **Say ₹ 0.85 lakh**	19.55
Budaun	PACCFED	2009-10	Sub centre	85	717.40	679.42	94782.00 **Say ₹ 0.94 lakh**	79.90
Bareilly	UPPCL	2009-10	Sub centre	85	704.34	704.34	65143.87 **Say ₹ 0.65 lakh**	55.25
							Total	**490.10 Say ₹ 4.90 rore**

Appendix 4.13

Avoidable expenditure

(Reference: Paragraph no. 4.8.4; page 66)

(₹ in lakh)

Agency	Work	Number of works	Value of supply	Total Amount
PACCFED	JSY Ward	942	0.97	913.74
PACCFED	Upgradation of Hospital (MOT)	78	75.00	5850.00
UPPCL	Upgradation of Hospital (MOT)	36	75.00	2700.00
C&DS	Sitting places for patients in District Hospitals	134	10.00	1340.00
			Total	**10803.74**

Centage @ 12.50 per cent of ₹ 10803.74 = **₹ 1350.46 lakh or ₹ 13.50 crore**

Appendix 4.14

Detail of VAT deduction

(Reference: Paragraph no. 4.8.5 (c); page 67)

(₹ in crore)

Year	Name of Construction Agency	Released Amount	VAT amount to be deducted at the rate of *2 per cent*
2009-10	PACCFED	364.58	7.29
	UPPCL	286.71	5.73
	C&DS	51.96	1.04
2010-11	PACCFED	198.89	3.98
	LACCFED	45.37	0.91
Total		**947.51**	**18.95**

(**Source:** Fund release orders of DGNPME)

Appendix 4.15

Loss of interest on idle funds with construction agencies

(Reference: Paragraph no. 4.8.6 page 67)

(₹ in lakh)

Sl. No.	Year	Name of the agency	Numbers and name of the construction work	Released date	Balance as of June 2011	Period in completed months up to June 2011	Interest accrued up to March 2011 (3.5 *per cent* per annum of (6)x(7)/12
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	2009-10	PACCFED	2300 Sub centres	16.12.2009	690.51	18	36.25
2.			30 Drug Warehouses	16.12.2009	2.25	18	0.11
3.			21 CHCs	31.03.2010	2669.82	15	116.80
4.			11 RFPTC	27.03.2010	517.59	15	22.64
5.			04 ANMTC	27.03.2010	147.34	15	6.45
6.			942 JSY Wards	27.03.2010	265.15	15	11.60
7.		UPPCL	608 Sub centres	17.08.2009	76.31	22	4.90
8.			50 Upgradation of CHCs as per IPHS norms	03.09.2009	767.59	21	47.01
9.			40 Upgradation of District Level Hospitals as per IPHS norms	21.10.2009	4984.86	20	290.78
10.		C&DS	12 CHCs	31.03.2010	1760.17	15	77.01
11.	2010-11	PACCFED	89 Upgradation of District Level Hospitasl as per IPHS norms	01.03.2011	5228.85	04	61.00
12.			1202 Sub centres	01.03.2011	7900.54	04	92.17
13.			07- Divisional Drug Warehouses	01.03.2011	999.97	04	11.67
14.		LACCFED	554 Sub centres	01.03.2011	3126.86	04	36.48
			Total	**-**	**29137.81**	**-**	**814.87**

Appendix 4.16

Loss of interest due to release of funds without handing over site for construction

(Reference: Paragraph no. 4.8.6; page 67)

(₹ in lakh)

Sl. No.	Year	Name of the construction work	Number of works not commenced due to non-availability of land	Rate (as per PE)	Funds released in respect to Col. 5	Interest accrued upto August 2011 {(3.5 *per cent* per annum of (6)}
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2009-10	Sub centres	14	8.19	114.66	114.66x20/12x3.5/100 = 6.69
2		CHCs	01	321.39	321.39	321.39x20/12x3.5/100 = 18.74
3		Janani Suraksha Wards	05	7.70	38.50	38.50x17/12x3.5/100 =1.91
4		Regional Training Centres	01	143.79	143.79	143.79x17/12x3.5/100 =7.13
5	2010-11	Divisional Drug Warehouses	02	159.59	319.18	319.18x6/12x3.5/100 = 5.59
6		Sub centres	517	8.19	4234.23	4234.23x6/12x3.5/100 =74.09
		Total	**540**		**5171.75**	**114.15 Say ₹ 1.14 crore**

Appendix 4.17

Release of funds to inflate expenditure

(Reference: Paragraph no. 4.8.6; page 67)

(₹ in crore)

Sl. No.	Name of the work	Date of MoU	Release of fund by DGNPME	
			Date	Amount
1	Construction of 11 RFPTCs* in 11 districts	06.05.10	27.03.10	15.82
2	Extension work at 04 ANMTC** in 04 districts	06.05.10	27.03.10	4.96
3	Construction of 942 Janani Suraksha Wards in 71 districts	06.05.10	27.03.10	72.53
4	Upgradation of 89 district hospitals as per IPHS norms	28.01.11	13.10.10	89.00
5	Construction of 1202 sub-centres	05.03.11	01.03.11	98.58
6	Construction of 07 divisional Drug Warehouses in 07 districts	05.03.11	01.03.11	11.31
7	Construction of 554 Sub centres	05.03.11	01.03.11	45.37
	Total			**337.57**

* Regional Family Planning Training Centre

** ANM Training Centre

Appendix 4.18

Loss of interest on idle funds with construction agencies Interest accrued on amounts unspent with agencies as on 30.06.2011

(Reference: Paragraph no. 4.8.6; page 67)

(₹ in lakh)

Sl. No.	Year	Agency	Numbers and name of the construction work	Released date	Unspent balance as of June 2011	Period in completed month(s)	Interest accrued as of June 2011(3.5 *per cent* per annum of col (6)x(7)/12
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	2009-10	PACCFED	RFPTC – 11	27.03.2010	517.59	15	22.64
2.			ANMTC – 04	27.03.2010	147.34	15	6.45
3.			JSY Wards – 942	27.03.2010	265.15	15	11.60
4.	2010-11	PACCFED	Upgradation of District Level Hospital as per IPHS norms – 89	01.03.2011	5228.85	04	61.00
5.			Sub centres – 1202	01.03.2011	7900.54	04	92.17
6.			Divisional Drug Warehouses – 07	01.03.2011	999.97	04	11.67
7.		LACCFED	Construction of Sub centres – 554	01.03.2011	3126.86	04	36.48
				Total	**18186.30**		**242.01**

Say ₹ 2.42 crore

Appendix 4.19

Loss of interest on idle funds with construction agencies

Interest accrued between dates of fund release by DGNPME and date of MoU with PACCFED (as of June 2011)

(Reference: Paragraph no. 4.8.6; page 67)

(₹ in crore)

Sl. No.	Name of the work	Date of funds release by DGNPME	Date of MoU	Delay in days	Released amount	Interest accrued as of June 2011 {(3.5 *per cent* per annum of col (6)x(5)/365}
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Construction of 11 RFPTCs (in 11 districts)	27.03.2010	06.05.2010	41	15.82	0.062
2.	Extension works at 04 ANMTCs (04 districts)	27.03.2010	06.05.2010	41	4.96	0.019
3.	Construction of 942 JSY Wards (71 districts)	27.03.2010	06.05.2010	41	72.53	0.285
4.	Upgradation of 89 District level hospitals as per IPHS norms	13.10.2010	28.01.2011	260	89.00	2.219
5.	Construction of 1202 Sub centres.	01.03.2011	05.03.2011	03	98.58	0.028
6.	Construction of 07 Divisional Drug Warehouses in 07 districts.	01.03.2011	05.03.2011	03	11.31	0.003
7.	Construction of 554 Sub centres	01.03.2011	05.03.2011	03	45.37	0.013
				Total	**337.57**	**2.629 Say 2.63 crore**

Appendix 4.20

Penal liability of construction agencies for delayed work

(Reference: Paragraph no. 4.10; page 68)

(₹ in lakh)

Sl. No.	Building	Number	Date of handing over fixed by DGNPME	Number of works handed over by PACCFED	Unit cost as per Preliminary Estimate	Work in progress (June 2011)	Value of work in progress	Delay in number of days	Penalty (0.10 *per cent* of (8))	Total penalty due as of June 2011
1	2	3	4	5	6	7	8	9	10	11
1.	Sub centre	2300	10.02.2010	1980	8.19	306	2506.14	505	2.506	1265.53
2.	Drug Warehouse	30	05.05.2010	24	46.02	06	276.12	421	0.276	116.20
3.	CHC building	21	15.03.2011	0	321.39	19	6106.41	115	6.106	702.19
4.	JSY Ward	942	15.11.2010	554	7.70	383	2949.10	227	147.46[1]	147.46
						Total	**11837.77**			**2231.37**

[1] Limited to maximum 5 *per cent* of total cost as per MOU.

Appendix 4.21

Non-imposition of Penalty for Delay in construction of Sub centres

(Reference: Paragraph no. 4.10; page 68)

Year	Works	Start Date	Scheduled Completion Date	Actual Completion Date/Handing Over Date	Delay in completion (in days)	Penalty (in ₹)
Agra/Sampled Block – Achhnera						
2009-10	Gopau	03.11.09	02.03.10	15.05.11	437	357903
	Janutha	03.11.09	02.03.10	15.05.11	437	357903
	Lohkarera	03.11.09	02.03.10	15.05.11	437	357903
					Total	**1073709**
Allahabad/Sampled Block – Mauaima						
2009-10	Dubahi	01.12.09	01.04.10	03.03.11	330	270270
	Jogipur	02.12.09	02.04.10	03.03.11	330	270270
	Pasiapur	15.12.09	15.04.10	15.03.11	330	270270
	Sujanipur Dadauli	16.03.10	16.07.10	15.03.11	240	196560
					Total	**1007370**
Azamgarh/Sampled Block – Biliriyaganj						
2009-10	Jolhapur	22.12.09	21.4.10	30.06.10	68	55692
	Kandhrapur	22.12.09	21.4.10	01.07.10	69	56511
	Kapsa	22.12.09	21.4.10	30.06.10	68	55692
	Khalispur	22.12.09	21.4.10	15.07.10	83	67977
	Patila Gauspur	08.02.10	07.06.10	09.11.10	151	123669
	Vasti	22.12.09	21.4.10	03.01.11	251	205569
					Total	**565110**
Ballia/Sampled Block – Pandah						
2009-10	Jagdara	03.02.10	02.06.10	01.01.11	208	170352
	Sakarpura	02.11.09	01.03.10	Work in Progress	575	470925
					Total	**641277**
Budaun/Sampled Block – Rajpura						
2009-10	Chandu Nagla	30.10.09	01.03.10	28.03.10	27	22113
	Chaupur Dada	30.10.09	01.03.10	31.03. 10	30	24570
	Ekauna	06.10.09	05.02.10	Work in progress	238	194922
	Harfari	30.10.09	01.03.10	31.03.10	30	24570
	Molanpur	30.10.09	01.03.10	Work in progress	214	175266
	Sindhauli Kallu	30.10.09	01.03.10	28.03.10	27	22113
	Tumariaghat	30.10.09	01.03.10	31.03.10	30	24570
					Total	**488124**
Bareilly/Sampled Block – Bhojipura						
2009-10	Atta Patti	15.09.09	14.01.10	14.01.10	109	97461
	Majhau Gangapur	15.09.09	14.01.10	14.01.10	109	97461
	Mudia Hafiz	15.09.09	14.01.10	14.01.10	109	97461
	Mudiyachetram	15.09.09	14.01.10	14.01.10	109	97461
	Patti Biharipur	15.09.09	14.01.10	14.01.10	109	97461
	Safri	15.09.09	14.01.10	14.01.10	109	97461
					Total	**584766**

Etah/Sampled Block – Aliganj						
	Akbarpur	28.10.10	27.02.11	24.05.11	85	69615
	Dhatingra	16.12.09	15.04.10	14.07.11	455	372645
	Kalinjar	16.12.09	15.04.10	14.07.11	455	372645
2009-10	Nawar	30.01.10	31.05.10	Work in progress	487	398853
	Pahra	30.12.09	30.04.10	14.07.11	440	360360
	Pharsoli	16.12.09	15.04.10	14.07.11	455	372645
	Rampur	29.09.10	28.01.11	24.05.11	115	94185
	Sumor	16.12.09	15.04.10	Work in progress	533	436527
	Tajpur Adda	30.12.09	30.04.10	14.07.11	440	360360
	Ubhai	16.12.09	15.04.10	14.07.11	455	372645
	Vijaydevpur	16.12.09	15.04.10	14.07.11	455	372645
					Total	**3583125**
Gorakhpur/Sampled Block – Brahmpur						
2009-10	Pachdeori	04.12.09	04.04.10	20.12.10	260	212940
	RajiVishwanathpur	02.03.10	02.07.10	20.12.10	171	140049
	Singhpur Sahsarab	15.02.10	15.06.10	20.12.10	188	153972
					Total	**506961**
Jalaun/Sampled Block – Konch						
2009-10	Launa	04.02.10	04.06.10	13.08.10	69	59340
					Total	**59340**
Jhansi/Sampled Block – Bangra						
2009-10	Katera	20.10.09	20.02.10	15.05.10	83	71380
	Ranipur	20.10.09	20.02.10	15.05.11	83	71380
					Total	**142760**
Jaunpur/Sampled Block – Sikrara						
2009-10	Dehjuri	02.10.09	02.02.10	20.10.2011	602	493038
					Total	**493038**
Kushi Nagar/Sampled Block – Hata						
2009-10	Karwha	09.02.10	09.06.10	Work in progress	478	391482
					Total	**391482**
Lucknow/Sampled Block – Kakori						
2009-10	Kuda Etgaon	16.12.09	15.04.10	20.10.10	188	153972
	Mahipatmau	16.12.09	15.04.10	15.10.10	183	149877
	Muzzafarnagar Paliya	17.12.09	16.04.10	20.10.10	187	153153
	Sarosa-Bharosa	26.03.10	25.07.10	21.10.10	88	72072
	Shahpur Bhaliya	03.01.10	02.05.10	20.10.10	171	140049
	Sikrori	16.12.09	15.04.10	18.07.10	94	76986
					Total	**746109**
Mirzapur/Sampled Block – Kone						
2009-10	Semra	26.11.09	26.03.10	25.10.10	210	171990
					Total	**171990**
Raebareli/Sampled Block – Salon						
2009-10	Purechandrika Baksh	25.11.09	24.03.10	25.06.10	93	82119
					Total	**82119**

Unnao/Sampled Block – Bangarmau						
2009-10	Utmanpur	14.12.09	13.04.10	16.09.10	156	137748
	Pidna	12.11.09	11.03.10	16.09.10	189	166887
	Ramdeen Khera	14.12.09	13.04.10	16.09.10	156	137748
	Tajpur	14.12.09	13.04.10	16.09.10	156	137748
	Atardhani	14.12.09	13.04.10	06.09.10	146	128918
					Total	**709049**
Varanasi/Sampled Block – Araziline						
2009-10	Gauramadhukar Shahpur	21.03.10	21.07.10	Work in progress	435	356265
	Ghamhapur	20.02.10	20.06.10		436	357084
	Gurudaspur	21.03.10	21.07.10	31.03.2011	250	204750
	Roopapur	27.09.09	26.01.10	15.01.2011	355	290745
					Total	**1208844**
					Grand Total	**12455173**

Non-imposition of Penalty
Delays in construction of JSY Wards

Year	Name of work	Start Date	Scheduled Completion Date	Actual Completion Date/Handing Over Date	Delay in completion (in days)	Penalty (in ₹)
Agra/Sampled Block – Achnera						
2009-10	Runkata	04.10.10	03.02.11	16.06.11	132	38500
	Achnera	15.07.10	14.11.10	10.06.11	207	38500
Allahabad/Sampled Block – Mauaima						
2009-10	Mauaima	05.07.10	05.11.10	01.09.11	300	38500
Ballia/Sampled Block - Pandah						
2009-10	Pandah	28.06.10	27.10.10	W.I.P.	334	38500
Budaun/Sampled Block – Rajpura						
2009-10	Gawan	20.08.10	19.02.11	W.I.P.	222	38500
Gorakhpur/Sampled Block - Brahmpur						
2009-10	Brahmpur	18.08.10	18.04.11	16.08.11	120	38500
Jalaun/Sampled Block – Konch						
2009-10	Pindari	20.07.10	19.11.10	18.03.11	119	38500
Jhansi/Sampled Block - Bangra						
2009-10	Ranipur	17.07.10	16.11.10	28.06.11	224	38500
Lucknow/Sampled Block – Kakori						
2009-10	Fatehganj	16.10.10	15.02.11	W.I.P.	227	38500
Mirzapur/Sampled Block – Kone						
2009-10	Chilh	05.07.10	05.11.10	W.I.P.	300	38500
	Kamasin	21.06.10	21.10.10		330	38500
	Tilthi	16.07.10	16.11.10		300	38500
					Total	**4,62,000**

Non-imposition of Penalty
Delays in construction of Drug Warehouses

Sl. No.	Year	District	Start Date	Scheduled Completion Date	Actual Completion Date /Handing Over Date	Delay in completion (in days)	Penalty (in ₹)
1	2009-10	Agra	16.11.09	15.07.10	15.04.11	274	1260948
2		Azamgarh	22.12.09	21.08.10	25.11.10	93	427986
3		Jaunpur	15.09.09	15.05.10	07.10.10	140	644280
4		Kushi Nagar	19.10.09	19.06.10	08.12.10	172	791544
5		Lucknow	16.12.09	15.08.10	24.09.10	40	184080
6		Raebareli	10.12.09	09.08.10	22.03.11	225	1104300
7		Unnao	05.01.10	04.09.10	10.02.11	159	780372
8		Varanasi	27.09.09	27.05.10	27.03.11	300	1380600
						Total	**65,74,110**

Non-imposition of Penalty
Delay in construction of ANMTC

Sl. No.	Year	District	Start Date	Scheduled Completion Date	Actual Completion Date/Handing Over Date	Delay in completion (in days)	Penalty (in ₹)
1	2009-10	Azamgarh	14.10.10	13.6.10	W.I.P.	473	619800*
						Total	**619800**

Non-imposition of Penalty
Delay in construction of CHC

Sl. No.	Year	Work	Start Date	Scheduled Completion Date	Actual Completion Date/Handing Over Date	Delay in completion	Penalty (in ₹)
1	2009-10	CHC Bangarmau	01.01.10	31.12.10	16.09.11	35 weeks	794220
						Total	**794220**

Name of work	Non-imposed penalty (in ₹)
Sub centre	1,24,55,173
JSY ward	4,62,000
Drug Warehouse	65,74,110
ANMTC	6,19,800
CHC	7,94,220
Grand Total	**2,09,05,303**

* In respect of incomplete works penalty has been computed up to 30.09.2011.

Appendix 4.22

Comparitive statement of financial and organisational capacities of PACCFED and LACCFED (2009-10)

(Reference: Paragraph no. 4.14.3 (b); page 71)

(₹ in Lakh)

PARTICULAR	PACCFED	LACCFED
1. Financial status		
Share of State Government	25.960	27.05
Share of co-operative societies	10.09	17.45
Other	Nil	0.21
Reserved fund	1207.69	27.16
Total owned capital	**1243.74**	**71..87**
External Capital	44173.16	1388.61
Total Capital	45416.90	1460.48
Percentage of owned Capital	**2.74**	**4.92**
Percentage of external Capital	97.26	95.08
Net Profit	**2470.30**	**18.22**
2. Toots plant and Machinery		
(P & M, loose tools and road roller) (LACCFED had only Plant)	17.56	2.75
3. Technical Staff		
Superintending Engineer	02	Nil
Executive Engineer	15	04
Assistant Engineer	83	09
Junior Engineer	170	25

(**Source:** Audit Report on Balance Sheet for the year 2009-10)

Appendix 4.23

Non-mentioning of brand names of supplies, in vouchers

(Reference: Paragraph no. 4.15.1; page 74)

Sl. No.	District/Work	Agency	Brand name of material	Position of vouchers		Position of T & P
				Received	Not received	
1	**Agra**					
	Drug Warehouse (01)	PACCFED	Only the marking 'M-100' was on the bricks.	01	-	-
	ANM Training Centre (01)		-	-	01	-
	JSY Ward (02)		Only the marking 'M-100' was on the bricks.	02	-	-
	Sub centre (03)			03	-	-
	District Hospital (M)	UPPCL	Work done through work order including material			-
	District Hospital (F)					-
2	**Allahabad**					
	Drug Warehouse (01)	PACCFED	Not mentioned	01	-	-
	RFPTC (01)			01	-	-
	JSY Ward (01)			01	-	-
	Sub centre (11)			11	-	-
	District Hospital (M)	UPPCL		01	-	-
	District Hospital (F)			01	-	-
3	**Azamgarh**					
	Drug Warehouse (01)	PACCFED	Not mentioned	01	-	-
	ANM Training Centre (01)	PACCFED (work in progress)			01	-
	Sub centre (06)	PACCFED	Not mentioned	06	-	-
	District Hospital (M)	UPPCL (work in progress)	Work done through work order including material			-
	District Hospital (F)	UPPCL				-
4	**Budaun**					
	JSY Ward (01)	PACCFED	Not mentioned	01	-	-
	Sub centre (05)			05	-	-
	District Hospital (M)		-	-	01	-
	District Hospital (F)		-	-	01	-

5	**Ballia**					
	JSY Ward (01)	PACCFED (Incomplete)	Not mentioned	01	-	-
	Sub centre (05)	LACCFED/ UPPCL	-	-	05	-
	District Hospital (M)	PACCFED	Not mentioned	01	-	-
	District Hospital (F)			01	-	-
6	**Bareilly**					
	Drug Warehouse (01)	PACCFED	Not mentioned	01	-	-
	ANM Training Centre (01)			01	-	-
	JSY Ward (01)			01	-	-
	Sub centre (09)	UPPCL	W.O. with material	-	09	-
	District Hospital (M)	PACCFED	Not mentioned	01	-	-
	District Hospital (F)	PACCFED	-	-	01	-
7	**Deoria**					
	Drug Warehouse (01)	PACCFED	Not mentioned	01	-	-
	Sub centre (03)			03	-	-
	District Hospital (M)	UPPCL	Work done through work order including material			-
	District Hospital (F)					-
	JSY Ward	PACCFED	Not mentioned	01	-	-
8	**Etah**					
	Sub centre (11)	PACCFED	Not mentioned	11	-	-
	District Hospital (M)		Work not started			-
	District Hospital (F)					-
9	**Gorakhpur**					
	Drug Warehouse (01)	PACCFED	Not mentioned	01	-	-
	ANM Training Centre (01)		-	-	01	-
	JSY Ward (01)		Not mentioned	01	-	-
	Sub-centre (03)			03	-	-
	District Hospital (M)	UPPCL	Work done through work order including material			-
	District Hospital (F)					-
10	**Jalaun**					
	JSY Ward (01)	PACCFED	Not mentioned	01	-	-
	District Hospital (M)			01	-	-
	District Hospital (F)			01	-	-
	Sub-centre (05)	ANM Pradhan	Not mentioned	01	04	-
11	**Jaunpur**					
	Drug Warehouse (01)	PACCFED	Cement JP	01	-	-
	District Hospital (M)	UPPCL	Work done through work order including material			-

	District Hospital (F)					-
	JSY Ward (01)	PACCFED	Cement JP	01	-	-
	Sub centre (01)	UPPCL	Work order with material	-	-	-
12	**Jhansi**					
	Drug Warehouse		Work not started			
	Sub centres (05)	ANMPradhan /PACCFED	Not mentioned	02	03	-
	JSY Ward (02)	PACCFED	Not mentioned	02	-	-
	District Hospital (M)			01	-	-
	District Hospital (F)			01	-	-
	ANM Trg Centre (01)			01	-	-
13	**Kushi Nagar**					
	Drug Warehouse (01)	PACCFED	Not mentioned	01	-	-
	Sub centre (01)			01	-	-
	Joint Hospital		-	-	01	-
14	**Lucknow**					
	Upgradation of Ram Manohar Lohia Hospital	UPPCL	W.O. including material	-	01	-
	Upgradation of Shyama Prasad Mukerjee Hospital			-	01	-
	Upgradation of Avanti Bai Hospital			-	01	-
	Upgradation of Jhalkari Bai Hospital			-	01	-
	Upgradation of Rani Laxmi Bai Hospital	PACCFED		-	01	-
	Upgradation of BRD Hospital			-	01	-
	Construction/Expansion of RFTC			-	01	-
	Construction of Drug Warehouse.		Not mentioned	01	-	-
	JSY Ward (02)		-	-	01	-
	Sub centre (06)		-	-	06	-
15	**Mirzapur**					
	Drug Warehouse (01)	PACCFED	JP Cement	01	-	-
	JSY Ward (03)			03	-	-
	Sub centre (01)			01	-	-
	District Hospital (M)	PACCFED	Not mentioned	01	-	-
	District Hospital (F)	PACCFED	JP Cement	01	-	-

16	**Raebareli**					
	Drug Warehouse (01)	PACCFED	Mentioned on cement only	01	-	-
	Sub centre (02)		Not mentioned	02	-	-
	JSY Ward (02)		Not mentioned for steel	02	-	-
	District Hospital (M)		-	-	01	-
	District Hospital (F)		-	-	01	-
17	**Shahjahanpur**					
	Sub centre (08)	PACCFED	Not mentioned	08	-	-
	District Hospital (M)			-	01	-
	District Hospital (F)			-	01	-
18	**Unnao**					
	Drug Warehouse (01)	PACCFED	Not mentioned	01	-	-
	Sub centre (05)			05	-	-
	District Hospital (M)			01	-	-
	District Hospital (F)			01	-	-
19	**Varanasi**					
	Drug Warehouse (01)	PACCFED	Cement Prism, Steel not mentioned, Brick 150	01	-	-
	ANM Training Centre (01)		Cement JP	01	-	-
	Upgradation of District Hospital (M)		Cement OP	01	-	-
	Upgradation of District Hospital (F)		Cement ACC/Prism	01	-	-
	Pt. Deen Dayal Upadhyay Hospital		Work not started		-	-
	Lal Bahadur Shahstri Hospital, Ram Nagar		Not mentioned	-	01	-
	JSY Ward (02)		Cement Prism	01	-	-
	Sub centre (02)	PACCFED/ LACCFED	Cement JP, ACC	01	-	-

Appendix 4.24

List of checks for quality control Construction of Drug Warehouse/Regional Training Centre/ANM Training Centre/Sub centre

(Reference: Paragraph no. 4.15.1; page 74)

Sl. No.	Description of test
1	Cube test
2	Slump test
3	Test for bulking of sand
	a. Coarse sand
	b. Fine sand
4	Test for silt content of sand
	a. Coarse sand
	b. Fine sand
5	Test for compressive strength of bricks
6	Test for water absorption of bricks
7	Test for efflorescence of bricks
8	Test for dimension of bricks
9	Water test
10	Cement Test
	a. OPC Grade 43
	b. PPC
11	M T Steel
	a. 8 MM
	b. 10 MM
	c. 12 MM(16)
	d. 16 MM(17)

(Source: As per Bid Document of CPWD**)**

Appendix 4.25

Consumption of materials in Drug Warehouse in five test checked districts*

(Reference: Paragraph no. 4.15.1 (a); page 75)

Sl. No.	Material	Range of excess consumption (*percentage*) with reference to estimated quantity	Range of under/less consumption *per cent*
1.	Cement	15-72 in 05 districts	NIL
2.	MS Bar (Steel)	2.49-16 in 04 districts	NIL
3.	Bricks	5-24 in 04 districts	(-) 09 in one district
4.	Coarse sand	10 in 01 districts	(-) 11-(-) 29in 04districts
5.	Stone grit	8-112 in 05 districts	NIL
6.	Brick blast	0-90 in 04 districts	(-) 26 in 01districts

*Azamgarh, Deoria, Gorakhpur, Jaunpur & Kushi Nagar.

Appendix 4.26

Sub-standard buildings

(Reference: Paragraph no. 4.15.1 (b); page 75)

(₹ in lakh)

Year	Name of Work	Number	Cost per unit	Total cost	Expenditure upto October 2011
2009-10	Sub centre	65	8.19	532.35	516.24
	JSY Ward	10	7.70	77.00	73.19
	Drug Warehouse	1	46.06	46.02	45.53
	ANM Training Centre	1	143.79	143.79	138.06
2010-11	Sub centre	55	8.19	450.45	174.63
			Total	**1249.61**	**947.65**

Appendix 5.1

Status of engagement of ASHAs in test checked districts

(Reference: Paragraph no. 5.3.1; page 83)

Year	Target	Actual	Shortfall	Shortfall in percentage
2005-06	19028	14497	4531	24
2006-07	32819	29147	3672	11
2007-08	37788	35285	2503	7
2008-09	48473	46398	2075	4
2009-10	45979	44688	1291	3
2010-11	48264	46599	1665	3

(**Source:** Data collected from test checked districts)

Appendix 5.2

Men in position in test checked districts

(Reference: Paragraph no. 5.5 & 5.6; page 85 & 86)

Name of Post	Sanction Strength	Men in position	Shortfall	Shortfall in Percentage
Sub centre Level				
ANM(Regular)	8288	6871	1417	17
ANM(Contractual)	563	237	326	58
MPW-Male	2622	260	2362	90
MPW Female(Regular)	219	173	46	21
PHC Level				
Medical Officer Allopathic	1484	1129	355	24
Medical Officer AYUSH	481	326	155	32
Staff Nurse(Regular)	141	158	-	-
Staff Nurse(Contractual)	330	193	137	42
Lab Assistant	469	383	86	18
Lady Health Visitor	1061	916	145	14
Pharmacist	865	571	294	34
Block Health Education and Information Officer (BHEIO)	168	133	35	21
Statistical Assistant	161	138	23	14
CHC level				
Surgeon	165	66	99	60
Anaesthetists	72	14	58	81
Gynaecologist	147	44	103	70
Paediatrician	52	40	12	23
Pathologist	94	15	79	84
General Physician	161	61	100	62
Pharmacist	256	200	56	22
Staff Nurse(Regular)	521	415	106	20
Staff Nurse(Contractual)	174	84	90	52
Public Health Nurse	30	21	9	30
Statistical Assistant	58	50	8	14
District Level				
CMO	22	21	1	5
Deputy CMO	135	67	68	50
District Immunisation Officer	20	11	9	45
District Health Education and Information Officer(DHEIO)	19	9	10	53

Name of test checked district: Agra, Allahabad, Azamgarh, Bahraich, Ballia, Bareilly, Bulandshahar; Deoria, Etah, Gorakhpur, Jalaun, Jhansi, Jaunpur, Kanpur Nagar, Kushinagar, Mirzapur, Moradabad, Raebareli, Shahjahanpur, Unnao and Varanasi.

No information furnished by district: Budaun

Appendix 5.3

Vacancies against important posts relating to training

(Reference: Paragraph no. 5.8.6; page 91)

Sl. No.	District	Principal			Tutor/PHN		
		SS	MIP	Shortage	SS	MIP	Shortage
1	Jhansi	0	0	0	3	0	3
2	Jalaun	0	0	0	1	1	0
3	Mirzapur	0	0	0	2	0	2
4	Bulandshahar	No Training institute					
5	Allahabad	1	0	1	6	2	4
6	Azamgarh	0	0	0	2	0	2
7	Jaunpur	0	0	0	4	3	1
8	Gorakhpur	1	0	1	3	3	0
9	Varanasi	3	1	2	10	1	9
10	Kushinagar	No Training institute					
11	Deoria	1	0	1	3	1	2
12	Bahraich	0	0	0	5	1	4
13	Unnao	1	0	1	2	0	2
14	Raebareli	0	0	0	5	2	3
15	Budaun	0	0	0	1	0	1
16	Bareilly	1	1	0	1	0	1
17	Moradabad	1	0	1	4	1	3
18	Shahjahanpur	0	0	0	5	2	3
Total		**9**	**2**	**7**	**57**	**17**	**40**

Appendix 6.1

Detail of supply to be made by UNOPS

(Reference: Paragraph no. 6.2.2.2; page 98)

Sl. No.	Particulars	Quantity	Per Unit cost (In ₹)	Total cost unit wise (₹ in lakh)	Status of approval in the PIP 0f 2009-10	Cost of unapproved item (₹ in lakh)
1	Kit A	13000	14,500	2405.00	Approved	Nil
2	Kit B	13000	4,000			
3	Procurement of IFA tabs (30 mg elemental iron and 250 mg Folic acid)	55.62 crore Tablets	14 per 100 Tablets	778.64	Approved	Nil
4	Vitamin 'A'	27500 bottle	60 per Bottle	16.50	Approved	Nil
5	Zinc tabs (36 CCSP districts 16 cases x 30,000 x Rs. 10/- per case)	1,60,00,000 Tablets	30 per 100 Tablets	48.00	Approved	Nil
6	Procurement of child survival kits for ASHAs	20000 kits	1100 per Kit	220.00	Approved	Nil
7	Water Purifying Tablets	55154000	15 per 10 Tablets	827.31	Not approved	827.32
8	Laparoscopes (Training)	36	25,00000	2510.00	Not approved Laparoscope (Training) 36 nos. at the cost of ₹ 25 lakh/ unit	900.00
9	Laparoscopes (Single Puncture)	230	700000			
10	Direct Opthalmoscope	100	15,000	15.00	Not approved	15.00
11	Operating microscope	116	37,0000	429.20	Approved	Nil
12	Green Laser Machine	2	5,00,0000	166.00	Not approved	166.00
13	Auto Perimeter	2	10,00,000			
14	Silt lamp	2	8,00000			
15	Retinal Angiography	2	15,00000			
16	Pheco Machine	30	15,00000	450.00		Nil
					Total	**1908.32 Say ₹ 19.08 crore**

Appendix 6.2

Purchase of Laparoscope from UNOPS

(Reference: Paragraph no. 6.2.2.3; page 98)

Sl. No.	Schedule No.	Quantity	No. of Bidders	No of non-responsive Bidders	Name of the qualified Bidders
1	I	250	03	01	Karl Storz GMBH & Co.
2	II	250	04	01	Karl Storz GMBH & Co.
3	III	250	03	01	NIL
4	IV	250	03	01	NIL
5	V	224	02	01	Karl Storz GMBH & Co.

Note : Schedule No. III&IV have not been awarded to any bidder on account of reduction of demand by the client.

Appendix 6.3

Excess expenditure in procurement of IEC/BCC material

(Reference: Paragraph no. 6.2.2.5; page 101)

Sl. No.	Name of work	Rate quoted in the agreement by the DGNPME	Quantity executed by the contractor	Difference in quantity of work	Excess amount as per Column 5
1	2	3	4	5	6
1.	Wall Painting (3'x 5') at sub centres	20621@105	10825@200	9796	10,28,675
	Wall painting at Distt. Hospitals (10'x10')	804@700	450@1250	354	2,47,500
2.	Wall painting for School Health Program	144000@105	40320@375	103680	1,08,86,400
3.	Wall painting Saloni size (3'x5') Banners	24000@105	7000@360	17000	17,85,000
4.	Village Health and Nutrition Day (VHND)/ Routine Immunisation (RI) flex banners(Fixed banners 5'x3'(30,000), Folding banners 4'x25'(50,000)	80,000@187.50 (average)	44567@336 (average)	35433	66,18,199.50
5.	NSV banners size(5'x3') with 5 eyelid Hoardings/ Signegs	7000@232.50	4652@350	2348	5,46,610
6.	CCSP hoardings/ singnegs with 2'x18fit galter and 10'x20' with flex printing	1000@18100	700@25725	300	53,37,500
7.	RI hoardings at DH, Tahsil,Blocks,Rly. Station	3000@18100	2081@25725	919	1,58,67,625
8.	Glow signboard for NSV 5'x3'	100@3230	100@6545	NIL	33,1,500
9.	Hoardings/Signages for UHP Community Black Board	69@18100	69@25725	NIL	5,26,125
10.	Community notice board with wooden frame 5'x3' AWW centre	52002@500	52002@500	NIL	NIl
				Total	**4,31,75,134 Say** ₹ 4.32 crore

Note : Quantity to be executed by the M/s Siddhi Traders x Rates quoted by DGNPME=₹ 9.38 crore.
Total agreement rate ₹ 13.70 - ₹ 9.38 = ₹ 4.32 crore; work of worth ₹ 4.32 crore was reduced by the firm.

Appendix 6.4

Detail of supply order for procurement of IUD Kits, MVA syringe etc. by UPSIC

(Reference: Paragraph no. 6.2.2.8; page 105)

Sl. No.	Item	Quantity	Rate	Amount (₹ In lakh)
1.	IUD Kit	2000 Kit	4500	90.00
2.	MVA Syringe	433 Kit	2500	10.83
3.	Salt testing kit	12500 kit	30	3.75
4.	Sergical Bathroom scase 10 Kg	60000	350	210.00
5.	Sergical Bathroom scase 150 Kg	16400	1000	164.00
6.	NSV Kit	1000 kit	2500	25.00
7.	Gluteldehide Solution 2 *per cent*	17280 ltr.	750/2	64.80
8.	Infection prevention consumable for IUD Services			
	1. Aueodofer Solution	3283	270	
	2. SterlizeSergical Gloves	3300	34	24.76
	3. Hand wash solution	3283	450	
			Total	**593.14**

Appendix 6.5

Detail of items approved and supply taken in ASHA Kits

(Reference: Paragraph no. 6.2.3.3; page 111)

Sl. No.	Item	Sanctioned quantity	Supplied quantity
1	Disposal Delivery Kit	20	10
2	IFA (Large) [100 mg]	1000	-
3	ORS Packet (WHO)	100	10
4	Tab. Paracetamol	100	100
5	Tab Dicyclomine	50	50
6	Pavodine Ointment	2 Tubes	2
7	Thermometer	2	2
8	Absorbent Cotton (500 gm)	1	1
9	Bandage (4 cm x 4 mt.)	10	10
10	Tab. Cloroquin	50	Nil
11	Condom	500	Nil
12	Oral pill	300	Nil

Appendix 6.6

Statement of printing material short received by the DHSs

(Reference: Paragraph no. 6.2.5.7; page 116)

Name of the printing material	Month/ Year of Supply	No. of districts	Allotted (nos.)	Delivered (nos.)	Shortage (nos.)	Unit rate as per bill (₹)	Value of shortage (₹ in lakh)
ASHA *Path Pradarshika*,	March/ April 2008	7[1]	14200	4300	9900	51.00	5.05
Swasthya Chetna Gaon Ki Oar	2008-09	14[2]	130030	70730	59300	36.40	21.59
Brochure (*Ashayein evam apekshayen*)	2008-09	9[3]	60300	46750	13550	1.50	0.21
Brochure -*Ashayein*, School Health *Karyakram*	2008-09	10[4]	18360	13560	4800	1.60	0.08
Ashayein news letter (Quarterly)	2009-10	15[5]	37100	29150	7950	10.50	0.83
Stanpaan booklet	2009-10	16[6]	8000	3380	4620	10.50	0.49
School Health training module (I & II)	2010-11	12[7]	87171	51181	35990	51.45	18.52
Job Aids & Tools (set of seven books)	2009-11	8[8]	6520	4314	2206	243.00	5.36
Printed material for *Saas-Bahu Sammelan, Grampradhan*, ASHA *Sammelan* and sanitation	2010-11	15[9]	899089	612286	286803	1.50[10]	4.30
Stanpan booklet	2010-11	4[11]	2000	1000	1000	10.50	0.11
News letter	2010-11	13[12]	33650	29200	4450	10.50	0.47
MCH Register	2010-11	14[13]	27567	21551	6016	10.50[14]	0.63
ASHA payment voucher	2010-11	14[15]	11136	9390	1746	79.50	1.39
School Health Programme training module material	2010-11	14[16]	7633	6084	1549	51.45	0.80
Total	**2008-11**	**4 to 16**	**1342756**	**902876**	**439880**		**59.83**

[1] Agra, Budaun, Etah, Jalaun, Jhansi, Kanpur Nagar and Raebareli.
[2] Agra, Azamgarh, Bahraich, Ballia, Budaun, Deoria, Gorakhpur, Jaunpur, Kushi Nagar, Jalaun, Jhansi, Kanpur Nagar, Raebareli and Varanasi.
[3] Azamgarh, Bahraich, Ballia, Budaun, Gorakhpur, Jaunpur, Kanpur Nagar, Raebareli and Varanasi.
[4] Azamgarh, Bahraich, Ballia, Budaun, Gorakhpur, Jaunpur, Jhansi, Kanpur Nagar, Raebareli and Varanasi.
[5] Agra, Azamgarh, Bahraich, Ballia, Budaun, Deoria, Etah, Gorakhpur, Jaunpur, Kushi Nagar, Jalaun, Jhansi, Kanpur Nagar, Raebareli and Varanasi.
[6] Agra, Azamgarh, Bahraich, Ballia, Budaun, Deoria, Etah, Gorakhpur, Jaunpur, Kushi Nagar, Jalaun, Jhansi, Kanpur Nagar, Raebareli,Unnao and Varanasi.
[7] Agra, Azamgarh, Bahraich, Ballia, Budaun, Deoria, Gorakhpur, Jaunpur, Jalaun, Jhansi, Kanpur Nagar and Varanasi.
[8] Budaun, Deoria, Etah, Jaunpur, Kushi Nagar, Jalaun, Kanpur Nagar and Raebareli.
[9] Agra, Azamgarh, Bahraich, Ballia, Budaun, Deoria, Etah, Gorakhpur, Jaunpur, Kushi Nagar, Jalaun, Jhansi, Kanpur Nagar, Raebareli and Varanasi.
[10] As the rates were not available, the lowest rate has been adopted.
[11] Budaun, Bahraich, Jalaun and Kanpur Nagar.
[12] Azamgarh, Bahraich, Ballia, Budaun, Deoria, Gorakhpur, Jaunpur, Kushi Nagar, Jalaun, Jhansi, Kanpur Nagar, Raebareli, and Varanasi.
[13] Agra, Azamgarh, Bahraich, Ballia, Budaun, Deoria, Gorakhpur, Jaunpur, Kushi Nagar, Jalaun, Jhansi, Kanpur Nagar, Raebareli, and Varanasi.
[14] Minimum rate of ₹ 10.50 for register adopted as the same were not available.
[15] Agra, Azamgarh, Bahraich, Ballia, Budaun, Deoria, Gorakhpur, Jaunpur, Kushi Nagar, Jalaun, Jhansi, Kanpur Nagar, Raebareli, and Varanasi.
[16] Agra, Azamgarh, Bahraich, Ballia, Budaun, Deoria, Etah, Gorakhpur, Jaunpur, Kushi Nagar, Jhansi, Kanpur Nagar, Raebareli and Varanasi.

Appendix 6.7

Single Puncture Laparoscopes lying idle in districts

(Reference: Paragraph no. 6.2.6.1; page 117)

Sl. No.	Name of Districts	Laparoscope laying idle
1.	Gorakhpur	10
2.	Deoria	12
3.	Budaun	06
4.	Kushinagar	Nil
5.	Jalaun	06
6.	Agra	11
7.	Etah	15
8.	Jhansi	16
9.	Allahabad	10
10.	Raebareli	15
11.	Bahraich	02
12.	Bulandshahar	02
13.	Lucknow	03
14.	Kanpur Nagar	19
15.	Bareilly	10
16.	Unnao	12
17.	Shahjahanpur	02
18.	Mirzapur	19
19.	Varanasi	22
20.	Ballia	08
21.	Moradabad	14
22.	Azamgarh	13
23.	Jaunpur	Nil
	Total	**227**

Appendix 7.1

Excess expenditure on purchase of Iron Folic Acid (IFA) tablets

(Reference : Paragraph no. 7.1.1.1; page 119)

(Amount in ₹)

Sl. No.	Name of District	Name of Firm	Qty.	Purchase Rate Per Tablet	Rate Per Tablet at which procured from UNOPS	Difference in Rate	Excess expenditure
1	Agra	V.S. Pharma, Lucknow	7500000	0.240	0.14	0.100	750000
2	Allahabad	Shree Ganesh Pharmaceuticals, Allahabad	7111200	0.337	0.14	0.197	1400906
3	Azamgarh	Daffodill Pharmaceuticals Ltd., Meerut	1464111	1.800	0.14	1.660	2430424
4	Bahraich	Charisma Health Care, Lucknow	3231000	0.520	0.14	0.380	1227780
5	Budaun	C.I. Laboratories, Kolkata	5835400	0.340	0.14	0.200	1167080
6	Bulandshahar	S.K.P. Pharma Ltd., Lucknow, V S Pharma, Lucknow	7215000	0.266	0.14	0.126	909090
7	Deoria	C.I. Laboratories, Kolkata	4240000	0.340	0.14	0.200	848000
8	Etah	C.I. Laboratories, Kolkata	2825250	0.340	0.14	0.200	565050
9	Gorakhpur	C.I. Laboratories, Kolkata	6705000	0.340	0.14	0.200	1341000
10	Jalaun	Charisma Health Care, Lucknow	2071700	0.520	0.14	0.380	787246
11	Jhansi	Charisma Health Care, Lucknow	1804000	0.520	0.14	0.380	685520
12	Kushi Nagar	C.I. Laboratories, Kolkata	4941180	0.340	0.14	0.200	988236
13	Moradabad	S.K.P. Pharma Ltd., Lucknow	5862700	0.266	0.14	0.126	738700
14	Raebareli	R.T.G. Pharmaceuticals, Lucknow	10544000	0.239	0.14	0.099	1043856
15	Shahjahanpur	Salus Pharmaceuticals, Solan, HP	5294100	0.340	0.14	0.200	1058820
16	Varanasi	Dee Ar Medical Pvt. Ltd.,Lucknow	2341000	0.410	0.14	0.270	632070
						Total	**16573778**

Appendix 7.2

Excess expenditure on purchase of De-worming tablets

(Reference : Paragraph no. 7.1.1.2; page 120)

(Amount in ₹)

Sl. No.	Name of District	Name of Firm	Name of De-worming Tablet	Qty.	Purchase Rate Per Tablet	Rate Per Tablet Approved For RC	Difference in Rate	Excess expenditure
1	Agra	V.S. Pharma, Lucknow	Albendazole	250000	2.00	1.40	0.60	150000
2	Bahraich	Charisma Health Care, Lucknow	Albendazole	174550	2.75	1.40	1.35	235643
3	Bulandshahar	S K P Pharma Ltd., Lucknow	Albendazole	321850	1.70	1.40	0.30	96555
4	Jalaun	Charisma Health Care, Lucknow	Albendazole	111920	2.75	1.40	1.35	151092
5	Jhansi	Charisma Health Care, Lucknow	Albendazole	99000	2.75	1.40	1.35	133650
6	Moradabad	S.K.P. Pharma Ltd., Lucknow	Albendazole	261500	1.70	1.40	0.30	78450
7	Raebareli	Micron Pharma, Vapi, Gujarat	Levamisole	160000	4.50	1.40	3.10	496000
8	Shahjahanpur	Care Pharma, Lucknow	Albendazole	354800	2.80	1.40	1.40	496720
9	Varanasi	Dee Ar Medical Pvt. Ltd.,Lucknow	Albendazole	59700	4.60	1.40	3.20	191040
							Total	**2029150**

Appendix 7.3

Excess expenditure on purchase of spectacles under School Health Programme

(Reference : Paragraph no. 7.1.2; page 120)

(Amount in ₹)

Sl. No.	Name of District	Name of Firm	Quantity	Purchase Rate Per Spectacle	Rate Per Spectacle proposed In PIP 2010-11	Difference in Rate	Excess expenditure
1	Agra	S.S. Trading Co., Kanshiram Nagar	1765	190	100	90	158850
	Agra	Balaji Trading Company, Agra	1505	95	100	NA	0
2	Bahraich	Sitapur Eye Care, Bahraich	600	200	100	100	60000
3	Ballia	Krishna Opticals, Ballia	1800	199	100	99	178200
4	Budaun	Seva Enterprises, Lucknow	1985	200	100	100	198500
5	Deoria	Muskan, Deoria	1136	183	100	83	94288
6	Etah	S. K. Traders, Aligarh	1100	200	100	100	110000
	Etah	Shri Balaji Netra Suraksha Kendra, Etah	417	100	100	NA	0
7	Gorakhpur	New Tushar Chasma Ghar, Gorakhpur	1530	192	100	92	140760
8	Jalaun	Sherya Enterprises, Orai	748	196	100	96	71808
9	Jaunpur	Amma Traders, Jaunpur	3560	198	100	98	348880
10	Kanpur Nagar	Narang Opticians, Kanpur	164	94	100	NA	0
11	Kushi Nagar	Prakash Opticals, Kushi Nagar Seva Enterprises, Lucknow	2182	195	100	95	207290
						Total	**1568576**

Appendix 8.1

Target and achievement for institutional deliveries

(Reference: Paragraph no. 8.1.1; page 136)

District	Year	No of pregnant women registered (in lakh)	No. of beneficiaries of cash payments (in no.)	No. of institutional deliveries		Domiciliary deliveries (In number)	Percentage shortfall in institutional deliveries in comparison to 70% of registered pregnant women
				Target (in no.)	Achievement (in no.)		
Agra	2005-06	1.30	NA	NA	NA	NA	NA
	2006-07	1.43	NA	NA	NA	NA	NA
	2007-08	1.41	14213	NA	13234	979	86.59
	2008-09	1.38	33654	31650	33417	237	65.41
	2009-10	1.35	38068	40040	37979	89	59.81
	2010-11	1.26	39809	38398	39728	81	54.96
Allahabad	2005-06	NA	NA	NA	NA	NA	NA
	2006-07	1.70	NA	NA	NA	NA	NA
	2007-08	1.58	9068	NA	9068	4090	91.80
	2008-09	1.56	36050	NA	36050	2311	66.99
	2009-10	1.58	58226	NA	58226	640	47.35
	2010-11	1.43	69489	NA	69489	327	30.58
Azamgarh	2005-06	1.26	0	45654	45660	54632	48.23
	2006-07	1.25	0	46359	41584	52832	52.48
	2007-08	1.29	0	45826	39222	56979	56.56
	2008-09	1.42	0	46880	38476	57248	61.29
	2009-10	1.44	0	48528	52841	41073	47.58
	2010-11	1..07	0	71163	55116	27385	26.51
Bahraich	2005-06	0.79	1500	NA	1124	35862	97.97
	2006-07	0.80	1713	NA	1490	39960	97.34
	2007-08	0.87	9568	NA	9568	41285	84.29
	2008-09	0.95	21712	18670	19850	39325	70.15
	2009-10	0.85	33999	31534	32794	57253	44.88
	2010-11	0.92	44729	40310	44325	35923	31.17
Ballia	2005-06	0.89	1423	33901	34348	38357	44.87
	2006-07	0.80	2265	32276	32482	30251	42.00
	2007-08	0.85	NA	32276	27912	27641	53.09
	2008-09	0.90	NA	26230	21686	2861	65.58
	2009-10	1.00	NA	39100	33124	30551	52.68
	2010-11	0.70	NA	36130	44556	27217	9.07
Bareilly	2005-06	0.60	NA	NA	NA	NA	NA
	2006-07	0.76	2042	NA	344	1698	99.35
	2007-08	0.83	12288	15670	8476	3812	85.41
	2008-09	0.84	22237	21000	19235	3002	67.29
	2009-10	1.09	31320	29000	28585	2719	62.54
	2010-11	1.08	31895	31000	30913	982	59.11
Bulandshahar	2005-06	0.93	59	NA	59	21161	99.91
	2006-07	0.86	4539	NA	3663	24883	93.92
	2007-08	0.81	11749	NA	11434	35868	79.83

	2008-09	0.93	24802	19990	24337	36512	62.62
	2009-10	0.92	34450	29800	34282	33952	46.77
	2010-11	0.96	35652	34053	35579	30326	47.06
Deoria	2005-06	1.04	NA	32975	35566	50521	51.15
	2006-07	1.02	NA	32043	33505	45339	53.07
	2007-08	1.01	NA	34680	17868	60980	74.73
	2008-09	1.08	NA	32293	33089	48487	56.23
	2009-10	1.04	NA	32293	41587	30088	42.88
	2010-11	0.90	NA	32293	45550	22131	27.70
Etah	2005-06	0.83	NA	NA	NA	NA	NA
	2006-07	0.76	NA	NA	NA	NA	NA
	2007-08	0.73	NA	NA	13234	908	74.10
	2008-09	0.75	NA	32000	37417	619	28.73
	2009-10	0.52	NA	40000	37979	154	-4.34
	2010-11	0.49	NA	38000	39728	114	-15.83
Gorakhpur	2005-06	1.41	0	43524	42787	55870	56.65
	2006-07	1.41	0	44421	45329	54876	54.07
	2007-08	1.40	17241	44421	38398	59772	60.82
	2008-09	1.59	39116	44854	36843	52180	66.90
	2009-10	1.57	49662	49936	50001	58760	54.50
	2010-11	1.15	55002	68079	56100	35365	30.31
Jalaun	2005-06	NA	NA	NA	NA	NA	NA
	2006-07	NA	NA	NA	NA	NA	NA
	2007-08	0.17	13289	NA	10803	2406	9.22
	2008-09	0.17	18960	NA	17699	1261	-48.73
	2009-10	0.22	21342	21000	20823	519	-35.21
	2010-11	0.22	22849	21000	22595	254	-46.72
Jaunpur	2005-06	1.48	0	51351	49816	74447	51.92
	2006-07	1.38	3930	45904	49944	78894	48.30
	2007-08	1.34	5347	45505	26731	93599	71.50
	2008-09	1.41	0	46549	31704	67659	67.88
	2009-10	1.60	0	39900	44643	64888	60.14
	2010-11	1.29	0	44430	48970	45905	45.77
Jhansi	2005-06	0.49	NA	NA	NA	NA	NA
	2006-07	0.58	NA	NA	NA	NA	NA
	2007-08	0.57	12251	NA	10666	1581	73.27
	2008-09	0.54	21629	NA	20694	935	45.25
	2009-10	0.60	25887	NA	25470	417	39.36
	2010-11	0.61	25457	NA	25255	202	40.85
Kanpur Nagar	2005-06	1.33	NA	47812	47335	42495	49.16
	2006-07	1.44	NA	48551	39182	27025	61.13
	2007-08	1.48	NA	48475	28472	46091	72.52
	2008-09	1.56	NA	49489	46606	43771	57.32
	2009-10	1.60	NA	55147	55861	48064	50.12
	2010-11	1.53	NA	75266	57853	8233	45.98
Mirzapur	2005-06	0.61	NA	NA	NA	NA	NA

	2006-07	0.65	2247	1376	1376	1940	96.98
	2007-08	0.71	14400	12359	12359	2041	75.13
	2008-09	0.83	23956	22335	23335	621	59.84
	2009-10	0.83	31990	31026	31026	964	46.60
	2010-11	0.81	38583	38234	38234	349	32.57
Moradabad	2005-06	0.92	NA	NA	NA	NA	NA
	2006-07	0.87	5492	7977	5492	NA	90.98
	2007-08	1.10	18325	17691	18325	3108	76.20
	2008-09	1.06	27446	23640	27446	723	63.01
	2009-10	1.13	31380	31980	31380	348	60.33
	2010-11	1.11	34689	31652	34689	121	55.36
Raebareli	2005-06	0.95	0	33192	30439	34425	54.23
	2006-07	1.03	0	33705	28106	31728	61.02
	2007-08	0.94	0	33407	34449	29579	47.65
	2008-09	1.05	0	40170	43184	20708	41.25
	2009-10	1.02	0	37800	48707	17012	31.78
	2010-11	1.10	0	45769	51872	13994	32.63
Shahjahanpur	2005-06	0.76	NA	NA	NA	NA	NA
	2006-07	0.81	570	NA	423	147	99.25
	2007-08	0.86	5579	NA	5364	215	91.09
	2008-09	0.87	17818	13000	16812	1006	72.39
	2009-10	0.91	27042	25000	26473	569	58.44
	2010-11	0.84	29399	27000	29177	222	50.38
Unnao	2005-06	0.85	0	33270	27286	27553	54.14
	2006-07	0.80	0	31672	24936	27531	55.47
	2007-08	0.75	0	31400	13010	31419	75.22
	2008-09	0.93	0	32123	26854	25277	58.75
	2009-10	0.97	0	32123	32058	22540	52.79
	2010-11	0.87	0	58596	36378	15824	40.27
Varanasi	2005-06	0.84	347	NA	NA	347	NA
	2006-07	0.80	3598	NA	1676	1922	97.01
	2007-08	0.93	14412	NA	14352	60	77.95
	2008-09	0.77	24458	NA	23504	954	56.39
	2009-10	0.99	34684	NA	34366	318	50.41
	2010-11	1.13	38950	NA	38881	69	50.85

NA: not available

Appendix 8.2

Excess payment

(Reference: Paragraph no. 8.1.3.1; page 138)

District/CHC/ PHC	Year	No. of beneficiaries	No. of beneficiaries paid at rural rates	No. of rural beneficiaries scrutinized	No. of beneficiaries paid at rural rates without address proof
DH(F), Mirzapur	2007-08	2029	631	503	265
	2008-09	4764	3840	1138	68
	2009-10	6869	5633	1811	1461
	2010-11	8803	7435	2303	1568
DH(F), Bulandshahar	2007-08	4309	3344	472	165
	2008-09	6374	5062	587	205
	2009-10	7338	5992	544	184
	2010-11	7958	6406	666	260
CMS (F) Hospital Khurja, Bulandshahar	2007-08	728	660	-	612
	2008-09	2030	1828	-	470
	2009-10	2519	2283	-	05
	2010-11	3204	2949	-	07
CMS Government combined Hospital Sikandrabad, Bulandshahar	2007-08	436	326	152	98
	2008-09	782	576	200	90
	2009-10	1262	941	310	80
	2010-11	1609	1322	370	70
Total		**61014**	**49228**	**9056**	**5608**

Appendix 8.3

Non-payment of transportation charges

(Reference: Paragraph no. 8.1.3.4; page 139)

District	Period	Number of beneficiaries to whom transportation charges was not paid	Amount of transportation charges not paid (₹ in lakh)
DHS Shahjahanpur	2007-11	6200	15.50
DHS, Deoria	2008-11	17617	44.04
DHS, Azamgarh	2008-11	18081	45.20
DHS, Jhansi	2007-11	11435	28.59
Total		**53333**	**133.33**

Appendix 8.4

Belated payment of incentive

(Reference: Paragraph no. 8.1.3.5; page 139)

Name of unit	Period	Number of beneficiaries to whom incentive was not paid at the time of discharge	Amount of incentive (₹ in lakh)	Period of delay from the date of discharge
CHC, Lakhauti, Bulanshahr	2007-08 to 2010-11	3411	47.75	30 to 270 days
DH (F), Raebareli	2007-08	126	1.35	05 to 60 days
CHC, Mauranipur, Jhansi	2007-08 to 2010-11	14411	201.75	30 to 780 days
PHC, Asafpur, Budaun	2008-09	818	10.86	30 to 240 days
PHC, Chittaura, Bahraich	2009-10 to 2010-11	259	3.63	8 to 119 days
PHC, Tejwapur, Bahraich	2010-11	2604	36.46	8 to 54 days
	Total	**21629**	**301.80**	

Appendix 8.5

Payment of incentive to persons other than the beneficiaries

(Reference: Paragraph no. 8.1.3.6; page 139)

Name of unit	Year	Number of cases in which compensation received by a person other than beneficiary	Rate of compensation (in ₹)	Total amount paid (in ₹)	Payment of incentive made to
A.H.M. & Dufferin Hospital, Kanpur Nagar	2006-07	383	1000	383000	Husband, relatives
	2007-08	15	1000	15000	Husband, relatives
	2008-09	436	1000	436000	Husband, relatives
CHC, Machhalishahar, Jaunpur	2006-07	171	700	119700	ANM/ASHA
	2006-07	35	500	17500	ANM/ASHA
	2007-08	450	1400	630000	ANM/ASHA
	2008-09	1822	1400	2550800	ANM/ASHA
	2009-10	293	1400	410200	ANM/ASHA
	2010-11	944	1400	1321600	ANM/ASHA
PHC, Rampur, Jaunpur	2007-08	241 82	1400 500	337400 41000	ANM
	2010-11	155	1400	217000	ANM/ASHA
	2010-11	1	500	500	ANM/ASHA
PHC, Tejwapur, Bahraich	2007-08	232	1400	324800	Husband/Father-in-law/ASHA
	2008-09	2256	1400	3158400	Husband/Father-in-law/ASHA
	2009-10	396	1400	554400	Husband/Father-in-law/ASHA
Total		**7912**		**10517300**	

(Source : Information collected during audit)

Appendix 8.6

Status of sterilization and achievements in test checked 22 districts

(Reference: Paragraph no. 8.2.1.1; page 143)

Name of District	Year	Total target for sterilization	Achievement		Percentage Achievement		
			Vasectomy	Tubectomy	Vasectomy	Tubectomy	Sterilization
Agra	2005-06	21095	82	9725	0.4	46	46
	2006-07	21095	51	8414	0.2	40	40
	2007-08	21095	16	8239	0.08	39	39
	2008-09	21095	51	9705	0.2	46	46
	2009-10	21095	29	8580	0.1	41	41
	2010-11	21095	107	8546	0.5	41	41
	Total	**126570**	**336**	**53209**	**0.3**	**42**	**42**
Allahabad	2005-06	28868	375	23654	1.0	82	83
	2006-07	28868	117	21005	0.4	73	73
	2007-08	28868	369	21085	1.0	73	74
	2008-09	28868	845	18881	3.0	65	68
	2009-10	28868	274	17509	1.0	61	62
	2010-11	28868	501	17053	2.0	59	61
	Total	**173208**	**2481**	**119187**	**1.0**	**69**	**70**
Azamgarh	2005-06	23085	32	10568	0.1	46	46
	2006-07	23085	12	10743	0.1	47	47
	2007-08	23085	36	11966	0.2	52	52
	2008-09	23085	47	11269	0.2	49	49
	2009-10	23085	85	9390	0.4	41	41
	2010-11	23085	78	8826	0.3	38	39
	Total	**138510**	**290**	**62762**	**0.2**	**45**	**46**
Baharaich	2005-06	13925	30	5633	0.2	40	41
	2006-07	13925	5	5431	0.04	39	39
	2007-08	13925	9	5186	0.06	37	37
	2008-09	13925	22	4729	0.2	34	34
	2009-10	13925	4	4665	0.03	34	34
	2010-11	13925	14	4937	0.1	35	36
	Total	**83550**	**84**	**30581**	**0.1**	**37**	**37**
Ballia	2005-06	16075	73	9087	0.5	57	57
	2006-07	16075	16	8873	0.1	55	55
	2007-08	16075	26	9013	0.2	56	56
	2008-09	16075	28	7811	0.2	49	49
	2009-10	16075	61	8027	0.4	50	50
	2010-11	16075	39	6643	0.2	41	42
	Total	**96450**	**243**	**49454**	**0.3**	**51**	**52**
Budaun	2005-06	17931	23	3183	0.1	18	18
	2006-07	17931	2	2179	0.01	12	12
	2007-08	17931	147	1869	0.8	10	11
	2008-09	17931	196	3545	1.0	20	21
	2009-10	17931	110	3462	0.6	19	20
	2010-11	17931	81	2485	0.5	14	14
	Total	**107586**	**559**	**16723**	**0.5**	**16**	**16**

Bareilly	2005-06	21036	99	6674	0.5	32	32
	2006-07	21036	17	5902	0.08	28	28
	2007-08	21036	125	6696	0.6	32	32
	2008-09	21036	359	7843	2.0	37	39
	2009-10	21036	392	5448	2.0	26	28
	2010-11	21036	216	4952	1.0	24	25
	Total	**126216**	**1208**	**37515**	**1.0**	**30**	**31**
Bulandshahar	2005-06	17072	98	6830	0.6	40	41
	2006-07	17072	21	5432	0.1	32	32
	2007-08	17072	41	6491	0.2	38	38
	2008-09	17072	133	6456	0.8	38	39
	2009-10	17072	193	5603	1.0	33	34
	2010-11	17072	209	5041	1.0	30	31
	Total	**102432**	**695**	**35853**	**0.7**	**35**	**36**
Deoria	2005-06	15952	3	6888	0.02	43	43
	2006-07	15952	3	7281	0.02	46	46
	2007-08	15952	10	8354	0.06	52	52
	2008-09	15952	19	8116	0.1	51	51
	2009-10	15952	23	7176	0.1	45	45
	2010-11	15952	13	6000	0.08	38	38
	Total	**95712**	**71**	**43815**	**0.07**	**46**	**46**
Etah	2005-06	16293	1	3003	0.01	18	18
	2006-07	16293	1	3234	0.01	20	20
	2007-08	16293	9	4285	0.06	26	26
	2008-09	8690	0	5374	0.0	62	62
	2009-10	8690	20	2807	0.2	32	33
	2010-11	8690	0	2076	0.0	24	24
	Total	**74949**	**31**	**20779**	**0.04**	**28**	**28**
Gorakhpur	2005-06	22114	48	15903	0.2	72	72
	2006-07	22114	18	13893	0.08	63	63
	2007-08	22114	17	15907	0.08	72	72
	2008-09	22114	22	14668	0.1	66	66
	2009-10	22114	24	13409	0.1	61	61
	2010-11	22114	81	11611	0.4	53	53
	Total	**132684**	**210**	**85391**	**0.2**	**64**	**65**
Jalaun	2005-06	8499	0	6511	0.0	77	77
	2006-07	8499	2	6810	0.02	80	80
	2007-08	8499	42	7581	0.5	89	90
	2008-09	8499	60	6363	0.7	75	76
	2009-10	8499	140	5548	2	65	67
	2010-11	8499	40	4915	0.5	58	58
	Total	**50994**	**284**	**37728**	**0.6**	**74**	**75**
Jaunpur	2005-06	22856	32	13888	0.1	61	61
	2006-07	22856	16	15882	0.07	69	70
	2007-08	22856	15	15613	0.06	68	68
	2008-09	22856	31	15681	0.1	69	69
	2009-10	22856	13	13534	0.06	59	59
	2010-11	22856	37	12042	0.2	53	53
	Total	**137136**	**144**	**86640**	**0.1**	**63**	**63**

Jhansi	2005-06	10201	19	13209	0.2	129	130
	2006-07	10201	13	13016	0.1	128	128
	2007-08	10201	34	12175	0.3	119	120
	2008-09	10201	38	10461	0.4	103	103
	2009-10	10201	13	9664	0.1	95	95
	2010-11	10201	24	9297	0.2	91	91
	Total	**61206**	**141**	**67822**	**0.2**	**111**	**111**
Kanpur Nagar	2005-06	24179	193	9518	0.8	39	40
	2006-07	24179	73	9647	0.3	40	40
	2007-08	24179	185	8881	0.8	37	37
	2008-09	24179	322	9767	1	40	42
	2009-10	24179	270	9495	1	39	40
	2010-11	24179	1142	7335	5	30	35
	Total	**145074**	**2150**	**54643**	**1**	**38**	**39**
Kushi Nagar	2005-06	16902	4	9074	0.02	54	54
	2006-07	16902	3	9238	0.02	55	55
	2007-08	16902	1	13021	0.01	77	77
	2008-09	16902	46	12532	0.3	74	74
	2009-10	16902	27	11197	0.2	66	66
	2010-11	16902	6	9257	0.04	55	55
	Total	**101412**	**87**	**64419**	**0.09**	**64**	**64**
Mirzapur	2005-06	12356	440	12026	4	97	101
	2006-07	12356	204	11293	2	91	93
	2007-08	12356	316	12202	3	99	101
	2008-09	12356	428	11710	3	95	98
	2009-10	12356	142	9830	1	80	81
	2010-11	12356	45	9708	0.4	79	79
	Total	**74136**	**1575**	**66169**	**2**	**89**	**91**
Moradabad	2005-06	21901	12	5338	0.05	24	24
	2006-07	21901	9	5929	0.04	27	27
	2007-08	21901	15	6864	0.07	31	31
	2008-09	21901	22	6467	0.1	30	30
	2009-10	21901	15	5241	0.07	24	24
	2010-11	21901	24	4397	0.1	20	20
	Total	**131406**	**97**	**34236**	**0.07**	**26**	**26**
Raebareli	2005-06	16784	21	4625	0.1	28	28
	2006-07	16784	16	6470	0.1	39	39
	2007-08	16784	113	8495	0.7	51	51
	2008-09	16784	72	7538	0.4	45	45
	2009-10	16784	51	6683	0.3	40	40
	2010-11	16784	35	6690	0.2	40	40
	Total	**100704**	**308**	**40501**	**0.3**	**40**	**41**
Shahjahanpur	2005-06	14896	173	3884	1	26	27
	2006-07	14896	29	5224	0.2	35	35
	2007-08	14896	72	4869	0.5	33	33
	2008-09	14896	58	4674	0.4	31	32
	2009-10	14896	52	3931	0.3	26	27
	2010-11	14896	39	3159	0.3	21	21
	Total	**89376**	**423**	**25741**	**0.5**	**29**	**29**

Unnao	2005-06	15776	58	4105	0.4	26	26
	2006-07	15776	8	4485	0.05	28	28
	2007-08	15776	14	5619	0.09	36	36
	2008-09	15776	59	5989	0.4	38	38
	2009-10	15776	41	4654	0.3	30	30
	2010-11	15776	20	3853	0.1	24	25
	Total	**94656**	**200**	**28705**	**0.2**	**30**	**31**
Varanasi	2005-06	18396	343	14379	2	78	80
	2006-07	18396	424	14062	2	76	79
	2007-08	18396	842	16146	5	88	92
	2008-09	18396	596	13867	3	75	79
	2009-10	18396	285	12374	2	67	69
	2010-11	18396	138	13261	0.8	72	73
	Total	**110376**	**2628**	**84089**	**2**	**76**	**79**
Year-wise Total	2005-06	396192	2159	197705	0.5	50	50
	2006-07	396192	1060	194443	0.3	49	49
	2007-08	396192	2454	210557	0.6	53	54
	2008-09	388589	3454	203446	0.9	52	53
	2009-10	388589	2264	178227	0.6	46	46
	2010-11	388589	2889	162084	0.7	42	42
Grand Total		**2354343**	**14280**	**1146462**	**0.6**	**49**	**49**

(Source : Information collected from government)

Appendix 8.7 (A)

Status of targets and achievements in the State: Spacing method

(Reference: Paragraph no. 8.2.1.2; page 144)

Year	IUD insertion				Oral pills cycle		Distribution of condom	
	T	A	Shortfall	Percentage Shortfall	T	A	T	A
2005-06	26.11	19.92	6.19	23.71	NA	7.82	NA	15.16
2006-07	26.11	18.55	7.56	28.95	NA	8.43	NA	17.21
2007-08	26.11	19.43	6.68	25.58	NA	8.22	NA	16.89
2008-09	26.11	21.05	5.06	19.38	NA	8.58	NA	15.25
2009-10	26.11	15.22	10.89	41.71	NA	6.93	NA	9.75
2010-11	26.11	15.44	10.67	40.87	NA	3.43	NA	8.13
Total	**156.66**	**109.61**	**47.05**	**30.03**	**NA**	**43.41**	**NA**	**82.39**

(**Source:** Information collected during audit) **NA:** Not Available **T:** Target and **A:** Achievement

Appendix 8.7 (B)

Status of targets and achievements: Spacing method

(Reference: Paragraph no. 8.2.1.2; page 144)

Yearwise achievment in 22 test checked districts								
Year	IUD				Condoms		O. Pills	
	T	A	Shortfall	Percentage shortfall	T	A	T	A
2005-06	10.59	8.07	2.52	23.80	NA	6.07	NA	3.00
2006-07	10.61	7.32	3.29	31.01	NA	7.18	NA	3.24
2007-08	10.61	7.20	3.41	32.14	NA	6.56	NA	3.09
2008-09	10.41	8.09	2.32	22.29	NA	5.85	NA	3.40
2009-10	10.41	5.46	4.95	47.55	NA	3.34	NA	2.72
2010-11	10.41	5.60	4.81	46.21	NA	3.13	NA	1.22
Total	**63.04**	**41.74**	**21.3**	**33.79**		**32.13**		**16.67**

(**Source:** Information collected during audit) **T:** Target and **A:** Achievement

Appendix 8.8

Loss on account of excess wastage

(Reference: Paragraph no. 8.4.2; page 149)

For the limited purpose of working out the approximate figure of loss on account of wastage, the price of polio vaccine in June 2009 has been assumed constant over the period 2007-2011. The price includes Handling Fee (@ 2.25 *per cent*), and Contingency (@ 10 *per cent*) which GoI paid to UNICEF Supply Division.

The currency exchange rate is 1US $ = ₹ 47.7459, the exchange rate in June 2009.

For 18,04,32,000 doses (90,21,600 units), GoI paid UNICEF Supply Division US $ 2,63,88,812.36 in June 2009. GoI sought to revise the payable to US $ 2,35,46,502.90, as per its MoU with UNICEF. The findings pertain to a sample of three districts comprising Etah, Jalaun, and Moradabad. For this calculation Audit has assumed the lesser of the two, as actual paid.

Number of doses (purchased by GoI in June 2009)	18,04,32,000.00	(A)
Number of units (Doses/20)	90,21,600.00	(B)
Amount paid (in US$)	US $ 2,35,46,502.90	(C)
Amount paid (in ₹, assuming June 2009 exchange rates)	₹ 112,42,48,973.00	(D)
Cost per dose (D/B)	₹ 6.23	(E)
Total excess wastage (units) in selected districts	58,18,311	(F)
Loss on account of excess wastage(F x E)	**₹ 3,62,48,077.53**	

(**Source:** GoI, Ministry of Health & Family Welfare, Letter No. T 13020/01/2009-Imm, dated 19 June 2009)

Loss on account of excess wastage of vaccine ₹ 3.62 crore

Appendix 8.9

Fraudulent payments on hiring of vehicles

(Reference: Paragraph no. 8.5.4; page 153)

Sl. No.	District	Vehicle Number	Year	Amount (In ₹)	Nature of irregularity
1.	Kanpur Nagar (CHC, Kalyanpur)	UP-77-A-3996	2008-09	16800	Truck
		UP-78 AT-1435	2008-09	16800	Truck
		UP-78 AT-3102	2008-09	16800	Truck
		UP-42 T-2024	2008-09	16800	Truck
		UP-78 A-4506	2008-09	2400	Scooter
		UP- 78 V- 8953	2009-10	11200	Motorcycle
		UP-78 BN- 5587	2010-11	6300	Truck
		UP- 78 X-5698	2010-11	9600	Scooter
		UP-78 BZ-4652	2010-11	1600	Motorcycle
2.	Allahabad	UP-70AK-2132	2009-10	22,400	Motorcycle
		UP-70R-1213	2009-10	24,800	Motorcycle
			2010-11	5,600	
		UP-70X-7636	2009-10	18,400	Motorcycle
3.	Shahjahanpur	UP-27H-7652	2009-10	2,100	Motorcycle
		UP-27D-3858	2009-10	2,200	Motorcycle
		UP-27C-3765	2009-10	44000	Scooter
		UP-27-7777	2010-11	6,900	District Magistrate Shahjahanpur's vehicle
4.	Raebareli (PHC, Khiro)	UP-32AD-1542	2007-08	3,200	Moped
		UP-33-4774	2007-08	2,400	Motorcycle
		UP-65G-7359	2007-08	34,400	Motorcycle
		UP-33F-5151	2007-08	20,800	Motorcycle
			2008-09	8,800	
			2009-10	10,400	
			2010-11	1,600	
		UP-33-5454	2009-10	6,400	Motorcycle
			2010-11	1,600	
		UP-33-2660	2010-11	15,200	Moped
		UP-33CC-7122	2010-11	2,16,000	Motorcycle
	Raebareli (PHC, Fursat Ganj)	UP-33J-5735	2007-08	6,400	Motorcycle
			2008-09	6,400	
			2009-10	6,400	
			2010-11	4,000	

Sl. No.	District	Vehicle Number	Year	Amount (In ₹)	Nature of irregularity
		UP-33J-3799	2007-08	6,400	Motorcycle
			2008-09	6,400	
			2009-10	6,400	
			2010-11	4,000	
	Raebareli (PHC, Sareni)	UP-33BF-5866	2007-08	6,960	Motorcycle
			2008-09	6,968	
			2009-10	5,013	
			2010-11	4,355	
		UP-35F-5656	2007-08	6,960	Motorcycle
			2008-09	6,968	
			2009-10	5,013	
			2010-11	4,355	
	Raebareli (PHC, Maharajganj)	UP-33D-3063	2007-08	47,025	Motorcycle
	Raebareli (PHC, Bela Mela)	UP-32L-5941	2007-08	42,730	Motorcycle
			2008-09	40,390	
			2009-10	34,830	
			2010-11	29,650	
		UP-33A-1000	2007-08	7,110	Delivery Van
			2008-09	6,140	
			2009-10	4,740	
			2010-11	3,950	
	Raebareli (PHC, Jagatpur)	UP-33-4986 L	2009-10	4,800	Motorcycle
			2010-11	4,000	
		UP-33G-8032	2009-10	800	Motorcycle
		UP-33F-1100	2010-11	28,000	Motorcycle
			2010-11	45,600	
	Raebareli (PHC, Shivgarh)	UP-33A-6262	2008-09	34,300	Delivery Van
			2009-10	38,500	
			2010-11	14,900	
	Raebareli (PHC, Jatua Tappa)	UP-33C-6574	2007-08	48,764	Motorcycle
			2008-09	43,664	
			2009-10	38,955	
			2010-11	69,040	
		UP-32N-1849	2007-08	41,564	Motorcycle
			2008-09	6,464	
			2009-10	4,672	

Sl. No.	District	Vehicle Number	Year	Amount (In ₹)	Nature of irregularity
			2010-11	29,040	
		UP-33-3381	2007-08	6,464	Scooter
			2008-09	6,464	
			2009-10	4,672	
			2010-11	25,040	
		UP-33P-6186	2008-09	6,464	Motorcycle
			2009-10	4,672	
	Raebareli (CHC, Unchahar)	UP-33A-5327	2007-08	7,200	Tractor
			2008-09	6,400	
			2009-10	5,600	
			2010-11	4,000	
		UP-33D-1407	2010-11	44,800	Motorcycle
	Raebareli (CHC, Harchandpur)	UP-33R-1924	2010-11	51,200	Motorcycle
			2010-11	37,800	
	Raebareli (PHC, Dalmau)	UP-33-2167	2007-08	52,700	Motorcycle
			2008-09	700	
			2009-10	700	
			2010-11	22,600	
		UP-33-9096	2007-08	51,150	Scooter
			2008-09	42,350	
			2009-10	49,600	
			2010-11	26,800	
		UP-32-9291	2007-08	300	Scooter
		UP-33H-8107	2007-08	300	Motorcycle
		UP-33B-8704	2007-08	5600	Scooter
			2008-09	5,100	
			2009-10	4,550	
			2010-11	3,100	
		UP-33F-3193	2007-08	2,400	Motorcycle
		UP-33A-9306	2007-08	300	Three wheeler
		UP-33G-3638	2007-08	800	Motorcycle
			2008-09	4,800	
			2009-10	1,600	
			2010-11	9,200	
		UP- 33 F/7212	2008-09	700	Motorcycle
		UP- 33 B/0714	2009-10	10,500	Scooter

Sl. No.	District	Vehicle Number	Year	Amount (In ₹)	Nature of irregularity
5.	Azamgarh	UP-50-1853	2007-08	3200	Motorcycle
			2009-10	2400	
		UP-50E-1287	2007-08	4800	Motorcycle
			2009-10	1600	
		UTQ 0522	2007-08	1600	Motorcycle
			2008-09	8800	
			2009-10	4800	
			2010-11	2400	
		UP-50A-8406	2005-06	6400	Mini Truck
			2006-07	5600	
			2007-08	7200	
			2008-09	6400	
			2009-10	8000	
			2010-11	8000	
		UP-50F-5057	2007-08	5600	Motorcycle
		UP-50F-0084	2005-06	38400	Delivery Van
			2006-07	22800	
			2007-08	39200	
			2008-09	44800	
			2009-10	39200	
			2010-11	33600	
		UP-50B-3923	2005-06	9600	Scooter
			2006-07	3200	
			2007-08	4800	
			2008-09	6400	
			2009-10	5600	
			2010-11	4800	
		UP-50B-4224	2005-06	1800	Tractor
			2006-07	3200	
			2007-08	5600	
			2008-09	6400	
			2009-10	5600	
			2010-11	4800	
		UP-50R-8474	2009-10	3200	Motorcycle
			2010-11	2400	
		UP-50B-8081	2007-08	7200	Scooter

Sl. No.	District	Vehicle Number	Year	Amount (In ₹)	Nature of irregularity
			2008-09	6400	
		UP-50F-1472	2007-08	7200	Bus
			2008-09	6400	
6.	Agra	UP-80BB-9093	2009-11	40000	Mini Bus
		UP-80AB-9082	2009-11	32000	Tractor
		UP-80AD-9380	2009-11	48800	Govt. Bus
		UP-80V-9626	2009-11	18400	Two wheeler
		UP-80V-9775	2009-11	6400	Moped
		UP-80AC-9229	2009-11	44800	Mini Truck
		UP-80AQ-9082	2009-11	3200	Mini Truck
		UP-80V-9895	2009-11	1600	Two wheeler
		UP-80V-9684	2009-11	22400	Two wheeler
		UP-80AB-9002	2009-10	3200	Tractor
		UP-80Y-9636	2009-11	29600	Truck
		UP-80AM-9303	2009-11	11200	Milk Tanker
		UP-80Y-9686	2009-11	11200	Tanker
		UP-80BK-9095	2009-11	12800	Ambulance
		UP-80BD-9771	2009-11	9600	Two wheeler
		UP-80AM-9505	2009-11	5600	Truck
		UP-80BJ-9875	2009-11	4800	School Van
		UP-80AC-9391	2009-10	2400	Goods three wheeler
		UP-80BK-9586	2010-11	1600	Truck
		UP-80AP-9380	2010-11	800	Two wheeler
		UP-80AB-9380	2010-11	800	Two wheeler
		UP-80Y-9638	2010-11	800	Truck
7.	Bahraich	UP-40-7122	2010-11	13321	Motorcycle
		UP-40A-6720	2010-11	44800	Tractor
		UP-40-1560	2010-11	39900	Tractor
8.	Jhansi	UP-93B-2306	2009-11	52000	Scooter
		UGG-5258	2009-10	4000	Scooter
		UP-93S-1116	2010-11	2800	Motorcycle
		UP-93F-6623	2009-10	4000	Motorcycle
			Total	**2676967**	

Appendix 8.10

Double Payment to M/s Royal Travels, Rampur

(Reference: Paragraph no. 8.5.4; page 153)

No	Vehicle Number	Bill No./ Date	Dates	Amount paid @ ₹ 800/day	Common Dates	Double Payment
1.	UP 22 H 5080	208/ 30.01.10	20 - 29.01.10 (10 days)	8000	28 and 29.01.10	1600
		209/ 30.01.10	28 and 29.01.10 (2 days)	1600		
2.	UP 21 R 0104	203/ 30.01.10	18 - 23.01.10 (6 days)	4800	20 – 23 01.10	3200
		202/ 30.01.10	20 - 29.01.10 (10 days)	8000		
3.	HR 37 B 0545	215/ 10.02.10	07 and 08.02.10 (2 days)	1600	08.02.10	800
		241/ 7.02.10	08 - 17.02.10 (10 days)	8000		
			Total	**32000**		**5600**

Appendix 9.1

Details of the irregular expenditure/expenditure incurred in excess of amounts admissible as per PIP

(Reference: Paragraph no. 9.1.1.6; Page 159)

Raibareli

- ₹ 7.19 lakh was spent on purchase of instruments, not provided for in PIP during 2008-11. For 1697 surgeries conducted at government hospitals during 2008-09, medicines worth ₹ 9.39 lakh were purchased against admissibility of ₹ 3.39 lakh at ₹ 200 per operation, resulting in excess expenditure of ₹ 6.00 lakh;
- During 2009-10, ₹ 15.85 lakh was spent on purchase of drugs, IOL and sutures against the allocation of ₹ 6.12 lakh for 1632 operations (at the rate of ₹ 375 per operation) in government hospitals specified in PIP resulting in excess expenditure of ₹ 9.73 lakh.
- Purchase of stock, maintenance of stock books and distribution of stocks are done by one person. i.e. Eye Examination Officer which is fraught with risk and indicated lack of internal controls.

The Government stated that expenditures were incurred in public interest and were within the budget provided. Reply was not convincing as the expenditures were made in contravention of the provision of the guidelines, prescribed norms and PIP.

Shahjahanpur

- PIP of 2008-09 provided ₹ 13.87 lakh for performing 3468 surgeries (at the rate of ₹ 400 per case) in Government Sector. Against the said target, the District Unit of NBCP performed 2567 surgeries. As per the rate admissible, expenditure works out to ₹ 10.27 lakh for 2567 surgeries. DPM, however, spent ₹ 16.35 lakh, resulting in excess expenditure of ₹ 6.08 lakh. The excess expenditure was mainly attributable to the following:

a) DPM procured IOL worth ₹ 2.44 lakh (2008-09) against ₹ 1.84 lakh received, resulting in excess expenditure of ₹ 0.60 lakh.

b) Against the procurement of IOL, payment of ₹ 2.34 lakh was made to Dr. R.C. Pandey, DPM, which was irregular.

c) Against the entitlement in 2008-09 for procurement of 'Lens, Drugs, Consumables, Blade/ Suture, Viscoelastics and additional consumables, 'Spectacles' and 'Organisation & Publicity' for ₹ 5.13 lakh; ₹ 2.54 lakh (including additional grant for purchase of SES spectacles worth ₹ 0.61 lakh); and ₹ 1.28 lakh (miscellaneous items); DPM spent ₹ 5.44 lakh, ₹ 3.31 lakh and ₹ 1.55 lakh respectively resulting in excess expenditure of ₹ 1.35 lakh.

- The District Unit of NBCP performed 2499 surgeries during 2009-10. It was observed that against the entitlement of ₹ 9.37 lakh for procurement of Lens, Drugs, Consumables, Blade/Suture, Viscoelastics and additional consumables, the DPM spent ₹ 10.30 lakh resulting in excess expenditure of ₹ 0.93 lakh.
- The District Unit of NBCP performed 1819 cataract surgeries during 2010-11. Against the entitlement of ₹ 6.48 lakh for procurement of Drugs, Consumables, Blade/Suture, Viscoelastics and additional consumables, it spent ₹ 9.06 lakh resulting in excess expenditure of ₹ 2.58 lakh. Further, the various medicines/consumables, which were not provided in the guidelines, were procured by DBCS.

- Test check of records revealed that out of expenditure relating to POL and maintenance incurred during 2008-11, totaling ₹ 3.38 lakh (2008-09: ₹ 1.18 lakh; 2009-10: ₹ 1.29 lakh and 2010-11: ₹ 0.91lakh), payment of ₹ 3.17 lakh was made to Dr. R.C. Pandey, DPM. Dr. Pandey, DPM received some other payments relating to sharp instruments, stationery and other office expenditure of ₹ 1.22 lakh.
- The other office expenditure amounting to ₹ 1.44 lakh incurred during 2010-11 includes purchase of UPS 2 KVA from Seva Enterprises (vide Voucher No. 1129 dated 12.11.10) for ₹ 0.95 lakh and one Battery from M/s Baba Hardware and Mill store, Shahjahanpur (vide Vr. No. 3005 dated 11.1.2011) at ₹ 0.15 lakh. Purchase of these items was not permissible under the guidelines of NPCB.

The Government stated that the expenditures were incurred in accordance with the norms prescribed and guidelines. Reply is not convincing as the expenditure were incurred in contravention of the provisions contained in NPCB guidelines.

Appendix 10.1

Details of the irregularities noticed in payment of wall paintings, in addition to release of payments without verification of work

(Reference: Paragraph no. 10.2.3; Page 176)

Sl. No.	District	Amount received (₹ in lakh)	Amount spent (₹ in lakh)	Remarks (Additional irregularities noticed in audit)
1.	Allahabad	6.00	6.00	Wall paintings were not found on ASHAs' residences during audit verification.
2.	Bahraich	3.00	2.93	Work awarded without inviting tenders/quotations. Photographs submitted with bills did not indicate measurement of the paintings, names of *Gram Sabha*, blocks and painter.
3.	Etah	12.00	10.18	Payments made for painting in excess of the area mentioned in work order. Firm's offer to carry out the work at lower rates disregarded.
4.	Gorakhpur	20.00	20.00	Places, where wall paintings were to be located, were not mentioned either in work order or in the vendor's bill. Progress report was also not sent to the DGNPME.
5.	Jaunpur	3.00	3.00	Work awarded without inviting tenders/quotations. Progress report was not sent to the DGNPME.
6.	Jhansi	3.75	3.75	MOICs of test checked districts reported that no wall painting was done in their area.
7.	Moradabad	20.00	19.99	Payments made for painting in excess of the area mentioned in order.
8.	Raebareli	8.00	8.00	Work awarded without inviting tenders/quotations. Photographs submitted with bills did not indicate measurement of the paintings, names of *Gram Sabha*, blocks and painter.

LIST OF ABBREVIATIONS

ABER	Annual Blood Examination Rate
ACMO	Additional Chief Medical Officer
AE	Assistant Engineer
AES	Acute Encephalitis Syndrome
AGT	Awareness Generation Training
AIIMS	All India Institute of Medical Sciences
AMC	Annual Maintenance Contract
AMG	Annual Maintenance Grant
ANM	Auxiliary Nursing Midwife
ANMTC	Auxiliary Nursing Midwife Training Centre
APHC	Additional Primary Health Centre
API	Annual Parasitic Incidence
ASHA	Accredited Social Health Activist
AWW	Anganwadi Worker
AYUSH	Ayurveda, Yoga-Naturopathy, Unani, Sidha and Homoeopathy
BAA	Block Accounts Assistant
BCC	Behavioural Change Communication
BCG	Bacillus Calmette-Guerin
BDO	Block Development Officer
BEC	Bid Evaluation Committee
BHAP	Block Health Action Plan
BHT	Bed Head Ticket
BJFH	Birangana Jhalkaribai Female Hospital
BPHC	Block Primary Health Centre
BPL	Below Poverty Line
BPM	Block Programme Manager
BPMU	Block Programme Management Units
BRGF	Backward Regions Grant Fund
C&AG	Comptroller and Auditor General of India
C&DS	Construction and Design Services
CA	Chartered Accountant
CE	Certificate of Europe
CHART	Centre for Health Action, Research and Training
CHC	Community Health Centre
CMO	Chief Medical Officer
CMS	Chief Medical Superintendent
CMSD	Central Medical Store Depot
CPCB	Central Pollution Control Board
CSR	Cataract Surgery Record
CTF	Combined Treatment Facility
CTI	Collaborating Training Institute

CUG	Closed User Group
CVC	Chief Vigilance Commission
DBCS	District Blindness Control Society
DCTC	Divisional Clinical Training Centre
DDO	Drawing and Disbursing Officer
DEO	Data Entry Operator
DF	Deep Freezer
DGME	Director General, Medical Education and Training
DGMH	Director General, Medical and Health
DGNPME	Director General, National Programmes, Monitoring &Evaluation
DGS & D	Director General of Supplies and Disposal
DH	District Hospital
DHAP	District Health Action Plan
DHM	District Health Mission
DHS	District Health Society
DHT	Discharge Health Ticket
DISNIC	District National Informatics Centre
DLFA	Director, Local Fund Audit
DLHS	District Level Household Survey
DLVMC	District Level Vigilance and Monitoring Committee
DM	District Magistrate
DOTS	Directly Observed Treatment Short Course
DPC	District Planning Committee
DPM	District Programme Manager
DPMU	District Programme Management Units
DPO	District Programme Officers
DPT	Diphtheria Pertusis and Tetanus
DQAC	District Quality Assurance Committee
DSU	District Surveillance Unit
DT	Diphtheria Toxoid
DWH	Drug Warehouse
EAG	Empowered Action Group
EC	Executive Committee
EFC	Expenditure Finance Committee
EMTS	Emergency Medical Transport Services
ESIC	Employees State Insurance Corporation
FMG	Financial Management Group
FMR	Financial Management Report
FRU	First Referral Unit
FW	Family Welfare
GB	Governing Body
GDP	Gross Domestic Product
GFR	General Financial Rule
GO	Government Order

GoI	Government of India
GoUP	Government of Uttar Pradesh
GSDP	Gross State Domestic Product
HIV	Human Immunodeficiency Virus
HMIS	Health Management Information System
IAU	Internal Audit Unit
ICDS	Integrated Child Development Services
IDD	Iodine Deficiency Disorders
IDSP	Integrated Disease Surveillance Project
IEC	Information, Education and Communication
IFA	Iron Folic Acid
ILR	Ice Lined Refrigerator
IMR	Infant Mortality Rate
IOL	Intraocular Lens
IPHS	Indian Public Health Standards
ISI	Indian Standard Institute
IUD	Intra Uterine Device
IVRS	Interactive Voice Response System
JE	Japanese Encephalitis
JSY	Janani Suraksha Yojana
KGMC	King George Medical College
LACCFED	Labour and Construction Cooperative Federation
LC	Letter of Credit
LHV	Lady Health Visitor
LMC	Logistic Management Cell
MAS	Material at Site
MB	Measurement Book
MBP	Micro Birth Plan
MCH	Mother and Child Health
MCTS	Mother and Child Tracking System
MIS	Management Information System
MMR	Maternal Mortality Rate
MMU	Mobile Medical Unit
MNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MoHFW	Ministry of Health and Family Welfare
MOIC	Medical Officer in Charge
MOT	Modular Operation Theatre
MoU	Memorandum of Understanding
MPLAD	Member of Parliament Local Area Development
MPW-M	Multipurpose Worker - Male
MRP	Maximum Retail Price
MSME	Micro, Small and Medium Enterprises
MTP	Medical Termination of Pregnancy
NCCF	National Consumer Cooperative Federation

NDCP	National Disease Control Programmes
NFHS	National Family Health Survey
NGO	Non-Governmental Organisation
NIC	National Informatics Centre
NID	National Immunisation Day
NIDDCP	National Iodine Deficiency Disorders Control Programme
NLEP	National Leprosy Elimination Programme
NPCB	National Programme for Control of Blindness
NPCC	National Programme Coordination Committee
NRHM	National Rural Health Mission
NSV	No Scalpel Vasectomy
NVBDCP	National Vector Borne Disease Control Programme
OPD	Out Patient Department
OPV	Oral Polio Vaccine
ORS	Oral Rehydration Solution
OT	Operation Theatre
PACCFED	Uttar Pradesh Processing and Construction Cooperative Federation Limited
PAR	Plinth Area Rates
PDI	Pre-Delivery Inspection
PERT	Programme Evaluation and Review Technique
PFAD	Plan Formulation and Appraisal Division
PHC	Primary Health Centre
PIC	Programme Implementation Committee
PIP	Programme Implementation Plan
PMIS	Procurement Management Information System
PMS	Programme Management Society
PNB	Punjab National Bank
PP	Perspective Plan
PPI	Pulse Polio Immunisation
PPP	Public Private Partnership
PRI	Panchayati Raj Institution
PRW	Piece Rate Worker
PWD	Public Works Department
RC	Rate Contract
RCH	Reproductive and Child Health
RD	Rural Development
RFPTC	Regional Family Planning Training Centre
RHS	Rural Health Statistics
RI	Routine Immunisation
RKS	Rogi Kalyan Samiti
RNTCP	Revised National Tuberculosis Control Programme
RoP	Record of Proceedings
RTC	Regional Training Centre
RTI	Reproductive Tract Infection

RTO	Regional Transport Officer
SBA	Skilled Birth Attendant
SBI	State Bank of India
SGPGI	Sanjay Gandhi Post Graduate Institute of Medical Sciences
SHAP	State Health Action Plan
SHM	State Health Mission
SHP	School Health Programme
SHRC	State Health Resource Centre
SHS	State Health Society
SIFPSA	State Innovations in Family Planning Services Agency
SIHFW	State Institute of Health and Family Welfare
SNID	Special National Immunisation Day
SoE	Statement of Expenditure
SoR	Schedule of Rate
SPB	State Planning Board
SPMU	State Programme Management Unit
SQM	State Quality Monitors
SSMY	Saubhagyavati Surakshit Matritva Yojana
SSU	State Surveillance Unit
STI	Sexually Transmitted Infection
TAC	Technical Audit Cell
TDS	Tax Deducted at Source
TFR	Total Fertility Rate
TOT	Training of Trainers
TT	Tetanus Toxoid
UC	Utilisation Certificate
UIP	Universal Immunisation Programme
UNOPS	United Nations Office for Project Services
UPHSDP	Uttar Pradesh Health System Development Project
UPPCL	Uttar Pradesh Project Corporation Limited
UPRNN	Uttar Pradesh Rajkiya Nirman Nigam
UPSIC	Uttar Pradesh Small Industries Corporation Limited
VAT	Value Added Tax
VHAP	Village Health Action Plan
VHIR	Village Health Index Register
VHND	Village Health and Nutrition Day
VHSC	Village Health and Sanitation Committee
VO	Voluntary Organisation
VSAT	Very Small Aperture Terminal
WCD	Women and Child Development
WMF	Wastage Multiplication Factor
WPD	World Population Day
YoY	Year on Year
ZP	Zila Panchayat