

CHAPTER-IV INTEGRATED AUDIT

Indian Systems of Medicines and Homeopathy Department

4.1 Integrated Audit of the Department

The State has a network of 1154 Ayurvedic health institutions including hospitals, Dispensaries, health centres and clinics but there were shortages of AMOs (14 per cent), paramedical staff (49 per cent) and other supporting staff such as Dais/ANMs and class IV (40 per cent). 233 Dispensaries were being run by a single employee/Class IV adversely affecting the health care services, especially in rural areas. Hospitals and dispensaries were not regularly inspected, manufacturing facilities of medicines were not modernised, quality control of medicines was not ensured and there were deficiencies in manpower management. The Department could not provide the expected level of health care services despite receiving substantial funds from GOI for implementation of Centrally Sponsored Schemes. Some significant audit findings are as under:

- *Expenditure of the Department exceeded the budget allocations every year during 2005-09 thereby indicating non-preparation of budget estimates on realistic basis.*

(Paragraph 4.1.7.1)

- *Staff costs to total revenue expenditure of the Department increased from 81 to 90 per cent during 2005-10. Expenditure on purchase of medicines, etc., was decreasing year after year.*

(Paragraph 4.1.7.4)

- *Shortfall in achievement of targets of opening/upgradation of 90 Hospitals and Dispensaries during 2005-10 was 89 per cent and indicated failure of the Department to provide better health care services to the people of the State.*

(Paragraph 4.1.8.1)

- *In eight test-checked hospitals, bed occupancy during 2005-10 remained low ranging between 36 and 40 percent due to non-availability of trained staff, laboratories and operation theatre facilities.*

(Paragraph 4.1.9.1)

- *In 189 dispensaries out of 314 test checked dispensaries, essential facilities like electricity and water connection were not available and 191 Dispensaries were manned by single person. Besides, 42 dispensaries were manned by one ANM/Dai/Class-IV staff who were not even authorised to prescribe medicines to the needy patients.*

(Paragraph 4.1.9.2)

- *Against total receipt of ₹37.23 crore from GOI by the Society for the development of AYUSH institutions in Himachal Pradesh during 2007-10; the Society failed to spend ₹30.19 crore*

during the said period. Besides, funds of ₹ 1.17 crore provided by GOI for implementation of NRHM were not utilised and unauthorisedly deposited into treasury as State receipt.

(Paragraphs 4.1.10 and 4.1.9.1)

- *Despite receipt of sufficient funds from GOI, 70 specialised clinics and 10 AYUSH Speciality Treatment Centres were not opened in Allopathic hospitals thereby ignoring the intention of the GOI to provide health facilities to the people in both the streams under one roof.*

(Paragraph 4.1.10.1)

- *Due to non-receipt of approval from the Government, BSc Nursing and Pharmacy Colleges (Ayurveda) could not be started and Central assistance of ₹5.47 crore remained unutilised in the shape of FDR in a bank account.*

(Paragraph 4.1.10.2)

- *Monitoring of Dispensaries by District Ayurvedic Officers was deficient as shortfall in conducting inspection during 2005-10 ranged between 66 and 74 per cent.*

(Paragraph 4.1.16)

4.1.1 Introduction

Indian systems of Medicines and Homeopathy (ISM&H) plays a vital role in providing health care especially to the people in remote areas of the State. These systems are popular amongst the rural as well as urban population of the State for treatment of chronic diseases. As the State Government has been giving great importance to these traditional systems of medicines, a separate Department of Ayurveda was created in 1984 to popularise these centuries old systems of drugs/treatment among the people by setting up Ayurvedic hospitals, Dispensaries and Pharmacies in the State.

Ayurveda Department has a large network of institutions in the remote and most difficult areas in the State. There are 1154¹ Ayurvedic health institutions, three Ayurvedic pharmacies and four herbal gardens and one Drug Testing Laboratory (DTL) as of March, 2010. These three Ayurvedic Pharmacies² are responsible for manufacturing medicines to be supplied to the Ayurvedic health institutions. Drug Testing Laboratory (DTL) at Jogindernagar (Mandi district) checks the quality of medicines being manufactured by Departmental/private pharmacies. The four³ herbal gardens in different agro-climatic zones of the State promote, cultivate and propagate varied medicinal plants. The Department also has one Government Post Graduate Ayurvedic College known as Rajiv Gandhi Post Graduate Ayurvedic College (RGPGAC) at Paprola in Kangra district. The activities of these institutions are being funded by both the Government of India (GOI) and the State Government.

In order to strengthen the medicinal plants related activities in the State, there is one State Medicinal Plants Board (SMPB) under the Chairmanship of the Hon'ble Chief Minister, H.P. with other

¹ Ayurvedic Hospitals: 27, Dispensaries: 1105, Unani Health Centres: three, Homeopathic Health Centres: 14, Nature Cure Centre: one and Amchi Clinics: four.

² Jogindernagar, Majra and Paprola.

³ Dumrehra (Shimla district), Jogindernagar (Mandi district), Jungle Jhalera (Bilaspur district) and Neri (Hamirpur district).

ex-officio, technical and non-official members. The Department is implementing three⁴ Centrally Sponsored Schemes (CSS).

4.1.2 Organisational Set up

Overall responsibility for implementation of programme and policies of the Department is vested in the Principal Secretary (Health and Ayurveda), who is assisted by the Director Ayurveda at the State level and by the District Ayurveda Officer (DAOs) at the district level. At Sub-Divisional/Village level, there are hospitals and dispensaries manned by Medical Superintendents (MS), Sub-Divisional Ayurvedic Medical Officers (SDAMOs) and Ayurvedic Medical Officers (AMOs) respectively.

The Principal Secretary (Health and Ayurveda) is also the President of the Society for the development of Ayurveda, Yoga, Unani, Sidha and Homeopathy (AYUSH) (Society) and is assisted by the General Secretary (Director Ayurveda) at the State level and five other members of Ayurveda Department. The Society was established in July 2007 for implementation of Centrally Sponsored Schemes (CCS) in the State.

Director Ayurveda, being the head of the Department is responsible for budgetary control, direction and overall working of the Department. District Ayurvedic Officers are responsible for actual implementation of the schemes in the field through the staff subordinate to them.

4.1.3 Scope of Audit

The Integrated Audit of the Ayurveda Department was carried out during March-June 2010 and covered the period 2005-10. Records maintained in the offices of the Director Ayurveda (including State Medicinal Plant Board), five⁵ out of a total of 12 District Ayurvedic Officers (DAOs) along with attached nine⁶ out of 36 Sub-Divisional Ayurvedic Medical Officers (SDAMOs) with attached hospitals covering five out of 12 districts were scrutinised. Besides, the records pertaining to receipts and expenditure of the Society for development of AYUSH for the period 2007-10 were also test checked.

4.1.4 Audit Objectives

The Integrated Audit of the Ayurveda Department was carried out with the main objectives of assessing whether:

- efficient financial administration with reference to allocated priorities existed in the Department and resources were optimally utilised;
- effective programme management in terms of delivery of goals of the schemes/programmes existed;
- efficient management of human resources in terms of sanctioned, deployment and training personnel for skill upgradation existed; and
- adequate supervision and monitoring including internal control mechanism existed.

⁴ Hospitals and Dispensary ; Drug Quality Control and Development of AYUSH Institutions Schemes.

⁵ Kangra, Kinnaur, Mandi, Shimla and Sirmaur.

⁶ Baijnath, Dehra, Joginder Nagar, Rajgarh, Rampur, Reckong Peo, Rohru, Sundernagar and Surajpur.

4.1.5 Audit Criteria

The Audit criteria used for benchmarking the audit findings were as under:

- State/Central Government's notifications and instructions issued from time to time for the implementation of State and Centrally Sponsored schemes;
- Departmental Manual/Policies/Rules and Regulations;
- State Financial Rules;
- Budget/Subsidiary Rules and;
- Procedures prescribed for monitoring and evaluation of schemes/programmes.

4.1.6 Audit Methodology

An entry conference was held (April 2010) with the Principal Secretary (Health and Ayurveda) wherein audit objectives, audit criteria, scope of audit and sampling methodology adopted for selection of units for test check were discussed. Capital district (Shimla), one Tribal district (Kinnaur) out of two and three⁷ out of remaining nine districts were selected for detailed audit based on the Probability Proportionate to Size With Replacement (PPSWR) method of statistical sampling

Nine⁸ SDAMOs, two Pharmacies⁹, two Herbal Gardens¹⁰ were selected on Simple Random Sampling Without Replacement (SRSWOR) method of statistical sampling. Records of Post Graduate Ayurvedic College, Paprola and two¹¹ Regional Hospitals were also test checked.

Audit findings, as discussed in the succeeding paragraphs, are based on an analysis of records, data, information and replies furnished to the audit memoranda by the above units. Exit conference was held (October 2010) with Principal Secretary (Health and Ayurveda) and the views of the Department, wherever received, have also been incorporated in the report at appropriate places.

Audit Findings

4.1.7 Financial Management

Funds are provided to the Department in the annual budget of the State Government through four¹² grants. GOI provided funds for implementation of the three¹³ centrally sponsored schemes through budgetary process upto 2006-07 and from 2007-08 onwards funds for implementation of these schemes were directly remitted to the Society for development of AYUSH.

4.1.7.1 Financial outlay and expenditure

The year-wise position of budget allotment and expenditure incurred thereagainst by the Department during 2005-10 is given as under:

⁷ Kangra, Mandi and Sirmaur

⁸ Baijnath, Dehra, Joginder Nagar, Rajgarh, Rampur, Reckong Peo, Rohru, Sundernagar and Surajpur

⁹ Jogindernagar and Majra

¹⁰ Dumrehra and Jogindernagar

¹¹ Shimla and Paprola.

¹² Demand No. 9- Health and Family Welfare; Demand No. 15- Planning and backward Area Sub-Plan; Demand No. 31-Tribal Development and Demand No. 32- Scheduled Caste Sub-Plan.

¹³ Hospitals and Dispensary; Drug Quality Control and Development of AYUSH Institutions Schemes.

Table: 4.1.1

(₹ in crore)

Year	Budget Allotment			Expenditure			Excess (+) Savings (-)
	State	Centre	Total	State	Centre	Total	
2005-06	56.24	7.32	63.56	65.11	6.15	71.26	(+) 7.70 (12)
2006-07	64.13	3.99	68.12	83.63	3.64	87.27	(+) 19.15 (28)
2007-08	68.50	-	68.50	80.84	-	80.84	(+) 12.34 (18)
2008-09	88.43	-	88.43	94.77	-	94.77	(+) 6.34 (07)
2009-10	115.89	-	115.89	114.90	-	114.90	(-) 0.99 (-)
Total	393.19	11.31	404.50	439.25	9.79	449.04	(+) 44.54 (11)

Source: Departmental figures/Demand for grants.

Figures in parenthesis indicates percentage.

Note : From 2007-08 onwards, budget provisions were not kept under Central sector as GOI remitted funds directly to the Society for development of AYUSH.

As can be seen from the table above, the departmental expenditure had exceeded the budget allocation each year ranging between seven and 28 per cent during 2005-09. The Department attributed (June 2010) the excesses to revision of pay scales/wages of employees, payment of Interim Relief (IR) and Dearness Allowance (DA) from time to time. Besides, excess expenditure has also not yet been regularised.

4.1.7.2 Budgetary Control

The Director, Ayurveda is responsible for preparation and submission of budget estimates to the Finance Department through the Administrative Department.

The budget estimates for the period 2005-10 were sent after a delay ranging between 17 days (2007-08) and 84 days (2009-10) and the final Statement of excesses and surrenders were submitted late with delay ranging between 82 days (2005-06) and 97 days (2008-09) for above period.

These delays in sending of budget estimates and submission of final Statement of excesses and surrenders after the close of the financial year was also a futile exercise as the Departmental expenditure exceeded the budgetary allocation each year during 2005-09. This indicates failure of the Department to exercise effective budgetary control.

The Government admitted the facts and stated (October 2010) that the relevant provisions of the State budget manual and financial rules would be kept in view in future.

4.1.7.3 Expenditure Control

To regulate the expenditure in a phased manner, the Administrative Department is required to ensure that budget allocation are spent quarterly in a controlled manner. It was noticed that expenditure in the fourth quarter of each year was between 34 and 64 per cent against the prescribed percentage of 25.

The Department while admitting the fact stated (June-August 2010) that the expenditure over the prescribed percentage in the fourth quarter was due to purchase of medicines/equipment and

expenditure on capital works and further stated that all the DDOs would again be directed to strictly observe the prescribed norms in future.

4.1.7.4 Establishment and other Administrative cost

The 12th Finance Commission (TFC) recommended that expenditure on salary and wages relative to revenue expenditure, net of interest payment and pension should not exceed 35 *per cent*.

The Department had not fixed any norms for expenditure on salary and wages and programme implementation. Staff costs and other administrative expenses were on higher side during 2005-10 resulting in thinning of resources for medicines and equipment. The ratio of staff costs, as compared to other costs on delivery of health services during 2005-10 is given in Appendix-III.

From the details given in the above appendix, it would be seen that administrative expense ranged between 81 and 90 *per cent* of the total expenditure. The expenditure on programme implementation remained abysmally low at an average of 14 *per cent* during 2005-10.

The Government stated (October 2010) that the TFC had not stipulated the ratio of expenditure and the same might not be applicable to the Department. The fact, however, remains that the Department had not laid down any norms for regulation of staff and administrative costs.

4.1.8 Planning

4.1.8.1 Preparation of Annual Action Plan

The office Manual of the State Government requires the Directorate to prepare an Annual Action Plan (AAP) for all Departmental programmes/schemes in advance in January every year with month-wise or quarter-wise breakup of targets in respect of each activity to be achieved during ensuing financial year.

Audit scrutiny revealed that during 2005-10, AAPs detailing the implementation strategy for various schemes/activities were not prepared by the Department. Since planning is critical to implementation of various activities of a Department, the efforts of the State Government for strengthening the network of Primary and Secondary level health institutions¹⁴ were deficient as brought out in the succeeding paragraphs.

(i) Targets and Achievement

During 2005-10, the State Government set targets for opening/upgradation of 90 Ayurvedic/ Homeopathic dispensaries, Ayurvedic hospitals and Panchkarma treatment units in district Ayurvedic hospitals. Against this, only 10 Ayurvedic Institutions (five Ayurvedic dispensaries, four Panchkarma units and one hospital) were upgraded/opened, resulting in 89 *per cent* shortfall in achievement of targets. The Director stated (June 2010) that new institutions were opened by the Government on need basis. The reply is admission of the fact that there was lack of planning for opening/upgradation of health institutions to ensure better delivery of health care services to the people of the State.

¹⁴ Primary and Secondary level health units are Dispensary and 10/20 bedded hospitals respectively.

(ii) Availability of Primary and Secondary Health Institutions

The Department has a large network of Primary and Secondary level health Institutions. As per norms, one Dispensary is required to cover a population of 3000 to 5000 and cater to outdoor patients only. Secondary health care unit is required to cover population of about 10000 to 20000. The district wise details of these institutions in the State viz-a-viz population served by them in these districts as of March 2010 is given in Appendix-IV.

A perusal of Appendix-IV reveals that the norms for opening of dispensaries and hospitals had not been strictly followed by the State Government. Out reach of dispensaries in eight¹⁵ out of 12 districts in the State was not ensured according to the norms as population covered in these districts was above the maximum norm of 5000 and on an average ranged from 5244 (Bilaspur district) to 6674 (Solan district) persons.

Similarly, most of the districts had fewer numbers of hospitals than the norm. In some districts like Mandi and Sirmaur, there was only one hospital for population of above four lakh.

The Department stated that (July 2010) to avoid such consequences in future, fresh norms for opening of Ayurvedic Institutions were under consideration at Government level.

4.1.9 Programme Management

4.1.9.1 Working of Ayurvedic Hospitals

The secondary health care unit is Government Ayurvedic Hospital. As per norms, 10/20 bedded hospital was required to cover about 10 to 20 thousand population. As of March 2010, there were 27 hospitals with bed strength of 510 in the State. Out of 27 hospitals, 25 were functional and remaining two hospitals¹⁶ opened (February 2009) were non-functional as building works of these hospitals were in progress as of June 2010.

Hospital-wise position of staff sanctioned, staff in position vis-à-vis vacant posts was not available at Directorate level. Year-wise and hospital-wise position of bed capacity, indoor and outdoor treatment of patients is, however, given in Appendix-V.

The deficiencies noticed in the working of hospitals are as under:

➤ Infrastructure

Out of 25 functional hospitals, 22 hospitals were housed in Government buildings and three did not have their own buildings. It was noticed in audit that these three 10 bedded hospitals located at Rohru (Shimla), Bharmour (Chamba) and Harsar (Kangra) are functioning in rented/donated buildings without adequate accommodation. Further, in 16 hospitals¹⁷, laboratories were non-functional, whereas in 14 hospitals¹⁸, equipment/machinery required for treatment of indoor patients were also not available. Evidently, in the absence of complete infrastructure facilities, delivery of health care service was not upto the standard.

¹⁵ Bilaspur, Hamirpur, Kangra, Kullu, Mandi, Sirmaur, Solan and Una.

¹⁶ Solan and Kullu.

¹⁷ Bharmour, Chamba, Dehra, Dharamshala, Haldarkona, Harsar, Ispur, Katrain, Mandi, Nalagarh, Oel (NCU), Rampur, Reckong Peo, Rohru, Sulyali and Una.

¹⁸ Dehra, Dharamshala, Haldarkona, Harsar, Ispur, Katrain, Mandi, Nalagarh, Oel (NCU), Sulyali, Rampur, Reckong Peo, Rohru and Una.

➤ **Under utilisation of hospital services**

Position of utilisation of hospital services in eight¹⁹ test checked hospitals, during the period 2005-10 is given in Appendix-VI.

From the details given in the Appendix, it would be seen that in these hospitals, bed strength of hospitals increased from 220 to 270 during 2005-10, the average daily bed occupancy during 2005-10 was between 36 and 40 *per cent* only. Audit noticed that poor bed occupancy in these hospitals was due to non-availability of facilities such as laboratory/operation theatre/water facilities and shortage of trained staff/specialists. Besides, outdoor patient treatment in eight test checked out of 25 hospitals also showed declining trend as number of patients treated (1,31,186) in 2005-06 came down to (97,016) in 2009-10. Thus, in spite of increase in bed strength, the Department failed to ensure proper functioning of hospitals due to non-providing of adequate facilities. The concerned Medical Superintendents (MS) of regional hospitals/DAOs/SDAMOs admitted the facts (April-June 2010).

➤ **Convergence with other on going programme**

The Mission Director National Rural Health Mission (NRHM), GOI conveyed (May 2008) approval of State Programme Implementation Plan (PIP) for 2008-09 to the State Mission Director (NRHM). As per approved PIP, 70 AMOs were to be appointed on contractual basis at a fixed remuneration of ₹16,000 per month for 70 specialised clinics of ISM&H to be established in Allopathic institutions such as Community Health Centres (CHCs) and Regional Hospitals (RHs) so that the patients could avail the benefits of both the systems under one roof. Accordingly, the State Mission Director (NRHM) released ₹1.34 crore (November 2008) to the Director, Ayurveda.

Scrutiny of records in the Directorate revealed that no appointments of AMOs for specialised clinics in CHCs/RHs were made as envisaged in the PIP of NRHM. The Department spent ₹17 lakh on salary of 35 AMOs who were working in health institutions not related to the functioning of NRHM and deposited (March 2009) the remaining amount of ₹1.17 crore in the Treasury. However, utilization certificate (UC) for the whole amount viz. ₹1.34 crore was incorrectly sent to the State Mission Director (NRHM). This resulted not only in diversion of NRHM funds but also hampered the convergence of Ayurvedic health care facilities with NRHM.

The Director Ayurveda stated (April 2010) that since it was decided by the State Government to deposit the balance amount of ₹1.17 crore in treasury, UC was accordingly furnished to State Mission Director (NRHM). However, no reply was furnished for spending of ₹17 lakh on salary of 35 AMOs who were not related to implementation of NRHM.

4.1.9.2 Working of Dispensaries

As of March 2010, 1105 dispensaries were working in the State to provide health care services to the people of rural and urban areas. The deficiencies noticed in the working of dispensaries were as under:

¹⁹ DAOs: Mandi, Dharamshala and Reckong Peo; MS: RAH Paprola and Shimla and SDAMO Jogindernagar, Rampur and Rohru.

➤ Shortage of Manpower

As per norms fixed (May 1995) by the State Government, one AMO, one Pharmacist, one Auxiliary Nurse-cum-Midwife (ANM)/Dai and one class-IV were required to be posted in a dispensary.

Scrutiny of records revealed that there was acute shortage in all the categories of staff as of March 2010. There were 994 AMOs, 536 Pharmacists, 674 ANM/Dais and 669 Class-IV staff against 1105 posts in each category of staff. The percentage of shortage of AMOs and Pharmacists was 10 and 52 *per cent* whereas in respect of Dais and class-IV it was 39 *per cent* (in each category). In five test-checked districts, it was noticed that out of 314 dispensaries, 189 were lacking essential facilities like water (139) and electricity (50). In the absence of adequate staff and essential facilities, proper functioning of these dispensaries was not possible. Also 191 dispensaries located in rural areas were manned by only one person (171 by one AMO each and 20 by one Pharmacist each) and no supporting staff was provided in these dispensaries. Besides, 42 dispensaries were manned by one ANM/Dai and Class-IV staff who were not even authorised to prescribe medicines to the needy patients. The Director stated (June 2010) that due to ban imposed by the Government on recruitment of staff, vacant posts could not be filled up. The reply is not acceptable as operation of these dispensaries without adequate required staff did not serve the purpose of providing quality health care service to the needy patients.

Similarly, in SDAMO, Baijnath (Kangra district) it was noticed (May 2010) that only one class-IV employee was posted in Bara Bhangal Dispensary and no medicines were supplied to the said Dispensary after August 2006. Thus, the class IV posted there remained idle since September 2006. This had resulted in unfruitful expenditure of ₹3.59 lakh on pay and allowances of said employee from September 2006 to April 2010. SDAMO, Baijnath stated (May 2010) that the matter for posting of AMO in Bara Bhangal Dispensary had been taken up with the Government and action in this regard was to be taken at Government level.

➤ Lack of Infrastructure

As per norms, an area of 600 square feet for a Dispensary building has been approved. Audit scrutiny revealed that out of 1105 dispensaries, 379 were housed in Government buildings, 271 in private rented buildings and 455 in donated/ Panchayat buildings. The Department was not aware of the availability of the area of dispensaries run in private/donated/ Panchayat buildings. Thus, running of dispensaries especially in private/panchyats/donated buildings without adequate infrastructure was bound to affect the smooth functioning of these dispensaries.

➤ Irrational deployment of staff

In two²⁰ test-checked districts, it was noticed that 10 ANMs²¹ and Dais²² (five each) were posted in excess of the sanctioned strength. Thus, due to improper planning for posting of staff, some dispensaries remained under staffed as discussed in paragraph 4.1.9.2.

²⁰ Kinnaur and Mandi.

²¹ Five Dais in District Ayurvedic Hospital, Kinnaur.

²² Three ANMs in DAO Mandi; and two ANMs in SDAMO Sundernagar.

4.1.9.3 Working of Pharmacies

There are three²³ Government Ayurvedic Pharmacies located in the State. Of this, one pharmacy is attached with the Rajiv Gandhi Post Graduate Ayurvedic College, Paprola for carrying out research work and providing practical training to the students. At present these pharmacies are providing quality medicines to about 1105 Ayurvedic Dispensaries and 25 functional Hospitals in the State.

The deficiencies noticed in working of two selected pharmacies²⁴ are discussed as under:

➤ **Shortfall in achievement of targets for production of medicines by pharmacies**

The year-wise position of targets fixed and achievements thereagainst is given in Appendix-VII. From the details given in the Appendix, it can be seen that on an average there was shortfall in production ranging between 46 to 60 *per cent* during the aforesaid years. In these two pharmacies, against the sanctioned strength of 134 personnel of different categories, only 56 were in position. Thus, due to acute shortage of staff, machinery/equipment in both the pharmacies could not be utilised to their full capacity which affected the manufacturing of quality medicines and their supply to the Government hospitals and dispensaries.

The AMOs, Incharge of both pharmacies stated (May-June 2010) that the shortfall in achievement in production was due to shortage of technical staff and non posting of Manager/Assistant Manager and non availability of some ingredients/sufficient material and other items. The Department further stated (August 2010) that shortfall in achievement in production was also due to non installation of additional machinery. The reply is not acceptable in view of the fact that ingredients/material/ other items should have been arranged well in time besides providing adequate technical and other staff. Thus, the working of Pharmacies was not upto the desired level.

➤ **Stock position of Raw Herbs/packing material**

Stock position of raw herbs and packing material in the two selected pharmacies viz-a-viz consumption during 2005-10 is as under:

Table: 4.1.2

(Value ₹ in lakh)

Year	Opening stock	Receipt during the year	Total	Consumption during the year	Closing stock
2005-06	19.98	25.24	45.22	11.75	33.47
2006-07	33.47	11.67	45.14	27.52	17.62
2007-08	17.62	35.59	53.21	24.10	29.11
2008-09	29.11	66.36	95.47	51.41	44.06
2009-10	44.06	33.26	77.32	34.32	43.00
Total		172.12		149.10	

Source: Figures supplied by Jogindernagar and Majra pharmacies.

It would be seen from the above table that there was an opening stock balance of raw herbs and packing material valuing ₹19.98 lakh on 1st April 2005. During 2005-10, raw herbs/packing material costing ₹1.72 crore were purchased. Of this, raw herbs/packing material costing

²³ Jogindernagar, Majra and Paprola.

²⁴ Jogindernagar and Majra.

₹1.49 crore were consumed during 2005-10 leaving a closing stock of raw herbs/packing material costing ₹23.02 lakh (₹172.12 lakh (-) ₹149.10 lakh) as on 31st March 2010. It was also noticed that the yearly closing stock of raw herbs and packing material during each year ranged between ₹17.62 lakh and ₹44.06 lakh, whereas the yearly actual consumption of the same during each year ranged between ₹11.75 lakh and ₹51.41 lakh. Thus, procurement of raw herbs and packing material by these two pharmacies was made without assessing the actual requirement resulting in unnecessary locking up of Government funds. Incharges of Jogindernagar and Majra pharmacies stated (May-June 2010) that due to non availability of some of the ingredients, raw material could not be utilised.

4.1.10 Implementation of Centrally Sponsored Schemes

During 2005-10, GOI provided funds of ₹43 crore (₹5.77 crore through State Government and ₹37.23 crore through Society for development of AYUSH) for the implementation of three centrally sponsored schemes namely Hospitals and Dispensaries Scheme, Development of AYUSH Institutions scheme and Drug Quality Control Scheme. ₹30.19 crore (including interest) remained unutilised with the said Society as of March 2010.

Scheme-wise position of implementation is given in the succeeding paragraphs:

4.1.10.1 Hospitals and Dispensaries Scheme

With a view to make available the benefits of Ayurveda, Yoga, Unani, Sidha, Naturopathy and Homeopathy to the public at large and also to improve drug supply position in rural dispensaries, GOI launched Hospitals and dispensaries scheme to encourage setting up of general and specialised treatment centres of ISM&H in the Allopathic Hospitals.

The objectives of the scheme are:

- to facilitate expansion of health care facilities of ISM&H and building up confidence of the practitioners of these systems while propagating them and establishing their strengths and potentials; and
- to provide facilities of specialized therapies like Panchakarama, Kshar-Sutra, Homeopathy, Yoga & Naturopathy practices and regimental therapy of Unani System of medicine for utilisation as an adjunct or better alternative to conventional medical treatment.

GOI provides 100 *per cent* funds for implementation of this scheme in the hospitals/polyclinics for alteration, partition/repair etc. in the existing buildings, equipment and furniture, special medicines, training of medical and paramedical staff and small contingent expenditure. During 2005-10, GOI provided funds of ₹34.68 crore for implementation of the Scheme against, which ₹10.89 crore were spent as of March 2010. Audit scrutiny revealed the following:

➤ **Setting up of Specialised Clinics and AYUSH Speciality Treatment Centres**

Under Hospitals and Dispensaries Schemes, GOI released (June 2008) grant-in-aid of ₹18.90 crore for establishment of 70 specialised clinics of ISM&H in Allopathic Community Health Centres (CHCs) and Rural Hospitals (RHs) and 10 Speciality Treatment Centres in Allopathic Hospitals. Funds were sanctioned for these institutions at the rate of ₹35 lakh per Speciality Treatment Centre and ₹22 lakh per Specialised Clinic.

Scrutiny of records of the Society for development of AYUSH revealed that out of ₹18.90 crore, an amount of ₹77 lakh was irregularly spent on liquidation of pending liabilities of the Department and ₹13.70 crore was released (March-August 2009) to the 70 Rogi Kalyan Samities for setting up of clinics/centres. It was noticed that establishment of these clinics/centres was not done and the whole amount (₹13.70 crore) remained unutilised with the Rogi Kalyan Samities as of June 2010. The balance amount of ₹4.43 crore (excluding interest) also remained unutilised with the Society for development of AYUSH in the shape of fixed deposits in banks as of June 2010. Since the grant-in-aid was to be utilised by March 2010, the department failed to implement the scheme in the State within the specified time limit to provide speciality medical services to the people.

The Director stated (June 2010) that the Department had started to locate the space in the premises of nearby CHCs of Health Department. The reply is not acceptable since these centres should have been established on priority so as to provide specialised therapies like Panchkarama, Ksharsutra, Homoeopathy, Yoga and Naturopathy to the people of the State.

➤ **Essential Drugs for AYUSH Dispensaries not procured**

GOI accorded (June 2009) administrative approval for expenditure of ₹5.56 crore for supply of essential drugs to AYUSH dispensaries in the State through the Society for development for AYUSH at the rate of ₹50000 per dispensary. Of this, ₹4.73 crore (85 *per cent*) was to be provided by GOI as grant-in-aid under Hospitals and Dispensaries Scheme and the remaining ₹0.83 crore (15 *per cent*) was to be borne by the State Government.

Scrutiny of records revealed that GOI released its share of ₹4.73 crore in July 2009 (₹2.89 crore) and December 2009 (₹1.84 crore) to the above Society but the State Government did not release its share of ₹0.83 crore to this Society as of June 2010. The whole amount of ₹4.73 crore remained unspent with the Society in the shape of fixed deposits in banks due to non-finalisation of modified Drug purchase policy by the Department. The Director stated (May 2010) that process for purchase of medicines is under way and the Himachal Pradesh State Civil Supplies Corporation Limited has been requested to prepare the tender documents for this purpose. He further stated that the matter was being taken up with the State Government for providing 15 *per cent* State share from 2010-11 onwards. The reply is not acceptable as the matter should have been resolved well in time to ensure availability of essential drugs in the dispensaries under the Scheme.

➤ **Diversion of funds for procurement of raw herbs**

During 2007-09, GOI released ₹5.56 crore (2007-08: ₹2.73 crore; 2008-09: ₹2.83 crore) for supply of essential drugs to dispensaries at the rate of ₹25,000 per dispensary under Hospitals and Dispensaries Scheme. Under the Scheme, essential drugs notified by the GOI were required to be purchased for these dispensaries.

Scrutiny of records revealed that out of funds of ₹5.56 crore, the Department purchased essential drugs of ₹3.93 crore and kept ₹49 lakh unutilised in a bank account as of April 2010. The remaining amount of ₹1.14 crore was diverted for purchase of raw herbs. These herbs were

further supplied to the Departmental Ayurvedic Pharmacies for manufacturing of drugs, etc. Since the scheme guidelines did not permit procurement of raw herbs, the diversion of ₹1.14 crore for this purpose was irregular and not justified.

The Department stated (May 2010) that the aim to manufacture medicines in Government Ayurvedic Pharmacies had been achieved as the market cost of such drugs was higher. The reply is not acceptable as no documentary evidence in support of essential drugs as specified by the GOI, actually manufactured and supplied by Pharmacies to the dispensaries was made available. Moreover, the essential drugs notified by the GOI were not supplied.

➤ **Purchase of essential drugs from agencies not approved by the GOI**

For the purchase of essential drugs out of financial assistance provided under the Hospitals and Dispensaries Scheme, GOI issued (May 2007) instructions to the State Government to streamline the procurement system to obviate the risk of substandard medicines offered at lowest rate and to ensure good quality medicines. Accordingly the GOI directed the State Government to follow the rate contract finalised under Central Government Health Scheme (CGHS).

Scrutiny of record revealed that during 2007-09, the Department purchased drugs costing ₹2.10 crore from the local pharmacies instead of making procurement from the approved rate contract firms under CGHS. Thus, purchase of drugs made during the aforesaid period was not only in contravention of the GOI's instructions but also fraught with risk of substandard medicines offered at lower rate. Besides, no evidence of testing of drug samples of medicines procured from local pharmacies was available on record. Thus, the aspect of quality medicines in these cases could not be vouchsafed in audit.

The Government stated (October 2010) that small quantity of medicines was procured from local agencies and GOI order was also not very clear whether it was mandatory or only suggestive. The reply is not acceptable as GOI's instructions to streamline the procurement of essential drugs were already clear and the State Government was required to follow the rate contract finalised under CGHS.

4.1.10.2 Scheme for Development of AYUSH Institutions

For the development of AYUSH institutions, a Centrally Sponsored Scheme was launched by the GOI by the end of 9th Five Year Plan. Under this Scheme, 100 *per cent* financial assistance for strengthening and upgradation of Government/ Government aided institutions was provided. Deficiencies noticed in implementation of this Scheme were as under:

➤ **Strengthening of infrastructure in Ayurvedic Educational Institutions**

During 2005-06 and 2007-10, GOI released financial assistance of ₹7.14 crore for the construction of Girls Hostel, Ayurvedic Pharmacy College, BSc. Nursing College at Paprola and purchase of machinery and equipment, books, salary to staff, stipend to PG classes, etc. Out of this, expenditure of ₹1.67 crore (salary and stipend: ₹0.28 crore, books, additional teaching and technical staff: ₹0.55 crore and stipend to PG classes: ₹0.84 crore) was incurred by the Department and balance amount of ₹5.47 crore remained unutilised with the Department in

the shape of FDRs in the bank due to non construction of Girls Hostel, Ayurvedic Pharmacy college and BSc. Nursing College and non-purchase of machinery and equipment. This resulted in non-accrual of intended benefits to the students.

The Director, Ayurveda stated (March 2010) that prior to start of the nursing course, affiliation and recognition aspects had to be completed for which GOI was approached (November 2009). The reply does not explain why timely action for availability of suitable land, mandatory approval for recognition of course from regulatory authorities, affiliation to University could not be initiated to fulfill the above formalities before taking up the matter with GOI.

➤ **Assistance for development of State Model College**

To develop RGPAC, Paprola (Kangra district) as State Model College, GOI released (December 2007) financial assistance of ₹1.35 crore for construction works, equipment, books and additional staff. The Director Ayurveda, after retaining an amount of ₹40 lakh, released ₹95 lakh to the Principal of the college in December 2008 for incurring expenditure on capital works, equipment and books/journals for Library.

It was noticed that out of ₹95 lakh, the Principal spent only ₹48.66 lakh on purchase of machinery, equipment and books. The balance amount of ₹86.34 lakh (including amount of ₹40 lakh retained by the Director Ayurveda) remained unutilised in bank accounts as of May 2010. Thus, the objective of development of the College as State Model College still remained to be achieved in view of sizeable amount of funds lying unutilised with the Department.

The Principal stated (May 2010) that funds could not be utilised on capital works due to non-submission of estimates by the Public Works Department. The reply does not explain why requisite formalities relating to preparation of estimate by Public Works Department for timely utilisation of available funds for development of College could not be completed.

4.1.10.3 Drug Quality Control Scheme

In order to provide financial assistance to the States for strengthening their Ayurveda, Sidha, Unani and Homeopathy (ASU&H) drugs quality control and enforcement mechanism, GOI introduced this Scheme towards the end of 9th Five Year Plan. GOI provides 100 percent assistance for the following purposes:

- Strengthening of Enforcement mechanism for ASU&H Drugs;
- Strengthening of ASU&H Drug Testing Laboratories and Pharmacies subject to the State's filling up vacant posts and ensuring availability of trained personnel for their proper functioning.
- Assistance to ASU&H manufacturing units to establish inhouse quality control laboratories for batch to batch testing of raw material and finished products for ensuring quality of ASU&H medicines;
- Assistance to ASU&H units to upgrade their infrastructure to acquire World Health Organisation (WHO) food manufacturing practices/certification for export purposes.

The deficiencies noticed in implementation of the Scheme are discussed in succeeding paragraphs:

➤ **Misutilisation of funds provided for strengthening of Enforcement Mechanism for ASU&H Drugs**

With a view to encourage strengthening of enforcement mechanism for ASU&H drugs in the State, under Drug Quality Control Scheme, GOI contemplated to provide an annual financial assistance of ₹15 lakh per year for the duration of the 11th Five Year Plan (2007-12). Under the Scheme, expenditure incurred after 1st April 2007 on the following items was to be reimbursed by the GOI to the State Government:

- Purchase of vehicle for State AYUSH Drug Controller;
- Expenditure on computerisation of office of AYUSH Drug Controller/Licensing Authority;
- Expenditure on collection of statutory/ survey samples;
- Expenditure on training of technical staff at Pharmacopoeial Laboratory for Indian Medicines (PLIM) as per approved cost norms.

It was noticed that against receipt of ₹29 lakh in February 2008 and April 2009 for strengthening of enforcement machinery of ASU&H Drugs in the State, the Department spent ₹2.66 lakh for procurement of a vehicle and laptop for Drug Controller and utilised (March 2009 and January 2010) the balance amount of ₹26.34 lakh on procurement of unauthorised items such as new vehicles and computers, etc. at Directorate level. Thus, the very purpose of strengthening of drugs enforcement mechanism for ASU&H Drugs was not achieved as the State Government did not incur any expenditure on the collection of statutory/survey samples and imparting training to technical staff at prescribed training centres.

The Government stated (October 2010) that the funds were provided for the aforementioned components of which computerisation was the main component and accordingly funds were utilised besides training had also been provided to some personnel. The reply is not acceptable as only one vehicle was purchased for the Drug Controller and in the remaining cases; expenditure was incurred on new vehicles/computers for other departmental purposes.

➤ **Non-strengthening of Government Ayurvedic Pharmacy at Paprola**

For strengthening of Government Ayurvedic Pharmacy Paprola, GOI released grant-in-aid of ₹0.87 crore under Drug Quality Control Scheme in July 2007 in favour of Society for development of AYUSH institutions in Himachal Pradesh for renovation/expansion of pharmacy building (₹0.66 crore) and purchase of machinery (₹0.21 crore). As per condition laid down in the sanction order, the pharmacy was required to submit a progress report of work twice a year to the GOI. Scrutiny of records revealed that required renovation/expansion of Pharmacy building was not done as yet. Besides, out of ₹21 lakh provided for machinery, only ₹19 lakh was utilised. Thus, ₹68 lakh were not utilised for the intended purposes and remained unspent as of April 2010. Progress report of work was also not submitted to the GOI at the prescribed intervals.

The Director stated (April 2010) that construction work would be started immediately after finalisation of estimate. He, however, gave no reasons for non-utilisation of entire amount provided for purchase of machinery. This shows that Department did not take any effective steps for utilisation of funds for strengthening of infrastructure to upgrade the standard of this pharmacy.

4.1.10.4 Maintenance of accounts by the Society for development of AYUSH

Himachal Pradesh Cooperative Societies Registration Act/Rules provide that every registered Society shall maintain proper accounts and bank accounts/Cash Book, a transparent accounting procedure shall be followed and separate ledgers to be maintained by the Society. Every Society shall also send to the Registrar its Annual Accounts i.e Income and Expenditure and Balance Sheet along with details of financial activities etc. duly audited by Chartered Accountants (CAs) and the Audit Report of the CAs thereon.

It was noticed that no such records were being maintained by the Society for development of AYUSH since its inception in July 2007 to date (June 2010). Non maintenance of Cash Book/ Annual Accounts was a serious lapse on the part of the Society. The Department stated (June 2010) that the meeting of Governing Body of the Society had not been held as of June 2010 and the decision to appoint CAs and preparation of Annual Accounts of the Society would be taken as and when the Governing Body would meet in future. The reply is not acceptable in view of mandatory provisions of Cooperative Societies Registration Act and Rules made thereunder. Further, reply does not explain why meeting of Governing body of the Society could not be convened so far keeping in view the fact that the Society was formed three years back in July 2007.

4.1.11 Execution of building works for health institutions

The Department is getting construction of buildings for hospitals and dispensaries done through two agencies viz. Public Works Department (PWD) and Himachal Pradesh Urban Development Authority (HIMUDA). The Department had deposited ₹6.17 crore for execution of 43 works (Ayurvedic Hospitals: Two; Dispensaries: 41) with PWD (₹3.53 crore) and HIMUDA (₹2.64 crore) respectively. Of these, 16 works were sanctioned prior to 2005-06 and 27 works during 2005-10.

Scrutiny of records revealed that out of 43 works, construction of 16 works for which ₹1.36 crore were deposited with the executing agencies were not taken up as of June 2010. Reasons for non-taking up of these works were non-availability of land (two cases), land dispute (one case), non finalisation of drawing and tenders (six cases) and inadequate funds (seven cases). The remaining 27 works (including 10 works sanctioned prior to 2005-06) for which ₹4.81 crore was deposited were still in progress. It was also noticed that the Department had not maintained any work register indicating the name of work, funds placed at the disposal of executing agencies, stipulated time for completion and upto-date status of works. Besides, the Department was also not monitoring the progress of works by obtaining physical progress reports and financial achievements from the concerned executing agencies. Thus, due to non monitoring of the execution of works, necessary infrastructure facility could not be provided in the needy institutions. The Department stated (June 2010) that non completion of works has certainly affected health care facilities to the patients in the respective areas and assured that in future proper monitoring of works will be done both at Directorate and District level. He further stated that the executing agencies would be asked to furnish upto

date details of expenditure on quarterly basis alongwith the status of work to keep necessary record at headquarter.

4.1.12 Functioning of State Medicinal Plant Board

The National Medicinal Plants Board (NMPB) was set up in November 2000. The objective of establishing the Board is to establish an agency which would be responsible for coordination of all matters relating to medicinal plants including drawing up policies and strategies for conservation, proper harvesting, cost effective cultivation, research and development, processing, marketing of raw material in order to protect, sustain and develop this sector. The NMPB provides financial assistance to State Medicinal Plants Board (SMPB) established in November 2001 under the Ayurveda Department and also to the Forest Department, Universities, Herbal Gardens and farmers for projects under promotional, commercial and contractual farming schemes. The financial assistance is provided only for the development of 32 species of medicinal plants prioritized and identified by the NMPB. Fifty percent financial assistance is released during on-set of the project and remaining 50 *per cent* is released on its completion. The beneficiaries under these schemes were required to submit the Utilisation Certificates (UCs) alongwith progress reports to the SMPB for submission to NMPB.

Scrutiny of records of SMPB revealed that during 2005-09, NMPB sanctioned 227 projects for ₹13.60 crore (24 promotional schemes for ₹8.06 crore and 203 contractual farming scheme for ₹5.54 crore). Against this, financial assistance of ₹6.92 crore (₹3.85 crore under promotional schemes and ₹3.07 crore under contractual farming schemes) was released to Forest Department, Universities, Herbal Gardens and farmers and the balance of ₹6.68 crore was yet to be released by the NMPB. It was further noticed that due to non-submission of utilisation certificates and progress reports of utilisation of ₹6.92 crore by the beneficiaries, NMPB did not release the balance amount so far (May 2010). In the absence of any evidence of propagation of medicinal plants by the concerned beneficiaries and verification thereof by SMPB, it could not be verified in audit as to whether beneficiaries had actually taken up the projects and utilised the grant. The Director stated (May 2010) that normally the projects were sanctioned for the period of three years and the 1st instalment of financial assistance was released in the 1st year during the on-set of the project. He further stated that subsequent instalments were not released by the funding agency due to delay in submission of UCs to it. The reply is not acceptable as the SMPB and the Department had not ascertained the status of utilisation of grant released by physically verifying medicinal plants farming, if any, done by the beneficiaries to obviate the chances of non-utilisation/misutilisation of financial assistance provided by the GOI.

4.1.12.1 Establishment of Herbal Gardens

In order to cultivate, propagate and conserve the herbal wealth, four herbal gardens have been established at Jogindernagar (Mandi district), Neri (Hamirpur district), Dhumreda (Shimla district) and Jungle Jhalera (Bilaspur district) by the Ayurveda Department during 1994-2007. The main aims and objectives of the establishment of these herbal gardens are as under:

- To raise the germaplasm of the identified genuine species of the medicinal plants of the respective agro-climatic zones.

- To develop the Agro techniques of the medicinal plants for taking up cultivation to supplement their income.
- To develop the pre and post harvesting methodology for maintaining the herbal drug efficiency for quality control.
- To generate awareness on the various aspects of medicinal plants among the people of the State.
- To provide practical demonstration to the students of Ayurvedic College Paprola for identification of the medicinal plants.

Scrutiny of records in the Directorate revealed that out of four herbal gardens, one established at Jungle Jhalera (Bilaspur district) was not functional due to non-availability of manpower. The acquired land/area of remaining three herbal gardens is 59 acres. It was noticed that only 38 acres of land (64 *per cent*) had been put under cultivation as of March 2010 though a period of more than one decade had elapsed since the establishment of the herbal gardens.

Audit scrutiny further revealed that a project titled “Production and utilisation of herbs in collaboration with herbal gardens and pharmacies of the ISM&H Department” was sanctioned (December 2006) by GOI for ₹24 lakh to be completed within three years. Under the said project, four herbal gardens in four different agro-climatic zones including nursery in three hectare area each were to be established. Against this, GOI released 1st instalment of ₹10 lakh in December 2006. As per terms and conditions of GIA, the funds were to be utilised on land development, vermi-compost pits, irrigation, M&E and operational expenses, etc.

Test check of records (May 2010) revealed that SMPB released ₹10 lakh (November 2007) to four herbal gardens (₹2.50 lakh each). Of this, an expenditure of ₹6.54 lakh²⁵ was incurred by these herbal gardens upto May 2010 leaving ₹3.46 lakh unutilized as of June 2010. The remaining instalments could not be claimed by the SMPB from the GOI due to non submission of UCs. The project had thus remained incomplete and intended benefits could not be derived as of June 2010.

4.1.13 Human Resource Management

4.1.13.1 Staff position and shortages

Category-wise sanctioned strength, men in position and shortages of staff as on 31 March 2010 is depicted in Appendix-VIII.

It would be seen from the Appendix that there was 39 *per cent* shortage of teaching staff and 33 *per cent* in paramedical staff in RGPGAC, Paprola. In the case of health institutions, shortage of Medical officers, paramedical staff and supporting staff was to the extent of 14, 49 and 40 *per cent* respectively. The shortage of teaching staff, medical staff and paramedical staff was bound to affect the quality of teaching and health care services respectively.

The Government stated (October 2010) that the sanctioned strength of manpower in the Ayurvedic college was on higher side as per GOI/University norms. The reply is not acceptable as no documentary evidence in support of it was made available to Audit.

²⁵ Dhumreda (Shimla district) ₹1.85 lakh; Jogindernagar (Mandi district) ₹2.01 lakh; Jungle Jhalera (Bilaspur district) ₹0.79 lakh and Neri (Hamirpur district) ₹1.89 lakh

4.1.14 Material Management

4.1.14.1 Procurement of Medicines/raw herbs

State Government decided (March 1993) to purchase and distribute medicine through Himachal Pradesh State Civil Supplies Corporation (HPSCSC). Quarterly demands of medicines were to be sent to the HPSCSC by the Director Ayurveda. The Government revised (February 2004) the purchase policy and created two Committees viz. State Level Purchase Committee (SLPC) under the chairmanship of Pr. Secretary (Ayurveda) to the Govt. of Himachal Pradesh and Technical Sub-Committee under the Chairmanship of Asstt. Director of Ayurveda Department. The technical sub committee made recommendations with choice of all categories of Ayurvedic Drugs to the SLPC who approve the purchases. These committees also work out the requirement of medicines keeping in view the budgetary provisions, inviting of applications from local manufacturers and enlist them.

Scrutiny of records revealed that against ₹20.02 crore advanced to HPSCSC by the Director of Ayurveda during 2005-10 for the purchase of medicines and raw herbs; ₹7.66 crore had not been adjusted as of June 2010 for want of receipt of vouchers (₹4.04 crore) and receipt of supplies (₹3.62 crore) for which orders were placed. The Department stated (June 2010) that efforts for adjustment of advances are being made.

4.1.15 Internal Audit

As per instructions issued (August 1987) by the Finance Department (FD), the services of Internal Audit staff should be utilised only for the purpose of conducting internal audit, checking of accounts, supervising the clearance of outstanding audit objections, physical verification of store and stock, etc. and their work should be supervised by the senior Departmental Officers. It was noticed that against two posts of Section Officers sanctioned for the above purpose, there was only one incumbent who was posted in the Directorate. Scrutiny of records further revealed that internal audit had not been conducted during 2007-10 though it was required to be conducted annually. The Section Officer of Internal Audit Section, posted at Directorate was carrying out the routine work at the Directorate and no work relating to internal audit was done. Thus, internal audit was completely non-existent in the Department.

4.1.16 Monitoring and evaluation

The Department had not evolved any system for monitoring the execution of various CSSs and programmes for evaluating their impact on the health care system in the State.

Director Ayurveda directed (May 2003) all the DAOs to inspect 25 *per cent* of Dispensaries under their control during each quarter every year to ensure 100 percentage coverage of Dispensaries in a year.

It was, however, noticed in five²⁶ test checked districts that the required inspections were not carried out by the DAOs. DAO-wise position of inspections conducted during 2005-10 is given in Appendix-IX.

The percentage shortfall in conducting inspections ranged between 66 and 74 *per cent* during 2005-10. Non conducting of inspections to the prescribed extent by the DAOs not only violated the instructions issued by the Director but also the field functionaries failed to exercise proper check over the functioning of the dispensaries under their jurisdiction. DAO Kangra

²⁶ Kangra, Kinnaur, Mandi, Shimla and Sirmaur.

stated (April 2010) that this district being the biggest district, required inspections could not be conducted. No reasons were, however, advanced by other DAOs for not conducting inspections to the prescribed extent.

4.1.17 Conclusion

- There are 1154 Ayurvedic health institutions including hospitals, dispensaries, health centres and clinics in the State but due to shortages in the cadres of AMOs (14 *per cent*), paramedical staff (49 *per cent*) and supporting staff (40 *per cent*) coupled with non-providing of adequate infrastructure facilities like laboratories, operation theatres, separate male/female wards in hospitals, the quality of health care was adversely affected.
- Essential facilities like water and electricity were lacking in 189 Dispensaries.
- Indoor patient health care services were also not satisfactory as bed occupancy during 2005-10 remained low ranging between 36 and 40 *per cent* due to non-availability of staff, laboratories and operation theatre facilities. Besides, outdoor patient treatment in eight out of 25 hospitals also showed declining trend as number of patients treated (1,31,186) in 2005-06 came down to (97,016) in 2009-10.
- Implementation of centrally sponsored schemes was tardy as substantial funds remained unspent in fixed deposits in the shape of FDRs.
- The Department failed to develop AYUSH institutions as Central assistance provided to start courses in B. Pharmacy, B.Sc. nursing and Girls hostel was not utilised due to lacunae such as affiliation to University and recognition of institutions from regulatory authorities.
- The State has only one Postgraduate Ayurvedic College and has shortage of teaching and paramedical staff. This was bound to affect the quality of teaching.
- The goal of establishment of AYUSH institutions and mainstreaming them with Allopathic institutions under NRHM providing treatment under both systems of medicines also remained to be achieved.
- District Ayurvedic Officers failed to conduct 100 *per cent* inspection of Dispensaries every year to exercise check on their smooth functioning. Shortfall in conducting inspection during 2005-10 was 66 to 74 *per cent*.

4.1.18 Recommendations

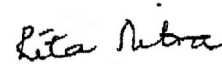
The following recommendations are made for the consideration of the Government:

- Since the Departmental expenditure exceeded the budget allocation every year during 2005-10, it should be ensured that preparation of budget estimates is done on realistic basis and after assessment of needs of health institutions.
- For implementation of Centrally Sponsored Schemes viz. Hospitals and dispensaries, drug Quality control and development of AYUSH institutions, huge amount remained unspent with the Department. The State Government should therefore take effective steps to ensure optimum utilisation of funds provided for implementation of centrally sponsored schemes for development of AYUSH institutions in a time bound manner.

- Since Hospitals and Dispensaries had acute shortage of manpower and lack of infrastructure facilities, Department/Government should take effective steps to bridge these gaps for providing quality health care services in the State.
- The Internal Audit mechanism had remained non existent in the Department. The Department/ Government should ensure deployment of adequate staff for Internal Audit in order to exercise effective financial control and monitoring of implementation of programmes/ schemes.
- Monitoring by the District Ayurvedic Officers was deficient as they failed to conduct 100 *per cent* inspections of Dispensaries every year to exercise check on smooth functioning of dispensaries. Fresh instructions need to be issued to make them accountable for smooth functioning of dispensaries.

These findings were referred to the Government in August 2010; their reply had not been received (August 2010).

Shimla
The



(Rita Mitra)

Principal Accountant General (Audit)
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The



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