

## Chapter-II

### Performance Audit

#### EDUCATION DEPARTMENT

#### 2.1 Implementation of Sarva Shiksha Abhiyan

Sarva Shiksha Abhiyan (SSA) is the primary vehicle for implementing the Right of Children to Free and Compulsory Education Act, 2009 (RTE Act) and to provide useful and relevant education to all children in the age group of 6-14 years by 2010. A performance audit of the implementation of Sarva Shiksha Abhiyan for the period 2011-16 brought out lack of planning and deficiencies in both financial management and execution of programme which undermined the overall objective of Sarva Shiksha Abhiyan. The implementation of the SSA in the State commenced late due to delay in notification of the Right to Education Rules and was hampered by delayed or short release of funds which adversely impacted the implementation of the programme as reflected in shortfalls in infrastructure required in the schools. Inadequate planning and implementation was also evidenced by lack of mapping of neighbourhood schools and data relating to children belonging to the weaker sections and disadvantaged groups. Finally, there were discrepancies in the distribution of uniforms and books with excess expenditure of ₹ 14.76 crore on their purchases. Some of the significant findings are summarized below:

#### Highlights

- **Perspective Plan was not prepared at State and district level for the period covered under audit.**

*(Paragraph 2.1.6.1)*

- **Sarva Shiksha Abhiyan funds were released short by ₹ 1,362.76 crore during 2011-16. Government of Punjab did not release central share of ₹ 48.48 crore during 2014-16.**

*(Paragraphs 2.1.7.1 and 2.1.7.1 (iii))*

- **Deployment of resource teachers was not related to the number of Children with Special Needs and the nature of their disability. No norms were fixed by the State for deployment of resource teachers. No resource teacher was appointed in the State in cases of multiple disabilities, cerebral palsy, learning disability and autism spectrum disabilities resulting in deprivation of resource support to 18,214 children suffering from these disabilities.**

*(Paragraph 2.1.8.5 (iii) (a & b))*

- **Only one set of uniform was provided against required two sets of uniforms to the students during the years 2011-16.**

*(Paragraph 2.1.8.6 (ii))*

- **Excess expenditure of ₹ 6.76 crore was incurred on purchase of books against the norms fixed by the Ministry of Human Resources & Development.**

*(Paragraph 2.1.8.7 (v))*

- **1,170 primary schools were running with single teacher and 572 upper primary schools with less than three teachers.**

*(Paragraph 2.1.9.1)*

### **2.1.1 Introduction**

Government of India (GOI) launched (2000-01) a comprehensive and integrated flagship programme titled Sarva Shiksha Abhiyan (SSA) in partnership with the State Governments to attain the goal of Universal Elementary Education (UEE) in the country in a mission mode and to provide useful and relevant education to all children in the age group of 6-14 years by 2010. The programme was launched in Punjab during the year 2001-02. The Kasturba Gandhi Balika Vidyalaya (KGBV) scheme launched in July 2004 for setting up residential schools at upper primary level for girls belonging predominantly to the Scheduled Caste (SC), Scheduled Tribe (ST), Other Backward Classes (OBC) and Minority Communities in educationally backward blocks was merged in April 2007 with SSA as a separate component of the programme.

The Right of Children to Free and Compulsory Education (RTE) Act, 2009, became operative with effect from 1 April 2010. Article 21-A of RTE Act provides for free and compulsory education to all children in the age group of 6-14 years as a Fundamental Right in such a manner as the State may, by law, determine. In Punjab, the RTE Act is being implemented since October 2011.

### **2.1.2 Organisational set up**

The Sarva Shiksha Abhiyan programme is being run by the GOI, Ministry of Human Resource Development. At the national level, there is a General Council, an Executive Committee and a Project Approval Board (PAB) and at the State level, the programme is being implemented by the SSA State Mission Authority (Authority) registered in June 2000 as a Society under the Societies Registration, Act 1860). The Authority functions through an Executive Committee. The Director General School Education-cum-State Project Director SSA (SPD) is the Member Secretary of the mission and acts under the direction and guidance of the Principal Secretary who is the vice-chairman of the Executive Committee. At district level, the programme is implemented by District Education Officer designated under the programme as District Project Officer (DPO). A Block Education Development

Committee is set up for every block. At school level, School Management Committee (SMC) monitors the working of the school, utilization of grants and prepares and recommends School Development Plan.

### 2.1.3 Audit objectives

The performance audit was conducted to assess whether:

- The planning process was comprehensive and its operations were carried out efficiently and effectively;
- The allotment of funds was adequate and fund management was effective;
- The programme was implemented effectively, economically and efficiently;
- Human resource management was effective and efficient; and
- An adequate and effective monitoring and internal control mechanism was in place.

### 2.1.4 Scope of audit and methodology

Audit for the period 2011-16 was conducted from October 2015 to August 2016 by test check of the records relating to SSA Programme in the office of Principal Secretary (Education), SPD, District Project Officers (DPOs), Block Primary Education Officers (BPEOs), Upper Primary Schools (UPSs) and Primary Schools (PSs). Out of 22 DPOs of 22 districts in State, six DPOs<sup>1</sup>, 25 out of 94 BPEOs under these selected DPOs and 200 schools (75 UPSs, 125 PSs) out of 2,218 schools under the selected BPEOs were selected by adopting Simple Random Sampling without Replacement (SRSWR) method. Besides, six District Institutes for Educational Training (DIETs) of the selected districts and six Kasturba Gandhi Balika Vidyalayas (KGBVs) were also test checked. Joint verification of test checked schools was also conducted along with the department's officials.

Mention had been made in the Comptroller and Auditor General of India's Report (Civil) for the year ended 31 March 2006 - Government of Punjab on the Implementation of Sarva Shiksha Abhiyan. The Public Accounts Committee had referred (December 2011) all the paragraphs of CAG's Reports upto 2007-08 to the concerned departments for taking appropriate action. References were made (April 2016, June 2016 and September 2016) to the Education Department to intimate the action taken on the said report; but no reply was received (December 2016).

An entry conference was held in December 2015 with the Education Department wherein the audit objectives, criteria, scope and methodology were discussed. The audit findings were discussed with the department in an exit conference held in August 2016 and replies have been suitably incorporated in the report.

<sup>1</sup> (i) Gurdaspur; (ii) Hoshiarpur; (iii) Jalandhar; (iv) Ludhiana; (v) Patiala; and (vi) Ropar.

### **2.1.5 Audit criteria**

The audit criteria were derived from the following:

- SSA Manual on Financial Management and Procurement, Framework for Implementation of Strategies based on Right of Children to Free and Compulsory Education Act, 2009 (SSA Framework) and Manual for Planning and implementation of Inclusive Education in SSA for education of Children with Special Needs (CWSN);
- Right of Children to Free and Compulsory Education Act, 2009 (RTE Act, 2009), The Punjab Right of Children to Free and Compulsory Education Rules 2011 (Punjab RTE Rules, 2011); and
- Annual Work Plan and Budget approved by Project Approval Board, Ministry of Human Resources Development, (MHRD), GOI; and Persons With Disability (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (PwD Act, 1995).

### **Audit findings**

#### **2.1.6 Planning**

##### ***2.1.6.1 Non-preparation of Perspective Plan***

As per the SSA Manual, the Perspective Plan and the Annual Work Plan and Budget (AWP&B) was required to be prepared at the State and districts level for universalisation of elementary education within the stipulated time frame of SSA. Audit observed that no Perspective Plan was prepared either by the State or by the selected districts during the years 2011-16 as envisaged under SSA Manual.

The Department stated (August 2016) that the Perspective Plan would be prepared in future.

##### ***2.1.6.2 Delay in notification of Right to Education Rules***

The Right of Children to Free and Compulsory Education Act, 2009, provided that the appropriate Government may, by notification, make rules for carrying out the provisions of this Act. Audit observed that the State Government took one and a half year to notify the State RTE Rules (October 2011). Resultantly, the Project Approval Board (PAB) did not approve funds of ₹ 114.36 crore for the year 2011-12. PAB approved the funds regularly after 2011-12.

##### ***2.1.6.3 Inadequate monitoring by State Commission for Protection of Child Rights***

As per the RTE Act, the State Commission for Protection of Child Rights was constituted in April 2011. The Commission for Protection of Child Rights Act, 2005 provides that the Commission shall meet regularly at such time as the Chairperson thinks fit but three months shall not intervene between its last and the next meeting. The Commission had neither observed the schedule of meetings as no meeting was held during 2011-12 and 2012-13, only one

meeting was held in 2013-14 against the requirement of four, three in 2014-15 and 11 in 2015-16, nor did it prepare any annual/special report during 2013-16 as required under the Act *ibid*.

Further, no follow-up action was initiated by the Commission on its instructions regarding (i) formation of steering committee on child labour at State Level to abolish child labour and provide education to children in the State, (ii) training and orientation programme on issues relating to child labour, and (iii) issue of instructions to Departments involved in children welfare and protection of their rights.

Audit further observed that the Commission could utilize only ₹ 12.97 lakh (42.55 per cent) against funds of ₹ 30.48 lakh released during 2012-16.

### 2.1.7 Financial management

The funding pattern between the GOI and State Government was 65:35 during 2010-15 and 60:40 during 2015-16. GOI released funds directly to the Authority during 2011-14 and through the State Government during 2014-16.

#### 2.1.7.1 Fund-flow statement

Budget provision and expenditure incurred under the SSA during the years 2011-16 is given in **Table 2.1.1** below.

**Table 2.1.1: Fund-flow statement under SSA**

Year	Approved Outlay				Opening Balance	Funds Released						Total funds available	Expenditure	Closing balance
	GOI	GOP	13 <sup>th</sup> FC	Total		GOI	GOI share released to SSA society by GOP	GOP	13 <sup>th</sup> FC	Total	Other receipt *			
1	2	3	4	5	6	7	8	9	10	11	12	13=6+11+12	14	15
2011-12	657.12	353.84	41.00	1051.96	256.25	481.12	0	114.70	22.32	618.14	17.22	891.61	761.69	129.92
2012-13	663.99	357.54	45.00	1066.53	129.92	494.73	0	341.56	13.68	849.97	12.45	992.34	639.94	352.40
2013-14	448.20	241.34	50.00	739.54	352.40	383.24	0	376.93	50.00	810.17	12.11	1174.68	879.50	295.18
2014-15	519.30	279.62	52.00	850.92	295.18	362.16	360.61	109.40	52.00	523.56	14.33	833.07	638.77	194.30
2015-16	590.84	393.90	0.00	984.74	194.30	300.04	253.11	229.05	0.00	529.09	8.99	732.38	655.92	76.46
<b>Total</b>	<b>2879.45</b>	<b>1626.24</b>	<b>188.00</b>	<b>4693.69</b>		<b>2021.29</b>	<b>613.72</b>	<b>1171.64</b>	<b>138.00</b>	<b>3330.93</b>	<b>65.10</b>		<b>3575.82</b>	

Source: Departmental data

\*Interest, RTI fee, etc.

An analysis of the above table brought out the following:

(i) Against total allocation of ₹ 4,693.69 crore, ₹ 3,330.93 crore (70.96 per cent) was released during the years 2011-16. Against the total available funds of ₹ 3,652.28 crore<sup>2</sup>, an expenditure of ₹ 3,575.82 crore was incurred. The unutilized funds ranged between ₹ 76.46 crore and ₹ 352.40 crore during this period.

<sup>2</sup> ₹ 3330.93 crore + ₹ 65.10 crore + ₹ 256.25 crore.

(ii) Funds of ₹ 858.16 crore<sup>3</sup> (29.80 per cent), ₹ 454.60 crore<sup>4</sup> (27.95 per cent) and ₹ 50 crore<sup>5</sup> (26.60 per cent) were short released by GOI, State Government and 13<sup>th</sup> Finance Commission respectively against the approved outlay of ₹ 4,693.69 crore for the years 2011-16.

(iii) State Government released only ₹ 613.72 crore against the central share of ₹ 662.20 crore during 2014-16 thus holding back ₹ 48.48 crore.

(iv) Though the 13<sup>th</sup> Finance Commission released ₹ 36 crore in 2010-11, the State Government released ₹ 22.32 crore during 2011-12 and ₹ 13.68 crore during 2012-13 with delay ranging between one month and two years. However, during 2013-14 and 2014-15, the State Government released the full amount approved by the 13<sup>th</sup> Finance Commission.

(v) The 13<sup>th</sup> Finance Commission did not release ₹ 86 crore (approved in 2011-12: ₹ 41 crore and 2012-13: ₹ 45 crore).

The Department stated (August 2016) that some of the capital funds remained unutilized due to receipt of funds at the fag end of the financial years and delayed release of matching share by the State Government. The reply was not acceptable as the funds were released latest by January during 2011-16 and the unutilized funds ranged between ₹ 76.46 crore and ₹ 352.40 crore.

#### **2.1.7.2 Early Childhood Care and Education**

Verification of records in SPD office revealed that funds of ₹ 2.20 crore (₹ 10 lakh for each district) under Early Childhood Care and Education (ECCE) component were approved (March 2012) by GOI for implementing early intervention strategies for Children with Special Needs (CWSN) in the age group of 0-6 years. This amount was transferred to District Social Security Officers (DSOs) during the year 2012-13 for early identification/training to Anganwari Workers, Accredited Social Health Activists (ASHA) and Auxiliary Nurse Midwifery (ANM). These funds were further transferred (July 2013) by all the DSOs to Baba Farid University of Health Sciences, Faridkot, for conducting the training programmes. An expenditure of ₹ 1.43 crore was incurred by the University for training to Anganwari workers but utilization certificate had not been submitted as of December 2016.

Audit observed that un-utilised funds of ₹ 0.91 crore (including interest) were lying with the University (July 2016) and no steps had been taken by the Department to recover the same. Further, 25,288 out of 26,402 Anganwari workers were imparted training and no training was imparted to ASHAs and ANMs. Resultantly, the objective of the said component was not fully achieved.

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<sup>3</sup> ₹ 2879.45 crore – ₹ 2021.29 crore = ₹ 858.16 crore.

<sup>4</sup> ₹ 1626.24 crore – ₹ 1171.64 crore = ₹ 454.60 crore.

<sup>5</sup> ₹ 188.00 crore – ₹ 138.00 crore = ₹ 50 crore.

## 2.1.8 Programme implementation

### 2.1.8.1 School mapping

The Punjab RTE Rules, 2011, define the limits of neighbourhood schools<sup>6</sup> as one kilometre and three kilometres for children in class 1 to 5 and 6 to 8 respectively. SSA Framework requires States to map neighbourhoods and link them to specific schools. Audit observed the following:

(i) As no mapping of neighbourhood schools was done during 2011-14, the PAB did not approve the proposal to open new primary schools during 2012-13. In the absence of data on un-served habitations, audit could not verify whether all habitations where new schools are required to be opened have been identified.

(ii) Out of a total 15,694 habitations identified during school mapping in 2014-15, 47 habitations having 170 out of school children (OoSC) did not have primary neighbourhood schools while 38 habitations having 44 OoSC did not have upper primary neighbourhood schools.

In 2015-16, it was proposed to provide transport facility to 476 children from 13 un-served habitations. The PAB considered the proposal and subjected its approval to the issue of specific notification (area/limits for children eligible to avail this facility) as required by the SSA Framework within a month. As no such notification was issued by the State, this proposal was not approved by the PAB. Similar proposal for 4,315 children during 2014-15 had also been rejected by PAB on the same ground. This resulted in depriving the children of un-served habitations of transport facility making it difficult for them to reach their school.

The Department stated (August 2016) that efforts would be made to enroll all the OoSC.

### 2.1.8.2 Deprivation of benefits of reservation to the children belonging to weaker sections and disadvantaged groups

Audit observed that the Department had not identified/collected any data of eligible children belonging to weaker sections and disadvantaged groups as required under the RTE Act. Further, while 12,30,940 children were admitted in Class I during 2012-16 in the schools, in the absence of data on eligible children, the admission of 25 per cent children belonging to weaker sections and disadvantaged groups as required under the RTE Act could not be verified in audit.

The Department stated (August 2016) that instructions were being issued to the field offices.

<sup>6</sup> Neighbourhood Schools are schools located within the defined limits or area of neighbourhood, which has been notified by the State Government under the State RTE Rules.



### 2.1.8.3 *Decreasing trend of enrolment*

A total of 40,40,463 students were enrolled during 2011-12 in Class I-VIII (Government Schools: 20,76,619, Private schools 19,63,844). However, the total number of students enrolled in the schools in these classes declined to 39,62,439 in 2015-16 (Government schools:18,79,126, Private schools 20,83,313) as shown in **Tables 2.1.2 and 2.1.3** below.

**Table 2.1.2: Enrolment of Government/Government aided schools**

Years	I	II	III	IV	V	VI	VII	VIII	Total
2011-12	249863	283875	261374	249277	245094	257982	284765	244389	2076619
2012-13	233573	244325	279729	260191	253553	259153	258639	286074	2075237
2013-14	207550	230369	243976	275174	263316	259691	259221	258686	1997983
2014-15	209544	211559	230995	241814	275769	261720	258708	257612	1947721
2015-16	201918	211177	211668	227846	240283	267616	261373	257245	1879126

Source: Departmental data

**Table 2.1.3: Enrolment of other than Government/Government aided schools**

Years	I	II	III	IV	V	VI	VII	VIII	Total
2011-12	313372	278895	262946	248904	245195	211529	202299	200704	1963844
2012-13	303568	272164	263304	248811	245506	220588	210324	203994	1968259
2013-14	305020	276287	267006	257301	249388	229341	217398	211165	2012906
2014-15	314176	284494	275577	264405	259723	236472	223274	215735	2073856
2015-16	308176	288209	274118	264649	260539	243206	227712	216704	2083313

Source: Departmental data

It was also observed that although the Department could not retain 9,580 students<sup>7</sup> up to Class V and 737 students<sup>8</sup> up to Class VIII as shown in **Table 2.1.2** above, it had no mechanism to check whether this decrease was due to students joining private schools or due to dropouts.

The Department stated (August 2016) that efforts would be made to increase the enrollment.

### 2.1.8.4 *Non-establishing of pre-schools*

Audit observed that there were 3,76,458 children (March 2016) in the age group of 3-6 years. However, the Department had not taken any steps to establish free pre-schools for these children and to provide early childhood care and education as required under the RTE Act thereby defeating the objective of the programme to that extent.

The Department stated (August 2016) that proposal for running Anganwari Centres in primary schools to serve as pre-schools was under consideration.

<sup>7</sup> Total enrolment in class I in 2011-12: 2,49,863 students (-)Total enrolment in class V in 2015-16: 2,40,283 students=9,580 students.

<sup>8</sup> Total enrolment in class VI in 2011-12: 2,57,982 students (-)Total enrolment in class VIII in 2015-16: 2,57,245 students=737 students.



### 2.1.8.5 Children with Special Needs

#### (i) Deprivation of benefits to Children with Special Needs

As per the RTE Act, a child suffering from a disability like blindness, low vision, leprosy, hearing impairment, loco motor disability, mental retardation and mental illness defined in the PwD Act, 1995, shall have the right to pursue free and compulsory elementary education. Further, the State Governments and the local authority shall endeavor to equip the special schools for children with disabilities with vocational training facilities.

The details of funds planned, allocated, released and utilized and number of children with special needs identified and actually enrolled during 2011-16 is given in **Table 2.1.4** below.

**Table 2.1.4: Funds planned, allocated, received and utilised and Children Enrolled**

(₹ in crore)

Year	Funds planned	Funds allocated	Funds received	Funds utilized	No. of CWSN identified	No. of CWSN enrolled	Shortfall in enrolment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8=6-7)
2011-12	37.75	37.75	28.45	28.45	125828	123325	(-) 2503
2012-13	38.92	32.50	24.40	24.40	108350	107146	(-) 1204
2013-14	30.60	20.40	18.49	18.49	101984	104432	(+) 2448
2014-15	27.09	14.45	7.74	7.74	90295	88224	(-) 2071
2015-16	25.68	17.12	3.55	3.55	85604	85604	-
<b>Total</b>	<b>160.04</b>	<b>122.22</b>	<b>82.63</b>	<b>82.63</b>	<b>512061</b>	<b>508731</b>	<b>(-) 3330</b>

Source: Departmental data

Audit observed that during the period 2011-16, against the planned funds of ₹ 160.04 crore, ₹ 122.22 crore were allocated which was short by ₹ 37.82 crore (23.63 per cent). Against the allocated funds, only ₹ 82.63 crore was released and utilized. Against 5,12,061 identified Children With Special Needs, only 5,08,731 were enrolled leaving 3,330 un-enrolled CWSN during 2011-16.

Audit further observed that:

(a) As on March 2016, out of 85,604 enrolled CWSN, 12,060 CWSN were enrolled in about 1,200 resource centres and remaining were mainstreamed in schools. Out of the above CWSN enrolled in resource centres, vocational training was being provided to only 176 CWSN in two centres located at Amritsar and Patiala depriving 11,884 (98.54 per cent) CWSN of the intended benefits of the scheme.

(b) No special school in government/private sector was set up for those in need of special education.

(c) No teachers' training institution was set up in the State to develop teachers training programmes specializing in disabilities as defined in the PwD Act, 1995.

(d) No cell for redressal of grievances of parents for placement of their children with disabilities was established in the State.

(e) No research/study/evaluation was conducted by Government or non-Government agencies.

The Department stated (August 2016) that GOI released the funds on lump sum basis and not on activity basis. The priority of the State was to pay salary to the teachers and released funds were fully utilised for CWSN component. The reply is not tenable as short release of funds adversely affected the implementation of the programme and in any event, the primary purpose of the funds released was to augment children's education and not just to pay salaries of teachers.

**(ii) *Enrolment of Children with Special Needs without assessment***

The Inclusive Education (IE) Manual, 2003, provides for adoption of standard tools for the purpose of identification of CWSN. Both formal and functional assessment is to be done by a competent team of doctors to specify the aids and appliances required by the child. The IE manual requires preparation of Individualised Education Plans (IEP) jointly by the special teacher as well as the general teacher and constant review by the district/block level functionaries to monitor the individual performance of each child.

Audit observed the following:

(a) Twenty five blocks in the selected districts could not produce case sheet/prescription (medical assessment records) of all identified CWSN. Hence, audit could not ensure that all the identified children were actually examined at assessment camps. Details of children reckoned as CWSN in test checked blocks and the number of CWSN for whom medical assessment records were available is given in **Appendix 2.1**;

(b) The number of CWSN identified during 2011-16 ranged between 6,526 and 7,734 while the number of CWSN for whom medical assessment records were available ranged between 368 and 970 during the same period indicating that children were enrolled under CWSN component of SSA without proper medical assessment;

(c) In selected six districts, only 159<sup>9</sup> Resource Teachers were posted against 34,484<sup>10</sup> CWSN; and

(d) Inclusive Education Plans (IEPs) for only 1,004 to 1,310 CWSN constituting 13.34 to 18.59 *per cent* of the CWSN identified were prepared. As such, the correct position of number of CWSN could not be ascertained in audit. In the absence of IEPs for all CWSN the very purpose of the programme to review the progress and monitor the performance of each CWSN stood diluted.

The Department stated (July 2016) that CWSN identified through Unified District Information System for Education (U-DISE) were initially

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<sup>9</sup> Gurdaspur-23; Hoshiarpur-31; Jalandhar-31; Ludhiana-36; Patiala-23; and Rupnagar-15.

<sup>10</sup> Gurdaspur-4595; Hoshiarpur-5843; Jalandhar-5521; Ludhiana-8412; Patiala-6448; and Rupnagar-3665.

assessed for their needs and divided into broad categories as per type of intervention required. Most of these CWSN required specialized teaching which was provided to them through follow-up in mainstream classes and spectacles were provided by Health Department. Very few children requiring provision of aids and assistive devices, surgical correction, etc., were being taken to assessment camp. Further, variation between CWSN identified and number of IEPs available was due to the reason that IEPs were being prepared only in respect of MR, MD, CP with MR CWSN<sup>11</sup> enrolled in resource room and Home Based Education. Children falling under OI, SI, LV and LD category were directly mainstreamed into the schools and there was no need of maintaining IEP for these categories.

**(iii) Uneven deployment of Resource Teachers for CWSN**

As per the Persons with Disability Act, 1995, the number of Resource Teachers (RTs)<sup>12</sup> needed in a block would depend on the size of the block and the number of CWSN enrolled. Audit observed that SSA Authority could not offer CWSN resource support as envisaged in the SSA Framework as discussed below.

**(a)** As of March 2016, 85,604 CWSN were provided resource support in 145 Block Resource Centers by 415 Resource Teachers. No norms were fixed by the State for deployment of Resource Teachers on the basis of size of block and the number of CWSN in the district resulting in irrational deployment of Resource Teachers. Further, in Amritsar, Faridkot and Fazilka district, on an average, one Resource Teacher was providing resource support to 324, 347 and 311 CWSN respectively whereas in Barnala, Sahid Bhagat Singh Nagar and Tarn Taran districts, it was only 118, 112 and 155 CWSN respectively.

The Department stated (August 2016) that Resource Teachers were deployed at the block level according to geographic area rather than the population of CWSN. The reply was not tenable as Resource Teachers were required to be deployed on the basis of size of the block and number of CWSN.

**(b)** No Resource Teacher was appointed in the State in case of four types<sup>13</sup> of disabilities resulting in deprivation of resource support to 18,214 CWSN suffering from these disabilities.

The Department stated (August 2016) that Resource Teachers in the field of these disabilities were not readily available.

**(c)** Out of total 415 Resource Teachers, 255 Resource Teachers (61.45 per cent) were specialized in the field of mental retardation (MR) whereas CWSN suffering from mental retardation were 21,715 out of total 85,604 (25.37 per cent). This indicated that number of CWSN of various

<sup>11</sup> Mentally Retarded (MR), Multiple Disability (MD), Cerebral Palsy (CP), Ortho Impaired (OI), Speech Impaired (SI), Low Vision (LV), Learning Disability (LD).

<sup>12</sup> Resource Teachers are specially qualified teachers who have a degree or a diploma in teaching Children with Special Needs.

<sup>13</sup> (i) Ortho impairment:7,697; (ii) multiple disability:6,080; (iii) cerebral palsy:4,203; and (iv) autism spectrum disorder:234.

categories enrolled was not kept in mind while appointing RTs as no norms were fixed for posting of Resource Teachers.

The Department stated (August 2016) that CWSN suffering from mental retardation required the services of Resource Teachers and the number of Resource Teachers qualified in MR was the highest as they primarily had to deal with all cases of MR, MD and CP which required one to one involvement. The reply was not tenable as CWSN suffering from other disabilities also required resource support and special attention.

(d) There were 10 Resource Teachers for 22 blind students in Jalandhar district, 12 Resource Teachers for 60 blind students in Ludhiana district and four Resource Teachers for four blind students in Fatehgarh Sahib district, whereas in 10 districts<sup>14</sup> no service of qualified Resource Teacher was provided to 136 blind students.

The Department stated (August 2016) that with control over blindness, the requirement of Resource Teachers qualified in this field had become very limited and Resource Teachers were concentrated near a particular district which ran the course of Resource Teachers for the visually impaired.

(iv) In its 203<sup>rd</sup> meeting (February 2014), the Project Approval Board under the Union Ministry of Human Resources Development had pointed out that the State had also engaged 1,358 untrained persons as Inclusive Education (IE) volunteers in addition to 440 (at present 415) trained IE Resource Teachers and 22 physiotherapists and advised the Department to disengage the untrained education volunteers. Audit observed that 1,232 IE volunteers were still (August 2016) working in the State and no action was taken to disengage these untrained volunteers.

The Department stated (August 2016) that it had been decided (December 2014) not to discontinue the services of IE Volunteers in the interest of the programme and the CWSN.

#### **2.1.8.6 Distribution of uniforms**

The Sarva Shiksha Abhiyan Framework provides for supply of two sets of uniform with a ceiling of ₹ 400 per child per annum for all girls and boys belonging to SC/ST/BPL families in government schools. During test check of records of SPD for the period 2011-16, it was observed as follows:

(i) As per audited Annual Report (2013-14), expenditure of ₹ 65.88 crore for 16,46,949 students was claimed whereas as per progress report sent by DPOs of all the 22 districts to SPD, only 15,63,588 students were provided uniform. This resulted in excess expenditure of ₹ 3.33 crore for 83,361 students for the year 2013-14.

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<sup>14</sup> (i) Bathinda-19; (ii) Fazilka-22; (iii) Ferozepur-14; (iv) Gurdaspur-27; (v) Hoshiarpur-07; (vi) Kapurthala-04; (vii) Pathankot-05; (viii) Ropar-08; (ix) SAS Nagar-11; and (x) SBS Nagar-19.

(ii) Only one set of uniform was provided against the required two sets of uniform to the students during the years 2011-16. Uniform was supplied to 915 students of five aided schools<sup>15</sup> in contravention of the provision contained in the SSA Framework resulting in irregular expenditure of ₹ 3.66 lakh.

### 2.1.8.7 Distribution of free text books

The SSA Manual provides for free text books to all children of Government/Government Aided/Local Body schools/Aided Madarsas. The upper ceiling of ₹ 150 per child at the primary level and ₹ 250 per child at upper primary level for supply of text books is fixed under the SSA. The State Government was supplying free text books through its Welfare Department to all SC students of Class 1 to 8 under State Plan whereas SSA Authority distributes free text books only to the non-SC students of class 1 to 8. Audit noticed the following:

(i) Expenditure of ₹ 0.75 crore incurred on distribution of computer books to SC students which was required to be borne by the State Welfare Department was un-authorisedly charged to SSA fund during the year 2011-12.

(ii) Books worth ₹ 25.06 crore were purchased from Punjab School Education Board against allocation of funds of ₹ 22.44 crore by the PAB during the year 2011-12 which resulted in excess purchase of books to the tune of ₹ 2.62 crore over and above the budget allocation. Excess amount is yet to be paid to the supplier.

(iii) Supplementary demand for text books for 1,51,532 students<sup>16</sup> was sent during April-July 2011(2011-12). This showed that requirement of books was not assessed properly.

(iv) Against the enrolment of 4,46,765 primary and 3,29,592 upper primary non-SC students, 4,94,786 and 3,50,965 sets of books respectively were purchased for ₹ 16.20 crore instead of ₹ 14.94 (cost of books for actual enrollment as per norms of SSA) crore during 2012-13 which resulted in extra expenditure of ₹ 1.26 crore<sup>17</sup>.

(v) Similarly, excess expenditure of ₹ 6.76 crore was incurred on purchase of books for primary and upper primary students during the year 2013-16 against the norms fixed for the text books by the MHRD as detailed in **Table 2.1.5** below.

<sup>15</sup> (i) Rajput Middle School, Pathankot:230; (ii) Rajput Primary School, Pathankot:268; (iii) Sant Ashram Sr. Secondary School, Pathankot:211; (iv) IDSD Sr. Secondary School, Pathankot:127; and (v) DAV Sr. Secondary School, Gurdaspur:79.

<sup>16</sup> April 2011:1,20,640; June 2011:22,708; and July 2011:8,184 students.

<sup>17</sup> Cost of books for actual enrollment as per norms of SSA:(446765x₹ 150) + (329592 x ₹ 250) = ₹ 14.94 crore. Excess expenditure = ₹ 16.20 crore - ₹ 14.94 crore= ₹ 1.26 crore.

**Table 2.1.5: Excess expenditure on purchase of text books during 2013-14 to 2015-16**

(₹ in crore)

Year	Total No. of Students			Cost of books as per approved norms			Expenditure incurred by the department	Excess expenditure
	PS	UPS	Total	PS @ ₹ 150 per set	UPS @ ₹ 250 per set	Total		
2013-14	458698	337695	796393	6.88	8.44	15.32	17.24	1.92
2014-15	452865	315553	768418	6.79	7.89	14.68	16.91	2.23
2015-16	454675	332757	787432	6.81	8.32	15.13	17.74	2.61
<b>Total</b>	<b>1366238</b>	<b>986005</b>	<b>2352243</b>	<b>20.48</b>	<b>24.65</b>	<b>45.13</b>	<b>51.89</b>	<b>6.76</b>

Source: Departmental data

The Department stated (March 2016) that text books were being provided to all non-SC students of class 1 to 8 and excess expenditure was due to extra cost of books which was more than the prescribed norms by MHRD. The order of printing books was given nine to ten months in advance of academic session and supplementary demand was sent due to new admission. The reply of the Department was not tenable as no justification for expenditure incurred over and above the norms on purchase of books was given by the Department.

#### 2.1.8.8 Shortage of infrastructure and basic amenities

The RTE Act provides norms and standards for infrastructure in primary and upper primary schools. Audit observed the following shortfall in infrastructure in the schools in the State as well as in test checked schools (during joint physical verification) as of September 2015 as shown in **Table 2.1.6** below.

**Table 2.1.6: Shortage of infrastructure**

Deficiency/shortfall	State level (total schools 19962)	Test checked (200 Schools)
	Number of schools	Number of schools
No building/rented building/under construction building	69	4
Schools running in single classroom	405	5
Upper primary schools running with two classrooms	327	3
Schools having partial/broken boundary wall	296	27
Schools with no toilet for physically handicapped	8507	82
Schools with shortage of drinking water facilities	99	10
Schools with no playgrounds	286	46
Schools with no/short furniture	10341	53

Source: Departmental data



GPS, Kabir Nagar in district-Jalandhar,  
running in temporary shelter  
(20 January 2016)

GPS, New Janta Nagar, Block  
Ludhiana-1, 5 classes along with generator  
set and public toilet being run in a single  
hall (17 July 2016)

Further, school buildings of 26 schools in Patiala district had been declared (December 2012 to March 2016) unsafe by Public Works Department/ Panchayati Raj Department and 4,826 students of these schools were studying in open space.

The Department assured (August 2016) that efforts would be made to remove the deficiencies/shortfalls in the infrastructure.

#### 2.1.8.9 *Kasturba Gandhi Balika Vidyalaya hostels*

Under the Kasturba Gandhi Balika Vidyalaya (KGBV) scheme, administrative approval was accorded (December 2011 and May 2012) for construction of 19 hostels at a cost of ₹ 13.49 crore at the rate of ₹ 71 lakh each. As per approved drawing, eight dormitories were to be constructed in each hostel along with boundary wall, approach road, water supply, sewerage and sanitation and electrical services.

Audit observed that the constructed buildings had only four dormitories each in 10 hostels and six dormitories each in four hostels resulting in non-construction of 48 dormitories out of total 152 dormitories. In the remaining five hostels eight dormitories in each hostel, as required, were constructed. The SSA Authority released an amount of ₹ 13.49 crore during March 2012 to March 2013 and took possession (November 2013) of the buildings without getting the requisite number of dormitories constructed. The UCs for full amount were furnished by the Panchayati Raj Department.

The Department stated (August 2016) that due to late release of funds and increase in cost of material, all the proposed dormitories could not be constructed.

### 2.1.9 Human resource management

#### 2.1.9.1 *Shortage of teaching staff*

As per the RTE Act, there should be at least two teachers in a primary school and three teachers in an upper primary school. Audit observed that out of 13,251 primary schools in the State, 1,170 primary schools were running with



single teacher and 572 upper primary schools out of 6,711 were running with less than three teachers during 2014-15.

The Department stated (August 2016) that action to meet the requirement of teachers was under process.

#### **2.1.9.2 Irregular posting of District Resource Persons and Education providers**

As per the SSA Manual, posts of resource persons in Block Resource Center (BRCs)/Cluster Resource Centers (CRCs) would be filled up by transferring existing senior and experienced teachers with temperament for this kind of job and the resultant vacancies in these schools would be filled up by trained primary teachers or para teachers. Further, as per instructions issued (December 2008) by SPD, three education providers were required to be appointed against one post of Block Resource Person/Cluster Resource Person.

Audit noticed that 6,575 education providers were working against 1,609 Block Resource Persons/Cluster Resource Persons. It was also noticed that 151 teachers were working as District Resource Persons (DRP) whereas there was no sanctioned post for DRP. This resulted in excess posting of 1,748<sup>18</sup> education providers and 151 DRPs in the State.

During field visit, it was noticed that 703 education providers were posted against 146 BRPs/CRCs sanctioned in the selected 25 blocks resulting into excess deployment of 265<sup>19</sup> education providers.

The Department stated (August 2016) that no teacher was deployed as DRP. Rather the teachers posted as Block Resource Persons were working as DRPs. The reply was not tenable as no approval of MHRD was obtained for deployment of these DRPs. So far as excess posting of EPs was concerned, it was stated that EPs were appointed as per State Government Policy. However, the fact remained that salary of 1,748 excess education providers was being paid from the SSA fund though they were not covered under its ambit.

### **2.1.10 Monitoring and internal control**

#### **2.1.10.1 Internal Audit**

As per the SSA Manual, the State may consider the engagement of credible organizations or firms of chartered accountants to undertake internal audit of their accounts. Further, the report of internal audit shall also be placed before the Executive Committee (EC).

Audit observed that while an internal audit wing had been created that had carried out internal audit of the programme, the reports of the internal audit were not being placed before the EC.

The Department stated (July 2016) that it was not feasible to put up to the

<sup>18</sup>  $1609 \times 3 = 4827 - 6575 = (-) 1748$

<sup>19</sup>  $146 \times 3 = 438 - 703 = (-) 265$

Committee the report of 242 audit units. Hence, reports were not being placed before the EC. The reply was not tenable as placement of the reports of internal audit before EC was a requirement of the programme as per the SSA manual.

#### **2.1.10.2 Non-monitoring of the implementation of RTE by State Advisory Council**

Audit observed that although State Advisory Council consisting of 15 members was constituted in June 2010, no meeting of State Advisory Council was held during the period covered under audit. As a result, the effectiveness of the implementation of RTE Act in the State could not be assessed as envisaged under Section 34 (i) of RTE Act.

#### **2.1.11 Conclusion**

The implementation of the SSA in the State commenced late due to delay in notification of the Right to Education Rules and was hampered by the lack of a Perspective Plan at the State and district level which resulted in funds not being approved by the Project Approval Board. Funds were released short by 29 per cent during 2010-16 and the State Government released the Central share with delay ranging between one to 24 months. Delay and short release of funds adversely impacted the implementation of the programme as reflected in shortfalls in infrastructure required in the schools. Inadequate planning and implementation was also evidenced by lack of mapping of neighbourhood schools and data relating to children belonging to the weaker sections and disadvantaged groups. Non-implementation of provisions of 25 per cent reservation for children belonging to weaker section and disadvantaged groups in recognised schools was noticed. Children were enrolled under CWSN component without proper assessment and all identified CWSN were not covered under SSA programme. Finally, there were discrepancies in the distribution of uniforms and books with excess expenditure of ₹ 14.76 crore on their purchases.

#### **2.1.12 Recommendations**

In the light of audit findings, the State Government may consider:

- (i) Timely release of funds as per budget outlay for effective implementation of the programme;
- (ii) Mapping neighbourhood schools and linking them to specific schools for OoSC and to establish free pre-schools to provide early childhood care and education for all children to increase enrolment in the schools;
- (iii) Taking necessary steps to conduct medical assessment of all CWSN for monitoring progress and insist on preparation of IEPs;
- (iv) Setting norms for engagement of RTs based on number of CWSN and nature of their disability and deployment across the State as per norms; and
- (v) Strengthening the internal control mechanism system.

The matter was referred to Government in August 2016; reply was awaited (December 2016).

## **FINANCE DEPARTMENT**

### **2.2 Information Technology Audit of 'Integrated Financial Management System'**

The Government of Punjab initiated (October 2009) the Integrated Financial Management System to bring transparency and responsiveness in public financial management by establishing a network between all stakeholders. An information technology audit of the 'Integrated Financial Management System' brought out shortcomings/deficiencies in the implementation of the project that undermined the achievement of its objectives in the State. Some of the significant audit findings are summarised below:

#### **Highlights**

- **Instead of availing services of Punjab State e-Governance Society, a designated agency of the State Government at no extra cost, services of Punjab Infotech were taken at four *per cent* of the project cost for implementation of the project resulting into avoidable expenditure of ₹ 1.59 crore.**  
*(Paragraph 2.2.6.1)*
- **Treasury operations and pension (management and monitoring) modules were not fully implemented.**  
*(Paragraph 2.2.6.3)*
- **Punjab Treasury Rules in respect of monitoring of Abstract/Detailed Contingent bills were not adequately mapped as a result of which the System was not depicting correct status of pending Abstract Contingent bills. Data analysis showed that 49,277 Abstract Contingent bills amounting to ₹ 7,400.91 crore were pending for adjustment against the actual pendency of only 976 Abstract Contingent bills amounting to ₹ 2,044.97 crore as of March 2016.**  
*(Paragraph 2.2.7.2)*
- **The requisite validation checks for processing of bills and unauthorised operation of heads of accounts by Drawing and Disbursing Officers were not available in the System to ensure adherence to the extant rules. There were 54 dummy active DDO codes in the database.**  
*(Paragraphs 2.2.7.3 and 2.2.7.4)*
- **Non-application of various controls and non-conducting of third party audit at the prescribed time indicated weak system control mechanisms in the Integrated Financial Management System.**  
*(Paragraph 2.2.8)*

### 2.2.1 Introduction

The Government of Punjab (GOP) set up (June 2009) an Empowered Committee on Governance Reforms (EC) under the chairmanship of the Chief Secretary, Punjab to monitor and steer reform initiatives in various departments. The EC decided (October 2009) to implement the Integrated Workflow Document Management System (IWDMS) and Integrated Financial Management System (IFMS) projects in the State. The implementation objectives of IFMS were to bring transparency and high responsiveness in public financial management. IFMS also proposed to establish a network of all stakeholders<sup>20</sup> for sharing financial and performance information and for facilitating convergence of service delivery for better management of public finances through accountability as well as elimination of misuse/misappropriation of public funds.

### 2.2.2 Organizational set-up

The Finance Department functions under the overall administrative control of the Additional Chief Secretary who is assisted by Secretary (Expenditure) and Special Secretary (Finance)-cum-Director (T&A). At field level, District Treasury Officers (DTO) are assisted by Treasury Officers (TO). The Drawing and Disbursing Officer in each Department prepares and submits bills to the district/sub-treasury.

The Finance and General Administration Departments were designated as the nodal departments for implementation of IFMS and IWDMS projects respectively while a Steering Committee<sup>21</sup> was constituted for review and monitoring of implementation of these projects. In order to streamline and make the governance mechanism of the projects more effective, a second level review mechanism under Steering Committee was formed by constituting a Project Review and Monitoring Committee<sup>22</sup>. The Punjab Information and Communication Technology Corporation<sup>23</sup> (Punjab Infotech) was designated as the implementing agency of IFMS and IWDMS projects which selected (April 2010) a professional Project Management Consultant for providing technical, functional and architectural inputs in selection of System Integrator and implementation of the projects. A System Integrator was selected in December 2010.

<sup>20</sup> Finance Department; Directorate Treasury & Accounts; Treasuries and Sub-treasuries; Accountant General (Punjab); Reserve Bank of India; Government of India; financial market; Public Sector Undertakings and Local Bodies; Heads of Departments; Nationalised Banks; National Bank for Agriculture and Rural Development; Drawing and Disbursing Officers; Citizens; Pensioners; Employees; Tax and Revenue Officers; etc.

<sup>21</sup> Chief Secretary, Principal, Secretary (Finance), Secretary (General Administration), Principal Secretary (Planning), Secretary (Expenditure), Director (T&A), Nodal Officers (IWDMS and IFMS), Managing Director Punjab Infotech and representative of Project Management Consultant.

<sup>22</sup> Managing Director (Punjab Infotech) and Project Directors (IWDMS and IFMS).

<sup>23</sup> Punjab State Public Sector Undertaking.

### **2.2.3 Audit objectives**

A performance audit was conducted to assess the efficiency and effectiveness of implementation of the 'Integrated Financial Management System'<sup>24</sup> project with regard to IT controls, mapping of business processes and functioning of the modules<sup>25</sup> of the system. The main objectives of the audit were to assess whether:

- the project management and implementation was effective;
- the Integrated Financial Management System met the envisaged requirements; and
- reliable controls were in place to ensure data security and the system control mechanism was adequate and effective.

### **2.2.4 Audit scope and methodology**

The audit covered the period 2011-16 and was conducted between April and September 2016 by test check of the records of four<sup>26</sup> out of 21 treasuries by using a tool, namely, Interactive Data Extraction and Analysis (IDEA). The records of the Implementing Agency (IA) were also examined to assess the deliverables of System Integrator (SI) and Project Management Consultant (PMC) as per the agreements.

Audit proposed (May 2016) for holding an entry conference with the Finance Department to discuss the audit objectives, criteria and scope of audit. However, the Finance Department requested (May 2016) for the IT Audit to be directly started. The audit findings were discussed with the Secretary (Expenditure), Finance Department, Punjab and the Implementing Agency in the exit conference held in November 2016. The replies of the State Government (Finance Department) received in November 2016 have been suitably incorporated in the report.

### **2.2.5 Audit criteria**

The audit criteria were derived from the following sources:

- Agreements entered with the Project Management Consultant and System Integrator;
- Punjab Budget Manual;
- Punjab Treasury Rules, 1985 and Standing Orders on Treasuries;
- Punjab Financial Rules; and
- Instructions/guidelines issued by Government of India and the State Government with regard to IT systems.

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<sup>24</sup> Since both the projects (IFMS and IWDMS) were taken up together as single RFP, the points which cannot be separated have been discussed in respect of both the projects jointly in the report.

<sup>25</sup> (i) Debt Management, (ii) Pension, (iii) Treasury Operations, (iv) Plan and Budgeting, (v) Off-budget Expenditure and (vi) Office Accounting.

<sup>26</sup> (i) Chandigarh, (ii) Fatehgarh Sahib, (iii) Mohali and (iv) Ropar (selected with Simple Random Sampling method).

## Audit findings

### 2.2.6 Project management and implementation

The Integrated Financial Management System (IFMS) project was designed and implemented as a web enabled application. The network back-bone of Punjab State Wide Area Network (PAWAN) was used and remote users were provided connectivity through Secure Sockets Layer of Virtual Private Network/internet. The IFMS and IWDMS projects were to be implemented in two stages<sup>27</sup>. Audit noticed the following:

#### 2.2.6.1 Non-implementation of project through nodal agency

Government of Punjab (GOP) declared (January 2009) the Punjab State e-Governance Society<sup>28</sup> (PSeGS) under the Department of Information Technology (DoIT)<sup>29</sup> as the only nodal agency for all IT products, services and e-Governance activities. Accordingly, all administrative Secretaries were communicated (March 2009) to avail its technical and related services which *inter alia* included providing support in connection with any aspect of IT including hiring of professionals, consultancy services and procurement of hardware/software without any additional cost over and above the acquisition value for IT products and resources.

Audit observed that despite the instructions of GOP to avail IT related services from the nodal agency (PSeGS) without additional cost, Punjab Infotech was designated (November 2009) as implementing agency (IA) for implementation of IFMS and IWDMS projects on payment basis i.e. service charges<sup>30</sup> at the rate of four *per cent* of the project cost against which an amount of ₹ 1.59 crore had been paid as of June 2016.

The Finance Department stated (November 2016) that due to lack of capacity to deal with the project by PSeGS, the project was assigned to Punjab Infotech. It added that the payment of service charges was unavoidable as any organisation which would have undertaken execution of such a large scale and complex project would have to incur management and administrative costs. Further, PSeGS also levied service charges for all non-National e-Governance Plan (NeGP) projects and the charges had recently been revised to 10 *per cent*.

The reply of the Department was not tenable as at the time of execution of the project, PSeGS was executing various large scale IT infrastructural and Mission Mode projects<sup>31</sup>. Further, as per instructions (March 2009) of DoIT, technical and related services of PSeGS could be availed without any

<sup>27</sup> First stage : Design, development and implementation stage (to be implemented in further four phases); and Second stage: Managed IT/ Service Delivery stage.

<sup>28</sup> A society registered under Societies Registration Act 1860 under Administrative Control of Department of Governance Reforms, Punjab.

<sup>29</sup> Now Department of Governance Reforms (DoGR) w.e.f. March, 2012.

<sup>30</sup> As per notification dated 03.12.2009 of the Department of Industries and Commerce.

<sup>31</sup> (i) PAWAN, (ii) State Data Centre (SDC), (iii) Common Service Centres (CSC), (iv) State portal, State service delivery gateway (SSDG) and (iv) e-District.

additional cost over and above the acquisition value for IT products and resources.

Thus, selection of Punjab Infotech as IA instead of opting for the services of PSeGS (free of cost) for implementation of the projects resulted in avoidable expenditure of ₹ 1.59 crore.

#### **2.2.6.2      *Avoidable extra expenditure***

As per the Request for Proposal (RFP), the System Integrator (SI) provided (February 2012) 8,500 licenses for five years (Proprietary Solution) in respect of Single Sign-On (SSO) to utilise username/password to authenticate multiple applications at a cost of ₹ 0.45 crore. The requirement of SSO solution had evidently not been thoroughly examined as the number of users increased during implementation to 14,700 i.e. by more than 50 *per cent*. Audit observed that the Technical Committee had recommended (March 2013) to have SSO solution either Proprietary (on payment basis) or Open Source (free of cost). However, the RFP did not include the option of considering Open Source SSO at all. Since SI had already procured (February 2012) 8,500 licenses of Proprietary SSO, IA had to procure (December 2014) additional 6,200 licenses of Proprietary SSO annually at a cost of ₹ 0.42 crore.

The Finance Department stated (November 2016) that RFP had allowed both proprietary solution and open source solution for SI to provide the best fit solution in terms of technology, scope, support and cost. It added adopting only open source solution would have been against the principle of competitive bidding. The reply of the Department was not tenable as the RFP did not include the option of Open Source SSO solution though the Technical Committee recommended (March 2013) to have either of the two solutions. Thus, adoption of Proprietary SSO solution (on payment basis) instead of Open Source solution (free of cost) resulted in an avoidable recurring expenditure of ₹ 0.87 crore towards licensing cost.

#### **2.2.6.3      *Partial implementation of modules by SI***

As per RFP, the design, development and implementation stage of the IFMS project was to be effected in four phases which were signed off between April 2013 and June 2013. Audit noticed the following:

##### **(i)      *Treasury operations***

**(a)** In order to compensate banks for handling transactions for Government, Reserve Bank of India (RBI) fixed agency commission payable to banks (July 2012) at the rate of ₹ 50 and ₹ 12 per transaction for physical receipts and e-mode receipts respectively. As per RFP, IFMS would have one treasury receipt module to enable the depositors/tax payers to deposit money online through payment gateway/ Electronic Clearing System (ECS)/prepaid cards. The system for receipt of money through online mode was to save money paid to agency banks for various transactions.



Audit observed that receipts pertaining to two<sup>32</sup> major heads were being received in banks through their respective applications (e-mode). Though the payments to beneficiaries were being made through ECS under IFMS, 27,46,877 out of 1,22,82,116 transactions pertaining to Government receipts (barring above two major heads) were received (July 2013-March 2016) in physical mode i.e. through challans in banks thereby not achieving the objective of IFMS module to save money paid to agency banks for various transactions.

The Finance Department stated (November 2016) that a comprehensive approach to implement the Cyber Treasury Portal for all the departments was being deliberated with the SI and efforts would be made to switch over to online tax payment system by all the administrative departments in a time bound manner. However, no timeline in this regard was furnished (December 2016).

**(b)** Non-plan expenditure of the State Government mainly constitutes the salary of its employees. The pay bills of State Government employees were being prepared by the respective DDOs and details such as name, bank account number and also instances of salary amount of the employee were being entered at the time of preparation of pay bill as IFMS did not have any provision for capturing master data of employees.

An analysis of data (January 2013-March 2016) of 1,05,592 pay bills entered in IFMS in respect of four test-checked treasuries revealed 1,058<sup>33</sup> discrepancies of duplicate bank account numbers and instances of salary of two or more employees being credited to the bank account of one employee through a single pay bill. This indicated that IFMS did not have validation checks to ensure one to one mapping of salary with account number of employee which raises the risk of fraudulent/double drawl of pay.

The Finance Department stated (November 2016) that Human Resource Management System (HRMS) implementation was in progress and till then, validation for uniqueness of bank account in accordance with the bill type would be incorporated in IFMS so as to avoid system vulnerabilities.

**(ii) Pension (management and monitoring) module**

Audit noticed the following inconsistencies in pension (management and monitoring) module:

**(a)** One of the business functional requirements for Pension Payment Order (PPO) generation in respect of pension module was that the system should generate alert requesting the concerned employee to apply for pension. The PPO was to be generated online after processing of the application by Accountant General, Punjab (AG) so that Treasury Officer (TO) could ensure regular payment to pensioners apart from sending their payment details to the

<sup>32</sup> (i) 0040-Transport Department and (ii) 0041-Excise and Taxation Department.

<sup>33</sup> (i) Chandigarh (529); (ii) Fatehgarh Sahib (76); (iii) Mohali (150); and (iv) Ropar (303).

payee bank, generating reports and maintaining individual pensioner's ledger.

Audit observed that TOs were only entering the details of pensioners from the PPOs issued by AG due to non-integration of the system with the AG and banks. Further, the pension payments made by payee banks could not be reconciled electronically due to non-availability of pensioners' ledgers.

The Finance Department stated (November 2016) that PPOs were being manually uploaded in IFMS and efforts would be made for integration of IFMS with AG office and SI would provide necessary support for the same. As regards employees' data, it was stated that the Government had taken up implementation of Human Resource Management System (HRMS) which would be integrated with IFMS. It added that SI had developed a mechanism to update the data provided by the banks via Cyber Treasury Portal (CTP) and banks would provide treasury-wise monthly pension payment scroll which would be uploaded in IFMS for faster and error free treasury-bank reconciliation.

(b) The Punjab Treasury Rules (PTR) provides that the pension, not drawn for three years, ceases to be payable at treasury without prior sanction of AG. Further, the treasury officer shall sort out cases of pensions which have ceased to be payable at treasury by examining the files of civil PPOs every month and shall return halves of those PPOs to AG.

Audit observed that the system was not capturing any data pertaining to pensioners who had not submitted life certificate during the last three years so as to cease their pensionary benefits. The system also did not have any provision to capture details of PPOs which had ceased to be payable at treasury, reporting the date of death of the pensioner/family pensioner. Consequently, the actual number of active pensioners could not be ascertained.

The Finance Department stated (November 2016) that all the data of pensioners was being maintained by banks and relevant process for obtaining life certificate was being carried out by them. Since data pertaining to pensions not drawn for three years was not available in IFMS, the treasury officer could not sort out cases of pensions which had ceased to be payable. The reply of the Department was not convincing as the issue raised by audit was not addressed.

## **2.2.7 System design deficiencies**

### **2.2.7.1 *Inappropriate mapping of heads of accounts***

Analysis of database in respect of four test-checked treasuries for the period 2011-16 exhibited 70 cases of misclassification of accounts in major heads 8009-State Provident Funds and 8011-Insurance and Pension Funds. Corroboration with manual records of two bills (2014-15 and 2015-16) pertaining to DTO Ropar showed that in the Statement of Expenditure (SOE) of Major Head 8011-Insurance and Pension Fund, 'pensionary benefits' was showing as 'GPF final payment'. This indicated that the six tier classification in a head of account had not been adequately mapped in the system up to

Statement of Expenditure (SOE) level.

The Finance Department stated (November 2016) that the said cases were the exempted heads for which no SOE level mappings had been defined and the same could be incorporated in the system.

### **2.2.7.2 Adjustment of Abstract Contingent bills**

The PTR provides that every DDO is required to submit Detailed Contingent (DC) bills within one month after drawl of Abstract Contingent (AC) bills. Further, while submitting AC bills, a certificate shall be recorded by DDO that there is no DC bill pending for submission.

Audit noticed that IFMS was accepting AC bills without checking any details relating to pending DC bills. The rule was not adequately mapped in the system for effective monitoring of pending DC bills. Further, there was no provision in the system to select relevant AC bill before making entries in respect of the corresponding DC bill to rule out any input error. Due to this design deficiency, the treasury officer could not monitor the pendency of DC bills nor check the veracity of the certificate given by DDO with the AC bill. An analysis of data (2011-16) of IFMS showed huge difference in number of unadjusted AC bills with those depicted in the Finance Accounts (2015-16). As per IFMS, 49,277 AC bills amounting to ₹ 7,400.91 crore were pending for adjustment for want of DC bills whereas as per the Finance Accounts (2015-16), only 976 AC bills amounting to ₹ 2,044.97 crore remained unadjusted as of March 2016.

The Finance Department stated (November 2016) that one to one mapping of AC-DC bills would be monitored considering the impact on current functionalities. It added that necessary instructions to prepare DC bills only through the provision in IFMS had been issued to all the administrative departments and strict compliance in this regard would be monitored.

### **2.2.7.3 Absence of validation checks**

(i) The PTR provides that Government employees declared as DDOs may draw money by bills on account of charges falling under the minor head/sub-heads in respect of which they are competent and have been placed in account with the treasury by the Accountant General.

Audit noticed that the requisite validation checks did not exist in the system between DDOs and the head of accounts which they were authorised to operate. For instance, DTO Fatehgarh Sahib (as DDO) could also operate the Major Heads 2202-General Education and 2055-Police whereas DDO was authorized to operate Major Head 2054-Treasury & Accounts Administration. Absence of validation check posed a risk of unauthorised operation of head of accounts by DDOs which could lead to fraudulent drawl of funds.

The Finance Department stated (November 2016) that the validation check was not envisaged during the implementation of the system but was subsequently incorporated in view of its requirement and that the suggested

case must be related to the early period of system implementation. The reply was not acceptable as Audit observed the discrepancy in the system in July 2016.

(ii) The bills for payment are presented in treasury in the form of pay bill, travelling allowance (TA) bill, medical bill, contingent bill, General Provident Fund (GPF) bill, pension bill, PD/PLA Bill, etc. These types of bills have been assigned different codes in the application.

Audit observed that proper validation checks were not in-built in the application to restrict the transactions in a particular head of account to its respective bill type. Data analysis for the period 2011-16 in respect of four test-checked treasuries showed that:

- Major Head '8011-Insurance and Pension Fund' wrongly accepted contingent bill and refund bill;
- Major Head '2071-Pension and Other Retirement Benefits' wrongly accepted pay bill and GPF advance bill; and
- Major Head '8009-State Provident Fund' wrongly accepted gratuity bill and advance bill.

In the absence of proper validation checks in the application, there was risk of payments being drawn against unauthorised bills resulting in incorrect booking of expenditure/drawls in excess of budget provisions.

The Finance Department stated (November 2016) that additional checks would be incorporated in the system.

#### **2.2.7.4 Data inconsistencies**

Analysis of IFMS data for the period 2011-16 in four test-checked treasuries revealed the following inconsistencies:

- An integrity check was designed in the system for auto generation of voucher number of bills sequentially. It was, however, observed that voucher numbers were not in sequence and 1,45,854 number of gaps in voucher numbers were noticed in 3,516 instances. One of the reasons for gaps in voucher numbers was rectification of misclassification of the head of account at a subsequent date by SI on the request of treasury whereas this rectification should have been carried out through a transfer entry. The Finance Department stated (November 2016) that this issue existed till 2013 but was later resolved by revising certain checks and validations and no such incident was encountered after that. The reply was not acceptable as the case analysed (July 2016) by Audit pertained to the year 2015-16 and the issue was still persisting.
- The master data in the database should be complete and accurate as transaction data is validated against the master data. All 895 DDOs in four test-checked treasuries were flagged as active but the column for validity of

DDO powers was blank. There were 54 dummy DDO codes in the database which were also active. Existence of dummy records and non-deactivation of temporary DDOs was fraught with the risk of possible fraudulent payments by using dummy DDOs. The Finance Department stated (November 2016) that validity period of DDO would be incorporated in the system.

## **2.2.8 System control mechanism**

### **2.2.8.1 Logical access control**

Logical access control through computer hardware and software enables prevention or detection of unauthorised access. Logical access control is exercised through individual login-identifiers and passwords for authentication of users. User identification ensures accountability for user activities. Analysis of data and test check of records for the period 2011-16 in respect of three test-checked treasuries (Chandigarh, Fatehgarh Sahib and Ropar) brought out the following lapses in application of logical access controls:

- In three test-checked treasuries, transactions were carried out using IDs of eight users<sup>34</sup> who were on leave. There were also instances of sharing of user IDs and passwords amongst the staff which defeated the purpose of exercising logical access controls.
- Transactions were recorded/updated using IDs of seven users who had retired from service from the respective treasuries in three instances<sup>35</sup>. As a result, the system was devoid of correct login information as to who entered a particular data. Thus, responsibility for user activities performed with user IDs of retiree could not be enforced through the system.

The Finance Department stated (November 2016) that periodic awareness workshops and sessions would be organized for the users to educate them of the importance of security measures. It added that SI had devised a process to create or block the user in case of retirement or leave but the same needed to be revamped and enforced strictly and assured to do the needful.

### **2.2.8.2 Application controls**

Application controls are specific to an application and may have a direct impact on the processing of individual transactions. These controls are used to provide an assurance that all transactions are valid, complete, authorised and recorded. Audit tests of these controls revealed the following:

#### **(i) Revalidation of bills after expiry of currency period**

The Punjab Treasury Rules relating to currency of payment orders provides that the payment orders are valid only for a time not exceeding ten days. In case bills are not presented for payment within the currency period of pay orders, these are to be re-validated by the treasury officer.

<sup>34</sup> (i) Chandigarh (3); (ii) Fatehgarh Sahib (3); and (iii) Ropar (2).

<sup>35</sup> (i) Chandigarh (4); (ii) Fatehgarh Sahib (1); and (iii) Ropar (2).

Analysis of data for the period 2011-16 in respect of four test-checked treasuries showed that cheques/ECS of 37,515 bills<sup>36</sup> amounting to ₹ 1,958.31 crore were prepared after the period of more than 10 days of their passing without re-validating the currency period as there was no provision in the software for this purpose. The Finance Department stated (November 2016) that the delay mentioned in the payment pertaining to certain cheques was due to financial exigencies. It added that SI would be asked to incorporate necessary checks in the system.

### **2.2.8.3 Third Party Audit**

As per GOI's guidelines (January 2009) for Indian Government websites, each website/application must undergo a security audit from empanelled agencies and clearance prior to hosting and also after addition of new modules. Further, as per RFP, Third Party Audit (TPA) of project was to be performed for every phase and SI was responsible for conducting and getting the third party certification.

Audit observed that the Steering Committee decided (August 2011) to carry out third party testing at the end of all phases of the project. However, TPA was conducted only in December 2014 although the system was first made live in July 2011. The report of TPA (December 2014) pointed out eight vulnerabilities which were classified as High Risk in the web application and under OWASP<sup>37</sup> compliance. Four sensitive data exposure tests were carried out (July 2014-October 2014) on these vulnerable areas and the compliance was only 25 per cent though huge number of sensitive transactions had already been processed through the application between July 2011 and December 2014.

The Finance Department stated (November 2016) that it was decided that TPA would be carried out only once all the modules were completed for an effective and speedy implementation. The reply of the Department was not in accordance with RFP and GOI guidelines *ibid*.

### **2.2.9 Conclusion**

The objective of the State Government to bring transparency and high responsiveness in public financial management through IFMS was not achieved in full measure. Instead of availing the services of Punjab State e-Governance Society, a designated agency of the State Government, at no extra cost, services of Punjab Infotech were taken for implementation of the project at four per cent of the project. Treasury operations and pension (management and monitoring) modules were not fully implemented. Punjab Treasury Rules in respect of monitoring of Abstract/Detailed Contingent bills were not adequately mapped. The requisite validation checks for processing of bills and unauthorised operation of heads of accounts by DDOs were not

<sup>36</sup> Cheques of 34,984 bills: ₹ 1912.86 crore and ECS of 2,531 bills: ₹ 45.45 crore.

<sup>37</sup> Open Web Application Security Project is a non-profit organization dedicated to providing unbiased, practical information about application security.

available in IFMS to ensure adherence to the extant rules. Non-application of various controls and non-conducting of third party audit at the prescribed time, indicated weak system control mechanism in IFMS.

#### **2.2.10 Recommendations**

In the light of audit findings, the State Government may consider:

- (i) Reviewing the management and implementation of IFMS project;
- (ii) Ensuring implementation of all the modules of IFMS;
- (iii) Ensuring mapping of requisite rules/provisions and availability of various validation checks to ensure adherence to the extant rules in IFMS; and
- (iv) Strengthening of system control mechanism by applying various controls in the System and conducting third party audit at the prescribed time.



## **HEALTH AND FAMILY WELFARE DEPARTMENT**

### **2.3 National Rural Health Mission - Reproductive and Child Health**

Government of India launched National Rural Health Mission (NRHM) in April 2005 with a view to provide accessible and affordable healthcare facilities in rural areas and to bridge gaps in healthcare facilities in the health sector. Audit reviewed one of the components of NRHM viz. Reproductive and Child Health programme which aims to reduce maternal mortality rate, infant mortality rate and total fertility rate. The major components of this programme are maternal health, child health, immunization and family planning. A performance audit of National Rural Health Mission-Reproductive and Child Health during the period 2011-16 brought out deficiencies which impaired its ability to achieve its overall objective of providing accessible and affordable healthcare facilities in rural areas in the State. Some of the significant findings are summarized below:

#### **Highlights**

**Twenty three per cent of the allocated funds under Reproductive and Child Health Programme were not utilized during 2011-16.**

*(Paragraph 2.3.7.1)*

**Shortage of Sub-Centres and Public Health Centres remained up to 15 and 26 per cent respectively during 2011-16. Seventeen to 92 per cent of the test-checked Community Health Centres and Public Health Centres were not equipped with essential infrastructural facilities like ultrasound, blood storage, safe abortion and prescribed drugs.**

*(Paragraphs 2.3.8.1 and 2.3.8.2)*

**There was an overall shortage up to 62 per cent of medical and paramedical staff against sanctioned strength as well as 100 per cent shortage in some cadres with reference to the Indian Public Health Standards as of March 2016.**

*(Paragraph 2.3.9.1)*

**Eleven to 21 per cent of pregnant women could not be covered for providing essential healthcare viz. ante-natal check-ups, iron and folic acid tablets and tetanus toxoid immunization. Domestic deliveries as against institutional deliveries continued to persist in the range of 8 and 22 per cent though the position had improved during 2011-16.**

*(Paragraphs 2.3.10.1 and 2.3.10.2)*

**There was shortfall in achievement of targets in administering doses of Vitamin 'A' (13 and 58 per cent) and family planning methods (15 and 82 per cent) during 2011-16.**

*(Paragraphs 2.3.10.4 and 2.3.10.5)*

**The State could not achieve the targeted maternal mortality rate. However, the target in respect of infant mortality rate was nearly achieved while that of total fertility rate was fully achieved during 2011-13.**

*(Paragraph 2.3.10.6)*

### **2.3.1 Introduction**

The National Rural Health Mission (NRHM) was launched by Government of India (GOI) in April 2005 with a view to bringing about improvement in the health system and health status of the people especially those living in the rural areas. The Mission seeks to provide universal access to equitable and quality healthcare through a system which is accountable and responsive to the needs of the people with special emphasis on reduction of child and maternal deaths as well as population stabilization, gender and demographic balance.

GOI has been implementing the Reproductive and Child Health (RCH) programme under the umbrella of NRHM for providing healthcare to women and children with a view to reducing maternal and infant mortality and total fertility rates as well as social and geographical disparities in access to and utilisation of quality reproductive and child health services.

### **2.3.2 Organisational set up**

At State level, the Mission functions under the overall guidance of the State Health Mission (SHM) headed by the State Chief Minister. The Mission activities are carried out through the State Health Society, Punjab (SHS), headed by the Chief Secretary. The Governing Body of SHS (*Appendix 2.2*) approves the Annual State Action Plans for NRHM, reviews implementation of the plans, coordinates with all NRHM related sectors and carries out follow-up action on the decisions of SHM. An Executive Committee of SHS, headed by the Principal Secretary, Health and Family Welfare Department, exercises all the powers conferred by the Governing Body. The State Program Management Support Unit under the control of the Mission Director acts as the Secretariat to SHM as well as to SHS.

At the district level, the District Health Mission (DHM) headed by the Chairman, Zila Parishad, has been constituted to guide and manage all public health institutions in the district. District Health Society (DHS) headed by the Deputy Commissioner has been formed to support DHM in each district.

### **2.3.3 Audit objectives**

The performance audit was aimed at assessing the efficiency, economy and effectiveness of implementation of RCH programme. Its primary objectives were to assess whether:

- planning was adequate and financial resources were utilised effectively;
- infrastructure and human resource were adequate and effective;

- targets fixed in respect of reproductive and child healthcare were achieved and the objective of reducing maternal mortality rate, infant mortality rate and total fertility rate was met; and
- internal control mechanism and monitoring system was effective and efficient.

#### **2.3.4 Audit scope and methodology**

The performance audit covered the period 2011-16 and was conducted<sup>38</sup> between March and August 2016 by test-check of the records of SHS, Director Health Services, Director (Health and Family Welfare), Punjab Health Systems Corporation (PHSC) and six<sup>39</sup> (out of 22) DHSs. Under these six DHSs, six District Hospitals (DH), 12 (out of 56) Community Health Centres (CHC), 18 (out of 145) Public Health Centres (PHC) and 27 (out of 1,104) Sub-Centres (SC) were also selected<sup>40</sup> for test-check (*Appendix 2.3*).

Mention had been made in the Comptroller and Auditor General of India's Report (Civil) for the year ended 31 March 2010 - Government of Punjab, on implementation of NRHM in the State which included findings mainly on infrastructure, manpower, procurement, healthcare programme and disease control. The performance report was discussed in the Public Accounts Committee (PAC) in January 2014. Audit also examined the follow-up action of the Department on the recommendations of PAC.

An entry conference was held with the Principal Secretary to Government of Punjab, Department of Health and Family Welfare (PSH&FW) in April 2016 wherein audit objectives, scope, methodology and audit criteria were discussed. The findings of performance audit were discussed with the Mission Director, National Health Mission, Punjab in the exit conference held in September 2016 and the replies of the department have been suitably incorporated in the report.

#### **2.3.5 Audit criteria**

The audit criteria were derived from the following sources:

- NRHM guidelines and related instructions issued by Government of India and Government of Punjab ;
- State Programme Implementation Plans approved by Government of India;
- Indian Public Health Standards laid down by Government of India for District Hospitals, Sub Divisional Hospitals, Community Health Centres, Primary Health Centres and Sub-Centres in 2007, revised in 2012;

<sup>38</sup> The points on Infrastructure, Human Resource Management, Internal Control Mechanism, etc. included in the report pertain to whole NRHM, as these cannot be separated for RCH component.

<sup>39</sup> (i) Ferozepur; (ii) Jalandhar; (iii) Hoshiarpur; (iv) Ludhiana; (v) Moga; and (vi) Tarn Taran.

<sup>40</sup> Selected by Simple Random Sampling Without Replacement method of Statistical Sampling.

- Policy and guidelines for quality assurance in healthcare (December 2014) laid down by Government of Punjab; and
- Operational guidelines for quality assurance in public health facilities (2013) laid down by Government of India.

## Audit findings

### 2.3.6 Planning

#### 2.3.6.1 Facility survey

NRHM strives to ensure that need based district health action plans become the basis for intervention in the health sector. For preparation of these plans and to identify gaps at each health centre, facility surveys were to be conducted by engaging services of the Accredited Social Health Activists (ASHAs), Anganwari Workers (AWWs), community volunteers, panchayat members and village health sanitation and nutrition committee members using a pre-approved format specified in the Indian Public Health Standards (IPHS) prescribed by GOI.

Examination of records showed that facility surveys were conducted every year in respect of all the health centres (3,586 during 2011-12 and 3,590 during 2012-16) in the State. However, no roadmap to fill the gaps with respect to shortage of manpower and infrastructure was prepared as a follow up of the facility survey.

The Mission Director stated (September 2016) that the gaps were being identified and formed the basis for preparation of State programme implementation plans (PIP) sent to GOI every year for approval. However, the fact remained that no road map to bridge the gaps had been prepared and shortage of manpower and infrastructure facilities persisted as discussed in subsequent paragraphs.

### 2.3.7 Financial management

The State Health Society (SHS) reflected its requirement of funds through the programme implementation plans (PIP) for various activities under NRHM. GOI provided funds to SHS through State Government on the basis of the approved PIP. The SHS released funds to DHSs and PHSC in accordance with the approved district plans and additional requirements. The DHSs provided funds to the health centres in the field for implementation of various programmes/activities. The health centres submitted statements of expenditure to DHSs for consolidation and onward submission to SHS. In turn, SHS submitted the utilisation certificates to GOI along with concurrent audit reports prepared by Chartered Accountants.

#### 2.3.7.1 Funding pattern

GOI and the State Government provided funds in the ratio of 85:15 (2011-12); 75:25 (2012-15); and 60:40 (2015-16) on the basis of approved PIP. Against

the total available funds<sup>41</sup> of ₹ 2,450.51 crore, an expenditure of ₹ 2,276.51 crore (93 per cent) was incurred by State Health Society (SHS) under NRHM during 2011-16.

The position of receipt and the annual expenditure under RCH programme during 2011-16 is given in **Table 2.3.1** below.

**Table 2.3.1: Receipt and expenditure under RCH during 2011-16**

(₹ in crore)

Year	Allocation	Opening Balance	Funds received from		Other miscellaneous receipts	Total funds available	Expenditure (percentage to allocation)	Closing Balance
			GOI	State				
1	2	3	4	5	6	7(3+4+5+6)	8	9 (7-8)
2011-12	95.10	44.19	65.01	-*	-	109.20	78.52 (83)	30.68
2012-13	133.01	30.68	88.38	-*	-	119.06	96.94 (73)	22.12
2013-14	142.15	22.12	76.61	25.54	10.87	135.14	101.84 (72)	33.30
2014-15	176.24	33.30	80.33	46.83	-	160.46	127.67 (72)	32.79
2015-16	178.84	32.79	61.40	40.88	15.00	150.07	150.19 (84)	(-)0.12
<b>Total</b>	<b>725.34</b>		<b>371.73</b>	<b>113.25</b>	<b>25.87</b>		<b>555.16 (77)</b>	

Source: Information supplied by State Health Society

\* While approving PIPs for the years 2011-12 and 2012-13, GOI allocated 100 per cent resource from central funds towards RCH programme.

Audit observed that against the total allocation of ₹ 725.34 crore under RCH, SHS could utilise only ₹ 555.16 crore (77 per cent) and the annual expenditure ranged between 72 and 84 per cent during 2011-16.

The Mission Director attributed the reasons for short utilization of funds to late receipt of funds from GOI/the State Government.

### 2.3.7.2 Non-accounting of interest on NRHM funds

The Operational Guidelines for Financial Management (January 2012) of NRHM provides that NRHM funds would be kept in separate interest bearing bank accounts. Further, the interest earned on the funds would be utilized for the same purpose for which the State PIP was approved. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding non-accounting of interest on NRHM funds by PHSC during 2005-10. The PAC had recommended (January 2014) that the Department ensure utilization of interest earned on NRHM funds only for the programmes under NRHM.

Examination of records of SHS showed that interest amounting to ₹ 17.82 crore earned on NRHM funds by SHS and DHSs during 2011-16 had been shown in the income and expenditure statements of the respective years. However, interest earned by PHSC on NRHM funds (₹ 334.62 crore) released by SHS during 2011-16 was neither intimated to SHS nor shown in the accounts of NRHM.

The Mission Director assured (September 2016) that an appropriate system would be evolved to account for the interest earned on NRHM funds by PHSC. The fact, however, remains that despite recommendations (January 2014) of PAC, the flaw has not been resolved.

<sup>41</sup> Opening balance, GOI/State share as per approved PIP and other miscellaneous receipts.

### 2.3.8 Infrastructure

GOI formulated (2007 and 2012) the Indian Public Health Standards (IPHS) for providing certain essential/desirable services at SCs, PHCs and CHCs so as to ensure availability of uniform standards of infrastructure and services to the public. Audit noticed the following:

#### 2.3.8.1 Availability of health centres

(i) As per IPHS and Rural Health Statistics (RHS) Report of GOI (NRHM), one SC per 5,000, one PHC per 30,000 and one CHC per 1,20,000 of rural population was to be established by the State Government to cater to the healthcare needs of the rural masses. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding shortage of health centres viz. SCs (8 per cent), PHCs (26 per cent) and CHCs (4 per cent) as of March 2010. While discussing (January 2014) the report in the PAC, the Department showed improvement in shortfall in availability of PHCs from 26 to 17 per cent whereas shortage in respect of SCs and CHCs remained unchanged.

The number of health centres required in the State taking into account the rural population of 1,73,44,192 as per Census 2011 and actually available during 2011-16 are given in **Table 2.3.2** below.

**Table 2.3.2: Number of health centres required and actually available as of March 2016**

Health Centre (HC)	Number of HCs required	Number of HCs as on 31st March									
		2012		2013		2014		2015		2016	
		Actual	Short-fall (%)	Actual	Short-fall (%)	Actual	Short-fall (%)	Actual	Short-fall (%)	Actual	Short-fall (%)
SCs	3468	2950	518 (15)	2950	518 (15)	2950	518 (15)	2950	518 (15)	2950	518 (15)
PHC	578	449	129 (22)	435	143 (25)	427	151 (26)	427	151 (26)	427	151 (26)
CHC	144	132	12 (8)	142	02 (1)	150	- (0)	150	- (0)	150	- (0)

Source: IPHS, RHS Report and data provided by SHS

As evident from above, though the number of CHCs was adequate, shortage in the case of SCs and PHCs was up to 15 and 26 per cent respectively during 2011-16 and no new SCs and PHCs had been established during this period.

The Mission Director stated (September 2016) that the State had decided to strengthen the existing health infrastructure including SCs instead of creating new infrastructure/SCs. The reply did not however spell out measures to achieve quantitative targets of setting-up health centres as per norms corresponding to the rural population. Thus, the availability SCs and PHCs in the State had actually decreased to 15 and 26 per cent respectively as of March 2016, vis-à-vis the norms *ibid*.

(ii) GOI while approving State PIPs for the years 2012-13 and 2013-14, directed the State Government to make functional 25 per cent of the SCs (Type-A non-delivery points) as delivery points (Type-B) in high priority districts. Audit observed that there were 759 SCs (Type A non-delivery points)

functional in six high priority districts<sup>42</sup> of the State as of March 2016, but no efforts had been made to make 190 of these SCs (25 per cent) functional as delivery points (Type-B) as required under NRHM.

The Mission Director stated (September 2016) that as a matter of policy, no SC had been upgraded to delivery points but all efforts were being made to ensure institutional deliveries by reducing home deliveries. It was added that the Emergency Response Services i.e. ‘108 Ambulance’ being made available to the population in the rural and urban areas was working efficiently to take the patients to the nearest health institution where the deliveries were conducted at least by a Medical Officer, if not, a Gynecologist. The reply was not convincing as upgradation of Type-A SCs (non-delivery points) to Type-B SCs (delivery points) as per PIPs approved by GOI would have benefitted the rural masses to have the deliveries conducted at accessible SCs and would have also further improved the position of institutional deliveries.

### **2.3.8.2 Inadequate infrastructural facilities**

As per IPHS (2012), health centres (CHCs and PHCs) should have facilities like own building, separate wards for male and female, operation theatre, labour room, vehicles, blood storage, ultrasound, prescribed drugs, safe abortion service, etc. Mention had been made in the Comptroller and Auditor General’s Report (Civil) for the year ended 31 March 2010 regarding health centres functioning in other than Government buildings (37 per cent), without labour room (69 per cent), without operation theatre (32 per cent) and without separate male/female wards (7 per cent) in the test-checked health centres as of March 2010. While discussing (January 2014) the report in the PAC, the Department had showed slight improvement in respect of PHCs running in Government buildings and having operation theatres in the State and assured to provide other infrastructural facilities in PHCs/CHCs.

During test-check of records in the selected districts, it was noticed that there was shortfall ranging between 17 and 92 per cent in infrastructural facilities in the test-checked health centres (CHCs/PHCs) as of March 2016 as detailed in **Appendix 2.4**. Major inadequacy was noticed in respect of CHCs without ultrasound facilities (92 per cent); blood storage facilities (83 per cent); safe abortion service (66 per cent); CHCs/PHCs without prescribed drugs as per IPHS norms (80 per cent); vehicles (70 per cent); separate wards for male and female (60 per cent) and standby generator (40 per cent).

The Mission Director stated (September 2016) that the ultrasound, blood storage, safe abortion, services were not provided at PHC level and attributed the reasons for inadequate infrastructural facilities at CHC level to shortage of medical staff viz. Radiologist, Gynecologist, Pediatricians, Surgeons, etc. the recruitment for which was under process. As regards non-availability of prescribed drugs as per IPHS, the Mission Director stated that the State had not adopted these standards. Instead medicines as per Essential Drug List identified by Health Department were made available to each health

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<sup>42</sup> (i) Barnala (71 SCs); (ii) Gurdaspur (222 SCs); (iii) Mansa (103 SCs); (iv) Sangrur (192 SCs); (v) Sri Muktsar Sahib (102 SCs); and (vi) Pathankot (69 SCs).



institution. The Department attributed the reasons for PHCs without separate ward for male and female to the absence of indoor facilities in most of them. However, in case of CHCs, the Department assured to look into the matter.

### 2.3.9 Human resource management

#### 2.3.9.1 Shortage of manpower

NRHM aims at providing adequate qualified/trained manpower at all levels of health centres as per the Indian Public Health Standards (IPHS) 2012. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding shortage of clinical manpower in test-checked health centres as of March 2010. While discussing (January 2014) the matter, the Department had apprised the PAC that necessary steps were being taken to overcome the shortage of manpower.

(i) Audit observed that there was an overall shortage up to 62 per cent of medical and paramedical staff against the sanctioned strength and 100 per cent shortage was noticed in some cadres in the Department with reference to the Indian Public Health Standards as of March 2016. Besides, additional manpower (Auxiliary Nurse Midwifery (ANMs): 1,384; Medical Officers: 133; Staff Nurses: 1,245; and Administrative staff: 329) had been deployed on contract basis under NRHM as of March 2016 which was exclusively for NRHM purposes and not to be treated against vacancies in regular staff (*Appendix 2.5*). The shortage of manpower impaired the ability of the centers to provide the requisite facilities at PHC/CHC level.

(ii) Audit further noticed that:

- Although 4,065 ANMs (2,681 out of sanctioned strength and 1,384 under NRHM) were in position as of March 2016 for existing 2,950 SCs in the State, yet 138 SCs were functioning without ANMs indicating injudicious deployment of ANMs by the Department.
- Many of the existing 427 PHCs were functioning without Allopathic Doctors (37 PHCs), Pharmacists (94 PHCs), Lady Health Visitors<sup>43</sup> (99 PHCs), Laboratory Technician (143 PHCs) and Accountant-cum-Data Entry Operators (397 PHCs) as of March 2016. In test-checked PHCs, shortage of staff under these cadres ranged between six and 100 per cent.
- Only 15 posts of Public Health Nurses (PHN) had been sanctioned against requirement of 150 PHN for the existing 150 CHCs as per IPHS. No PHN was actually in position in any of the CHCs in the State as of March 2016. Besides, no post of Dental Surgeon, General Duty Medical Officer, Dental Assistant, Cold Chain and Vaccine Logistic Assistant, Counsellor, OT Technician, Registration Clerk, Statistical Assistant, Account Assistant, Administrative Assistant and Ward Boys was sanctioned for any of the existing CHCs in the State, as prescribed under IPHS.

<sup>43</sup> As of March 2015 as figures of March 2016 were not supplied to Audit.

The Department attributed (September 2016) the shortage of medical staff and paramedical staff to lack of interest to serve in remote areas but added that the process of recruitment of requisite staff was under process. As regards the shortage of staff against IPHS, it was stated that the State had not adopted these standards.

The contention of the Department regarding non-adoption of IPHS was not acceptable as the framework for implementation of National Health Mission (2012-2017) stipulated that it provided support to States to develop a comprehensive strategy for human resource in health sector to help achieve IPHS. Further, Government of Punjab had notified (December 2014) a policy and guidelines for quality assurance in healthcare which *inter alia* included the objective of meeting the laid down IPHS as per standard technical protocols. Thus, despite assurance given (January 2014) by the Department to PAC to overcome the shortage of manpower, the shortage of staff in the Department was still persisting as of March 2016.

### **2.3.9.2 Accredited Social Health Activists**

One of the key components of the National Rural Health Mission is to provide every village (with a population of 1,000) with a trained female community health activist *viz.* Accredited Social Health Activist (ASHA) who would work as an interface between the community and the public health system. Audit acknowledged that 17,097 ASHAs had been engaged against the requirement of 17,360 ASHAs (98 *per cent*) as of March 2016.

### **2.3.9.3 Training**

The State Institute of Health and Family Welfare, (SIHFW) Punjab, has been designated as the Collaborating Training Institute (CTI) to impart training under NRHM. The targets *vis-à-vis* achievement of training programmes organized at SIHFW during 2011-16 are given in **Table 2.3.3** below.

**Table 2.3.3: Targets and achievement in training programmes at SIHFW**

Year	ASHA		ANM		Staff Nurse		Medical Officer (MO)	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
2011-12	16500	16403	3240	2509	1480	1260	3853	2580
2012-13	16800	16243	2680	1795	1491	1096	2529	1852
2013-14	16800	16319	3720	3547	1468	1673	2690	2625
2014-15	16800	16416	1592	1416	1414	844	2137	1737
2015-16	17360	16324	1594	1376	1431	1158	1946	1562
<b>Total</b>	<b>84260</b>	<b>81705</b>	<b>12826</b>	<b>10643</b>	<b>7284</b>	<b>6031</b>	<b>13155</b>	<b>10356</b>
<b>Shortfall (%)</b>	<b>2555 (3)</b>		<b>2183 (17)</b>		<b>1253 (17)</b>		<b>2799 (21)</b>	

Source: Data supplied by SIHFW

Audit observed that:

- The shortfall in imparting training to staff under different cadres ranged between three and 21 *per cent* despite availability of funds for the purpose *ibid* ranging between ₹ 1.73 crore and ₹ 2.80 crore as SIHFW could utilize only ₹ 4.08 crore (56 *per cent*) out of the available ₹ 7.30 crore during 2011-16.
- SIHFW imparted training to 1,001 medical personnel/staff (54 *per cent*) against the target of 1,843. In individual areas, there was shortfall in training of Medical Termination of Pregnancy (136 out of 186 MOs); Non-Scalpel Vasectomy (15 out of 121 MOs) and Integrated Management of Neo-Natal and Childhood Illness (850 out of 1,536 MOs) during 2015-16. The training on these topics was imparted in only one (DH Jalandhar) out of six test-checked DHs and in six (out of 12) selected CHCs.

The Department attributed (September 2016) the reasons for shortfall in imparting training to inability of the health centres to spare staff as their absence hampered the healthcare services being provided to the masses. The reply of the Department was not convincing as the targets should have been fixed taking into account the staff position. Moreover, the constraints imposed by paucity of staff could have been alleviated by improving the quality of the existing staff through capacity building.

### 2.3.10 Programme implementation

The Reproductive and Child Health (RCH) programme under NRHM aims to reduce maternal mortality rate (MMR), infant mortality rate (IMR) and total fertility rate (IFR). The major components of RCH programme are maternal health, child health and family planning. During the course of audit, the following points were noticed:

#### 2.3.10.1 Healthcare of pregnant women

As per IPHS (2007) and approved PIPs of the respective years under NRHM, pregnant women are to be registered and provided with the services of at least three ante-natal check-ups (ANC). Further, anemia being considered as the major cause of maternal mortality, prophylaxis against anemia require administration of a daily dose of iron and folic acid (IFA) tablets for a period of 100 days to a pregnant woman. Two dosages of tetanus toxoid (TT) are also prescribed to immunize the mother and neonate from tetanus. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding shortfall in providing/administering ANCs (14 *per cent*), IFA tablets (39 *per cent*) and TT immunization (5 *per cent* in 2008-09 only) in the State during 2005-09. The PAC recommended (January 2014) that awareness campaigns be conducted for TT immunization programmes and necessary steps be taken so that more people could get its benefit.

The status of registered pregnant women who received the required services/medicines during 2011-16 is given in **Table 2.3.4** below.

**Table 2.3.4: Health services provided to pregnant women during 2011-16**

Year	Number of pregnant women registered at health centres	No. of registered pregnant women who received					
		Three antenatal check-ups	Shortfall (Percentage)	IFA tablets for 100 days	Shortfall (Percentage)	TT immunization (Second dose)	Shortfall (Percentage)
2011-12	488816	421859	66957 (14)	416882	71934 (17)	417753	71063 (15)
2012-13	489106	439218	49888 (10)	328999	160107 (33)	430457	58649 (12)
2013-14	482522	437613	44909 (09)	436907	45615 (09)	436374	46148 (10)
2014-15	476417	438554	37863 (09)	392691	83726 (18)	442737	33680 (07)
2015-16	489071	429797	59274 (12)	423189	65882 (13)	439096	49975 (10)
<b>Total</b>	<b>2425932</b>	<b>2167041</b>	<b>258891 (11)</b>	<b>1998668</b>	<b>427264 (21)</b>	<b>2166417</b>	<b>259515 (11)</b>

Source: Data provided by SHS

Analysis of data in respect of 24.26 lakh pregnant women registered with health centres during 2011-16 brought out the following:

- As many as 21.67 lakh (89 *per cent*) pregnant women received three ANC's. In six test-checked districts, the shortfall in providing at least three ANC's to the registered pregnant women ranged between eight and 13 *per cent*.
- Required number/dose of IFA tablets was provided to 19.99 lakh pregnant women leaving 4.27 lakh (21 *per cent*) pregnant women uncovered. In six test-checked districts, shortfall in administering required number of IFA tablets to pregnant women ranged between 11 and 28 *per cent*.
- TT immunization was administered to 21.66 lakh pregnant women leaving 2.60 lakh (11 *per cent*) pregnant women uncovered. In six test-checked districts, shortfall in administration of TT immunization ranged between eight and 13 *per cent*<sup>44</sup> during 2011-16.

The Mission Director stated (September 2016) that some beneficiaries would have got themselves vaccinated in private health institutions and thus might not have been recorded in public healthcare system. He also attributed the reasons for shortfall in providing ANC's and IFA tablets to presence of migratory population in Punjab. The reply was not acceptable as it was based on surmises and no evidence in this regard was made available to audit. Thus, despite recommendations of PAC (January 2014), the Department did not keep track of uncovered pregnant women for providing requisite healthcare to ensure their safe motherhood.

### **2.3.10.2 Institutional deliveries**

In order to reduce MMR and IMR, Janani Shishu Suraksha Karyakaram (JSSK) under NRHM stresses upon promotion of institutional deliveries and proper care of newborn. As per the JSSK guidelines, the first 48 hours after delivery are vital for detecting any complications and their management. Care of mother and baby, including immunization, are also essential immediately after delivery and at least up to 48 hours.

<sup>44</sup> Shortfall in respect of Ludhiana and Jalandhar districts has been worked out taking into account administration of first dose of TT as the data in respect of second dose was not available.

The position of institutional deliveries vis-à-vis domestic deliveries and women discharged before 48 hours from public health centres are given in **Table 2.3.5** below.

**Table 2.3.5: Position of institutional deliveries vis-à-vis domestic deliveries and women discharged before 48 hours from public health centres during 2011-16**

Year	Total deliveries	No. of institutional deliveries in Government health centres	No. of institutional deliveries in private institutions	No. of domestic deliveries	Women discharged before 48 hours from Government health centres
2011-12	419601	157231 (38)	168411 (40)	93959 (22)	112764 (72)
2012-13	423118	167712 (40)	181699 (43)	73707 (17)	139071 (83)
2013-14	419990	186143 (44)	177036 (42)	56811(14)	132650 (71)
2014-15	412692	201797 (49)	169825 (41)	41070 (10)	110870 (55)
2015-16	392655	194151 (49)	168060 (43)	30444 (08)	74229 (39)
<b>Total</b>	<b>2068056</b>	<b>907034 (44)</b>	<b>865031 (42)</b>	<b>295991 (14)</b>	<b>569584 (63)</b>

Source: Information generated from Health Management Information Systems (HMIS)

Figures in brackets indicate percentage

Audit analysis of 20.68 lakh deliveries in the State during 2011-16 showed that:

- Out of total 17.72 lakh institutional deliveries during 2011-16, 9.07 lakh (51 *per cent*) deliveries were conducted in Government health centres which were slightly more than the institutional deliveries in private institutions (49 *per cent*). One of the positive outcomes of NRHM in the State was the decrease in domestic deliveries from 22 *per cent* in 2011-12 to 8 *per cent* in 2015-16. In the six test-checked districts, deliveries in Government health centres remained at 40 *per cent* as compared to 43 *per cent* in private health institutions while the domestic deliveries declined from 26 *per cent* to 11 *per cent* during 2011-16.
- Thirty nine to 83 *per cent* women were discharged within 48 hours after delivery in contravention of JSSK guidelines. In six test-checked districts, early discharge of women patients before 48 hours ranged between 3 and 98 *per cent*<sup>45</sup>. In one PHC in district Moga, no patient was kept for 48 hours after delivery in all the 104 deliveries conducted during 2015-16. The Mission Director stated (September 2016) that the patients preferred to go home as early as possible after the delivery rather than staying in the hospital. However, the patients were being apprised about the benefits of staying for at least 48 hours post-delivery in the hospital.

### 2.3.10.3 Post-natal care

IPHS (2007) for SCs provide for minimum of two post-partum home visits (first within 48 hours and second within seven days of delivery) by SC staff.

<sup>45</sup> (i) Ferozepur (45 and 63 *per cent*), (ii) Hoshiarpur (8 and 63 *per cent*), (iii) Jalandhar (3 and 27 *per cent*), (iv) Ludhiana (7 and 90 *per cent*), (v) Moga (66 and 88 *per cent*) and (vi) Tarn Taran (72 and 98 *per cent*).

Test-check of records in the selected SCs showed that in 546 (24 *per cent*) home deliveries out of 2,274 home deliveries during 2011-16, SC staff did not make the required two postpartum home visits in contravention of the guidelines *ibid*.

#### **2.3.10.4 Administration of Vitamin 'A'**

IPHS (2012) prescribes an immunization schedule which includes administration of Vitamin 'A' solution to all children up to five years of age. Vitamin 'A' requires administration of first dose at nine months, second dose at 16 months and third to ninth doses at intervals of six months up to the age of five years. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 regarding shortfall in achievement of targets for administration of Vitamin 'A' solution in respect of first dose (ranging between 5 and 99 *per cent*) and second to fifth doses (ranging between 13 and 99 *per cent*) during 2005-10.

The position of target vis-à-vis achievement in respect of first, fifth and ninth doses of Vitamin A solution during 2011-16 is given in **Table 2.3.6** below.

**Table 2.3.6: Targets vis-à-vis achievement for administration of Vitamin 'A' solution during 2011-16**

Year	Target for first and fifth doses each	First dose		Fifth dose		Ninth dose		
		Achievement	Shortfall	Achievement	Shortfall	Target	Achievement	Shortfall
2011-12	462000	328252	133748(29)	315814	146186(32)	461000	300574	160426 (35)
2012-13	449000	228288	220712(49)	189765	259235(58)	462000	198464	263536 (57)
2013-14	456000	394552	61448(13)	320096	135904(30)	471000	324887	146113 (31)
2014-15	461000	397491	63509(14)	298551	162449(35)	475000	331792	143208 (30)
2015-16	465000	370767	94233(20)	292823	172177(37)	480000	322782	157218(33)

Source: Data provided by DHS

Figures in brackets indicate percentage

Analysis of the above data brought out the following:

- During 2011-16, there was a shortfall of 13 to 49 *per cent* in providing first dose of Vitamin 'A' to children below one year of age while the shortfall ranged between 30 and 58 *per cent* in providing fifth and ninth doses.
- In six test-checked districts (except for Jalandhar district in which no targets were fixed), the shortfall in achievement of targets in administering first dose of Vitamin 'A' ranged between 4 and 56 *per cent* whereas it ranged between 8 and 77 *per cent* with regard to the ninth dose. No targets were fixed by the Civil Surgeon, Jalandhar for administering Vitamin 'A' doses though 1.32 lakh (first dose) and 1.09 lakh (fifth dose) doses of Vitamin 'A' were administered there during 2011-16.

The Mission Director stated (September 2016) that the targets set were tentative and the achievement should be assessed with regard to actual number of deliveries taking place during the year. However, there was still a shortfall ranging up to 46 *per cent* in administering the first dose of Vitamin 'A' to the children born in the respective years (2011-16 as per Table 2.3.5). The fact



thus remained that shortfall in administration of Vitamin 'A' was continuing during 2011-16.

### 2.3.10.5 Family planning

The SHS in its PIPs during 2011-16 had set targets in respect of male/female sterilization and Intra Uterine Device (IUD) insertions for population stabilization. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2010 highlighting shortfall in achievement of targets in tubectomy (seven *per cent*) whereas targets under vasectomy were satisfactorily achieved during 2005-10. While discussing (January 2014) the report, the Department had apprised the PAC that the birth rate of Punjab had continuously reduced and the coverage of eligible couples had increased.

The details of targets vis-à-vis achievement for population stabilization during 2011-16 are given in **Table 2.3.7** below.

**Table 2.3.7: Targets vis-à-vis achievement for population stabilization during 2011-16**

Year	Terminal methods						Spacing method		
	Vasectomy			Tubectomy			IUD insertion		
	Target	Achievement	Short fall	Target	Achievement	Short fall	Target	Achievement	Short fall
2011-12	17000	8239	8761 (52)	88000	62770	25230 (29)	287394	226146	61248 (21)
2012-13	20000	5851	14149 (71)	80000	61690	18310 (23)	275000	228562	46438 (17)
2013-14	22000	4010	17990 (82)	85000	60110	24890 (29)	290000	216340	73660 (25)
2014-15	10000	3302	6698 (67)	65000	55021	9979 (15)	200000	211065	-
2015-16	6000	1985	4015 (67)	65000	46528	18472 (28)	200000	208203	-

Source: Data provided by SHS

Figures in brackets indicate percentage

Analysis of table showed that the shortfall in achievement of targets under terminal methods and spacing methods ranged between 15 and 82 *per cent* during 2011-16 though there was more than 100 *per cent* achievement in spacing method (IUD insertion) during 2014-16. In six test-checked districts, the shortfall under terminal methods ranged up to 79 *per cent* during 2011-16 though there was more than 100 *per cent* achievement in vasectomy during 2011-13. The shortfall under spacing method ranged up to 20 *per cent* during the period of five years.

The Mission Director stated (September 2016) that the targets were set by GOI. Since the Total Fertility Rate (1.7) in the State was much below the replacement level (targeted TFR) of 2.1, the State had decided not to counsel the beneficiaries for adopting terminal methods for family planning. However, the counseling of eligible couples was being done regularly to make them aware of the benefits of spacing for family planning.

Audit observed that the Department itself had proposed the targets in PIPs of the respective years and despite apprising (January 2014) the PAC about reduction in birth rate and increase in coverage of eligible couples, the targets

for population stabilization (except for spacing method during 2014-16) could not be achieved during 2011-16.

### **2.3.10.6 Impact assessment**

The targets *vis-à-vis* achievement in respect of major health indicators *viz.* maternal mortality rate (MMR), infant mortality rate (IMR) and total fertility rate (TFR) in the State are given in **Table 2.3.8** below.

**Table 2.3.8: Targets and achievement in respect of major health indicators**

Sr. No.	Health indicators	Target under NRHM-RCH to be achieved by		Status during		
		2012	2017	2011-12	2012-13	2013 to 2016
1.	MMR (per one lakh births)	100	100	155	141	NA
2.	IMR (per one thousand births)	30	25	NA	26	NA
3.	TFR (children per woman)	2.1	2.1	1.7	1.7	NA

*Source: Information supplied by State Health Society and Statistical Survey Report 2013 and 2014*  
 NA = Not available

It is evident from the above table that State could not achieve the targeted rate (100) of MMR during 2011-12 and 2012-13 as prescribed in the NRHM framework. Though the MMR decreased from 155 (2011-12) to 141 (2012-13), it was still far behind the target to be achieved during 2012-2017. The target in respect of IMR was nearly achieved (26) while that of TFR was fully achieved. The data with regard to achievement of targets for MMR, IMR and TFR during 2013-16 was not available.

The Mission Director stated (September 2016) that efforts were being made to achieve the targets.

### **2.3.11 Internal control mechanism**

#### **2.3.11.1 Non-submission of certified reports by field formations**

Health Management Information Systems (HMIS) launched (2011) by NRHM, Ministry of Health and Family Welfare, GOI, is an information system that has been designed to assist health department at all levels in gathering, aggregating, analyzing and then using the information generated for taking action to improve performance of health system. The Manual of HMIS provides that the block will send the hard copy to districts duly verified by the person designated by CMO along with the entry of the data on HMIS software. Further, district after receiving the hard copies from all the blocks of the district will consolidate the data received at district level and forward it to the State along with the entry of the data on the web portal. The State after confirming the reports will upload the same on the National level web portal and will keep the copy in the State records.

Examination of records of SHS and six test-checked districts showed that though the data was received at State/district level through HMIS software, no hard copy duly signed by the authorized person was received at the State/district level, in the absence of which the authenticity of data entered on the HMIS software could not be ascertained.



The Director, National Health Mission, Punjab stated (October 2016) that necessary instructions had been issued to send the hardcopy of HMIS report duly signed by the Civil Surgeons to the State.

### 2.3.11.2 Quality assurance monitoring

With a view to bringing about an overall improvement in delivery of healthcare services in the State, Government of Punjab notified (December 2014) policy and guidelines for quality assurance in healthcare. The policy initiative was to ensure an effective implementing and monitoring mechanism at State, district and hospital levels to meet the laid down IPHS as per standard technical protocols which would ultimately lead to more error-free, patient-friendly healthcare services. Subsequently, the State Government notified (January 2015) the framework for various committees<sup>46</sup>.

Audit observed (June-August 2016) that:

- SQAC, DQACs, HQACs (at district level only) had been formed at the respective levels. However, SQAB, SQUA, DQAUs (except for Moga and Ferozpur districts) and HQACs at CHC/PHC level were not formed. The Mission Director stated (September 2016) that since it was a new programme, in the first instance, all the district hospitals in the State were assessed with regard to quality assurance parameters. Now, the quality assurance activities had been extended to the SCs/CHCs/PHCs and each institution was being monitored on Key Performance Indicators.
- SQAC met (May 2016) only once since its inception (March 2015), against the prescribed norms of meeting at least once in six months (i.e. twice a year). Further, information supplied by test-checked districts showed that against the requirement of 24 meetings, 10 meetings<sup>47</sup> were held by DQAC during 2015-16. However, no records (minutes of meetings) in support of the meetings were made available to Audit.
- GOI provided funds of ₹ 2.51 crore in State PIP (under Mission flexipool head) for recruitment of 20-22 Assistant Hospital Administrators (AHA) (2011-16) for promoting quality assurance in the health institutions. However, only eight posts of AHAs were filled under NRHM as of March 2016.
- GOI approved ₹ 0.59 crore in the State PIP (under Mission flexipool head) for 2015-16 for various quality assurance activities<sup>48</sup>. However, no expenditure on these activities was incurred which indicated that the

<sup>46</sup> (i) State/District Quality Assurance Board (SQAB/DQAB) for providing accreditation to the health care institutions; (ii) State Quality Assurance Committee (SQAC) for overseeing the implementation of policy across the State in accordance with the National and State level guidelines at State level; (iii) District Quality Assurance Committee (DQAC) at district level; (iv) State/District Quality Assurance Unit (SQUA/DQAU) as a working division under SQAC/DQAC to provide support for implementation of quality assurance activities in the State; and (iv) Hospital Quality Assurance Committee (HQAC).

<sup>47</sup> (i) Hoshiarpur (6); (ii) Ludhiana (2); and (iii) Moga (2).

<sup>48</sup> (i) Monitoring and Supportive Supervision for State Quality Assurance Team (₹ 0.04 crore); (ii) Monitoring and Supportive Supervision for District Quality Assurance Team (₹ 0.16 crore); (iii) One day workshop (₹ 0.01 crore); (iv) Two days training for service providers (₹ 0.11 crore); (v) Deployment of 28 Office Assistants (₹ 0.27 crore).

Department did not prioritize the quality assurance activities in the health sector. The Department attributed (September 2016) the reasons for nil expenditure against the approved funds of ₹ 0.59 crore on quality assurance activities to wrong/non-booking of expenditure. However, the Department did not reconcile the omission.

Thus, the institutional mechanism for monitoring of NRHM activities remained inadequate.

### **2.3.12 Conclusion**

The performance audit brings out that many of the shortcomings in the implementation of NHRM that had been highlighted in the Report of the Comptroller and Auditor General for the year ended 31 March 2010 continued to persist despite recommendations of the PAC and the assurances given by the Department to bring about improvements. Though the facility survey at health centres was conducted, a perspective roadmap to bridge gaps in infrastructure and manpower was not prepared which impaired the planning process of the Mission. Twenty three *per cent* of the allocated funds under RCH programme were not utilized. Number of SCs/PHCs to the extent of 26 *per cent* were less than the norms and 17 to 92 *per cent* of the test-checked PHCs/CHCs in the rural areas were not equipped with essential infrastructural facilities *viz.* ultrasound, blood storage, safe abortion and prescribed drugs. There was shortage of medical and paramedical staff up to 100 *per cent* as per IPHS and 62 *per cent* of the sanctioned strength. The targets fixed for reproductive and child healthcare had not been fully achieved. The targets fixed by GOI with regard to maternal mortality rate could not be achieved though the targets for infant mortality rate and total fertility rate were largely achieved. Non-prioritizing the quality assurance monitoring/activities showed weak internal control mechanism in the Department.

### **2.3.13 Recommendations**

In the light of audit findings, the State Government may consider:

- (i) Strengthening the planning process by preparing requisite roadmap to bridge gaps in infrastructure and manpower and ensuring optimum utilisation of allocated funds for effective implementation of the programme;
- (ii) Establishment of adequate number of health centres equipped with essential infrastructural facilities as per IPHS;
- (iii) Providing adequate manpower for effective implementation of the programme; and
- (iv) Strengthening of internal control mechanism by prioritizing quality assurance monitoring/activities.

The matter was referred to Government in August 2016; reply was awaited (December 2016).

## SPORTS AND YOUTH AFFAIRS DEPARTMENT

### 2.4 Punjab State Sports Council

Sports and physical education play a crucial role in the all-round development of children, adolescents and the youth. A major constraint in taking sports activity to the grassroots level is the limited availability of basic sports infrastructure/facilities in the country. The Punjab State Sports Council was established in December 1971 as an autonomous body for development of sports in Punjab. A performance Audit of the Council for the period 2011-16 brought out lack of planning and deficiencies in both financial management and programme implementation which undermined the objectives of the Council. Some of the significant findings of the performance audit are summarised below:

#### Highlights

- **No perspective and annual plans were prepared by the Punjab State Sports Council during the years 2011-16 to achieve its objectives and to provide direction to the promotion of sports in the State.**

*(Paragraph 2.4.6)*

- **The Punjab State Sports Council suffered a loss of ₹ 1.50 crore due to non/short collection of membership fee and ground booking fee.**

*(Paragraph 2.4.7.4)*

- **Expenditure of ₹ 1.78 crore was incurred during the World Cup Kabaddi Tournament in contravention of the Financial Rules and ₹ 0.02 crore was disbursed on bogus bills for transport services during the tournament.**

*(Paragraph 2.4.12)*

#### 2.4.1 Introduction

The Punjab State Sports Council was established in December 1971 as an autonomous body and registered as a society under the Societies Registration Act, 1860, for development of sports in Punjab. It was re-constituted in January 1984 to work as an advisory body on matters connected with the development of sports. The over-arching objective<sup>49</sup> of the Council is to promote sports activities in the State.

<sup>49</sup> (i) To grant recognition to sports associations/tournament committees and sports clubs and to extend to them financial and other assistance as per rules framed from time to time for the purpose; (ii) To act as liaison between the Directorate of Sports and the local bodies and gram panchayats for the construction of stadia; (iii) To avail of financial assistance on behalf of Government of Punjab (GOP) in the Sports Department from the Government of India (GOI) under various schemes as promulgated from time to time; (iv) to run such schemes on behalf of the Directorate of Sports as may be entrusted to the Punjab State Sports Council from time to time; (v) to arrange matches/tournaments/competitions for the foreign teams visiting the State; (vi) to look after the welfare of the players to provide necessary monetary assistance and other incentives to them; (vii) to regulate activities pertaining to school games and rural sports; and (viii) to constitute sports Secretaries at district level (DSCs).

#### **2.4.2 Organisational set-up**

The Executive Committee of the Punjab State Sports Council (PSSC) consists of a President (Chief Minister), Senior Vice President (Sports Minister), Vice President (Secretary to Department of Sports), Secretary, Punjab State Sports Council (Director, Sports)<sup>50</sup>, Joint Secretary, Punjab State Sports Council (Deputy Director, Sports) and seven members<sup>51</sup>. The PSSC implements its sports promotional activities through 22 Districts Sports Councils.

#### **2.4.3 Audit objectives**

The objectives of the performance audit were to assess whether:

- the annual plan was formulated and implemented effectively;
- allotment of funds was adequate and the funds were utilized for effective implementation of the schemes/development of infrastructure facilities for sports in the State;
- the implementation of programmes and conduct of tournaments were in a manner to achieve the desired results; and
- adequate internal control and monitoring system was in place.

#### **2.4.4 Scope and methodology of audit**

The audit covered the period 2011-16 and was conducted from April 2016 to August 2016 by test check of the records of the Punjab State Sports Council and six<sup>52</sup> out of 22 District Sports Council selected by adopting the Probability Proportional to Size with Replacement method of sampling. Records of Centrally Sponsored Scheme ‘Panchayat Yuva Krida Aur Khel Abhiyan’ (renamed as Rajiv Gandhi Khel Abhiyan in April 2014) for the period January 2009 to March 2016 were also test checked as grants for this scheme were received from 2009. An entry conference was held in April 2016 in which the objectives and audit methodology were discussed and an exit conference was held in September 2016 with the Secretary, Punjab State Sports Council to discuss the audit findings. The responses of the department have been suitably incorporated in the report.

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<sup>50</sup> Director Sports also holds the charge of Secretary Punjab State Sports Council and Deputy Director that of Joint Secretary.

<sup>51</sup> (i) Finance Minister or his nominee, (ii) Education Minister or his nominee, (iii) Minister of Rural Development and Panchayats or his nominee, (iv) Principal Secretary of Chief Minister, Punjab, (v) Executive Director, Sports Authority of India, North Centre Patiala, (vi) Regional Director, Sports Authority of India, Northern Centre, Chandigarh and (vii) Secretary General, Punjab Olympic Association.

<sup>52</sup> (i) Bathinda; (ii) Gurdaspur; (iii) Jalandhar; (iv) Ludhiana; (v) Mohali; and (vi) Patiala.

### 2.4.5 Audit criteria

The audit criteria were derived from the following:

- The guidelines of Centrally Sponsored Schemes namely Panchayat Yuva Krida aur Khel Abhiyan/Rajiv Gandhi Khel Abhiyan;
- The Central/State Government guidelines, directions, sanctions for creation and maintenance of infrastructure for promoting excellence in sports; and
- Financial Rules and Service Rules of PSSC, General Financial Rules and Punjab Financial Rules.

### Audit findings

#### 2.4.6 Planning

Planning plays a crucial role in the proper implementation of any scheme/programme. Test check of records revealed that no perspective plan was ever prepared by PSSC to pursue its objectives. Only annual sports calendar for organization of tournaments was prepared. In the absence of medium and short term planning, activities were being carried out in an ad hoc manner with funds ranging between 37 and 57 per cent remaining un-utilized during 2011-16.

#### 2.4.7 Financial Management

The sources of funding of the PSSC include grants-in-aid from Government of India (GOI) and the Government of Punjab, one component of Panchayat Yuva Krida aur Khel Abhiyan (One Time Capital Grant) funded by GOI and State Government in the ratio of 75:25 and Dedicated Sports Fund levied by State Excise Department and transferred to the Council. The position of funds received and expenditure thereagainst during 2011-16 is given in **Table 2.4.1** below.

**Table 2.4.1: Funds received by PSSC and Expenditure**

(₹ in crore)

Year	Opening Balance	Receipt				Total funds available	Expenditure (Percentage in bracket)	Closing Balance
		GOI	GOP	DSF <sup>53</sup> Fund	Interest			
2011-12	27.30	0.09	70.33	0.00	2.63	100.35	62.99 (63)	37.36
2012-13	37.36	0.25	42.32	36.85	3.26	120.04	66.19 (55)	53.85
2013-14	53.85	3.15	42.08	69.23	4.37	172.68	89.95 (52)	82.73
2014-15	82.73	3.51	32.43	79.70	8.32	206.69	88.25 (43)	118.44
2015-16	118.44	3.17	7.54	55.98	2.65	187.78	102.37 (55)	85.41
<b>Total</b>	<b>319.68</b>	<b>10.17</b>	<b>194.70</b>	<b>241.76</b>	<b>21.23</b>	<b>787.54</b>	<b>409.75 (52)</b>	

Source: Departmental Data.

<sup>53</sup> Dedicated Sports Fund (As per State Excise Policy DSF was levied on sale of liquor and collected by the State Excise Department and transferred the same to the PSSC.

As is evident from above, the expenditure during 2011-16 ranged between 43 and 63 *per cent* resulting in an increasing unspent balance year after year. The Council could utilize only 52 *per cent* of the available funds which indicated absence of fund management for creation of infrastructure/development of games.

#### **2.4.7.1 *Unplanned expenditure of Dedicated Sports Fund***

Since April 2012, Department of Excise and Taxation (DET) made provision in the State Excise Policy for levy of an additional license fee to be credited to a Dedicated Sports Fund (DSF) at the rate of ₹ 5 to ₹ 8 on the sale of per proof litre of Punjab Medium Liquor for the development of sports in the State. During 2012-16, an amount of ₹ 241.76 crore was transferred by DET to PSSC, out of which ₹ 180.29 crore was utilized on construction of stadia and distribution of multi-purpose gymnasiums during 2012-16. Further, neither was any specific plan prepared by PSSC for utilization of the Dedicated Sports Fund nor was it included in the Annual Plan of the Department.

PSSC stated (September 2016) that Results Framework Document (RFD) and sports calendar were prepared on yearly basis wherein project wise detailed planning was depicted. Reply of the Department was not tenable as the RFD is prepared by the Sports Department Punjab and not by PSSC for the implementation of centrally sponsored schemes and development of sports infrastructure in the State but no plan for the expenditure out of DSF has been prepared in the RFD.

#### **2.4.7.2 *Diversification of dedicated sports fund***

(i) A grant of ₹ 4.51 crore was released (April 2010) by GOI for upgradation of the Dashmesh Academy at Anandpur Sahib in District Roopnagar. Administrative approval for the project was accorded in October 2012 by the State Department of Cultural Affairs, Archaeology and Museum for ₹ 5.75 crore. The work was allotted (November 2012) to Greater Mohali Area Development Authority (GMADA) and ₹ 5 crore was to be released by the Department of Cultural Affairs, Archaeology and Museum and the remaining amount of ₹ 0.75 crore was to be provided by GMADA from the sale proceeds of developed urban estate at Anandpur Sahib.

Audit observed that the Department of Cultural Affairs, Archaeology and Museum released (February 2013) only ₹ 2 crore to GMADA and the balance amount of ₹ 3 crore was released by the PSSC to GMADA in July 2014 out of the Dedicated Sports Fund instead of the funds received from GOI.

PSSC assured (September 2016) to recover the amount from Department of Cultural Affairs, Archeology and Museum.

(ii) Similarly, ₹ 0.25 crore was diverted (August 2013) by PSSC and released to Executive Engineer, Building Division Public Works Department (Building and Roads), Batala (Gurdaspur) for the construction of a stadium at Sekhwan village (Gurdaspur) which was actually a project of Education Department approved in May 2012.

PSSC stated (September 2016) that the matter would be pursued with the Education department.

#### **2.4.7.3 Irregular release of grants**

Though there was no provision in the Financial Rules of PSSC for granting aid for construction of building, PSSC had released (September 2015) ₹ 0.25 crore to the Punjab Olympic Association (POA) for construction of Punjab Olympic Building from the DSF. Further, the financial rules of the PSSC provide for assistance of ₹ 1.50 lakh each to the recognized State Sports Associations for meeting their expenditure. Audit observed that a grant of ₹ 0.50 crore was released (September 2015) from the DSF to POA for disbursement to 25 State Sports Associations at the rate of ₹ 2 lakh each. This resulted in excess expenditure of ₹ 12.50 lakh.

#### **2.4.7.4 Loss due to less charging of ground/stadia booking/membership fee**

(i) PSSC fixed (June 2006) the rates for booking of stadia/grounds at ₹ 5,000 per day for the conduct of the game for which the stadia/grounds were maintained, ₹ 50,000 for game other than that game and ₹ 1 lakh for any type of entertainment along with games. Scrutiny of available records of ground booking of three<sup>54</sup> DSCs revealed that the stadia were booked for different purposes and ₹ 0.05 crore were collected against the chargeable amount of ₹ 0.39 crore. This resulted in loss of ₹ 0.34 crore to PSSC.

(ii) PSSC had fixed (June 2006) different rates for admission and monthly charges for providing coaching to the students and non-students. Scrutiny of available records and information collected from the six selected districts revealed that though coaching had been imparted to the students/non-students, prescribed fee was not collected resulting in loss of ₹ 1.16 crore to PSSC.

PSSC stated (September 2016) that they would look into the matter and seek reports from the DSCs.

#### **2.4.7.5 Suspected misappropriation of funds**

Districts Sports Council, Mohali, collected ₹ 1.23 lakh by sale of membership forms for coaching for swimming in PSSCs swimming pool during 2014-16. However, as per cash book, only ₹ 0.37 lakh (November 2014 to November 2015) was deposited in DSC's account. Similarly, in Districts Sports Council, Jalandhar, out of the total receipt of ₹ 5,100 (June 2015) by the swimming coach, only ₹ 2,800 (June 2015) was deposited in Districts Sports Councils' account. Thus, possibility of misappropriation of fund of ₹ 0.88 lakh could not be ruled out.

PSSC stated (September 2016) that strict action would be taken against the concerned officials.

<sup>54</sup> (i) Gurdaspur; (ii) Ludhiana; and (iii) Patiala.

#### **2.4.7.6 Unutilized fund**

DSC Patiala had a fixed deposit of ₹ 2.34 crore (April 2011) which was encashed in May 2013. Being a very old transaction, the purpose for which the amount was transferred by PSSC was not known to the Districts Sports Council. It was also noticed that out of these funds, DSC transferred ₹ 0.97 crore (May 2013) to PSSC for construction of a badminton hall and expenditure of ₹ 12.5 lakh was incurred by DSC Patiala on the repair of badminton hall/gymnastic hall at Polo Ground, Patiala. The balance amount of ₹ 1.24 crore still lying with the DSC and not returned to the PSSC.

PSSC stated (September 2016) that action would be taken to recover the amount.

Thus, ₹ 3.25 crore were diverted for projects that were to be funded from other State sources. In addition, the Council suffered a loss of ₹ 1.5 crore due to less recovery of charges for use of ground and stadia.

### **Implementation of programmes/schemes**

PSSC was running various programmes/schemes like Panchayat Yuva Krida aur Khel Abhiyan (PYKKA)/Rajiv Gandhi Khel Abhiyan (RGKA), Speed Fund, Maharaja Ranjit Singh Award, World Cup Kabaddi and Pension Scheme for eminent sports persons.

#### **2.4.8 Panchayat Yuva Krida aur Khel Abhiyan/Rajiv Gandhi Khel Abhiyan scheme**

GOI introduced (2007-08) a programme/mission 'PYKKA', which was implemented through the State Government as a Centrally Sponsored Scheme (75:25). One of its components was One Time Capital Grant (OTCG) for the purpose of development of playgrounds/sports infrastructure at Village Panchayats (VPs) and Block Panchayats (BPs) level. As per the scheme, ten *per cent* of village panchayats and block panchayats i.e. 1,233 village panchayats and 14 block panchayats were to be covered every year within a period of ten years beginning from 2008-09 and ₹ 1 lakh and ₹ 5 lakh were to be released annually to VPs and BPs respectively in rural areas for development of play grounds. Apart from OTCG component, funds were also released for other components *viz.* Annual Acquisition and Operation, Annual Rural Competition and for Kridashree Training by GOI.

##### **2.4.8.1 Deprivation of benefits of sports infrastructure due to poor planning**

GOI and the State Government released grants in aid of ₹ 39.09 crore<sup>55</sup> between January 2009 and February 2013 for the period 2008-09 to 2010-11

<sup>55</sup> Government of India (₹ 29.32 crore) and Government of Punjab (₹ 9.77 crore).



towards One Time Capital Grant. PSSC released the grants to the DSCs for further disbursement to the village panchayats/block panchayats. Due to non-availability of land with the village panchayats/block panchayats and repetition of name of the village in the list of subsequent years grant, ₹ 1.02 crore transferred by the PSSC to the Districts Sports Councils during 2011-14 remained unutilized. During 2014-15, PSSC refunded ₹ 0.95 crore<sup>56</sup> to the GOI and the State Government. Further, due to non-submission of complete project reports and late submission of utilization certificates, the Central grant could not be released after 2010-11.

Similarly, as per PYKKA notification, 100 per cent grant for the annual acquisition of sports material and annual operational component was to be provided by GOI for the first five years after which it would be the responsibility of the State Government to provide funds for these components. GOI released ₹ 9.89 crore during 2008-09 to 2010-11. Due to non-submission of complete project reports and non-settlement of utilization certificates, GOI did not release the grants after 2010-11. Thereafter, the State Government also did not provide funds for these components resulting in non-acquisition of sports material and non-maintenance of playgrounds and infrastructure.

#### **2.4.8.2 Irregular retention and utilization of interest earned on grants**

PSSC earned interest amounting to ₹ 2.15 crore<sup>57</sup> during 2011-14. Although PSSC had balance amount under PYKKA, the amount of interest was not calculated and credited in interest account during 2008-2011 and 2014-16. It was also noticed that PSSC had not shown the interest amount in the utilization certificates submitted to GOI as required and retained the same in PSSC's account. Further, out of earned interest of ₹ 0.36 crore<sup>58</sup> during 2008-16, ₹ 0.06 crore<sup>59</sup> were spent by the DSCs of selected districts. This resulted in retention and utilization of interest in contravention of the directions of GOI (January 2010).

#### **2.4.8.3 Submission of Utilization Certificate without utilization of funds**

Scrutiny of the records of PSSC and selected DSCs revealed that utilization certificates for the fund received by PSSC during 2009-15 under various components of PYKKA were sent to GOI though the funds remained unutilized as shown in the **Table 2.4.2** below.

<sup>56</sup> Government of India (₹ 0.71 crore ) and Government of Punjab (₹ 0.24 crore).

<sup>57</sup> 2011-12 (₹ 1,01,55,640); 2012-13 (₹ 91,47,380); 2013-14 (₹ 21,87,500).

<sup>58</sup> Bathinda (₹ 3,10,021); Gurdaspur (₹ 7,45,217); Jalandhar (₹ 5,92,023); Ludhiana (₹ 7,72,387); Patiala (₹ 10,22,365); and Mohali (₹ 1,95,413).

<sup>59</sup> Bathinda (₹ 97,585); Jalandhar (₹ 3,51,875); and Ludhiana (₹ 1,11,484).

**Table 2.4.2: Utilization Certificate without utilization of funds**

*(₹ in crore)*

Name of component	Purpose	Funds received	Amount Refunded	Balance and UCs sent	Funds Utilized	UC submitted for Unutilized funds as of March 2016
1	2	3	4	5=3-4	6	7=5-6
One Time Capital Grant (Centre) 75:25	Maintenance of play grounds/infrastructure	29.32	0.71	28.61	28.32	0.29
One Time Capital Grant (State)		9.77	0.24	9.53	9.44	0.09
Annual Acquisition Grant (Central)	Purchase and distribution of sports material in the selected VPs/BPs	4.50	0	4.50	4.46	0.04
Annual Operational Grant (Central)	Honorarium to the Kridashree (Trainer), maintenance of play grounds and Administrative Expenses	5.39	2.95	2.44	2.37	0.07
Annual Rural Competition Grant (Central)	Conduct of tournament of both men and women block, district and state level	6.40	0	6.38	5.87	0.51*
Annual Women Competition Grant (Central)	Conduct of tournament of women block, district and state level	1.50	0	1.43	1.39	0.04**
Kridashree Training (Central)	Training of the Kridashree (Trainer)	0.38	0.07	0.31	0.28	0.03
<b>Total</b>		<b>57.26</b>	<b>3.97</b>	<b>53.20</b>	<b>52.13</b>	<b>1.07</b>

Source: Departmental data

\*Actual unutilized ledger balance of PSSC was ₹ 53.40 lakh against the balance of ₹ 2.24 lakh shown in the UC submitted to the GOI.

\*\* Actual unutilized ledger balance of PSSC was ₹ 11.24 lakh against the balance of ₹ 7.10 lakh shown in the UC submitted to the GOI

Analysis of the above revealed that ₹ 57.26 crore was received during the years 2008-13 out of which ₹ 52.13 crore were actually utilized whereas utilization certificates for ₹ 53.20 crore were sent to the concerned Governments and an amount of ₹ 1.07 crore was retained by PSSC/DSCs.

Scrutiny of the selected six DSCs revealed that sports equipment/accessories (₹ 0.35 crore) purchased (2009-12) out of the annual acquisition grant (₹ 4.50 crore) were not distributed to the village panchayats/block panchayats (August 2016). An amount of ₹ 0.50 crore was diverted from annual operational grant (₹ 2.44 crore) which was to be utilized for honorarium to trainers, etc. to annual acquisition grant by PSSC. An amount of ₹ 2.68 lakh remained unutilized (August 2016) with the DSC, Bathinda from the annual rural competition grant (₹ 6.38 crore).

Similarly out of jointly inspected 34 Village Panchayats, ten Village Panchayats<sup>60</sup> (25 per cent) had not spent (August 2016) the grant of ₹ 9.65 lakh for the purpose for which it was sanctioned. Still, utilization certificates were submitted by these village panchayats.

<sup>60</sup> Jodhpur Pakhar (Bathinda); Bhaini Paswal, Bhagtupur, Sekhwan (Gurdaspur); Chaura, Sermajra, Mehmood pur Rurki, Akal pur (Patiala); Sahoran (Mohali); and Spria (Jalandhar).

PSSC stated (September 2016) that all the utilisation certificates were issued after incurring the expenditure. The reply was not tenable as the funds were found lying unutilized during scrutiny of records.

#### 2.4.8.4 Non-organization of tournaments

Test check of the records of tournaments conducted by PSSC during the period 2011-16 revealed that under PYKKA/RGKA Mission, PSSC organized the Annual Rural Competition and Annual Women's Competition as detailed in **Table 2.4.3** below.

**Table 2.4.3:Details of tournaments held during 2011-2016**

Sr. No.	Name of the Tournament	Periodicity	Organised during the years	Year in which tournament not conducted
1	Annual rural men competition under PYKKA/ RGKA Mission.			
1.1	Block level Rural Tournament	Annual	2011-12, 2014-15 and 2015-16	2012-13 and 2013-14
1.2	District level Rural Tournament	Annual	2011-12, 2014-15 and 2015-16	2012-13 and 2013-14
1.3	State level Rural Competition	Annual	2011 to 2016	
2	Annual Women competition under PYKKA/RGKA Mission.			
2.1	District level Rural Tournament	Annual	2011-12, 2012-13, 2014-15 and 2015-16	2013-14
2.2	State level Rural Competition	Annual	2011-16	

Source: Departmental data

During the years 2012-13 and 2013-14, block level and district level 'Annual Rural Competition' and 'Annual Women Competition' at district level for the year 2013-14 could not be organized by the PSSC due to non-receipt of grants from GOI. Scrutiny of records further revealed that PSSC organized the State level tournaments without having organized the block level and district levels tournaments in some of the years.

It was also noticed that prize money of ₹ 2.43 crore was not disbursed to the winners of block and district level tournaments held under RGKA Mission during 2014-16 due to non-receipt of funds from GOI as State Government had not submitted complete project reports and had not settled the pending utilization certificates. Thus, winning players were deprived of their prize money.

#### 2.4.8.5 Shortcomings noticed during joint inspection of the implementation of PYKKA/RGKA Mission

With a view to assess the actual implementation of One Time Capital Grant (OTCG) under PYKKA, a joint inspection along with officials of department was carried out (May-August 2016) in respect of grounds and stadia of

34 village panchayats<sup>61</sup> and 11 block panchayats<sup>62</sup> of selected Districts. Under OTCG, ₹ 1 lakh to each village panchayat and ₹ 5 lakh to each block panchayat was released (2010-2013) for the development of playgrounds, leveling of land and athletics tracks. The joint inspection revealed the following:

**(i) Joint inspection of Village Panchayats**

- Ten<sup>63</sup> out of 34 (29 per cent) jointly inspected village panchayats had not spent the available funds and hence not created the requisite sports infrastructure.
- Four village panchayats<sup>64</sup> had stored their multi-purpose gymnasiums in the private rooms/Gurdwaras of the villages instead of using these for sports activities.
- Two village panchayats<sup>65</sup> spent ₹ 1 lakh each on leveling of ground but the same was not being utilized for sports activities as the ground were found overgrown with grass.
- Three village panchayats<sup>66</sup> incurred expenditure on construction of gymnasium rooms, out of which one<sup>67</sup> was being used for medical staff and two were lying incomplete.
- Village Panchayat Rathian (Patiala) constructed cemented pillars around the paddy planted in panchayat field though the utilization certificate submitted was for construction of gymnasium room.

**(ii) Joint inspection of Block Panchayats**

Out of 11 test checked block panchayats, six block panchayats<sup>68</sup> incurred an expenditure of ₹ 0.30 crore on construction of stadia, which remained unfruitful as discussed below:

- Two block panchayats<sup>69</sup> built (2013) rooms at isolated places away from the village and grounds developed were also bumpy which could not be utilized for any game.

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<sup>61</sup> Teona pujarian, Kalalwala, Malwal, Bangiruldu, Jodhpur Pakhar (Bathinda); Bharath, Dhirowal, Bhagtupur, Gunupur, Chacksarif, Bhaini Paswal, Sekhwan (Gurdaspur); Majri village, Niholka, Sahoran, Durali, Malakpur, Dharmgarh (Mohali); Saprαι, Dheena, Akal Pur, Shala Nagar, Udesian, Arjanwal (Jalandhar); Dehlon, Rannian (Ludhiana); Sermajra, Fatehgarh Rajputan, Rathian, Chaura, Shadipur, Mehmoodpur Rurki, Roshanpura and Binjal (Patiala).

<sup>62</sup> Kot Shamir (Bathinda); Langiyawali (Gurdaspur); Qadianwali, Malsian, Haripur (Jalandhar); Kila Raipur, Dulhe (Ludhiana); Khijarabad, Barampur, Barouli (Mohali); and Bhunarheri (Patiala).

<sup>63</sup> Jodhpur Pakhar (Bathinda); Bhaini Paswal, Bhagtupur, Sekhwan (Gurdaspur); Chaura, Sermajra, Mehmoodpur Rurki, Akal pur (Patiala); Sahoran (Mohali); and Spria (Jalandhar).

<sup>64</sup> Dhirowal (Gurdaspur); Durrali, Niholka (Mohali); and Roshanpura (Patiala).

<sup>65</sup> (i) Chaksarif (Gurdaspur); and (ii) Malikpur (Mohali).

<sup>66</sup> (i) Malakpur; (ii) Majri (Mohali); and (iii) Fatehpur Jatan (Patiala).

<sup>67</sup> Malakpur (Mohali).

<sup>68</sup> Kot Shamir (Bathinda); Langiyawali (Gurdaspur); Barampur, Barouli (Mohali); Malsian and Quadianwali (Jalandhar).

<sup>69</sup> (i) Barouli (Mohali); and (ii) Langiyawali (Gurdaspur).

- Block Panchayat Kot Shamir (Bathinda) incurred expenditure (2011) on the construction of pillars for the shed of stadia from the entire grant of ₹ 5 lakh and new stadia had been built in the adjoining area by the newly constituted Nagar Panchayat with another grant. Thus, the expenditure incurred on pillars remained wasteful.
- Block Panchayat Quadianwali (Jalandhar) had constructed a cemented basketball court but no game was being played on the court and area surrounding the court was found overgrown with grass.
- Two block panchayats<sup>70</sup> had constructed gymnasium rooms and seating structures in the school premises which were not being utilized for game/gymnasium activities.

PSSC stated (September 2016) that it had directed the EE to form an inspection team for verification.

#### 2.4.9 Speed Fund Scheme

In order to groom the youth as international level players, an amount of ₹ 1 crore was released by the Finance Department Punjab to PSSC which was to be kept in the bank. Under its directions, a 'Speed Fund' was created by PSSC (1990-91) and 'Speed Fund Rules' were framed for utilization of interest earned on the corpus amount of ₹ 1 crore. The principal amount was not to be utilized.

As per amendment (April 2005) of the Speed Fund Rules, 50 *per cent* of total interest earned on this fund was to be utilized for various purposes<sup>71</sup>. However, out of interest of ₹ 3.59 crore (2011-16), expenditure of only ₹ 34.84 lakh (10 *per cent*) had been incurred on 92 players during 2011-2016 and that too only for a single purpose i.e. 'financial assistance to the selected players'.

#### 2.4.10 Pension scheme for eminent sports persons

Under the Sports Policy, 2010, of the State Government, a provision was made for pension for eminent sports persons to give an unambiguous message to all talented sportspersons who aspired to become international champions, that the Government would back their achievements with tangible and meaningful life time assistance in the form of a pension. For this purpose, the State Government was to provide the funds to the PSSC.

<sup>70</sup> (i) Barampur (Mohali); and (ii) Malsian (Jalandhar).

<sup>71</sup> (i) To provide specialized coaching in special disciplines to the players in India and abroad; (ii) To provide competition and training to players in India/abroad. Selected sports persons may put in residential sports hostels for all purposes; (iii) To provide financial cover to the expert committee for spotting and selecting the talent; (iv) To provide relief and assistance to sports persons who brought honour to Punjab; (v) To provide the financial assistance to the sports persons; and (vi) Any special case of assistance which committee deem fit.

#### **2.4.10.1 Outstanding disbursement of pension**

Test check of records for the period 2011-16 revealed that pension amounting to ₹ 0.03 crore to all the 123 veteran players had not been disbursed for the year 2015-16 due to non-release of funds by the State Government. This resulted in depriving eminent sports persons of intended benefit of the scheme.

#### **2.4.11 Shortcomings noticed during joint inspection of stadia**

With a view to assess the actual position of sports infrastructure, a joint inspection of 10 stadia, six indoor halls (badminton, gymnastic, judo and boxing), nine hockey synthetic turfs and four swimming pools was carried out with departmental officials. The results of the joint inspection were as under:

- (i) Two<sup>72</sup> out of four<sup>73</sup> swimming pools were non-functional due to damaged underground water pipelines. Patiala pool was functioning without a working filtration plant and chowkidar was not posted to take care of the pool.
- (ii) Two<sup>74</sup> squash courts in the selected districts were not functioning due to non-availability of coaches.
- (iii) Synthetic hockey turfs in four out of nine inspected grounds were damaged. One synthetic hockey turf was laid in a private institute<sup>75</sup> where moss had gathered on it and was not being utilized.
- (iv) Two out of six indoor halls (Gurdaspur and Bathinda), where 20 national gymnastic/judo players were practicing were in poor condition with poor drinking water facility, poor sanitation, broken taps in washroom, broken roof sheets, broken window panes and cracked floor. At Gurdaspur, practice mats and runway for the vault for gymnastics were in bad condition.
- (v) Residential wings of two private academies (hockey wing at Cheema Hockey Academy Sahabad, Gurdaspur and wrestling wing at Kesar Akhara, Patiala) were running without coaches.
- (vi) Deficiency of coaches (apart from those mentioned above) was noticed in six out of eight stadia. There was no coach for athletics, gymnastics, volleyball and kabaddi at the multi-purpose Stadia, Bathinda. No hockey (men), volleyball, basket ball and football coach was available at multi-purpose stadia, Government College, Gurdaspur. Coaches for hockey (women), volleyball, basket ball were not available at Rajindra Government College, Bathinda. No boxing (female), football coaches were available at Raja Bhalender Singh Open stadium, Patiala. In the absence of coach, table tennis court was not functional at Mohali.

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<sup>72</sup> (i) Multipurpose hall Sector 63, Mohali; and (ii) Swimming pool Balton Park, Jalandhar.

<sup>73</sup> (i) Multipurpose hall Sector 63, Mohali; (ii) Swimming pool, Balton Park, Jalandhar; (iii) Swimming pool at Sector 78 Stadium; and (iv) Swimming pool 25 mtrs Patiala.

<sup>74</sup> Patiala and Mohali stadia.

<sup>75</sup> Mehta Gurukul Public Senior Secondary School, Doraha, Ludhiana.

### 2.4.12 World Cup Kabaddi Tournaments

With a view to promoting kabaddi, World Cup Kabaddi (WCK) was being organized annually by PSSC since 2010. Audit noticed the following:

(i) During 2<sup>nd</sup> WCK held in November, 2011 at Bathinda, DSC had paid ₹ 3,500 per bus to six private transporters for using their 227 buses on 01 November 2011 and 18 November 2011. Verification of the records of the District Transport Officer, Bathinda (DTO), revealed that the bills of 47 buses out of 227 were bogus as the registration numbers shown in the bills were of scooters, motorcycles, cars and trucks. Further, a transporter was paid for the services of seven Innova cars (₹ 1,500 per Innova car per day) out of which two registration numbers were of an Indigo car and a tractor. Thus, payment of ₹ 1.68 lakh was made on bogus bills.

(ii) Similarly, DSC, Sri Muktsar Sahib paid ₹ 1.50 lakh to DTO, Sri Muktsar Sahib for making payments to private transporters for 58 buses, 25 Innova cars and 15 Tavera cars during an event of 5<sup>th</sup> WCK held on 20 December 2014 at Badal village (Sri Muktsar Sahib). The DSO office paid ₹ 1.50 lakh at the rate of ₹ 2,000, ₹ 750 and ₹ 600 per bus, per Innova car and per Tavera car respectively. Verification of records of 40 vehicles at DTO, Sri Muktsar Sahib office revealed that 22 vehicles (seven-scooters, two-tractors, three-trucks and 10 were small cars) were registered instead of the claimed category of vehicles. It was also noticed that DTO, Sri Muktsar Sahib had submitted claims of 58 buses without mentioning the registration numbers. As such, the authenticity of claims of 58 buses for ₹ 1.16 lakh could not be verified in audit. Thus, payment of ₹ 1.50 lakh claimed by DTO Sri Muktsar Sahib appeared to be fictitious.

(iii) As per Punjab Financial Rules, purchases are to be made in the most economical manner in accordance with the definite requirements of the public service. When purchases are made from the open market, the system of open competitive tender should, as far possible, be adopted and the purchase should be made from the lowest tender unless there are any special reasons for not doing so. Test check of records of DSCs Bathinda and Ludhiana of 2<sup>nd</sup> and 4<sup>th</sup> World Cup held in November 2011 and December 2013 respectively revealed that expenditure of ₹ 1.78 crore was incurred (November 2011 and December 2013) for making various arrangements<sup>76</sup> without calling quotations/tenders as required under the rules. Reasons for not calling quotations/tenders were not on record. Audit observed that the activities could easily have been done well in time following the stipulated procedure.

PSSC assured (September 2016) to follow the financial rules in the coming tournaments.

<sup>76</sup> Boarding and lodging arrangements (₹ 1.25 crore); sports kits (₹ 0.04 crore); installation of LED screen (₹ 0.04 crore); light and sound (₹ 0.02 crore); preparation of grounds and barricades (₹ 0.50 lakh); tent (₹ 0.08 crore); transportation (₹ 0.17 crore); miscellaneous expenditure (₹ 0.02 crore); and catering for dinner arrangement including transportation chargers and taxes (₹ 0.15 crore).



#### **2.4.13 Non-deduction of Work Charged Tax and Labour Cess**

Punjab Value Added Tax Act, 2005, provided for deduction of Work Charged Tax (WCT) at four *per cent* (upto November 2011), five *per cent* upto April 2013 and six *per cent* thereafter from the amount payable to the contractor. The Department of Labour vide notification (November 2008) issued instructions regarding levy of labour cess at the rate of one *per cent* of the cost of construction.

Scrutiny of records of the DSCs, Jalandhar and Patiala revealed that DSCs made a payment of ₹ 3.51 crore to four contractors for six works<sup>77</sup> without deducting WCT of ₹ 0.14 crore and labour cess of ₹ 0.03 crore at prescribed rates resulting in loss to the Government to the extent of ₹ 0.17 crore.

PSSC stated (September 2016) that DSCs were not aware that such deductions were to be made from the payments of the contractors.

#### **2.4.14 Internal Control Mechanism**

##### **2.4.14.1 Non-existence of monitoring system**

Scrutiny of the record of PSSC revealed that no periodical monitoring of the stadia/schemes/regional offices was carried out by PSSC. Non-existence of monitoring system resulted into short recovery of ground booking fee and membership fee from the players.

PSSC assured (September 2016) that it would set up a monitoring system at headquarters level as well as at district level.

#### **2.4.15 Conclusion**

The Punjab State Sports Council is a nodal agency for implementing the sports agenda of the State. However, its implementation lacked any perspective or annual work plan. Financial management was poor as instances of unplanned expenditure and irregular release of grant were noticed. Implementation of the Panchayat Yuva Krida Khel Abhiyan was deficient as the targeted number of village panchayats and block panchayats could not be covered under the scheme in a time bound manner. Further, 29 *per cent* of village panchayats had not spent the available funds while expenditure incurred by 55 *per cent* of the block panchayats was rendered unfruitful. There were also instances of payment against bogus bills during of the World Cup Kabaddi Tournament.

<sup>77</sup> (i) Construction of hostels, Jalandhar: ₹ 1.61 crore; (ii) Construction of laying sub-base of six a side, Jalandhar: ₹ 0.57 crore; (iii) Repair of Surjit Hockey stadium, Jalandhar: ₹ 0.85 crore (iv) Supply and affixing of furniture, Jalandhar: ₹ 0.28 crore; (v) Supply and affixing of air conditioners, Jalandhar: ₹ 0.05 crore; and (vi) Boxing ring shed at Polo ground, Patiala: ₹ 0.15 crore.



#### **2.4.16 Recommendations**

In the light of audit findings, the State Government may consider:

- (i) Preparation of perspective plans and annual plans for effective implementation of scheme/project;
- (ii) Fixing of physical and financial targets for creation and timely completion of sports infrastructure;
- (iii) Adequate number of coaches for imparting training to the players for national/international participation; and
- (iv) Strengthening internal controls and checks as well as fixing accountability for misutilisation of funds meant for the development of sports in the State.

The matter was referred to the Government in September 2016; reply was awaited (December 2016).