

CHAPTER-IV

AYUSH DEPARTMENT

4.1 Chief Controlling Officer (CCO) based Performance Audit of AYUSH Department

Highlights

The Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) is responsible for outreach health care through preventive and curative intervention, affordable and efficacious services, up-gradation of AYUSH educational standards, quality control and standardization of drugs, research and development and awareness generation about the efficacy of the systems domestically.

A Chief Controlling Officer based audit of the AYUSH Department against its mandate and goals revealed lack of planning, financial mismanagement, ineffective programme management, human resources mismanagement and absence of adequate internal control and monitoring mechanisms during the period 2006-11. Some of the major findings are as follows:

❖ *The Department failed to utilize ₹69.27 crore out of the total available funds of ₹435.43 crore during 2006-11.*

[Paragraphs 4.1.7.1 & 4.1.7.2]

❖ *The Department did not frame a comprehensive documented policy on Indian System of Medicine for the State.*

[Paragraph 4.1.8.1]

❖ *The Department failed to extend AYUSH facilities to most of the Allopathic centers of the State despite availability of funds.*

[Paragraph 4.1.8.2]

❖ *Medicines were procured for AYUSH wings of non functional allopathic dispensaries without ensuring availability of Ayurvedic doctors and Medical staff.*

[Paragraph 4.1.9.2]

❖ *Licenses were issued to 18 Pharmacies without consulting Panel of Experts whereas 32 licenses were renewed without ensuring Good Manufacturing Practice (GMP) certificate.*

[Paragraphs 4.1.11.1 & 4.1.11.2]

❖ *Central Council of Indian Medicine (CCIM) attendance norms were flouted at Rishikul Post Graduate Ayurvedic College. Registrations of 686 AYUSH medical practitioners were not renewed as required under CCIM norms.*

[Paragraphs 4.1.11.3 & 4.1.12.2]

4.1.1 Introduction

Department of Indian Systems of Medicine and Homoeopathy (ISM&H), Ministry of Health and Family Welfare (MOHFW), Government of India (GOI) was created in March, 1995 and re-named as Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) in November 2003. The primary objectives of the Department were; the up-gradation of AYUSH educational standards, quality control and standardization of drugs, improving the availability of medicinal plant material, research and development and awareness generation about the efficacy of the systems domestically and internationally as outlined in the National Policy on ISM&H, 2002.

Directorate of Ayurveda & Unani Services and Directorate of Homeopathy were established in Uttarakhand in August 2001 and October 2004 respectively under the Department of AYUSH. Under the Ayurveda Directorate, 546 Ayurvedic and Unani hospitals with 1935 beds in rural and urban areas were functioning and 107 homeopathic dispensaries were functioning under the Homeopathy Directorate. Besides, the State has two Government Ayurvedic Colleges, one Ayurvedic Aushadhi Nirmanshala and one State Drug Testing Laboratory (SDTL) at Haridwar. The AYUSH provided Ayurveda treatment to 77,53,160 outdoor and 75,547 indoor patients while 33,58,464 patients availed Homoeopathy treatment during the year 2006-11.

The major activities of the Department were as follows:

- Renovation and up-gradation of AYUSH hospitals, Educational Institutions etc.;
- Creation of infrastructure in existing allopathic hospitals/dispensaries so as to provide AYUSH facilities in these centers;
- Purchase of medicines and equipments for AYUSH hospitals and institutions; and
- Quality Control of essential AYUSH drugs.

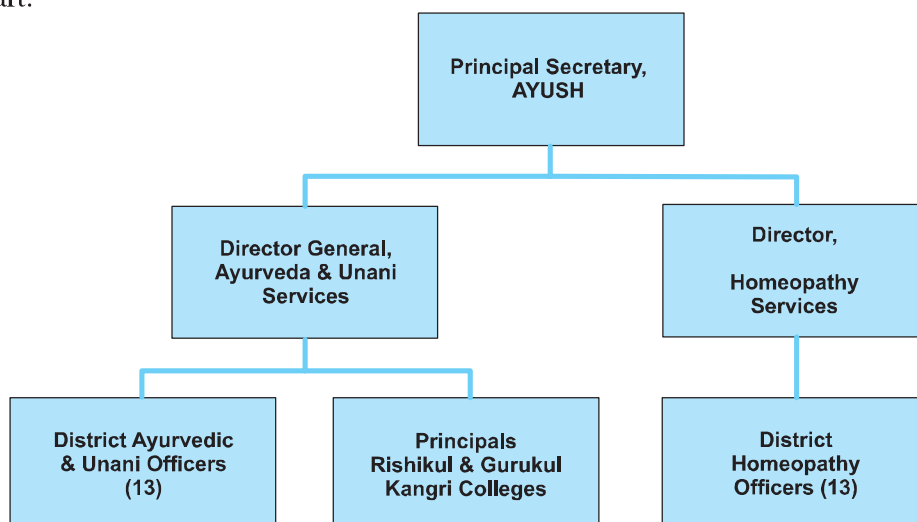
For laying down minimum standards of education and maintaining Central Register of practitioners and regulating the professional practices by the practitioners of ISM&H, the following regulatory bodies were functioning in the State:

- Board of Indian Medicine Uttarakhand under Central Council of Indian Medicine (CCIM).
- Homeopathic Medicine Board Uttarakhand under Central Council of Homeopathy (CCH).

4.1.2 Organizational set-up

Principal Secretary, Department of AYUSH is the administrative head and overall in-charge of the Department. He is assisted by Director General, Ayurveda and Unani Services (DGAU) and Director, Homeopathy Services (DH). District Ayurvedic and Unani Officers (DAOs) and District Homeopathic Officers

(DHOs) ensure the implementation of departmental activities at the district level. The organizational chart of the Department is depicted in the following flow chart:



4.1.3 Funding Pattern

The Department of AYUSH receives funds through the state budgetary provisions and central assistance to carry out its activities. From the year 2007-08, the central assistance is routed to the Department through the State Health Society (SHS) for implementation of various Centrally Sponsored Schemes (CSSs). GOI also release funds under National Rural Health Mission (NRHM) for engagement of employees on contractual basis in AYUSH wings of allopathic hospitals/dispensaries of the State. These funds are released directly to the SHS and are deposited in banks.

During the period 2006-07 to 2010-11, a total amount of ₹ 435.43 crore (₹ 382.39 crore for Ayurveda & ₹ 53.04 crore for Homeopathy) under state budget apart from central assistance was allotted/released to the Department. Against that, an expenditure of ₹ 366.16 crore (₹ 327.80 crore by Ayurveda and ₹ 38.36 crore by Homeopathy) was incurred by the Department during the period.

4.1.4 Audit Objectives

The objectives of the CCO based Performance Audit was to assess whether:

- Financial management was efficient;
- Planning and programme management was economical, efficient and effective;
- Management of store system was efficient;
- Human Resource Management was efficient;
- Internal control was effective; and
- Monitoring mechanism was in place and was effective.

4.1.5 Audit Criteria

For achievement of audit objectives, the performance of the Department was evaluated against the following criteria:

- National Policy on ISM&H, 2002;
- Guidelines of various operational Centrally Sponsored Schemes and GOI orders thereon;
- Drugs & Cosmetics Act, 1940 and Drugs & Cosmetics Rules, 1945;
- Norms and Directives of CCIM and CCH;
- Departmental Rules, Regulations, Orders and Manuals;
- Budget Manual and Financial Handbooks, Uttarakhand; and
- Uttarakhand Procurement Rules, 2008.

4.1.6 Audit Scope and Methodology

The CCO based audit of AYUSH Department was conducted during August 2011 to October 2011 through test check of records pertaining to the period 2006-07 to 2010-11 of the offices of Director General, Ayurvedic and Unani Services, the Director, Homeopathy, the Principal cum Superintendent, Rishikul Post Graduate Medical College and Hospital, Haridwar, the Superintendent, Government State Pharmacy, Haridwar and selected district level offices of Ayurveda and Homeopathy. Four¹ out of 13 districts were selected using stratified Probability Proportional to Size Without Replacement (PPSWOR) Sampling method. Before commencing audit, the audit objectives, criteria and scope were discussed (August 2011) with the Principal Secretary, AYUSH and other departmental authorities in an Entry Conference. Audit findings were discussed with the Principal Secretary and other officers of AYUSH Department in an Exit Conference (March, 2012) and views of the Government / Department were incorporated suitably in the report.

Audit Findings

4.1.7 Financial Management

Proper financial management entails budgeting of funds on realistic assessment of requirements and effective utilization of available funds and ensures that operational activities do not suffer for want of funds. Audit revealed mismanagement of state and central funds as brought out in succeeding paragraphs.

4.1.7.1 Under-utilization of available state funds

Year-wise details of funds received and expenditure incurred from the state budget by both the Directorates during the period 2006-07 to 2010-11 were as follows in table- 4.1.1:

¹ Dehradun, Haridwar, Pauri and Almora.

Table-4.1.1

(₹ in crore)

Year	Allotment			Expenditure			Savings (+)/ Excess (-)			Utilisation (%)		
	P	NP	T	P	NP	T	P	NP	T	P	NP	T
Directorate of Ayurvedic and Unani Services												
2006-07	18.55	40.66	59.21	17.53	37.19	54.72	1.02	3.47	4.49	95	91	93
2007-08	9.02	43.76	52.78	7.51	35.73	43.24	1.51	8.03	9.54	83	82	83
2008-09	9.21	52.07	61.28	7.88	46.73	54.61	1.33	5.34	6.67	86	90	88
2009-10	9.63	67.24	76.87	9.00	56.52	65.52	0.63	10.72	11.35	93	84	89
2010-11	11.77	68.38	80.15	11.60	66.39	77.99	0.17	1.99	2.16	99	97	98
Total	58.18	272.11	330.29	53.52	242.56	296.08	4.66	29.55	34.21	91	89	90
Directorate of Homoeopathy Services												
2006-07	2.81	5.38	8.19	1.41	2.14	3.55	1.40	3.24	4.64	50	40	45
2007-08	2.69	4.15	6.84	1.68	2.85	4.53	1.01	1.30	2.31	62	69	66
2008-09	1.61	7.25	8.86	1.03	5.62	6.65	0.58	1.63	2.21	64	78	71
2009-10	2.55	9.84	12.39	2.13	6.47	8.60	0.42	3.37	3.79	83	66	75
2010-11	3.12	11.10	14.22	2.93	7.93	10.86	0.19	3.17	3.36	94	72	83
Total	12.78	37.72	50.50	9.18	25.01	34.19	3.60	12.71	16.31	71	65	68
G. Total	70.96	309.83	380.79	62.70	267.57	330.27	8.26	42.26	50.52	81	77	79

Source: Data provided by the Department P: Plan; NP: Non Plan; T: Total

It was observed that-

- The Department could spend only ₹ 330.27 crore against an allotment of ₹ 380.79 crore during the period 2006-11, thereby resulting in a saving of ₹ 50.52 crore (13 per cent) which was surrendered.
- Out of total expenditure, ₹ 267.57 crore (81 per cent) was Non-Plan expenditure which accounted for nearly 82 per cent and 73 per cent of total expenditure for Ayurveda and Homeopathic services respectively.
- Out of the total savings, nearly 84 per cent were under the Non-Plan head. This indicated poor forecasting of budget for pay and allowances of staff.

On this being pointed out, the Department accepted that a major part of the budget was spent on establishment and that the budget was forecasted on the basis of sanctioned strength of staff. The reply was not acceptable as forecasting of budget on sanctioned strength inflated the budget which ultimately led to eventual surrender of funds.

4.1.7.2 Under-utilization and mismanagement of central assistance

(A) Year-wise details of funds received and expenditure incurred from the central assistance by both the Directorates during the period 2006-07 to 2010-11 were as follows in table - 4.1.2:

Table – 4.1.2

(₹ in crore)

Year	Opening Balance			Releases			Expenditure			Closing Balance		
	Ayush	NRHM	T	Ayush	NRHM	T	Ayush	NRHM	T	Ayush	NRHM	T
Directorate of Ayurvedic and Unani Services												
2006-07	0.00	0.00	0.00	4.05	0.00	4.05	3.44	0.00	3.44	0.61	0.00	0.61
2007-08	0.61	0.00	0.61	19.04	1.80	20.84	10.55	0.00	10.55	9.10	1.80	10.90
2008-09	9.10	1.80	10.90	2.19	0.00	2.19	2.05	1.78	3.83	9.24	0.02	9.26
2009-10	9.24	0.02	9.26	6.16	3.61	9.77	5.61	3.19	8.80	9.79	0.44	10.23
2010-11	9.79	0.44	10.23	8.41	6.84	15.25	0.35	4.75	5.10	17.85	2.53	20.38
Total				39.85	12.25	52.10	22.00	9.72	31.72			

Directorate of Homoeopathy Services												
2006-07	3.40	0.00	3.40	0.00	0.00	0.00	0.00	0.00	0.00	3.40	0.00	3.40
2007-08	3.40	0.00	3.40	0.01	0.00	0.01	0.01	0.00	0.01	3.40	0.00	3.40
2008-09	3.40	0.00	3.40	0.24	0.00	0.24	0.60	0.00	0.60	3.04	0.00	3.04
2009-10	3.04	0.00	3.04	0.10	1.00	1.10	0.21	0.00	0.21	2.93	1.00	3.93
2010-11	2.93	1.00	3.93	0.16	1.03	1.19	2.36	0.99	3.35	0.73	1.04	1.77
Total				0.51	2.03	2.54	3.18	0.99	4.17			
Grand Total				40.36	14.28	54.64	25.18	10.71	35.89	18.58	3.57	22.15

Source: Data provided by the Department (T: Total)

It was observed that

- The Department could spend only ₹ 35.89 crore against central release of ₹ 54.64 crore during the period 2006-11, thereby resulting in a saving of ₹ 18.75 crore (34 per cent).
- During the period 2006-11, in the AYUSH component, only ₹ 25.18 crore of the available central assistance of ₹ 43.76 crore (₹ 3.40 + ₹ 40.36) could be spent. Thus, nearly 42 per cent of available central assistance could not be utilized.
- During the period 2006-11, under NRHM only ₹ 10.71 crore out of an available central assistance of ₹ 14.28 crore could be spent. Thus, nearly 25 per cent of available central assistance could not be utilized.

(B) The guidelines governing release of central assistance to the State for AYUSH schemes and NRHM stipulated that unspent balance at the end of financial year was to be reported to the Ministry concerned, within a period of two months from the closing of the financial year. The unspent balance was subject to utilization provided that the GOI authorized the Department to incur expenditure otherwise the unspent balance along with interest was to be refunded to the GOI.

Audit analysis revealed that Directorate of Homoeopathy earned an interest of ₹ 82.53 lakh (October, 2011) on the unspent balance of central funds lying idle since 2005-06. Similarly, the SHS earned an interest of ₹ 25.10 lakh on funds that were not released by it to the Department. It was further noticed that neither the unspent balance was refunded to GOI nor the total interest amounting to ₹ 107.63 lakh earned on unspent funds was adjusted against subsequent allotments.

On this being pointed out, the Directorate of Homeopathy replied that the interest earned would soon be refunded to GOI as per guidelines. The SHS stated that the fund could not be released due to non-receipt of proposal for establishment of PHCs/CHCs from the Department and the amount of interest earned was being reported to GOI in the annual accounts. The State Government, however, accepted (March, 2012) the fact and assured for taking appropriate action in the matter.

The reply of the Department was not acceptable in view of the fact that the adjustment of interest was still (October, 2011) pending.

4.1.7.3 Non-utilization of central funds meant for strengthening enforcement Machinery

With a view to ensure availability of quality drugs and to eliminate the possibility of production and marketing of sub-standard drugs, strengthening enforcement machinery for Ayurveda, Siddha, Unani & Homeopathy (ASU&H) drugs was envisaged under 'CSS of Quality Control of ASU&H Drugs'. The scheme envisaged to provide an annual financial assistance of ₹ 15.00 lakh per year for the duration of the 11th Plan only. Expenditure incurred on following items would be reimbursed-

- i) Purchase of vehicle for State AYUSH Drug Controller after 1-4-2007 ;
- ii) Expenditure on computerization of office of AYUSH Drug Controller/Licensing Authority incurred after 1-4-2007 ;
- iii) Expenditure on collection of statutory/survey samples (maximum ₹ one lakh per annum) and
- iv) Expenditure on training of technical staff at Pharmacopeial Laboratory for Indian Medicine (PLIM)/HPL/NABL as per approved cost norms.

Audit scrutiny revealed that GOI released (March, 2008 and April, 2009) an amount of ₹ 15 lakh and ₹ 14 lakh respectively for the above purpose. These funds remained unutilized and were kept in the current account of the Department till the date of audit (October, 2011).

On this being pointed out, the Department replied (August, 2011) that the approval of State Government for procurement of vehicle was awaited (August, 2011), computerization of office of AYUSH/Drug Controller would be carried out after shifting of office in new building and expenditure in collection of statutory/survey sample and training of staff will be done after nomination of Drug Inspector. Further, it was also intimated (January, 2012) by the Department that ₹ 14 lakh had been surrendered.

The reply of the Department was not acceptable as even after two to three years of receipt of central assistance, the objective of strengthening enforcement machinery for ASU&H drugs in the State remained unachieved. Besides, keeping funds in current account lacked justification.

4.1.7.4 Irregular expenditure on establishment of Homoeopathic Dermatology clinics

Establishment of specialty clinic of ISM&H i.e., system specific outdoor treatment centre was envisaged under 'CSS for promoting development of healthcare facilities of ISM&H'. This scheme envisaged one time grant of ₹ 10 lakh per centre for building repair/ alteration, furniture, fixtures, equipments, medicines etc.

Audit scrutiny of records revealed that GOI sanctioned (December 2005) ₹ 60 lakh for establishment of six Dermatology clinics². As the Directorate of

² Coronation Hospital, Dehradun and District Hospitals at Haridwar, Narendra Nagar, Pauri, Pithoragarh and Rudrapur.

Homoeopathy failed to utilize the funds for two years, the GOI ordered adjustment (December, 2007) of the entire amount in favour of Directorate of Ayurveda under the Head 'Integration of AYUSH at the level of PHC and CHC' and transferred (December, 2010) the entire amount to the Directorate of Ayurveda. The Directorate of Homoeopathy, in violation of that order, sanctioned (June, 2009 to January, 2010) renovation of buildings for setting up of four dermatology clinics³ at a cost of ₹ 11.17 lakh.

Further scrutiny revealed that all the four dermatology centre buildings were renovated but were non-functional (October, 2011) due to lack of furniture, equipments, medicines and staff etc.

On this being pointed out, the Department replied (October, 2011) that the expenditure on renovation of dermatology centre buildings was incurred prior to transfer of the funds and stated that a fresh sanction would be obtained.

The reply of the Department was not acceptable as renovation of buildings was sanctioned two years after the issue of adjustment order of GOI. Further, no efforts have since been made by the Directorate of Homoeopathy to seek fresh sanction and therefore, the expenditure of ₹ 11.17 lakh was irregular.

The State Government accepted the fact and assured (March, 2012) to take appropriate action.

4.1.7.5 Irregular expenditure on payment of Honorarium

Supplementary Financial Rule 31 authorized the Head of Departments to sanction non-periodical honorarium of ₹ 750 to regular employees working under them.

Audit scrutiny of records of Director, Homoeopathy (DH) revealed that the Director had sanctioned honorarium (April, 2011) to 38 persons of which only five were from the Department and were working under him. Out of the remaining 33 persons, seven persons⁴ were employed on contractual basis at the Directorate, 18 were departmental employees but were not working under DH and eight were Home Guards. These persons, who were not entitled for honorarium as per the rule mentioned above, were paid ₹ 24,750 as honorarium.

On this being pointed out, the Department accepted the fact and assured that the provisions of the Financial Rules would be adhered to in future. The same assurance was also given by the State Government in exit conference (March, 2012).

4.1.8 Planning and Programme Management

All programmes of the Department were primarily aimed at promotion of ISM&H, expansion and enhancement of infrastructure and development of AYUSH in the State. For achievement of these objectives, it was pertinent for the Department to develop and formulate a planned approach in order to efficiently and effectively implement various programmes. Audit revealed lack of proper

³ Coronation Hospital, Dehradun and District Hospitals at Narendra Nagar, Pauri, Nainital.

⁴ Two from Uttar Pradesh Purva Sainik Kalyan Nigam Limited (UPNL) and five from Prantiya Rakshak Dal (PRD).

planning in the Department which led to non-achievement of intended outcomes under various operational schemes as brought out in succeeding paragraphs.

4.1.8.1 Lack of a comprehensive documented policy

For achievement of its mandate and as a good practice, the Department should have prepared a 'Perspective Plan' which could be further broken down into actionable schemes/programmes to be completed within a specified time frame. Forecasting of financial and human resources required to meet the departmental mandate should have been based on this plan. However, it was observed that despite the existence of National Policy on ISM&H since 2002, the Department made no efforts to develop a policy customized to the needs of Uttarakhand. The future strategy of the Department covered a limited number of aspects and was primarily focused on purchase of medicines and equipments.

Thus, lack of comprehensive documented policy restricted the Department to adopt holistic approach.

The State Government admitted the fact (March 2012) and assured that policy would be chalked out soon.

4.1.8.2 Centrally Sponsored Scheme for promoting development of health care facilities of Indian System of Medicine and Homeopathy (ISM&H)

(A) Extension of AYUSH facilities to Primary Health Centre (PHCs) and Community Health Centres (CHCs)

Integration of AYUSH at the level of PHCs and CHCs was envisaged by the Department of AYUSH, Ministry of Health and Family Welfare (MOHFW) under 'CSS for Promoting Development of healthcare facilities of ISM&H'. Under the scheme, central assistance was provided to States for renovation of buildings, purchase of equipments and medicines and training etc.

The Directorate of Ayurveda, in order to streamline AYUSH, sent a proposal (April, 2007) for setting up of AYUSH wings in 116 PHCs and 23 CHCs with proposed expenditure of ₹ 16.66 crore⁵. GOI approved the proposal and sanctioned (December, 2007) the amount. Scrutiny of records revealed that GOI allocated ₹ 4.63 crore for renovation of buildings of proposed PHCs and CHCs with a ceiling of ₹ three lakh per PHC and ₹ five lakh per CHC. The Directorate invited estimates (January, 2008) from all DAOs for renovation of buildings and received estimates for only 83 PHCs and 23 CHCs. At the time of releasing funds against 63 sanctioned estimates, the Directorate released funds (September, 2011) only for six CHCs and 26 PHCs because the other sanctioned estimates (17 CHCs and 14 PHCs) exceeded the financial ceiling. Thus, against the target of setting AYUSH wings in 116 PHCs and 23 CHCs, funds for renovation of buildings of PHCs/CHCs could be released (September, 2011) to only six CHCs and 26 PHCs despite availability of funds since December 2007.

⁵ ₹4.63 crore for renovation of buildings; ₹ 5.78 crore on purchase of equipments, furniture & stationery and ₹ 6.25 crore for purchase of medicine, training and lump-sum contingency etc.

Further, it was noticed that till November 2011, the Directorate had incurred an expenditure of ₹ 3.86 crore against a total sanction of ₹ 5.78 crore on centralized purchase of equipments, furniture and stationery for all the originally proposed CHCs & PHCs. During joint physical inspection in the test checked districts, it was observed that the procured equipments were lying idle due of lack of space either in the premises of district offices or in the respective PHCs/CHCs. The pictures placed below are self explanatory.



Furniture & Equipments lying unutilized in store at DAO office, Dehradun. Panchkarma tub, putty board & hand exercise machine lying in store of DAO, Almora

Purchase of equipment worth ₹ 3.86 crore, despite the fact that renovation work of CHCs and PHCs had not been completed, was injudicious. On this being pointed out, the Department replied (October, 2011) that the DAOs have been instructed to submit revised estimates. Further, about the idle equipments, the Department failed to furnish any concrete reason for the purchase.

The reply of the Department was not acceptable as preliminary checks should have been done before forwarding the estimates to the sanctioning authority and the equipments should have been purchased after ascertaining the availability of the space in the PHCs/ CHCs. Thus, due to apathy of the Department, only 22 per cent and 26 per cent of the PHCs and CHCs respectively could be provided funds for renovation and equipment worth ₹ 3.86 crore were lying idle since September 2010 in the district level stores/ PHCs and CHCs.

The State Government, while accepting audit observation (March, 2012) assured to analyze the situation in other districts also.

(B) Delay in establishment of Reproductive and Child Health (RCH) centers

National Policy on ISM&H, 2002 strives for operational use of RCH to facilitate Ante-Natal Care (ANC), Post-Natal Care (PNC) and Neo-Natal Care (NNC) under 'CSS for promoting development of healthcare facilities of ISM&H'.

Chief Medical Superintendents (CMS') of eight districts⁶, in response of a letter (June, 2004) of the Director General, Department of AYUSH, had sent their consent for establishment of RCH centers and the GOU forwarded (May, 2005) the proposals to GOI. The GOI approved (November, 2005) the proposal for setting up of eight RCH centers as Homoeopathy Specialist Wings in eight existing Allopathic District Hospitals and accorded sanction for payment of ₹ 2.80 crore in the year 2005-06 for the following components in the table-4.1.3 below:

Table-4.1.3 (₹ in lakh)

Items	Cost per unit	Total Cost for eight unit
Renovation, repair etc. for existing buildings	10	80
Equipment	15	120
Medicine, diet etc. (per year for the remaining plan period)	7	56
Training of medical and paramedical staff	1	8
Lump sum contingency	2	16
Total	35	280

Source: Information provided by the department.

Audit scrutiny revealed that the Directorate, Homoeopathy released ₹ 36.39 lakh (August, 2008) to DHOs for the renovation of RCH centers in only five districts⁷ after a delay of three years. The renovation work of all the RCH centers except Udham Singh Nagar had been completed while possession of RCH center at Haridwar had not been taken over (September, 2011). These renovated RCH centers were non functional due to non-availability of man-power, equipments and medicines. Further, due to non utilization of the allotted funds, the GOI transferred (December, 2010) a sum of ₹ 1.62 crore to Directorate of Ayurveda.

In reply to audit observation involving release of fund for five RCHs centers only and non-functioning of three renovated ones, the Department stated that the fund was released for the renovation of only five RCH clinics as site was not made available in other three district hospitals and intimated that proposal had been sent (March, 2011) to the Government for procurement of medicines, equipments etc, for the renovated centers.

Thus, despite availability of funds, the RCH centers remained non functional in the State depriving beneficiaries of the intended benefits of the scheme.

4.1.8.3 Functioning of Rishikul Rajkiya Ayurvedic Aushadhi Nirmanshala (RAAN)

The RAAN, Haridwar was established by Uttar Pradesh Government in the year 1974. It was functioning as part of Rishikul Ayurveda College (RAC), Haridwar before being separated from the RAC on 23rd December 2006.

The objective of RAAN was to manufacture medicine and to supply them to government hospitals and dispensaries of the State. It worked on indigenous technology and the manufacturing machines can produce medicines valuing ₹ two

⁶ Haridwar (2 Hospitals), Pithoragarh, Almora, Udham Singh Nagar and Pauri Garhwal, Dehradun and Uttarkashi.

⁷ Haridwar, Pithoragarh, Almora, Udham Singh Nagar and Pauri Garhwal.

crore provided there was adequate fund for material. The pricing of medicine is determined by cost involving expenditure incurred on raw material, labour, machinery and packing charges and thereafter 105 *per cent* as establishment overhead. The RAAN manufactured only those medicines which were approved and required by the Directorate, AYUSH. It was manifested to produce 153 nos. of medicines. However, it planned to produce only 11 to 44 nos. of medicine during the year 2006-11.

Scrutiny of records of RAAN revealed the following:

(A) Operating loss of ₹ 1.87 crore

RAAN was incurring operating expenditure in the form of direct expenses (raw material, electricity, labour etc.), establishment and manpower engaged in processing of medicine. The expenditure of RAAN for the period 2006-11 is tabulated below in table-4.1.4.

Table-4.1.4 (₹ in lakh)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	Total
Budgetary Allocation for Direct expenditure	25.00	25.00	35.00	40.00	40.00	165.00
Total Exp. (Direct + Establishment) in producing medicine	64.29	60.42	101.69	118.98	130.21	475.59
Establishment Expenditure	39.30	44.52	66.73	80.15	93.05	323.75
Direct expenditure on production	24.99	15.9	34.96	38.83	37.16	151.84
Value of medicine produced	42.00	60.75	22.78	46.19	117.13	288.85
Per cent of production to total Exp ⁸	65.33	100.55	22.4	38.82	89.95	60.74
Operating loss ⁹	22.29	-0.33	78.91	72.78	13.08	186.73

Source: Extracted from the records of the Department.

Audit scrutiny of records pertaining to store and accounts revealed that RAAN incurred total expenditure of ₹ 4.76 crore in manufacturing medicine valued at ₹ 2.89 crore during the period 2006-11. Thus, RAAN incurred operating loss of ₹ 1.87 crore during the period 2006-11. Further, it was observed that there was a steep increase in establishment expenditure during this period.

In reply to audit observation, RAAN stated (September, 2011) that poor budgetary allocation for direct expenditure was the main reason for continued operating losses. The reply was not acceptable as no direct linkage between budgetary support and value of medicine produced could be established in audit. The State Government while accepting (March, 2012) the fact, assured for taking appropriate measure.

(B) Idling of machines purchased for ₹ 32.80 lakh

Joint inspection of the processing plant at RAAN, Haridwar revealed that the two machines viz; Online Packing Machine (OLPM) and Fluid Bed Granulator Dryer-30 Kg, which were procured to streamline the system of packaging and drying of

⁸ Value of medicine produced*100/Total Exp. (Direct + Establishment) in producing medicine.

⁹ Total expenditure (Direct Establishment) in producing medicine-Value of medicine produced.

granulator respectively, were not utilized since they were procured. The details of machine are as in table-4.1.5 below:

Table-4.1.5

Name of machine	Year of procurement	Cost (₹in lakh)	Function
On-line Packing Machine	2005-06	26.00	To streamline the packaging system
Fluid Bed Granulator Dryer-30Kg	2006-07	6.80	Drying of granulator

Source: Information provided by the department

It was observed that due to non utilization of the OLPM, packaging was being done manually by private packers. Similarly, the newly installed Fluid Bed Granulator Dryer-30 Kg was not being used. Instead, previously procured lower capacity machine was being used for this purpose.

In reply to audit observation, the Superintendent, RAAN stated (September 2011) that the OLPM and Fluid Bed Granulator Dryer-30Kg could not be utilized due to non-availability of skilled operator and compressor respectively.

Thus, the expenditure of ₹ 32.80 lakh incurred for procurement of machines remained idle.

4.1.8.4 Non-establishment of Ayurvedic University

The process of establishment of Ayurvedic University in the State was started in the year 1976 when a charitable trust (Rishikul Vidyapith Brihmacharya Ashram) agreed to donate its property except for its Sanskrit College for advancement of education in Haridwar. Accordingly, the erstwhile Government of Uttar Pradesh notified (June, 1981) the acquisition of entire property of the Trust which was stayed (July, 1981) by Hon'ble High Court on a petition moved by the Trust. However, Hon'ble Supreme Court rejected (November, 2004) the stay order of the Hon'ble High Court and paved the way for the Government to acquire the property.

Meanwhile, GOU engaged a consultant¹⁰ to prepare a Detailed Project Report (DPR) who also concluded in the DPR that Haridwar was the best suited place for opening up of the University. As per the DPR, the University campus consisted of Vice Chancellor's office, Examination Section, 150 bedded hospital, Post Graduate Training and Research Institute and Residential Quarters. The proposed plan for University envisaged only Post Graduate Course including Diploma which would cater 87 nos. to 231 nos. of seats from first year to final year respectively. The teacher and student ratio would be 1:4.

Audit scrutiny of records of the Ayurveda Directorate revealed that the Government failed to acquire the said land despite the orders of the Hon'ble Supreme Court and it was decided (September, 2010) to run the administrative block of the University at Dehradun on temporary basis in rented premises. Further, the Government approved the detailed estimate of ₹ 6.03 crore for the

¹⁰ Educational Consultant India Limited, NOIDA.

establishment of University at Haridwar and sanctioned ₹ one crore for its establishment (March, 2010) with instruction to keep the fund in PLA till finalization of site. On the one hand, the released amount was lying idle in the Personal Ledger Account (PLA) of the Department and on the other the Government was paying ₹ 6.24 lakh per annum as rent.

Further it was also observed that a 'CSS for development of AYUSH institutions' was in operation during the 9th, 10th and 11th Five-Year Plan under which States were to be considered for one time financial assistance to the extent of ₹ 10 crore for setting up of Ayurvedic University in the States. Due to inaction on the part of District Administration Haridwar, the land for Ayurvedic University could not be acquired and the State was deprived of a possible central assistance of ₹ 10 crore.

Thus, the ambitious project of establishment of an Ayurvedic University in Uttarakhand could not be implemented due to non-acquisition of land despite the orders of the Hon'ble Supreme Court.

4.1.8.5 Establishment of AYUSH Grams

In accordance with the National Policy on ISM&H 2002, the Government had set (September, 2007) a target to establish AYUSH Grams in each district of the State with a view to encourage AYUSH tourism to enhance sustainability of rural economy in the targeted areas under the 11th plan period (2007-12). Government approved (January, 2009) guidelines for establishment of AYUSH Grams involving facilities based on various Indian Systems of Medicine, pharmacy, herbal garden, Ayurvedic cottage, Ayurvedic museum, pathology, and centre for yoga, meditation and Panchkarma etc; through Public-Private Partnership (PPP) mode.

To implement the scheme, the Director, Ayurveda sought proposals from all the 13 districts but only eight proposals were received. Out of these, only two proposals were found suitable. Accordingly, the Department was able to acquire land in two districts¹¹ after the lapse of more than four years from the beginning of 11th plan. Further, the Department issued advertisement for setting up of AYUSH gram at Nainital only. The Department finalized the contract and entered into agreement (August, 2010) with M/s Emami Limited, Kolkata (firm) for developing and operating Ayush Gram at Bhawali in Nainital district. The Department handed over land for 35 years for this purpose to the firm. According to the agreement, the firm submitted bank guarantee of ₹ 50 lakh along with upfront payment of ₹ 2.50 crore which was deposited (September, 2010) in the treasury. As per the agreement, the Department was responsible to create minimum infrastructure (approach road, water, and electricity) but the Department could not provide the same till date (October, 2011) due to which the AYUSH Gram at Nainital could not be established.

Audit scrutiny revealed that the process of acquiring land was in progress in seven districts¹² while action was still to be initiated in the remaining four districts while

¹¹ Nainital and Pauri.

¹² Chamoli, Bageshwar, Uttarkashi, Tehri, Champawat, Pithoragarh and Rudrapur.

no action was initiated for creation of Ayush Gram at Pauri even after acquisition of land.

On this being pointed out, the Department stated (October, 2011) that the process for providing infrastructural facilities was underway.

Thus, the objective of promoting AYUSH tourism in the State as a potential source of revenue could not be achieved despite lapse of more than four years.

4.1.8.6 Incomplete Civil Works

Out of the total 541 hospitals and dispensaries of the State, 412 (76 per cent) were functioning in rented buildings. The Department of Ayurveda had proposed to initiate the construction of buildings for hospitals and dispensaries. Accordingly, the State Government sanctioned ₹ 24.03 crore and released ₹ 15.60 crore during 2006-11 for construction of 57 hospitals.

Audit scrutiny of the records revealed that none of the buildings could be handed over to the Department by the civil work implementing agencies during the period 2006-11. A summarized position of construction works are as per table-4.1.6 below while the detailed status is given in **Appendix-4.1**.

Sl. No	Reason	Hospital (in No.)	Sanctioned cost	Amount released to Implementing agency	Completion cost
1	Completed but not handed over to department	05	1.58	1.55	1.55
2	Incomplete even after release of sanctioned amount to the Implementing agency.	16	5.19	5.19	NA
3	Construction was held up due to non-release of balance funds of ₹1.80 crore	06	3.15	1.35	NA
4	Fund was released to executing agency without ensuring availability of land.	06	4.66	2.48	NA
5	Construction could not be started due to damaged approach road.	03	1.25	0.61	NA
6	Construction was in progress at different level.	21	8.20	4.42	NA
Total		57	24.03	15.60	1.55

On this being pointed out, the Department admitted the fact and assured to take up the matter with concerned executing agencies.

The State Government accepted the fact (March, 2012) and assured to review the progress of works with executing agencies.

4.1.8.7 Distribution of medicines after their 'Best before' period

The Directorate of Ayurveda places purchase orders to various firms for supplying the medicines directly to District Ayurvedic Offices which issues medicines to Hospitals/ Dispensaries/ AYUSH wings of the district.

Audit scrutiny of records pertaining to receipt and distribution of medicines in the four selected districts¹³ during 2006-11 revealed that there were inordinate delays in distribution of medicines by the DAOs to Hospitals/ Dispensaries shown in the table-4.1.7:

Table-4.1.7

Name of the district	Time taken for distribution of medicines to the hospitals/dispensaries after their receipt
Dehradun	04 months to 22 months
Haridwar	02 months to 15 months
Pauri	03 months to 26 months
Almora	03 months to 23 months

Source: Information extracted from the records of DAO's

It was observed that there were no norms or fixed time-frame for distribution of the medicine from DAOs to Hospitals/ Dispensaries/ AYUSH wings of the district. Audit scrutiny further revealed that 'Manufacturing' dates & 'Best before' dates were not mentioned in most of the bills produced by the firms. Further, where these dates were mentioned in the bills, it was observed that there were cases where the medicines were distributed to the patients one to 12 months after their 'Best before' periods.

On this being pointed out, the Department replied (October, 2011) that information was being gathered from field offices. However, the Department failed to provide justification for distribution of medicines after their 'best before use' period. Further, no time-frame to deliver medicines to hospitals was prescribed and no mechanism existed to ensure that 'Manufacturing' dates & 'Best before' dates was invariably mentioned in the bills of suppliers.

The State Government while accepting (March, 2012) the fact, assured to conduct an enquiry and to take appropriate action.

4.1.8.8 Non-formation of Rogi Kalyan Samitis

Constitution of Rogi Kalyan Samitis¹⁴/ Hospital Management Committees (RKS) was envisaged under 'CSS for Development of AYUSH Hospitals & Dispensaries' by the Department of AYUSH, MOHFW. RKS for AYUSH Hospitals were to be set up on the pattern approved for allopathic hospitals under NRHM so as to provide flexibility and autonomy to the AYUSH hospitals at the district/ sub-district levels. Expenditure for the same was to be met from the contingency provided under the scheme with a ceiling of ₹ 0.70 lakh per year per unit.

Audit scrutiny revealed that RKS had not been constituted in any of the 546 AYUSH hospitals and dispensaries.

On this being pointed out, the Department accepted (August, 2011) the observation and the State Government assured (March, 2012) to take steps for their formation.

¹³ Dehradun, Haridwar, Pauri and Almora.

¹⁴ Consisting of members of PRIs, NGOs, Local elected representatives and officials from Government Sector.

Thus, the Department of Ayurveda failed to establish RKS in AYUSH hospitals/dispensaries in the State as required under the scheme which showed lackadaisical approach of the Department towards community participation in implementation of the scheme.

4.1.8.9 Functioning of the State Drug Testing Laboratory (SDTL)

A centrally sponsored scheme for Quality Control of AUS&H drugs was in operation during the 11th Five-year plan period. The scheme had following objectives:

- To strengthen the existing State Drugs Testing/ Analysis laboratory for exercising quality control.
- To improve access to the drug testing facility and to expand the services and support systems for producing quality drugs as well as to set up in-house quality laboratories.

These laboratories were also to cater to private drug manufacturers for testing their products for quality assurance of the products on payment basis.

In order to streamline drug testing, the Government established (July, 2005) State Drug Testing Laboratory at Haridwar. The status of men-in-position as on September 2011 was as below in table-4.1.8:

Table-4.1.8

Sl. No.	Name of post	Sanctioned Strength	Men-in-position	Shortage	Remarks
1	Scientific Officer	3	1(chemistry)	2	The SO (Chemistry) was deployed for the period February 2006 to August 2006 and October 2008 to date of audit (September 2011) respectively.
2	Analyst	2	-	2	
3	Lab. Attendant	1	1(out sourcing)	-	
4	Safaiwala	1	1(out sourcing)	-	

Source: Information provided by the Department

Drug testing procedure comprises the following three steps:

- Step I** : Preliminary identification of Ayurvedic drugs as per their textual characteristic by Scientific Officer (ISM);
- Step II** : Analysis for botanical identification i.e.; microscopic study by Scientific Officer (Post-Graduate in Chemistry with Botany in Graduation); and
- Step III** : Chemical analysis by Scientific Officer (PhD in Chemistry).

It was observed that functioning of laboratory depended on proper deployment of Scientific Officers (SO) from the field of ISM, Botany and Chemistry at each step of testing. However, the Department was able to deploy only one SO of Chemistry during the period 2006-11. Even this deployment was for a period of nearly three years during the period 2006-11. Further scrutiny revealed that the SO (Chemistry) carried out even the Microbiological and Botanical tests on the samples for which he was not qualified, which created serious doubts on the

results of the sample analysis. Due to the fact, very few samples were received in the laboratory from the non government manufacturers¹⁵.

On this being pointed out, the Department stated that the requisition for appointment of Scientific Officers has already been sent to Public Service Commission (PSC). The State Government while accepting (March 2012) the fact informed that the process of recruitment by Public Service Commission was on.

Thus, the main objective of the SDTL of achieving Current Good Laboratory Practices (CGLP) could not be achieved due to shortage of qualified manpower.

4.1.9 Management of Stores

4.1.9.1 Procurement of equipment/furniture worth ₹ 85 lakh without assessing the availability of space, lying idle

Up-gradation of AYUSH hospitals (other than PHCs/ CHCs/ DHs) at the District/ Sub-District levels was envisaged under the 'CSS for Development of AYUSH hospitals and dispensaries'. The scheme envisaged one time grant up to ₹ 50 lakh for undertaking construction, renovation of existing premises; furniture and fixtures, equipments etc. subject to the condition that expenditure on addition/alteration of existing premises should not exceed 75 *per cent* of the total amount. Out of ₹ 50 lakh, 85 *per cent* was to be in the form of central assistance and remaining 15 *per cent* had to be borne by the State Government.

GOI sanctioned up gradation of eight Ayurvedic hospitals in five districts¹⁶ of the State and released (July, 2010) ₹ 3.40 crore (85 *per cent* for eight hospitals). Out of ₹ 3.40 crore, ₹ 2.55 crore (75 *per cent*) was for construction, renovation of existing premises and remaining ₹ 85 lakh (25 *per cent*) for furniture, fixtures and equipments. The department was yet to receive state share (15 *per cent*) amounting to ₹ 61.87 lakh as on date of audit.

It was observed that the construction and renovation of hospitals was under progress as out of eight hospitals, estimates of only three hospitals were approved while the estimates of five hospitals were under the process of approval.

However, pending construction/ renovation of the hospitals, the Directorate issued (March, 2011) centralized supply orders to various firms for procurement of equipments and furniture and the firms supplied the same up to August 2011. During joint physical verification of two upgraded hospitals, it was noticed that all procured equipments were stored in the rooms and lying idle (October, 2011) in the hospitals. The details of physically verified hospitals are depicted in the following photographs:

¹⁵

Year		2006-07	2007-08	2008-09	2009-10	2010-11
Sample received	Govt.	99	89	60	83	46
	Non-Govt.	01	--	--	15	12

¹⁶ Dehradun -02, Pauri-02, Uttarkashi-01, Pithoragarh-01 & Tehri-02.

Ayurvedic Hospital Pauri Mukhyalya, Pauri-

Audit visited the hospital (04.10.2011) and noticed that the existing indoor patient room was converted into store as equipments/ furniture procured (08.08.2011) was kept in the room. Further, due to non availability of indoor patient room, the indoor patients could not be admitted in the hospital. The average numbers of patients admitted each year were 274 in the hospital during the last five years as depicted in the table below:

Year	2006 -07	2007 -08	2008- 09	2009 -10	2010 -11
No. of patient	93	130	434	199	516

On this being pointed out, the Medical Officer in-charge stated that due to lack of space the equipments/ furniture received were kept in indoor room and these could be used only after availability of space.



Ayurvedic Hospital Pauri Mukhyalya, Pauri, Indoor dispensary converted into store

Rajkiya Ayurvedic Dispensary, Kotdwar, Pauri-

Audit visited the hospital (08.10.2011) and noticed that the equipments/ furniture received in August, 2011 were lying idle in the daily medicine distribution room. On this being pointed out, the Medical Officer in-charge stated that due to lack of space the equipments/ furniture received were kept in the room and the room would be used only after construction work of new building is completed. However, the construction work of hospital building had not yet started.



Ayurvedic dispensary, Kotdwar, Furniture lying in a room

On this being pointed out, the Department replied (October, 2011) that utilization of grants had to be submitted to GOI within the stipulated period and therefore, the equipments and furniture were procured and issued to field offices. However, space availability for these hospitals would be ensured after obtaining inspection report from the field offices.

The reply of the Department was not acceptable as the procurement of equipments should have been done only after the creation of infrastructure. The Department, without assessing the availability of space, procured the equipments and furniture worth ₹ 85 lakh which remained unutilized and were lying idle in the hospitals. There is a possibility that the warranty of the equipments might expire and the equipments might be rendered useless with the passage of time.

The State Government while accepting the fact (March, 2012) stated that action would be taken accordingly.

4.1.9.2 Purchase of medicines for non-functional AYUSH wings in allopathic dispensaries

Supply of essential drugs to rural & backward area dispensaries was envisaged under 'CSS for Promoting Development of Healthcare Facilities of ISM&H'. Under the Scheme, financial assistance was to be provided for AYUSH dispensaries located in rural and backward areas. The CSS envisaged recurring grant of ₹ 25 thousand per annum for essential drugs.

GOI released ₹ 45 lakh each in September 2007 and March 2009 for purchase of essential drugs for AYUSH wings of 180 non-functional allopathic dispensaries of the State. Directorate of AYUSH issued centralized supply order of these medicines for 172 and 180 AYUSH dispensaries in March 2008 and August 2010 respectively.

The Government sanctioned (July, 2006) 180 posts of Ayurvedic doctors for non-functional¹⁷ allopathic dispensaries. It was observed that the Department was unable to post Ayurvedic doctors in all the 180 AYUSH wings of allopathic dispensaries even after engaging doctors directly on contractual basis. The status of Ayush wings during the period 2007-11 is depicted in the table- 4.1.9 below:

Table-4.1.9

Year	Sanctioned	Functional Ayush wings	Non-functional Ayush wings	Per cent of Non-functional Ayush wings
2007-08	180	61	119	66
2008-09	180	38	142	79
2009-10	180	33	147	82
2010-11	180	45	135	75

Source: Information provided by the Department.

It was observed that 66 to 82 per cent wings in allopathic dispensaries remained non-functional during 2007-11.

It was further noticed that the Department had procured medicines for all the 180 AYUSH wings. These medicines were received during the period August 2010 to July 2011 in the dispensaries.

During joint physical verification of DAO, Almora (October, 2011), it was noticed that the medicines were lying unutilized since 2010 and kept packed in the store room.

On this being pointed out, the Department stated that medicines were purchased in anticipation of posting of doctors. The State Government upheld the view of audit (March, 2012) and stated to evolve norms in this regard.



Medicines of AYUSH wing lying idle in the store of DAO Almora (Date of inspection : 15.10.2011).

¹⁷ Due to non-availability of allopathic doctors.

Thus, the medicines for 180 AYUSH wings in non-functional allopathic dispensaries were purchased by the Department without assessing the availability of doctors. The Ayurvedic medicines were lying unutilized and the objective of providing at least AYUSH facilities in the non-functional allopathic dispensaries was defeated.

4.1.9.3 Distribution of medicine to the dispensaries/hospitals without assessing number of patients in the respective dispensaries/hospitals

Ayurvedic medicines in the State were primarily procured by the Directorate of Ayurveda and Unani centrally in 'Sets'. The sets of medicines were procured for all Hospitals/ Dispensaries/Ayush wings of the State. It was observed that these sets of medicines were distributed to the districts on the basis of number of Hospitals/ Dispensaries/Ayush wings in the district and not on the basis of number of patients and requirement of the respective Hospitals/ Dispensaries/Ayush wings.

The number of patients per year in the hospitals of four test checked DAOs is depicted in the table- 4.1.10 below:

Table-4.1.10

Number of patients per year	Average number of hospitals during 2006-07 to 2010-11 in the district				
	Dehradun (51)	Haridwar (25)	Pauri (58)	Almora (51)	Total (185)
Less than 4000	10	01	17	02	30 (16 %)
4001 to 6000	15	01	31	04	51 (28%)
6001 to 10000	15	07	08	18	48 (26%)
10001 to 15000	07	06	02	19	34 (18%)
More than 15000	04	10	00	08	22 (12%)

Source: Information provided by the respective DAOs

It was observed that out of 185 hospitals in the four test-checked districts, 81 (30+51) hospitals (44 *per cent*) had less than 6000 patients per year whereas 104 (48+34+22) hospitals (56 *per cent*) had more than 6000 patients per year. Irrespective of number of patients, the Directorate and DAOs distributed medicines equally to all the hospitals/ dispensaries. During joint physical verification, it was observed that in the hospitals where the numbers of patients were in excess of 10000 per year, 27 *per cent* to 84 *per cent* of medicines were out of stock and where numbers of patients were less than 10000, the medicines were lying unused.

On this being pointed out, the Department accepted the fact and assured (October, 2011) that necessary instructions in this regard would be issued to the concerned DAOs. The State Government while accepting (March, 2012) the fact, assured of appropriate action.

Thus, the Department had issued medicines to the dispensaries without assessing the actual requirement of the dispensaries irrespective of number of patients due to which patients of the dispensaries having larger number of patients were deprived of free medicines.

4.1.10 Human Resources Management

Human Resources Management necessitates that staff requirements are assessed and reviewed at regular intervals by giving due consideration to the departmental activities and appropriate/transparent policies are framed/adhered to, for recruitment and capacity enhancements to achieve the goals of organization.

4.1.10.1 Shortage of Manpower

A) Directorate of Ayurveda & Unani (DAU) Services

The status of manpower deployed under DAU in the years 2006-07 and 2010-11 was as per table-4.1.11 below:

Table-4.1.11

Group (Cadre)	2006-07				2010-11			
	SS	MIP	Vacancy	Vacancy Per cent	SS	MIP	Vacancy	Vacancy Per cent
A	110	26	84	76	111	44	67	60
B	685	410	275	40	866	553	313	36
C	773	438	335	43	879	598	281	32

Source: Information provided by the department (SS- Sanctioned Strength, MIP- Men in position)

It was observed that although the vacancy position had improved during the period 2006-11, vacancies still remained high at the end of the year 2010-11 at 60 per cent, 36 per cent and 32 per cent in Group A, B & C cadres respectively. The status of deployment of doctors and paramedical staff in 546 hospitals/ dispensaries was also very poor as vacancies in these cadres ranged from 16 to 100 per cent as shown in table - 4.1.12 below:

Table-4.1.12

Designation	SS	MIP	Vacancy	Vacancy Per cent
Doctors	759	483	276	36
Pharmacist	613	513	100	16
Panchkarma Assistants	76	Nil	76	100

Source: Information provided by the Department.

It was further observed that there were 46 per cent vacancies in the DAO cadre. Officers of this cadre functioned as the nodal officers for carrying out activities of the Department at district level. Failure to fill up vacancies in this cadre adversely impacted implementation of activities and schemes at the district level.

On this being pointed out, the Department accepted (August, 2011) the audit observations and stated that the procedure for filling up different posts was under progress and accordingly the deployment will be made shortly.

B) Directorate of Homeopathy Services

Restructuring of the Homoeopathy wing was done vide Government order (December, 2009) by sanctioning various posts at Directorate and district levels for its efficient functioning.

Audit scrutiny revealed that 18 out of the total 25 Group A, B and C posts, accounting for 72 per cent of total sanctioned strength, were lying vacant at Directorate level. Further, out of the total sanctioned strength of 214 in the cadres

of Doctor and Pharmacist at district level, 36 posts, accounting for 17 *per cent* of total strength, were lying vacant which included 32 *per cent* vacancies in the Pharmacist cadre. Moreover, the Department had 10 District Homeopathy Officers posted against the sanctioned strength of 13.

On this being pointed out, the Department admitted the shortage of manpower and attributed it to procedural delays in appointment.

4.1.10.2 Creation and operation of posts without identification of duties

GOU approved organizational structure of AYUSH and AYUSH education (June, 2010) and created a new gazetted post of Officer-in-charge, Pharmacy for District offices in the pay band 9,300-34,800 (grade pay ₹ 4,200). Directorate of Ayurveda promoted (November, 2011) five Chief Pharmacists to the newly created post and posted them at different districts.

Audit scrutiny revealed that the service regulations were neither prepared at the time of re-organization nor at the time of promotion. All the five officers joined their place of postings and were carrying out general duties in the absence of prescribed duties and responsibilities of the newly created post.

On this being pointed out, the DAOs stated that due to non availability of duties and functions of Officer-in-charge Pharmacy, they supervised the work of Chief Pharmacist or Pharmacist and Stores.

Thus, the promotion of five Chief Pharmacists to the newly created post of Officer-in-charge, Pharmacy without defining duties and functions of the post was not justified. The five officers were being paid a monthly salary of ₹ 1.49 lakh¹⁸ per month since November 2010.

4.1.10.3 Under-engagement of contractual medical staff

One of the key strategies of NRHM was to mainstream AYUSH by funding hiring of manpower¹⁹ at all PHCs/ CHCs to be established under 'CSS for Development of Hospital and Dispensaries' either by relocation of AYUSH doctors from existing dispensaries or from contractual hiring of AYUSH doctors under NRHM.

The GOU had approved setting up of 171²⁰ PHCs/ CHCs during the year 2007-11 which required appointment of 603²¹ medical personnel on contractual basis. Accordingly, the GOI approved Project Implementation Plan (PIP) based on the required manpower under NRHM and allocated ₹ 30.09 crore during 2007-11 as salary of the contractual staff. The position of number of personnel required and personnel in position (PIP) and details of funds approved, received and utilized as per approved PIP was as per table- 4.1.13 below:

¹⁸ Minimum ₹ 13,500 basic per month (9,300-34,800, grade pay ₹ 4,200), total for 11 months (11/2010 to 09/2011) ₹ 1,48,500 of five persons, adding up to ₹ 7,42,500.

¹⁹ Doctors, Pharmacists and Multi Purpose Workers (MPW).

²⁰ 116 PHCs/ 23 CHCs in Ayurveda and 25 PHCs/ 07 CHCs in Homeopathy.

²¹ 486 & 603 medical personnel required during 2007 to 2008-09 and 2009-10 to 2010-11 respectively.

Table-4.1.13

(₹ in crore)

Year	No. of personnel		Fund position as per PIP approved by the GOI			
	Required	In position	Approved	Received	Expenditure	Balance
2007-08	486	148	5.41	1.80	0	0
2008-09	486	264	0	0	1.78	0.02
2009-10	603	380	5.31	4.61	3.19	1.42
2010-11	603	298	19.37	7.87	5.74	2.13
Total			30.09	14.28	10.71	3.57

Source: Information provided by the department

It was observed that the Directorate of AYUSH was eligible for obtaining funds amounting to ₹ 30.09 crore under NRHM during the period 2007-11. However, based on the demand raised by it, the Department received only ₹ 14.28 crore which was 47 per cent of available funds. Further, the Department could utilize only ₹ 10.71 crore which was 35 per cent of the amount available as per approved PIP. This was primarily due to the fact that the Department failed to appoint the requisite number of medical personnel on contractual basis.

In its reply, the Department stated (October, 2011) that medical personnel could not be appointed due to delay in appointment process which also included unavailability of candidates from reserved categories.

Thus, the objectives of mainstreaming AYUSH and integration of AYUSH at PHCs/ CHCs level could not be achieved due to failure of the Department to appoint the requisite number of medical personnel despite availability of funds.

4.1.11 Internal Control System

Internal Controls in an organization are activities and safeguards put in place by its management that ensure that the organization is fulfilling its accountability obligations, complying with applicable rules and regulations and its operations are proceeding as planned. Thus, effective internal controls in a Government Department help strengthen the public accountability of the Government. Audit revealed lack of adequate internal controls in the Department thereby rendering the Department vulnerable to fraud and corruption as brought out in succeeding paragraphs.

4.1.11.1 Issue of licenses to pharmacies without consulting Panel of experts

Rule 154 (2) of Drugs & Cosmetic Rules, 1945 envisaged that a license to a pharmacy under this rule shall be granted by the licensing authority after consulting such expert in Ayurvedic or Unani systems of medicines, as the case may be, which the State Government may nominate in this behalf. Accordingly, the State Government nominated panel of experts and the details of the same are shown in table- 4.1.14 below:

Table-4.1.14

S. No.	Period	Panel existed or not	Validity	Number of licenses issued
1	25.03.2004 to 24.03.2005	Existed	01 year	15
2	25.03.2005 to 23.10.2005	Not existed	07 months	02
3	24.10.2005 to 23.10.2006	Existed	01 year	22
4	24.10.2006 to 20.11.2007	Not existed	13 months	14
5	21.11.2007 to 20.11.2008	Existed	01 year	34

6	21.11.2008 to 16.02.2009	Not existed	03 months	02
7	17.02.2009 to 16.02.2010	Existed	01 year	27
8	19.02.2010 to 18.02.2011	Existed	01 year	34
9	13.04.2011 to 12.03.2012	Existed	01 year	04

Source: Information provided by the department.

Audit scrutiny revealed that contrary to rule, the licensing authority (Director, Ayurvedic and Unani Services) issued licenses to 18 pharmacies without the consultation of experts as the panel was not in existence at that time.

On this being pointed out, the Department admitted (August, 2011) the facts. The State Government stated (March, 2012), that appropriate action would be initiated in this regard. Thus, the Department issued 18 drug licenses in violation of the Drugs & Cosmetic Rules, 1945. There was no system in the Department to ensure that such instances are not repeated.

4.1.11.2 Renewal of licenses without Good Manufacturing Practice (GMP) Certificate

GOI vide its notification (March, 2003) stated that the certificate of GMP to manufacturer of Ayurvedic medicines should be issued to licensees who comply with the requirements of GMP as laid down in Schedule 'T' of Drug & Cosmetics Act, 1940. In pursuance of the notification, the Directorate issued (July, 2008) orders to all the DAOs to ensure that firms had obtained GMP before renewal of their license.

Audit scrutiny revealed that 32 licenses were renewed after the notification of GOI without issuance of GMP including 10 licenses issued after the Departmental Order (July, 2008).

On this being pointed out, the Department stated (August, 2011) that the Gazette notification was received only in April 2008 and notices had been issued to the pharmacies to obtain GMP certificates. The State Government assured (March, 2012) that the matter would be looked into.

The reply of the Department was self contradictory as the Department had issued licenses even after issuance of the Departmental Order. Thus, the Department failed to ensure GMP certificates prior to issuance of licenses.

4.1.11.3 Flouting of attendance norms prescribed by CCIM

As per norms of Central Council of Indian Medicine (February, 2005), the students shall have to attend at least 75 per cent of total lectures, practical classes and clinical tutorials or classes to become eligible for appearing in the examination.

Audit scrutiny of attendance registers and related records maintained by the Rishikul College revealed that the attendance of students in Under Graduate courses in the test checked semesters was far below the norms as shown in the table-4.1.15 below:

Table-4.1.15

Semester	Period of attendance	Total number of		Lectures attended by the students (in number)	
		Lectures conducted	Students	0-74% (lectures)	75-100% (lectures)
Ist	9/2008 to 9/2009	1,009	44	44	00
IIInd	2/2009 to 2/2010	1,076	49	46	03
IIIrd	9/2008 to 9/2009	467	49	47	02

Source: Information extracted from the records of the Department.

Further scrutiny revealed that the theory and practical classes for UG courses were not being conducted regularly, during the period 2006-11, in the college as per norms of CCIM as indicated in the table-4.1.16 below:

Table-4.1.16

Semester	Subject	No. of lectures prescribed		No of lectures actually conducted		Per cent of lectures conducted	
		Theory	Practical	Theory	Practical	Theory	Practical
I semester	6	4,150	1,500	2,657	792	64	53
II semester	6	4,600	1,650	2,960	201	64	12
III semester	6	5,050	3,925	2,755	2,138	55	54

Source: Information extracted from the records of the Department.

On this being pointed out, the Department while acknowledging the audit observations stated (September, 2011) that records and details of attendance were not properly maintained prior to 2008-09 and thereafter few improvements in this regard had been made which would be continued in future. However, the State Government attributed it (March, 2012) to shortage of teaching staff and assured to fulfill the vacancies by conducting walk in interview.

Thus, the college, which was to act as centre of excellence and was expected to develop high standards of teaching, training and research, failed in matching norms prescribed by CCIM. There was also no system in place to ensure that CCIM norms are adhered to by the college.

4.1.12 Monitoring

Monitoring is one of the key components of Internal Controls. Monitoring ensures that controls are working as intended and are modified appropriately as per occasion demanded. This is accomplished through ongoing monitoring or separate evaluations or a combination of both.

All observations made during audit and reported above (in paragraphs 4.1.7 to 4.1.11) could be attributable to deficient monitoring at the State and district levels. It was further observed that there was no system of inspecting dispensaries either at Directorate level or district level in Homeopathy Services.

In reply to audit observations, the Department accepted that there was no monitoring system in existence.

4.1.12.1 Field Inspections

For effective implementation of activities/ schemes, the Department was to ensure that the officers at the State and district levels closely monitor all aspects of the scheme through visits to the field. A schedule of inspections prescribing the

number of field visits for each supervisory level functionary was to be drawn up by the Department and strictly adhered to.

Audit scrutiny revealed that there were no norms laid down by the Department prescribing the number of field visits for supervisory levels. The number of inspections carried out at district level in test checked districts was as below in table- 4.1.17 (a) and (b):

Table-4.1.17 (a)
Inspection of Hospitals/Dispensaries by District Ayurvedic Officers
during 2006-07 to 2010-11

District	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Dehradun	No. of hospitals/ dispensaries	48	50	51	52	53
	No. of inspections	30	20	32	12	39
Haridwar	No. of hospitals/ dispensaries	23	27	27	27	27
	No. of inspections	27	38	30	17	48
Pauri	No. of hospitals/ dispensaries	55	57	57	60	61
	No. of inspections	26	33	36	39	28
Almora	No. of hospitals/ dispensaries	51	51	51	51	52
	No. of inspections	NA	NA	16	56	62

Source: Information provided by the districts; NA: Not available

Table-4.1.17 (b)
Inspection of Pharmacies by District Ayurvedic Officers during 2006-07 to 2010-11

District	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Dehradun	No. of pharmacies	44	47	51	55	56
	No. of inspections	Nil	Nil	Nil	Nil	12
Haridwar	No. of pharmacies	48	59	75	104	110
	No. of inspections	06	08	31	37	34
Pauri	No. of pharmacies	10	10	10	12	11
	No. of inspections	02	02	02	02	02
Almora	No. of pharmacies	04	04	04	05	05
	No. of inspections	01	02	02	04	06

Source: Information provided by the districts.

It was observed that visits/ inspections made by the district level functionaries were considerably low as compared to number of hospitals and pharmacies in the districts.

On this being pointed out, the Department stated that State Government notified (August, 2010) drug inspectors for the purpose of inspection of pharmacies and after that, number of inspections are increasing day by day. The State Government accepted (March, 2012) the fact and assured to improve the modalities of inspections.

4.1.12.2 Non-renewal of registrations of medical practitioners

The CCIM was responsible for maintaining a register for each system of Indian medicine to be known as the Central Register of Indian Medicine which was to contain the names of all persons who were enrolled on any State Register of Indian Medicine maintained by each State Board of Indian Medicine. CCIM norms stipulated that registrations should be renewed every five years by Board of Indian Medicine in every State.

Board of Indian Medicine, Uttarakhand was established in the year 2004 and registration of practitioners was started in February 2005. Audit scrutiny revealed that registration of 663 practitioners in Ayurveda and 23 in Unani system was due for renewal up to September 2011 as per the CCIM norms.

On this being pointed out, the Department stated that the process of renewal has been started. However, not a single renewal has been carried out till date (September, 2011). The State Government accepted (March, 2012), the fact and assured to take appropriate action.

Thus, the Department failed to follow the prescribed norms of the CCIM regarding renewal of registrations. There was no system to monitor the number of practitioners due for renewal of registration.

4.1.12.3 Non-renewal of licenses of pharmacies

According to the Rule 156 of Drugs & Cosmetics Rules 1945, the duration of license shall be valid for three years and thereafter the license of a Pharmacy shall deemed to have been expired, if application for its renewal is not received within three months of its expiry.

Audit scrutiny of the Directorate, Ayurveda revealed that out of 200 pharmacies in the State, licenses of 47 pharmacies were due for renewal from the year 2007-11 but the Department did not cancel their licenses. Moreover, nine pharmacies, established prior to 2007, were running without valid licenses in Pauri district. It was further noticed that neither the district authorities nor the licensing authority inspected these pharmacies or cancelled their licenses. Further, the district/Licensing authority was unaware about the existence of these Pharmacies in the District.

On this being pointed out, the Department replied (August, 2011) that several instructions were issued to the Pharmacies to renew their licenses and the process of cancellation of licenses of these firms would be carried out in the financial year 2011-12.

Thus, the Department failed to ensure the compliance of the Drugs & Cosmetic Rules, 1945 which resulted in running of these Pharmacies without valid licenses. Further, there was no system in place to monitor the number of pharmacies without valid licences.

4.1.12.4 Irregular collection of patient collection money by NGO

GOU vide its order (March 2011) permitted Help Age India (the NGO) to run AYUSH Mobile Medical Unit (MMU). As per Government order the permission was granted with following conditions:

- The entire expenditure on execution of AYUSH MMU will be borne by the NGO ;
- The NGO will provide road map of running of the MMU to Director, Ayurveda;
- Necessary medicines required for MMU will be provided by the Directorate ;
- The Ayurvedic Doctors for the aforesaid MMU will be provided by the Directorate on rotation basis and
- The Directorate will effectively monitor the MMU.

During the course of audit of DAO, Dehradun, it was noticed that one MMU was running at 12 identified sites in a week from 21st March 2011. The doctors were provided by DAO, Dehradun on rotation basis and medicines were supplied by private pharmacies. It was further noticed that the NGO was charging 'Patient Collection Money' and a cumulative total ₹ 9,720 was collected up to 31st August 2011 and the amount was deposited in Bank Account of Help Age India (IDBI Bank).

On this being pointed out, the Department stated that no order was issued by it regarding collection of patient collection money by the NGO. However, the collection of charges by the NGO would be scrutinized and appropriate action would be taken. Thus, lack of monitoring at the district level led to irregular collection of money by the NGO.

Conclusion

Although objectives of AYUSH were clearly laid down in the National Policy of ISM&H 2002, the Department did not formulate a strategy for achieving these goals in the State in holistic manner till November 2011. Most of the works were taken up under Centrally Sponsored Schemes but adequate planning and internal control mechanisms were not put in place to ensure that works activities progressed as intended and that all regulatory, legal and accountability requirements were met. Assessment of resources, both financial and human, was not based on reliable inputs from the field.

Consequently, this led to instances of funds remaining unspent, medicines and equipments remaining idle, shortages of permanent and contractual medical staff, non establishment of Ayurvedic University and AYUSH Grams, huge operating losses in RAAN, failure to extend AYUSH facilities to allopathic centers, distribution of medicines after their 'best before' period, irregular issue and renewal of licenses of pharmacies and non-renewal of licenses of AYUSH practitioners of the State.

Recommendations

The Government may consider:

- To fully utilize central assistance obtained under operational schemes.
- Integration of AYUSH with the allopathic system of medicine and completion of civil works in this regard on priority.
- Procurement of Medicines and Equipments should be need based and that too on the basis of demands sent by the district functionaries.
- Effective Internal Control Mechanisms to strengthen existing Acts and Rules.