CHAPTER-III

PLANNING AND CO-ORDINATION DEPARTMENT

3.1 Non Lapsable Central Pool of Resources

Non Lapsable Central Pool of Resources was introduced in 1998 with a view to fund infrastructure development in the NE states. In Nagaland, 60 projects at a total cost of Rs.836.57 crore were approved by the Ministry of Development of North Eastern Region (DoNER) during the period 1998-2008. Of these, 10 projects involving Rs.118.09 crore relating to Roads & Bridges were implemented by the Border Roads Organisation (BRO) on behalf of the State Government. The remaining 50 projects costing Rs.718.48 crore were implemented by 12 Departments[1] of the State against which Rs.507.26 crore were released by the GOI/State Government. Review of the implementation of the NLCPR funded projects in the State revealed major implementation deficiencies viz. inadequate planning, short/delayed release of funds, diversion of funds, abandonment of projects mid-way and delay in implementation of projects.

Highlights

The State Government did not release its share of Rs.12.23 crore to the nodal officers during 2005-06 to 2007-08.

(Paragraph 3.1.8.3)

The State Government unauthorisedly deducted Rs.3.40 crore during 2003-08 as departmental charges out of the funds allotted under 10 projects.

(Paragraph 3.1.8.6)

Construction of four kms. road was awarded and paid for, to two different contractors resulting in excess payment of Rs.3.17 crore.

(Paragraph 3.1.9.3(ii))

A Thermal Power Plant at Dimapur had been abandoned after incurring an expenditure of Rs.32 crore.

(Paragraph 3.1.9.4)

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1 (i) PWD (R&B), (ii) PHE, (iii) School Education, (iv) Employment & Craftsmen Training, (v) Power, (vi) Irrigation & Flood Control, (vii) Administrative Training Institute, (viii) Art & Culture, (ix) Agriculture, (x) Health & Family Welfare (xi) Development of Under Developed Areas, and (xii) Youth Resources and Sports Departments.

3.1.1 *Introduction*

The Non Lapsable Central Pool of Resources (NLCPR) was established by the GOI in 1998 from the unspent balance of the 10 *per cent* provided in the budget of Central Ministries/Departments for the North Eastern Region (NER), for funding specific infrastructure projects in the NER.

The broad objectives of the scheme were to:

- ensure speedy development of infrastructure in the NER by increasing the flow of budgetary financing with projects in physical infrastructure sector receiving priority, and

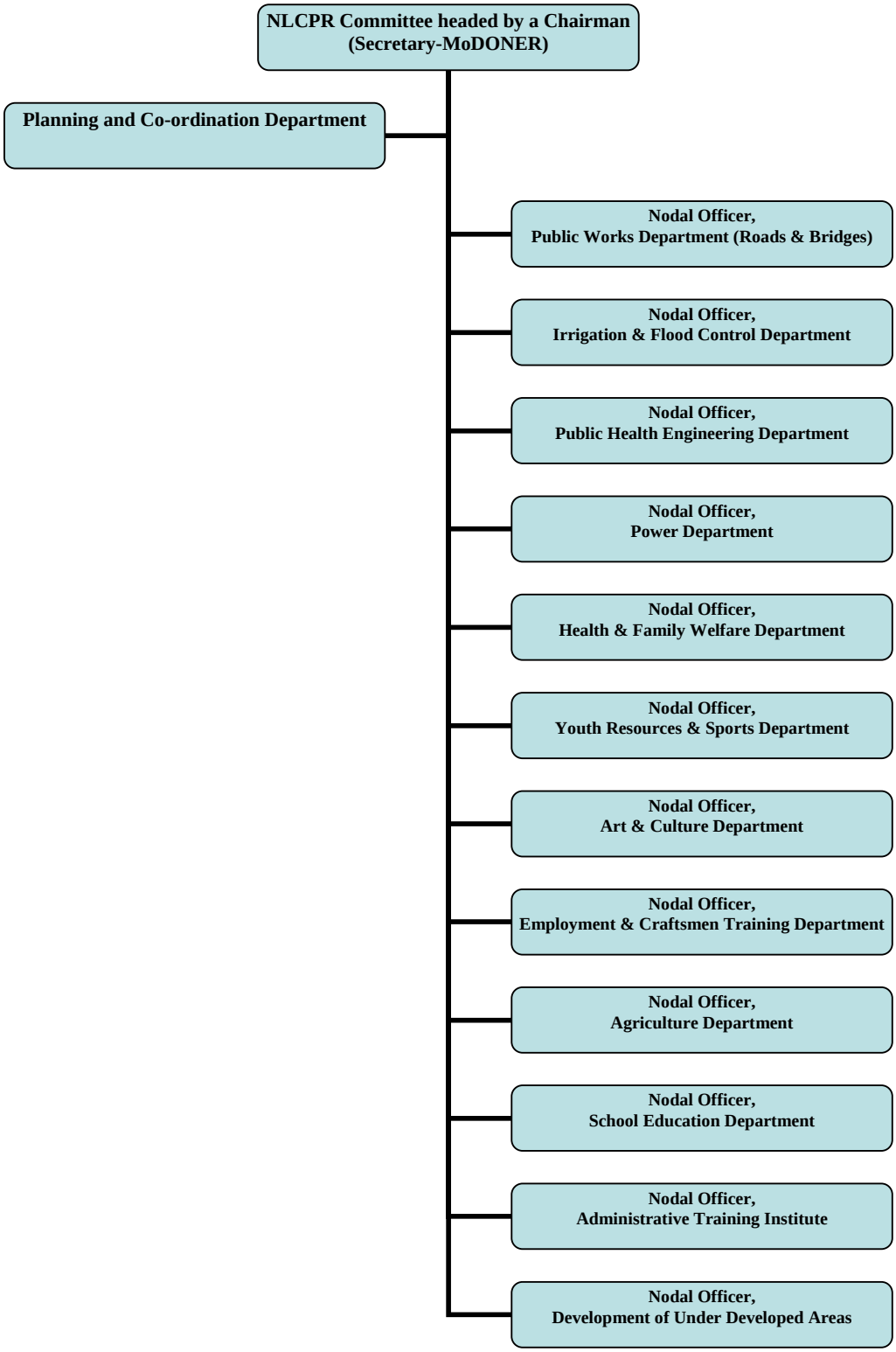
- create physical and social infrastructure in sectors like roads & bridges, education, health, water supply & sanitation, irrigation & flood control etc.

3.1.2 *Organisational set up*

The NLCPR scheme is administered by the 'NLCPR Committee' at the Central level under the chairmanship of the Secretary, Ministry of Development of North Eastern Region (MoDONER).

The organisational structure for implementation of NLCPR funded projects in Nagaland is as below:

Chart 3.1.1


NLCPR Committee headed by a Chairman
(Secretary-MoDONER)
Planning and Co-ordination Department
Nodal Officer,
Public Works Department (Roads & Bridges)
Nodal Officer,
Irrigation & Flood Control Department
Nodal Officer,
Public Health Engineering Department
Nodal Officer,
Power Department
Nodal Officer,
Health & Family Welfare Department
Nodal Officer,
Youth Resources & Sports Department
Nodal Officer,
Art & Culture Department
Nodal Officer,
Employment & Craftsmen Training Department
Nodal Officer,
Agriculture Department
Nodal Officer,
School Education Department
Nodal Officer,
Administrative Training Institute
Nodal Officer,
Development of Under Developed Areas

3.1.3 Scope of Audit

Nine projects approved at a cost of Rs.311.46 crore out of total 50 projects approved at a cost of Rs.718.48 crore were selected for performance review covering four[2] out of 11 districts in the State. The performance review was carried out during May to July 2008 by a scrutiny of the records of seven[3] executing agencies, covering the period from 2003-04 to 2007-08.

3.1.4 Audit objectives

The audit objectives of the performance review were to assess whether:

- there was a critical assessment of needs in each of the infrastructural areas and whether the individual projects were planned properly;
- adequate funds were released in a timely manner and utilised for the specified purpose in accordance with the scheme guidelines and DPRs;
- projects have been executed in an efficient and economic manner and achieved their intended objectives; and,
- there is a mechanism for adequate and effective monitoring and evaluation of projects.

3.1.5 Audit criteria

Audit findings were benchmarked against the following criteria:

- Guidelines of the GOI in respect of NLCPR funded schemes;
- Detailed Project Reports;
- Norms for releasing funds;
- Performance indicators relevant to the sectors under which the projects were executed; and
- Prescribed monitoring mechanism.

3.1.6 Audit methodology

The performance review began with an entry conference in May 2008 with the Additional Secretary, Health & Family Welfare, Joint Secretary, Works and Housing and other senior officers of the concerned Departments wherein the audit objectives, criteria, methodology and scope of performance review were discussed in detail. Projects were selected for detailed scrutiny on the basis of random sampling method. Exit conference was held in November 2008 with the concerned departmental officers wherein audit

[2] Kohima, Dimapur, Peren and Mon.
[3] (i) EE, PWD (R&B), Dimapur; (ii) EE, PWD (R&B), Peren; (iii) EE, Electrical Transmission Division, Dimapur; (iv) EE, Electrical Division, Dimapur; (v) EE, Medical Engineering Division, Kohima; (vi) EE, PHE, Mon; (vii) M/S NBCC.

findings were discussed and their views/replies have been suitably incorporated at appropriate places in the review.

Audit findings

The important audit findings are discussed in the succeeding paragraphs:

3.1.7 Planning

The NLPCR implementation guidelines require the State Government to prepare a perspective plan and a 'priority list' of projects to be funded from NLCPR after a thorough analysis of the gaps in infrastructure in the State. The projects for inclusion in the priority list for consideration of funding from NLCPR should be picked up strictly from the perspective plan and according to the priority assigned to the projects in the plan. The projects included in the priority list should be accompanied by a concept paper justifying their inclusion in the list.

Scrutiny of records revealed that the State Government neither carried out a survey/detailed analysis of gaps in infrastructural sectors in the State nor prepared any perspective plan. Though the State Government had taken up 50 projects (excluding the 10 projects implemented by the BRO) from 1998 onwards with NLCPR funding, it had prepared concept papers in respect of only 13 projects (26 *per cent*). Further, the proposals did not contain socio-economic feasibility and technical viability reports as prescribed in the guidelines issued by the GOI. Performance indicators to measure the achievement of the projects were also not prepared.

In the absence of infrastructural gap analysis, perspective plans and concept papers, the basis for inclusion of projects in the priority list for funding from NLCPR is questionable. The Ministry also released the funds for these projects without adequate scrutiny of the mandatory documents/details.

3.1.8 Financial management

3.1.8.1 Funding pattern

Till 2004-05, the GOI released funds in the ratio of 90 *per cent* grant and 10 *per cent* loan of the total project cost. With effect from 2005-06, the GOI released only the 90 *per cent* grant and 10 *per cent* of the project cost had to be borne by the State Government.

3.1.8.2 Allocation and Expenditure

The funds released by the GOI and the State Government and expenditure incurred thereagainst upto 2007-08 were as under:

Table 3.1.1

(Rupees in crore)

Year	Approved project cost	GOI share		State Share		Total fund available Col. (5) + (7)	Expenditure	Excess (+)/ Savings (-)
		Due	Released	Due	Released			
1	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Up to 2002-03	232.98	232.98	187.94	-	-	187.94	164.68	(-) 23.26
2003-04	159.51	159.51	62.29	-	-	62.29	42.29	(-) 20.00
2004-05	41.18	41.18	41.36	-	-	41.36	41.36	--
2005-06	187.34	168.61	77.44	18.73	-	77.44	77.37	(-) 0.07
2006-07	50.29	45.26	63.30	5.03	8.20	71.50	71.05	(-) 0.45
2007-08	47.18	42.46	58.68	4.72	8.05	66.73	63.66	(-) 3.07
Total	**718.48**	**690.00**	**491.01**	**28.48**	**16.25**	**507.26**	**460.41**	

(Source: Finance Department and Planning & Co-ordination Department)

It would be seen from the above table that against the GOI share of Rs.690 crore in respect of 50 projects, the Ministry released only Rs.491.01 crore to the State Government during 1998-99 to 2007-08. Reasons for short release of Rs.198.99 crore could not be furnished though called for. Short release of funds by the Ministry resulted in delayed implementation of 10 projects by seven to 80 months and non taking up of five projects as of October 2008.

3.1.8.3 Short release of State share

Against its share of Rs.28.48 crore during 2005-08, the State Government released only Rs.16.25 crore to the executing agencies during the above period. The reasons for short release of Rs.12.23 crore could not be furnished though called for.

3.1.8.4 Short and delayed release of GOI funds by State Government

The Scheme guidelines envisaged that funds must be transmitted to the executing agency/project authority by the State Government within 30 days from the date of their release by the GOI and utilised within nine months from the date of their release. In case the funds cannot be utilised within the stipulated time, such cases may be referred to the Ministry with sound justification for revalidation.

Project-wise analysis revealed the following:

- Against the release of Rs.33.06 crore by the Ministry (April 2005 to March 2008) in respect of "Upgradation of Dimapur-Khopanala-Jalukie-Peren Road", the State Government released Rs.28.70 crore to the executing agencies and the balance Rs.4.36 crore was yet to be released (June 2008). Due to non-release of funds, the work could not be completed resulting in time overrun of the project by more than one year as of October 2008.

- Against the release of Rs.19.25 crore between 2004-05 and 2006-07 by the Ministry in respect of "Construction of road from Purana Bazaar (NH 39 By Pass) to Kohima-Bokajan road" the State Government released only Rs.18.84 crore to the executing agency retaining a balance of Rs.0.41 crore as of June 2008.

- There were delays in release of GOI funds to the executing agencies by the State Government in respect of the projects "Vitalisation of State Referral Hospital, Dimapur" and "Up-gradation of District Hospitals in Nagaland" for periods ranging from two to 18 months which affected the implementation schedule of these projects. Nine out of the 10 district hospitals under the project "Up-gradation of the District hospitals" could be completed only in October 2008 after a delay of more than two yeas and the Project "Vitalisation of State Referral Hospital" remained incomplete (October 2008) against the scheduled date of completion in March 2008.

- Scrutiny revealed that though GOI released Rs.2.03 crore in June 2007 for the project "Construction of two lane RCC bridge over Dhansiri river", the State Government transferred Rs.2 crore to 'Civil Deposit' in March 2008 in contravention of the guidelines to avoid lapse of budget grants. Consequently, the project, scheduled to be completed by July 2009, has not yet been started (October 2008).

3.1.8.5 Non-submission of utilisation certificate

The guidelines envisaged that the State Government should submit to the Ministry the utilisation certificates (UCs) for the funds received in previous installment, for obtaining subsequent release of funds.

Scrutiny of records furnished by the Planning and Co-ordination Department (Nodal Department) revealed that out of a total of 50 projects, seven nodal officers did not furnish UCs for Rs.22.71 crore released during 2003-08 in respect of 10 projects **(*Appendix* 3.1.1)**. UCs for the remaining 40 projects have been received by the Nodal Department and transmitted to the GOI.

Thus, due to non-furnishing of UCs, the State Government failed to receive the subsequent installments of Rs.29.32 crore. This had adversely affected the ongoing projects.

3.1.8.6 Unauthorised deduction of departmental charges

Scrutiny of project reports approved by the Ministry revealed that there was no provision for deduction of departmental charges. However, from the release orders issued by the State Government it was noticed that departmental charges ranging from 7.64 *per cent* to 11.50 *per cent* amounting to Rs.3.40 crore was deducted at source by the Finance Department during 2003-08 in respect of 10 projects executed by five implementing agencies **(*Appendix* 3.1.2).** Due to deduction of departmental charges of Rs.3.40 crore by the State Government without provision in the approved DPRs, the implementation of ten projects was adversely affected to that extent.

3.1.8.7 Unauthorised utilisation of funds towards payment of salary of work charged staff

The Scheme guidelines envisaged that no staff component, either work charged or regular, shall be created by the project implementing authorities from NLCPR funds. Scrutiny of the release orders issued by the State Government revealed that in

contravention of the above provisions, the Finance Department deducted Rs.3.02 crore in respect of five projects during 2003-06 for payment of salary to work charged staff. Since all the 50 NLCPR projects implemented in the State were carried out through contractors on turnkey basis, there was no scope for engaging work charged staff in the execution of these projects. The deduction of funds for meeting expenditure on work charged salary was therefore not justified.

Thus, unauthorised deduction of Rs.3.02 crore for payment of work charged salaries was not only in contravention of guidelines but also one of the factors for physical progress of only 80 and 90 *per cent* in respect of the projects "Upgradation of Dimapur–Khopanala-Jalukie-Peren Road" and "Upgradation of Old Phek via Khuza to Satakha road" up to October 2008 against the targeted date of completion in August 2007 and February 2008 respectively.

3.1.8.8 Diversion of NLCPR funds

The administrative and financial approval of the projects issued by the Ministry stipulated that the funds should be utilised within specified time and for the purpose for which they were sanctioned for and no diversion of fund was allowed.

- Scrutiny of records of two[4] executing agencies revealed that in contravention of the prescribed provisions, Rs.54.90 lakh was diverted, from the fund allotted under "Upgradation of Dimapur-Khopanala-Jaluki-Peren road", for purchase of 10 vehicles.

- The EE, PWD (R&B) Dimapur Division procured 960 running metres of 900 mm dia NP3 class (2.5 m long) hume pipes at a total cost of Rs.77.06 lakh from a local supplier in September 2007 against a supply order issued in March 2006 in connection with "Upgradation of Dimapur-Khopanala-Jalukie-Peren Road". Scrutiny of the Site Account revealed that the entire quantity of hume pipes was issued to other works which were not funded under NLCPR.

Diversion of Rs.1.32[5] crore was one of the reasons for delay in completion of the above project by 14 months as of October 2008.

- The guidelines provide that NLCPR funds will not be used for land acquisition. The EE, PHE, Store Division, Dimapur and the EE, Electrical Transmission Division, Dimapur however, spent Rs.48.94 lakh on payment of compensation to the land owners in contravention of the scheme guidelines.

- The EE, PHE, Dimapur Division, paid Rs.66.98 lakh to three contractors, being the interest on delayed payment of bills not related to NLCPR projects. This amount was however, charged to the NLCPR project, "Augmentation of Water Supply at Dimapur" resulting in diversion of scheme funds of Rs.66.98 lakh.

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4 (i) Executive Engineer, PWD (R&B), Dimapur Division, Dimapur and (ii) Executive Engineer, PWD (R&B), Peren Division

5 Rs.0.55 crore + Rs.0.77 crore = Rs.1.32 crore

3.1.9 Project Implementation

3.1.9.1 Physical and financial achievement

The physical performance of the NLCPR funded projects in the State as of March 2008 is given in the table below:

Table 3.1.2

Year	No of projects	Status of work as of March 2008					Remarks
		Completed	Completed but not commissioned	In progress	Not yet started	Abandoned	
Upto 2002-03	20	16	-	3	-	1	The due dates for completion of the three projects have elapsed.
2003-04	4	-	1	2	-	1	The due dates for completion of the two projects have elapsed.
2004-05	3	2	-	1	-		The due date for completion of the project has elapsed.
2005-06	9	2	-	5	2	-	The due dates for completion of two projects have already elapsed.
2006-07	10	2	-	5	3	-	The due date for completion of one project has already elapsed.
2007-08	4	-	-	3	1	-	
Total	**50**	**22** (44)	**1**	**19**	**6**	**2**	

Source: Information furnished by the State planning Department. The figures in brackets represent percentage

As can be seen above, while 34 projects were due for completion by March 2008 only 23 were completed (one is yet to be commissioned) and two were abandoned. Scrutiny of the incomplete projects revealed that the delay in completion was on account of paucity of funds due to non-release of funds by the State Government.

The sector wise performance of NLCPR funded projects in the State as of March 2008 is given below:

Table 3.1.3

(Rupees in crore)

Sector	No. of projects approved	Approved project cost	Funds released (Central/State)	Fund utilised (*per cent*)	Projects completed (*per cent*)
Roads and Bridges	18 (36)	277.41	188.09	150.73 (80)	7 (39)
Power	6 (12)	230.55	154.39	154.39 (100)	4 (67)
Health & Family Welfare	4 (8)	78.02	59.39	55.68 (94)	1 (25)
Public Health Engineering	3 (6)	20.25	17.93	17.93 (100)	1 (33)
Youth Resources & Sports	2 (4)	2.74	2.63	2.63 (100)	0 (0)
Irrigation & Flood Control	4 (8)	26.00	12.23	6.97 (57)	1 (25)
School Education	9 (18)	66.14	64.83	64.31 (99)	7 (78)
Miscellaneous (Employment, Agri. Administrative Training Institute and Art & Culture	4 (8)	17.37	7.77	7.77 (100)	1 (25)
Total	**50**	**718.48**	**507.26**	**460.41**	**22**

Source: Information furnished by the State planning Department. The figures in brackets represent percentages

NLCPR was introduced with a view to fund infrastructure development in the north eastern States. Roads & Bridges and Power were the two main infrastructure sectors in the State. The above table reveals that out of 18 Roads & Bridges and 6 Power projects taken up, only seven (39 *per cent*) and four (67 *per cent*) projects respectively were completed till March 2008. This was indicative of the fact that the State Government has not accorded due priority to creation and development of infrastructure in the State.

3.1.9.2 Target and achievement of selected projects

The physical and financial achievements of the nine projects examined in detail are given below:

Table 3.1.4

(Rupees in crore)

Name of selected projects	Date of approval	Approved cost	Fund released	Fund utilised	Due date of completion	Physical achievement as of March 2008
Improvement of Road from Dimapur to Ganeshnagar (35 Kms)	January 2003	12.12	11.52	11.52	June 2006	Completed
Construction of Road from Purana Bazar (NH 39 by Pass) to Kohima Bokajan Road	September 2004	21.18	20.43	20.43	November 2006	2 km of the road is yet to be constructed
Upgradation of Dimapur-Khopanala-Jalukie-Peren Road	February 2006	36.73	36.48	36.48	August 2007	90 *per cent*
Sub-Transmission and Distribution	November 2000	67.85	65.68	65.68	June 2003	4 out of 34 sub-projects are yet to be completed
22.92 MW HFO based thermal Power Plant at Dimapur	March 2004	105.57	32.00	32.00	May 2005	Abandoned
Upgradation of District Hospital	February 2004	14.40	13.15	13.15	June 2006	1 out of the 10 District hospitals is yet to be completed.
Vitalisation of State Referral Hospital	February 2004	35.62	25.25	25.25	March 2008	Yet to be completed
Water Supply Scheme for Mon & Chui villages	November 2003	3.92	3.74	3.74	March 2007	Completed (2/2007) but not yet commissioned.
Construction of Sainik School at Punglwa	December 2006	14.07	13.99	13.99	April 2007	Completed (April 2007)
Total		**311.46**	**222.24**	**222.24**		

Source: information furnished by the State Planning Department.

Scrutiny of records relating to the above nine projects revealed the following:

(i) Work orders for "Improvement of road from Dimapur to Ganeshnagar" were given to two contractors in June 2004 which included providing and laying the required quantity of stone metals. Scrutiny of the cash book revealed that the Division had

incurred an expenditure of Rs.27.55 lakh towards procurement of stone metals from 30 contractors between April 2004 and December 2007. The metals were, however, not entered into the site account of any work/project. Besides, basic documents such as supply orders, forest transit pass, payment bills, entries made in the MBs etc., could not also be furnished by the Division. Thus, the possibility of the expenditure of Rs.27.55 lakh being false cannot be ruled out.

In reply the Division stated that the metals were procured against the provision of 3 *per cent* contingency for repairing the damages to the road which occurred during monsoon season after completion. The fact remains that the Division could not furnish the records establishing that the metals were actually purchased. Besides, the work was only completed in March 2007 whereas the major portion of the payment for the metals (48 out of 57 bills) was made during the years 2004 to 2006.

(ii) The project "Construction of Dimapur-Khopanalla-Jalukie-Peren Road" was approved by MoDONER in February 2006 to be taken up with NLCPR funding. The approved cost of the project was Rs.36.73 crore and the targeted date of completion of the work was August 2007.

The work from 48 to 52 km was awarded to two local contractors as detailed below:

Table 3.1.5

Name of contractor	Name of work	Work order No.	Estimated Value of work order	Upto date payment made
			(Rupees in crore)	
M/s Paneshwar & Sons	34.000Km to 52.000Km (18 Km)	CE/R&B/NLCPR/05-06 Dated 20.03.2006	15.00	14.29
Shri Charlie Sekhose	48.000Km to 58.200Km (10.20 Km)	CE/R&B/NLCPR/05-06 Dated 20.03.2006	6.21	4.59
Total			**21.21**	**18.88**

It is evident from the above table that the stretch from 48 to 52 Km. was awarded to both the contractors. The contractors carried out the works and measurements were taken by the EE, PWD (R&B), Peren Division, and payments of Rs.18.88 crore was made through running account bills to the contractors between November 2007 and March 2008.

Thus, awarding of work orders and payment for the same work to two different contractors resulted in overpayment of Rs.3.17 crore[6].

The Department stated (November 2008) that the work allotted to the contractors has since been corrected as 32 to 50 km and 50 km to 60 km in all the relevant records. But the fact remains that payment for 4 kms. has already been made to both the contractors which needs to be investigated.

(iii) The project "Strengthening of Sub-Transmission and Distribution System (34 sub-projects) in Dimapur" was approved in June 2000 with a view to improve the quality of

[6] Payment made to M/s Panesar & Sons for construction of 18 km road (34 km – 52 km) = Rs.142936495 (Vr.No.1 dated 20.3.2008)
Amount for construction of 4 km (overlapped) road = Rs.142936495 x 4 ÷ 18 km =Rs.3,17,63,665

power by reducing voltage drop and also to reduce transmission loss. The scheduled date for completion of the project was June 2003. The executing agencies completed only 10 sub-projects within the stipulated period and 18 sub-projects were completed between December 2003 and December 2005 after delays ranging from six to 30 months. Due to change in the scope of the works, four sub projects were yet to be completed while two sub-projects could not be taken up as the funds meant for them were utilised in the four sub-projects. Further, due to want of technical manpower, five power sub-stations could not be commissioned (October 2008) for periods ranging from 30 to 61 months.

Thus, due to non-completion of all the sub-projects coupled with non- commissioning of five sub-stations, the Department suffered a loss of revenue of Rs.10.06 crore (based on the calculations of the Department, as detailed in ***Appendix*-3.1.3**) apart from failing to improve the quality of power supplied to the consumers.

(iv) The CE, PWD (R&B) awarded the works for the project "Construction of road from Purana Bazar (NH 39 By pass) to Kohima-Bokajan" at a cost of Rs.18.22 crore (against the total receipt of funds of Rs.20.43 crore for the work) to three local contractors from 0-20 km against 22 km of road as per approved (November 2004) DPR. The division paid Rs.16.06 crore in RA bills to the contractors between February 2005 and February 2007 and the balance Rs.2.16 crore is yet to be paid. Scrutiny revealed that the Department instead of constructing the balance 2 Km. road diverted an amount of Rs.2.56 crore for construction of three different roads not included in this project due to which the road could not be completed. Further scrutiny revealed that even if the 2 Kms. road had been constructed, the road could not have been utilised, as the road passes over a river and construction of a bridge over the river taken up under another project from NLCPR funds had not progressed much (October 2008) as can be seen from the photograph given below. Funds received for construction of the bridge amounting to Rs.2 crore was kept in civil deposit.

Thus, lack of proper planning and coordination in execution resulted in idle expenditure of Rs.16.06 crore for periods ranging upto almost four years. Besides, the targeted objective of construction of the road also remained unachieved.

3.1.9.3 Abandoned project

The Union Ministry of Power approved "22.92 MW Heavy Fuel Oil based Thermal Power Plant" at Dimapur at a cost of Rs.105.57 crore in September 2003. The Prime Minister, during his visit to the State (October 2003), announced inclusion of the project in the special economic package for the State. The Ministry of DoNER was asked to meet the fund requirements for this project and in case of non availability of funds, Ministry of Finance/ Planning Commission was to be requested for the same. The project was scheduled to be completed by May 2005.

Construction of the plant was awarded (March 2004) to M/s Bharat Heavy Electricals Limited (BHEL), Bhopal on turnkey basis. The Ministry (DoNER) released Rs.18.86 crore (March 2004) and Rs.13.14 crore (August 2004) but refused to give the balance funding of Rs.73.57 crore and requested the State Government to include the project again in the priority list in order to give a fresh sanction. The State Government refused on the ground that since it was a Prime Minister's special economic package, the GOI should be responsible for the funding of the project and if the Project was again included in the priority list to be funded under NLCPR, the State would have to compromise some fresh projects which might be sanctioned against the State.

Scrutiny of records of the EE, Electrical Transmission Division, Dimapur revealed that the Department foreclosed the project in May 2005 after incurring Rs.32 crore towards construction of buildings and procurement of machinery and equipment. M/s BHEL handed over the project on "as is where is basis" to the Department in July 2006. The building so constructed and machinery & equipment procured were lying unutilised at site for the last two years as can be seen from the photographs given below:

This has resulted in an infructuous expenditure of Rs.32 crore apart from the objectives of the project remaining unachieved. Further, the condition of the machinery and equipment is also deteriorating due to prolonged exposure to sun and rain.

3.1.9.4 Land acquisition

The project "Water supply scheme for Mon and Chui villages" was approved by the Ministry in November 2003 at a total cost of Rs.3.92 crore with the objective of

supplying 40 lpcd[7] potable water to Mon and Chui villages. The scheduled date of completion of the project was March 2007 but it was completed in January 2007 at a cost of Rs.3.66 crore.

The guidelines stipulated that all regulatory and statutory clearances like forest and environment, land acquisition etc., should be indicated in the proposal. The Department could not furnish to audit any document in support of having conducted a survey and interaction with the beneficiaries, land owners etc. The project was included in the priority list for selection under NLCPR without preparation of perspective plan. The State Government also did not prepare concept paper which was to be mandatorily furnished with the project report to the Ministry. Laboratory test check of the quality of the water available at source was also not carried out at any stage. Social impact studies pertaining to the implementation of the project was also not conducted.

Scrutiny revealed that the project after completion could not be commissioned due to a dispute between the water source donor and the beneficiary villages but the Department has not taken effective action to settle the dispute and commission the project.

Thus, non-settlement of the land dispute between water source donor and the beneficiary villages resulted in non-commissioning of a completed project valuing Rs.3.66 crore (October 2008) apart from objectives of the scheme remaining unachieved.

3.1.10 Reporting

Release of funds for ongoing projects, *i.e.*, the second and subsequent installments depend upon the financial and physical progress of the implementation of the projects subject to 75 *per cent* utilisation of funds of last release and full utilisation of all the prior releases, if any. The State Government should carry out project inspection periodically. The quarterly review report of the State should contain a separate and distinct section on the findings of the project inspection. Moreover, the utilisation certificates should be accompanied by photographs of the works completed from earlier releases.

Out of seven Executing Agencies (EAs) in the nine selected projects, only one EA (NBCC) submitted utilisation certificates and physical progress reports. No records were produced by the EAs in respect of periodical inspections carried out by the concerned Departments and State Authorities. Photographs were also not enclosed with the utilisation certificates furnished to the Ministry. The State Government without collecting feed back and periodical inspection reports from the EAs to assess the ground reality, prepared the utilisation certificates and quarterly progress reports on the basis of funds released. Thus, the information furnished by the State Government to the GOI in the progress reports and utilisation certificates was not based on factual position.

3.1.11 Monitoring and evaluation

Guidelines provide for the Chief Secretary of the State to hold quarterly meetings to review the progress of implementation of the ongoing projects funded by NLCPR and

[7] Litre per capita per day.

submit a summary report to the Ministry. To further strengthen the monitoring, the Ministry is supposed to nominate its representative at these meetings.

The State Government should also carry out periodical inspection of the projects. Monitoring and evaluation of implementation of the projects is to be undertaken through field inspections by officers of the Ministry as well as through impact studies, social audit and evaluation conducted by Government or through independent agencies.

Out of the 40 quarterly review meetings (1998-2008) to be conducted by the Chief Secretary, only seven were held during the period and the representative from the Ministry took part only in two meetings.

In reply to an Audit query, seven EAs stated (May-June 2008) that no official from the Ministry had ever visited the project sites to inspect the progress of the work but representatives of the State Government inspected the project sites. Record of such visits/inspections was however, not maintained by the executing agencies. Moreover, the State Government did not carry out impact studies, social audit and evaluation of the projects under NLCPR.

Thus, it is evident that the implementation of the projects was not properly monitored and evaluated at the Ministry/State Government level.

3.1.12 Quality control measures

Guidelines envisage that the Ministry would send independent supervision mission (six monthly) wherein representatives of the State Government, Ministry and independent technical experts were to be involved. Teams were to interact with the policy makers, beneficiaries, field officers etc., besides visiting project sites. The State Government is also supposed to carry out periodical inspection of the projects to ensure that the projects conform to quality parameters.

The executing agencies and the concerned Departments could not produce any records to show the details relating to the visits by the supervision mission and periodical inspections. Neither the State Government nor the Ministry took any effective quality control measures during the execution of the projects.

3.1.13 Conclusion

The overall implementation of the NLCPR funded projects in the State was poor due to inadequate planning, as projects were selected without conducting detailed survey to identify the infrastructural gaps. Perspective plans were not prepared and Concept papers in respect of 37 out of 50 projects were also not prepared. Yet the projects were approved for funding from NLCPR. Financial management was deficient and the State Government had not released its matching share to the implementing agencies. While there was no cost overrun in any of the projects, there were delays in execution of the works due to paucity of funds, as the State Government delayed the release of GOI funds to the implementing agencies. Monitoring and evaluation mechanism remained grossly ineffective which had adversely affected the pace of implementation of the projects.

3.1.14 Recommendations

- The Planning and Co-ordination Department should be more proactive in scrutinising the project proposals submitted by the departments for grants under NLCPR;
- Adequate funds should be provided for and released on a timely basis to ensure compliance with the stipulated time-lines for completion of the projects;
- The Nodal Department should ensure post completion checks especially with reference to the utility and impact assessment of all the projects, so as to obviate abandonment/non-utilisation of infrastructure created;
- Stringent inspection of all on-going projects should be carried out regularly to avoid extra expenditure and to ensure timely utilisation of funds and derivation of benefits;
- Monitoring and internal control mechanism should be more effective to ensure that intended benefits are derived by the Society/targeted population.

The matter was reported to the Departments/Government (August 2008); replies have not been received (November 2008).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2 National Rural Health Mission

The National Rural Health Mission was launched all over the country from April 2005 for a seven year period 2005-12. In Nagaland, the programme was launched only in February 2006. A mid term review of the Mission revealed that the basic inputs were not in place. State had not prepared Perspective Plan (2005-12) and household and facility survey covering all villages and health centres was yet to be completed. The upgradation of District Hospitals, Community Health Centres, Primary Health Centres and Sub-Centres to the level of Indian Public Health Standards has not been achieved. The State Health Society has not framed any time bound programme to train ASHAs up to the fifth module.

Highlights

Household survey was conducted only in seven out of 11 districts in the year 2007-08.

(Paragraph 3.2.8.1)

There was a shortfall in creation of CHCs, PHCs, and SCs and there were lack of medical officers, medicines and equipment in the test-checked units.

(Paragraph 3.2.10.1)

Mobile medical units were not operationalised despite incurring an expenditure of Rs. 5.01 crore, thereby defeating the objective to take health care to the door steps of the people in the under-served areas.

(Paragraph 3.2.10.4)

Monitoring mechanism was non-existent in the Department.

(Paragraph 3.2.18)

3.2.1 Introduction

The National Rural Health Mission (NRHM) was launched in April 2005 by the GOI for the period 2005-12 with special focus on 18 States, including Nagaland, with the objective of providing accessible, affordable and effective public health care in rural areas. The Mission was made effective in Nagaland in February 2006. The Mission envisaged convergence of various existing standalone national disease control programmes with the exception of the National AIDS and Cancer Control Programmes. The components of the NRHM include bridging gaps in healthcare facilities, facilitating decentralized planning in health sector and addressing the issue of health in the context of a sector-wise approach encompassing sanitation and hygiene, nutrition etc. as basic determinants of good health and advocates convergence with related social sector departments like Women and Child Development, AYUSH, Panchayati Raj etc.

3.2.2 Objectives of the Mission

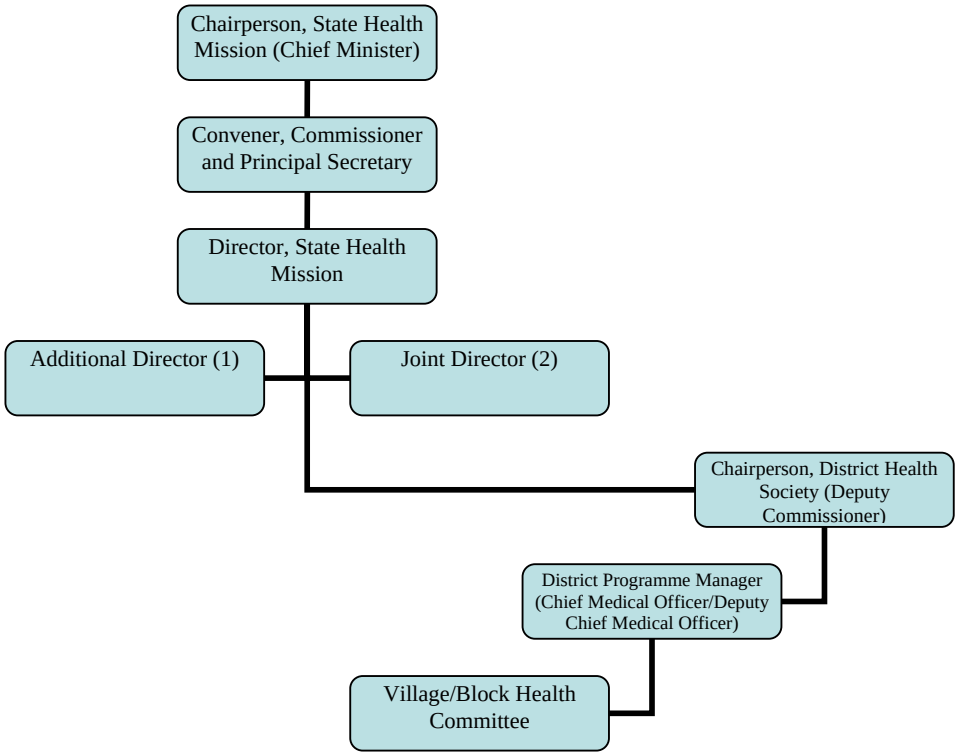
The main objectives of NRHM are to:

- provide accessible, affordable, accountable, effective and reliable health care facilities in the rural areas, especially to the poor and vulnerable sections of the population;
- involve community in planning and monitoring;
- reduce infant mortality rate, maternal mortality rate and total fertility rate for population stabilisation; and
- prevent and control communicable and non-communicable diseases, including endemic diseases.

3.2.3 Organisational set-up

The organisational structure for implementation of NRHM in the State is given below:

Chart 3.2.1



3.2.4 Scope of Audit

A mid-term performance review of the scheme was carried out between May and August 2008 covering the progress of various activities of NRHM during 2005-08. Four[8] out of 11 districts were selected for detailed review based on random sampling method and records of the State Health Society (SHS), four District Health Societies (DHSs), four Community Health Centers (CHCs) out of 10 in the selected districts, eight Primary Health Centres (PHCs) out of 37 in the selected districts and 16 Sub Centres (SCs) out of 176 in the selected districts were examined in detail. Out of a total expenditure of Rs.53.26 crore incurred on the activities of the Mission during the review period, Rs.43.33 crore (81 *per cent*) was covered in audit.

3.2.5 Audit objectives

The audit objectives were to see whether:

- Planning for implementation of various components of the programme was based on realistic and reliable data from the village, block and district level;

[8] Kohima, Tuensang, Mokokchung and Dimapur

- Health service delivery infrastructure was created and equipped with trained manpower and requisite medicines;
- Performance indicators and targets fixed for various components were achieved;
- Adequate funds were released on time and utilised for the intended purpose; and
- Monitoring mechanism was effective.

3.2.6 Audit criteria

Audit findings were benchmarked against the following criteria:

- Mission guidelines issued by Union Ministry of Health and Family Welfare;
- Financial guidelines and framework for delegation of administrative and financial powers under NRHM;
- State Programme Implementation Plan;
- Prescribed Monitoring Mechanism.

3.2.7 Audit methodology

The performance review commenced with an entry conference (May 2008) with the Director, Rural Health Mission besides other implementing officers wherein, the audit objectives, criteria, scope and methodology were discussed. Audit conclusions were drawn after a scrutiny of records relating to the implementation of the various components of the Mission for the years 2005-08. The report was finalised after taking into account the views put forth by the Department during an exit conference (November 2008).

Audit findings

Audit findings are detailed in the succeeding paragraphs:

3.2.8 Planning

3.2.8.1 Household survey and preparation of plan

NRHM envisaged a decentralised and participatory planning process with a bottom up approach from village level to the State level. A perspective plan for the Mission period (2005-12) and action plan for each year were to be prepared by the State by consolidating all the district level plans to enable interventions in the health sector.

For preparation of a comprehensive district action plan, a facility and household survey at the CHC, PHC and SC level was required to be conducted.

Scrutiny of the records of SHS revealed that no household survey was conducted during the years 2005-07. The survey was conducted only in seven[9] out of 11 districts (64 *per cent*) in the State during 2007-08. The SHS had, however, not compiled the household survey data submitted by these seven districts (August 2008). Further, facility survey of CHCs/PHCs/SCs was not fully conducted by the respective districts. The details in this regard are shown in the table below:

Table 3.2.1

CHC			PHC			SC		
Total CHCs in the State	Facility survey conducted	Facility survey not conducted	Total PHCs in the State	Facility survey conducted	Facility survey not conducted	Total SCs in the State	Facility survey conducted	Facility survey not conducted
21	18	3	86	74	12	397	342	55

(Source: survey report of the SHS)

As can be seen from the above, though the State Government has done quite well by conducting facility survey in respect of 434 out of 504 units (86 *per cent*), the survey in respect of 70 units is yet to be done (August 2008).

In the absence of a complete household and facility survey, the Department could not have a complete database for a meaningful assessment of health care services and identify the gaps for future course of interventions on need analysis for formulation of the State Project Implementation Plan (SPIP) covering all the villages, blocks and districts of the State.

The District Health Action Plan (DHAP) prepared by the DHS incorporating the block plans of all NRHM activities are to be submitted to the SHS for incorporation in the State Plan and onward transmission to the National Programme Co-ordination Committee (NPCC) for their appraisal.

Scrutiny revealed that during 2005-06 and 2006-07 none of the districts prepared the DHAP and the State plan for 2006-07 was prepared without incorporating the DHAP and other NRHM activities i.e., National Disease Control Programmes. Seven[10] out of 11 DHS prepared DHAPs only in 2007-08. Hence, bottom up approach as envisaged in the guidelines was not adopted in the preparation of plans for NRHM activities.

GOI in fact, released Rs.1.10 crore during March to September 2007 for the preparation of DHAP in respect of all 11 districts on the basis of the NPCC's approval (November 2006). Scrutiny revealed that against the approval of Rs.1.10 crore, Rs.1.65 crore was incurred for preparation of DHAP during 2006-07 and 2007-08. Of these, only Rs.38 lakh was released to the 11 districts while the remaining Rs.1.27 crore was spent by the SHS. Besides, there was an excess expenditure of Rs.55 lakh in violation of NPCC approval.

While admitting (November 2008) the facts, the Department stated that the excess expenditure would be adjusted in the following financial year (2008-09).

[9] Kohima, Mokokchung, Dimapur, Longleng, Kiphire, Phek and Peren.

[10] Kohima, Mokokchung, Dimapur, Longleng, Kiphire, Phek and Peren.

3.2.9 Financial management

3.2.9.1 Funding pattern

GOI provided 100 *per cent* funds for implementation of the scheme to the Director, SHM through bank drafts during 2005-06 to 2006-07. From 2007-08 onwards, the contribution was to be in the ratio of 85:15 between the Centre and the State.

3.2.9.2 Financial performance

The details of the funds released by the GOI and the State Government and expenditure thereagainst during 2005-08 were as under:

Table 3.2.2

(Rupees in crore)

Year	Opening Balance	Funds released		Total	Expenditure	Closing Balance
		GOI	State share			
2005-06	0.42	11.66	-	12.08	3.77	8.31
2006-07	8.31	24.08	-	32.39	22.67	9.72
2007-08	9.72	35.53	-	45.25	26.82	18.43
Total		**71.27**	**-**		**53.26**	

(*Source*: *Annual accounts of State Health Society excluding grants of other disease control programmes)*

3.2.9.3 Non release of State matching share

As per NRHM guidelines, the contribution was to be in the ratio of 85:15 between the GOI and the State Governments from 2007-08 onwards. While the GOI released Rs.35.53 crore during 2007-08, the State Government failed to release its corresponding share.

The Department, in reply (November 2008) stated that the State share of Rs.6 crore was released and distributed to DHS. The reply is not acceptable as the fund was released by the Department through its regular budget for being spent in the State on health sector and was not related to NRHM activities which is evident by the fact that the amount was not reflected in the annual accounts of the SHS as well as DHS.

3.2.9.4 Non release of funds through State Health Society

GOI issued a directive (July 2005) to merge all the State Level Vertical Societies under National Disease Control Programmes (NDCP) into an integrated society. The State Government, therefore, constituted the Nagaland State Health Society (February 2006) under NRHM and all the NDCPs were included in the State Programme Implementation Plan (SPIP) of SHS for 2007-08. However, the GOI continued to release funds directly to the respective Programme Officers of NDCPs and Rs.6.52 crore released by GOI during 2007-08 could not therefore be accounted for in the annual accounts of the SHS.

3.2.9.5 Untied and Maintenance Grant

Every year untied funds at the rate of Rs.50000, Rs.25000 and Rs.10000 are to be provided to each CHC, PHC and SC respectively for undertaking public health orientation activities like nutritional support, education and sanitation, environmental protection etc. The untied fund can also be used for any local health activities in case there is a demand. Similarly, maintenance grant of Rs.1,00,000, Rs.50,000 and Rs.10,000 was to be paid to each CHC, PHC and SC respectively which would be used only for major repairs, providing water, toilets etc., to ensure quality services through functional physical infrastructure.

The following was observed in this regard:

(i) Untied funds of Rs.32.50 lakh for 325 SCs released by GOI during 2005-06 was diverted by SHS to State Communitisation Committee for purchase of medicines instead of orientation of village and public health activities through SCs.

(ii) None of the SCs furnished statement of expenditure (SOE) to the respective District Health Societies for Rs.50.40 lakh released to SCs in the selected districts during 2006-07 and 2007-08 (August 2008). Inspite of not receiving the SOEs for the previous year, an amount of Rs.35 lakh was released as untied and maintenance grant during 2007-08 by the SHS which was irregular. While accepting the observation, the Department stated that SOEs are now being received on fairly regular basis.

(iii) During the year 2007-08, the GOI released Rs.39.90 lakh as annual maintenance grant for all the SCs functioning in the State. It was seen that out of 397 SCs functioning in the State, 137 SCs were located in rented buildings and maintenance of rented buildings was not permissible. Thus, the release of Rs.13.70 lakh as maintenance grants to SCs functioning in rented buildings was irregular. While accepting the fact, the Department stated that since the SCs were functioning from rented buildings the funds were being utilised for payment of rent.

3.2.10 Programme implementation

3.2.10.1 Infrastructure

As per NRHM norms one CHC, PHC and SC is to be set up for a population of 80000, 20000 and 3000 respectively in tribal and hilly areas. The total population of Nagaland as per census 2001 is 19.88 lakh. The requirement as compared to the population and creation of CHC, PHC and SC in the State is detailed below:

Table 3.2.3

Details	Requirement as per norms	Actually created	Shortfall (-)/ excess (+)
CHCs	25	21	(-) 4 (16)
PHCs	99	86	(-) 13 (13)
SCs	663	397	(-) 266 (40)

(Source: SHS, NRHM) *(figures in brackets represent percentage of shortfall)*

The above table reveals that there was a shortfall in creation of CHCs (16 *per cent*), PHCs (13 *per cent*) and SCs (40 *per cent*) in the State. Nagaland being a hilly State, non-creation of the required number of CHCs/PHCs/SCs has resulted in denying the benefits of basic health care facilities to the rural population as envisaged in the Mission and the people were forced to travel long distances to avail of medical facilities.

The requirement of CHC/PHC/SC in the districts selected for detailed check vis-à-vis actual availability is detailed in the table below:

Table 3.2.4

Name of the district	Population of the district	Requirement			Created			Excess(+)/Shortfall(-)		
		CHC	PHC	SC	CHC	PHC	SC	CHC	PHC	SC
Kohima	238619	3	12	80	3	12	40	-	-	(-) 40
Mokokchung	227230	3	11	76	3	11	51	-	-	(-) 25
Dimapur	308382	4	15	103	2	6	46	(-) 2	(-) 9	(-) 57
Tuensang	164361	2	8	55	2	8	39	-	-	(-) 16
Total	**938592**	**12**	**46**	**314**	**10**	**37**	**176**	**(-) 2**	**(-) 9**	**(-) 138**

Source: Census 2001 and departmental records.

There was shortfall of 2 CHCs, 9 PHCs and 57 SCs in Dimapur district while there was a shortfall of 40, 25 and 16 SCs in Kohima, Mokokchung and Tuensang districts respectively. Considering that the SC is the first point of interaction between the rural populace and the health authorities, shortfall in setting up SCs would affect the implementation of various components of the Mission adversely. Apart from shortfall in creation of CHC/PHC/SC, there was shortage of manpower and lack of equipment in the CHC/PHC/SCs as detailed below:

There was a shortage of medical officers while there was excess para-medical staff in the CHCs. The PHCs had a shortage of both medical officers and para-medical staff, whereas the SCs had shortage of para-medical staff at the selected health centres as detailed in the table below:

Table 3.2.5

Category of centres	Manpower required (as per IPHS norm)		Men-in-position		(-) Short/(+) Excess	
	Medical Officers/ Specialists	Paramedical staff	Medical Officers/ Specialists	Paramedical staff	Medical Officers/ Specialists	Paramedical staff
CHC	28 (7 each x 4 CHCs)	52 (13 each x 4 CHCs)	14	101	(-) 14	(+) 49
PHC	16 (2 each x 8 PHCs)	72 (9 each x 8 PHCs)	8	49	(-) 8	(-) 23
SC	Nil	32 (2 each x 16 SCs)	Nil	47	Nil	(+) 15

Source: Figures furnished by CHCs, PHCs, SCs

Further, the selected health centres had not been provided with the required basic physical infrastructure, necessary equipment to deliver the essential/specialist services etc., as mentioned below:

- Though there was an Operation Theatre (OT) in all the four selected CHCs, none of the centres was provided with Anaesthetists.
- Against the sanctioned strength of four Surgeons, only one Surgeon was posted in Changtongya CHC.
- Light was available in OT only in one CHC i.e., Viswema CHC.
- No CHCs were provided with Gynecologists and male and female specialists.
- None of the CHCs was provided with the essential equipment[11].
- Services pertaining to cataract surgery, facilities for tubectomy and vasectomy, extension of AYUSH service, indoor bed for paediatric patients were not available in PHCs test-checked.
- None of the SCs was stocked with two months essential medicines, as required under Indian Public Health Standards (IPHS) norms.
- Out of 16 test-checked SCs, Intranatal Care facilities were not available in 9 SCs.
- 24 hour service for referral of complicated cases was not available in 12 out of 16 SCs reviewed.

[11] Boyles apparatus, EMO machine, cardiac machine for OT, defibrillator for OT, ventilator for OT, OT care/fumigation apparatus, oxygen cylinder.

Thus, the CHCs/PHCs/SCs were functioning without adequate medical officers/specialists, para-medical staff, equipment and medicines and therefore it is evident that they are not able to deliver health care facilities to the rural populace as envisaged in the Mission.

3.2.10.2 Up-gradation of CHC

During 2005-06 and 2006-07, GOI released Rs.5 crore (Rs.3.40 crore + Rs.1.60 crore) towards up-gradation of 25 CHCs in the State at the rate of Rs.20 lakh to each CHC. The GOI while releasing the funds stipulated that at least two CHCs in a district should be upgraded to the level of IPHS.

The following was observed in this regard:

(i) As per the norms only 33 *per cent* would be spent for civil works and remaining for medicine and equipment. The SHS spent Rs.67.44 lakh (including purchase of a ready built building) towards civil works for upgradation of two CHCs against the permissible amount of Rs. 13.20 lakh. Therefore, an amount of Rs.54.24[12] lakh was spent on civil works in excess of the prescribed norms.

(ii) The Department also diverted an amount of Rs.40 lakh for execution of works under PMGY.

Besides the above shortcomings, it was also noticed that out of 25 CHCs taken up for upgradation by the Department, only two CHCs in one district had been upgraded to the level of IPHS after incurring an expenditure of Rs. 5 crore meant for upgradation of 25 CHCs in the State.

The Department during exit conference accepted the observations and stated that it is not practical to follow the GOI norms in Nagaland. The fact, however, remains that the State Government has spent the total grants received by it and it has also not taken up the matter with the GOI for exemption in case of non-feasibility of implementing any component/activity under NRHM.

3.2.10.3 Accredited Social Health Activist (ASHA)

The main aim of NRHM is to provide accessible, affordable, effective and reliable primary health care facilities to the poor and vulnerable sections of the population. For this purpose, operationalisation of the cadre of ASHA was considered most important.

As per NRHM guidelines, one married/widowed/divorced woman in the age group of 25 to 45 years possessing formal education up to Class VIII was to be selected by the village committee as ASHA from the village wherein she would render her services with close liaison with the village councils. ASHA are not paid any formal salary but are

[12] Rs 20 lakh per CHC x 2= Rs 40 lakh; Admissible as per norms of 33 *per cent* for civil works computes to Rs 13.20 lakh. Excess over norms= Rs.67.44 lakh – Rs.13.20 lakh=Rs.54.24 lakh.

compensated with incentives at the prescribed rates. They act as a link between the Government health system and the community for all health related services.

One ASHA was to be provided in each village in the ratio of one per 1000 population. For tribal, hilly, desert areas, the norm could be relaxed for one ASHA per habitation depending on the workload. As per this norm, the State required a total of 1278 ASHAs. Against this requirement, the number of ASHAs appointed along with training imparted (against the requirement of 23 days training in five modules) is detailed in the table below:

Table 3.2.6

Year	No. of ASHAs appointed	No. of ASHAs imparted induction training (module-wise)					Shortfall in induction training				
		1st	2nd	3rd	4th	5th	1st	2nd	3rd	4th	5th
2006-07	1180	1101	309	0	0	0	79	871	1180	1180	1180
2007-08	79	44	0	0	0	0	35	79	79	79	79
Total	**1259**	**1145**	**309**	**0**	**0**	**0**	**114**	**950**	**1259**	**1259**	**1259**

Source: Information furnished by SHS.

The above table reveals that none of the 1259 ASHAs appointed during the review period were imparted training even upto the 3rd module (August 2008).

The GOI provided upto Rs.10,000 per ASHA for training, monthly orientation, drugs, kit, support material, travel expenses etc. The Department received a total grant of Rs.2.44 crore for this purpose till March 2008, out of which, Rs.2.18 crore was expended. Against the maximum permissible amount of Rs. 1.26 crore for 1259 ASHAs in the State, the Department spent Rs.2.18 crore resulting in an expenditure of Rs. 0.92 crore in excess of the norms. Scrutiny revealed that this excess expenditure was due to the procurement of ASHA kits in excess of requirement as detailed below:

Against the requirement of 1259 kits, the SHS procured 8963 kits valued at Rs.1.57 crore (8963 x Rs.1756) during 2006-07. Out of these, 3423 kits were distributed to the districts and the remaining 5540 kits were retained in the Directorate's stock (August 2008). Out of the 3423 kits distributed to the districts, 1259 were distributed to ASHAs and the balance 2164 kits remained in stock in the districts. Thus, there was an avoidable extra expenditure of Rs. 1.35 crore on procurement of kits beyond requirement.

The Department accepted the observations during the exit conference and stated that the matter was under investigation.

3.2.10.4 Procurement and distribution of Mobile Medical Unit (MMU)

Considering the difficult hilly terrain, the GOI sanctioned Rs.5.61 crore during 2006-07 (capital cost:Rs.3.63 crore and recurring cost: Rs 1.98 crore) for providing health care at the door step of the residents through Mobile Medical Units (MMU) (one per district) equipped with specialised facilities.

Scrutiny revealed that an expenditure of Rs.3.58 crore was incurred on the purchase of 11 Boleros (8 seater) and 11 mobile vans and Rs 1.43 crore was spent on drugs and

manpower. The Boleros and the mobile vans were issued to the districts. While the Boleros were used by the Chief Medical Officers (CMOs), the mobile vans remained idle.

Thus, the objective of taking health care to the door steps of the people in the under-served areas was not accomplished despite incurring an expenditure of Rs. 5.01 crore.

The Department accepted the observations during the exit conference and stated that the matter was under investigation.

3.2.11 Immunisation

3.2.11.1 Intensified Pulse Polio Immunisation (IPPI) Programme

Intensified Pulse Polio Immunisation (IPPI) programme was organised on National Immunisation days/Sub-National Immunisation Days with the aim of eradicating polio and to ensure zero transmission by the end of 2008 by providing oral polio vaccine and its related operating cost in various polio rounds.

Children in the age group of 0-5 years were immunized through different rounds in the State. The details of children vaccinated through immunization during 2005-08 are detailed below:

Table 3.2.7

Year	Immunisation days		Total number of children in the State	No. of children vaccinated	Percentage of achievement
	IPPI round	Date			
2005	1st	10 April	315407	258548	82
	2nd	15 May	315407	256778	81
2006	1st	9 April	331485	245530	74
	2nd	21 May	331485	247567	75
2007	1st	7 January	331485	270537	82
	2nd	11 February	331485	264743	80
2008 (upto March)	1st	January	348384	228940	66
	2nd	February	348384	250570	72

(Source: SHS data)

It is evident from the above that the State could administer polio vaccine to only 76 *per cent* of the children on an average thereby failing to fulfill the aim of eradicating polio and to ensure zero transmission by the end of 2008.

The Department accepted the observation during the exit conference.

3.2.12 Disease Control Programme

The following six National Disease Control Programmes were taken up for implementation in the State under NRHM.

(i) National Vector Borne Disease Control Programme (NVBDCP)
(ii) National Programme for Control of Blindness (NPCB)
(iii) Revised National Tuberculosis Control Programme (RNTCP)
(iv) National Leprosy Eradication Programme (NLEP)
(v) National Iodine Deficiency Disorder Control Programme (NIDDCP)

(vi) National Integrated Disease Surveilance Project (NIDSP)

Out of the above six programmes, one item i.e. National Vector Borne Disease Control Programme was test-checked and the following were observed.

3.2.12.1 National Vector Borne Disease Control Programme (NVBDCP)

The NVBDCP was launched (1977) in the State to reduce morbidity and mortality and to increase Annual Blood Examination Rate (ABER) to cover the targeted population by indoor residual spray of DDT, and to provide diagnosis and treatment facilities in all villages, blocks, PHCs and SCs.

The incidence of malaria positive cases indicated an upward trend from 2989 (2005-06) to 4976 (2007-08) and the number of deaths due to malaria also increased from Nil in 2005-06 to 75 in 2006-07. The details of Blood Slide Examination (BSE), ABER positive cases, P. Falcirum (PF) and death cases during 2005-08 are shown in the table below.

Table 3.2.8

Year	Targeted population	Malaria						
		BSE	ABER (*per cent*)	Positive	PF	PF percentage	API	Deaths
2005-06	1805632	64482	3.57	2989	90	3.01	1.65	Nil
2006-07	1805632	91953	5.09	3361	506	15.05	1.86	75
2007-08	1805632	105856	5.86	4976	806	16.19	2.75	26

(Source: SHS data)

The NVBDCP guidelines stipulated increase of ABER to 10 *per cent* of the target population under surveillance and Annual Parasite Incidence of less than 0.50 per thousand for the country. However, the programme has fallen short on these counts. Due to non-achievement of the requisite increase in ABER, the performance relating to positive and PF cases detection has also been portrayed on the lower side.

3.2.13 Village Health and Sanitation Committee

A Village Health and Sanitation Committees (VHSC) were to be formed in each village/hamlet to create public awareness on health, nutritional activities, maintenance of village health registers, health information board, preparation of village health plan etc.

As per NRHM norms every village with a population of upto 1500 is entitled to get an annual untied grant of Rs.10,000. Out of the total 1278 villages in the State, 995 villages have a population of upto 1500. The details of VHSC constituted in the State, grants received from GOI and released to VHSCs are shown in the table below:

Table 3.2.9

Year	Total No. of villages in the State	No. of VHSCs constituted	No. of VHCs entitled for grants as per norm	No. of VHSCs to whom grants were released	Annual funds required as per norm	Funds released by GOI	Fund released to VHSCs	Unspent balance
					(Rupees in lakh)			
2006-07	1278	1278	995	334	33	40	33	7
2007-08	1278	1278	995	634	63	128	63	65
Total					**96**	**168**	**96**	

(Source: Annual accounts and other records)

It would be seen from the above that there are 995 VHSCs with a population of upto 1500 against which, only 634 VHSCs were made functional leaving 361 non functional as of March 2008. Against the receipt of Rs. 168 lakh from the GOI, the Department spent Rs.96 lakh leaving an unspent balance of Rs. 72 lakh. Thus, 361 villages were deprived of intended services of VHSCs.

3.2.14 Formation of Rogi Kalyan Samiti (RKS)

The Rogi Kalyan Samitis (RKS) were to be formed in each health centre to upgrade the SCs, CHCs and PHCs to Indian Public Health Standards to provide sustainable quality health care with people's participation and to make the community accountable and responsible in running these rural health centres. NRHM guidelines provided that constitution of 50 *per cent* of RKS would be completed by 2007 and *cent per cent* by 2009. Financial assistance of rupees five lakh to each rural hospital and rupees one lakh to each CHC and PHC are to be released annually by GOI, only when the State Government authorises the RKSs to retain the user charges.

Scrutiny of records of the Mission Director revealed that against the target of 160 RKS, only 32 RKS (11 DHs and 21 CHCs) could be constituted as of March 2008. Year-wise financial position of RKS is shown in the table below:

Table 3.2.10

(Rupees in lakh)

Year	Total number of RKS targeted	No. of RKS established		Total	Release of funds by GOI		Release of fund by SHS
		District Hospital	CHC		Require-ment	Funds released	
2006-07	160	11	-	11	55	55	55
2007-08	160	-	21	21	76	204	55
Total		**11**	**21**	**32**	**131**	**259**	**110**

(Source: Approved annual accounts of the society)

It would be seen from the above table that the SHS did not release funds of Rs.21 lakh (Rs.1 lakh x 21) to the RKS created at CHC level during 2007-08.

Test check of the records of selected four District Hospitals revealed that during 2006-07 and 2007-08 user charges collected for Rs.86.25 lakh in three DHS were not generated through RKS accounts. Thus, release of funds to RKS without insisting on retention of funds, was in contravention of NRHM guidelines.

The Department, in reply (November 2008) stated that the entire fund could not be released to the RKS constituted at CHC level during 2007-08 due to non opening of bank accounts by the RKS.

3.2.15 Information, Education and Communication (IEC) activities

IEC forms a vital part of the health programme, to create awareness and dissemination of information regarding availability of quality health care. In addition, it seeks to correct the behaviour patterns that have an adverse impact on health, particularly among the weaker sections of the society. Activities of IEC Bureau are aimed at reducing birth rate, infant mortality rate, increasing coverage of maternal care and immunization of pregnant women and children through media, wall writings etc.

The State Medical Department had established an IEC Bureau in 1989. Annual Action Plans (AAP) for IEC activities were being drawn since inception of the Mission indicating the proposed activities and the estimated cost for 2005-08. Rupees 98.75 lakh were received from the GOI during 2005-08 for the IEC activities and have been spent on the intended activities of the IEC quite satisfactorily.

3.2.16 Quality Control

It is the primary responsibility of the Health Department to procure medicines from enlisted dealers and ensure quality of the medicines by proper checks before supplying them to the hospitals for their use. Though the Health & Family Welfare Department has a Drug Controller in charge, there is no system of lab testing of medicines in the State. This is all the more important in view of the fact that there were cases of death of two female patients in August 2005 at PHC Thonoknyu under Tuensang district and again of two children in Sanglao village under Tuensang district in September 2006. The samples of the drugs administered to the above patients have been sent for testing at Guwahati and Kolkata. Final reports in this regard are awaited.

3.2.17 Non production of records on purchase of medicines under NRHM flexible pool

An amount of Rs.50 lakh was released in February 2007 to the Principal Director, H&FW for procurement of medicines, nursing sundries etc., under NRHM flexible pool, which was in turn released to two firms[13] (Rs.20 lakh and Rs.30 lakh) for supply of these items.

Tender quotation, supply orders, vouchers and stock registers in support of the purchase of goods could not be produced to audit in spite of repeated requisitions in June 2008. In the absence of the relevant records, audit could not ascertain if these items were actually procured. The entire expenditure of Rs.50 lakh therefore seems to be doubtful.

3.2.18 Monitoring and evaluation

As per programme guidelines, there was a five tier system of monitoring and supervision viz., State level, District level, Block level, PHC level and Village level. At the State

[13] M/s. Brahmaputra Pioneers and Indian Trade Centre

level, the SHS was to evolve a monitoring format indicating the process and quality indicators in order to track the quality of programme implementation through various activities. At the District level, the DHS is to contribute for development of District Health Plan based on an assessment of the situation and priorities of the District. Similarly at Block, PHC and Village level, all the committees were to move towards a community based monitoring that allowed continuous assessment of planning and implementation of the programme. The main purpose of the monitoring framework at different levels was to provide accessible, affordable and quality health care to the rural people.

The Department however, during the years 2005-08, has not formulated any monitoring mechanism for complying with the above guidelines. Besides, no evidence whatsoever was available in records to show that the Department had taken any steps to evolve a monitoring mechanism.

The Department while admitting the facts stated (November 2008) that monitoring and evaluation activities have been increased for proper and effective implementation of the NRHM activities from 2008-09.

3.2.19 Conclusion

The implementation of the Mission activities as noticed in the mid-term review for the period 2005-08 was not encouraging due to non-completion of household and facility survey within the targeted date and non-identification of the gaps in rural healthcare. There was a shortfall in the creation of infrastructure and inadequate number of medical officers, medicines and equipment. This was further compounded by non-release of State share of funds and non-existence of monitoring mechanism in the Department which points to the possibility that the State may not achieve the objectives of the Mission by the target date.

3.2.20 Recommendations

- A comprehensive plan should be prepared breaking down the targets into actionable items, indicating need-based, locality specific requirements of infrastructure;

- Household and facility surveys at village, block and district levels need to be conducted at regular intervals and gaps in health care services should be identified and appropriate corrective action taken;

- Projects taken up during the year should be widely publicized to ensure accountability at various levels;

- Monitoring and supervision of the Mission activities should be strengthened by establishing monitoring and planning committees at all levels as envisaged in the Mission Guidelines.