

**Chapter - II**  
**Performance Audit**



## CHAPTER-II

### PERFORMANCE AUDITS

#### Health and Medical Education Department

##### 2.1 National Rural Health Mission

The National Rural Health Mission (NRHM) was launched by Government of India (GoI) to provide accessible, affordable and quality health care to the rural population to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and the Total Fertility Rate (TFR). A performance audit of the implementation of the programme brought out *inter alia* the following significant points :

##### Highlights

- The percentage utilization of funds under the programme ranged between 60 and 80 *per cent* during 2011-12 to 2015-16. There was also delay in release of funds to SHS by the State Finance Department ranging from one month to four months.

*(Paragraphs: 2.1.7 and 2.1.7.1)*

- 1,748 out of 3,193 health institutions (55 *per cent*) were in hired accommodations. There were shortages of 13 CHCs, 46 PHCs and 468 SCs as of March 2016. None of the SCs/ PHCs/ CHCs had been upgraded to the level of Indian Public Health Standards (IPHS) in the State. SCs “upgraded” as NTPHCs in October 2014 had not been provided with the required facilities by way of additional manpower and infrastructure defeating the purpose of their upgradation.

*(Paragraphs: 2.1.8, 2.1.8.1 and 2.1.8.2)*

- There was shortage of medical personnel *vis-à-vis* IPHS. Availability of medical specialists was to the extent of 86 *per cent* in DHs and 54 *per cent* in CHCs while the availability of nurses and para-medical staff was 78 *per cent* in DHs and 73 *per cent* in PHCs of the State. The position of staff in Blood Banks in DHs was worse as the sanctioned and effective strength was only ten against required 132 posts as per IPHS norms.

*(Paragraph: 2.1.9)*

- Institutional deliveries ranged between 86 *per cent* and 91 *per cent* of total deliveries and cash compensation for pregnant women was provided to 56 to 74 *per cent* of total deliveries in the State.

*(Paragraph: 2.1.11.2)*

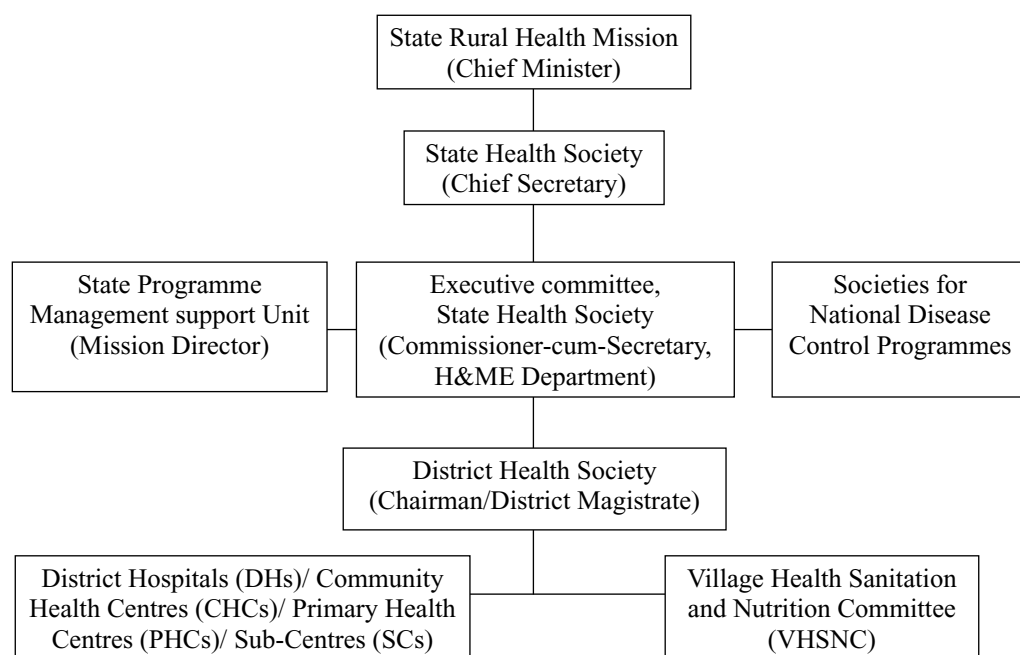
### 2.1.1 Introduction

The National Rural Health Mission (NRHM) was launched by Government of India (GoI) in April 2005 to provide accessible, affordable and quality health care to the rural population especially the vulnerable sections and to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and the Total Fertility Rate (TFR). With the launch in May 2013 of the National Urban Health Mission (NUHM) to promote universal access to a continuum of health services, the mission has now been converted into the National Health Mission (NHM) to cover both villages as well as towns.

### 2.1.2 Organizational structure

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

**Chart-I**



### 2.1.3 Audit objectives

A performance audit was conducted to ascertain whether:

- activities of NRHM on improving Reproductive and Child Health (RCH) were properly planned;
- financial management was efficient and effective;
- there was availability of physical infrastructure and health care professionals;
- quality health care was provided;
- the mechanism of data collection, management and reporting existed; and
- monitoring mechanisms and internal control system were in place and effective.

### 2.1.4 Scope of Audit and Methodology

The performance audit, conducted between March 2016 and August 2016, reviewed the implementation of the Mission in the State covering the period from 2011-12 to 2015-16. Records of the State Health Society (SHS), Director Health Services (DHS) Jammu and three<sup>1</sup> out of 10 District Health Societies (DHSs) in Jammu region were test-checked in audit. Besides, three District Hospitals, six Community Health Centres (CHCs), 12 Primary Health Centres (PHCs) and 33 Sub-Centres (SCs) in Jammu region selected on the basis of Simple Random Sampling without Replacement method. Due to prevailing situation in the Kashmir region during the period of conduct of audit exercise, the implementation of Mission in Kashmir region could not be reviewed in audit.

An entry conference was held on 18 March 2016 with the Commissioner Secretary, Health and Medical Education Department wherein the audit objectives, scope, and methodology were discussed. An exit conference was held on 23 November 2016 with the Commissioner Secretary, Health and Medical Education Department and replies of the State Government have been incorporated at appropriate places.

### 2.1.5 Audit Criteria

The audit criteria for assessing the various activities under the Mission were derived from the following sources:

- Guidelines issued by the GoI/ State Government regarding implementation of the programme;
- Programme Implementation Plans for the years 2011-12 to 2015-16; and
- J&K Financial Rules and Book of Financial Powers.

### 2.1.6 Planning and Survey

With a view to follow bottom up approach, planning and budgeting process is required to begin at the block level with preparation of Block Health Action Plan (BHAP) based on inputs/ discussion with the implementing units. BHAPs are to be consolidated to form an integrated District Health Action Plan (DHAP) which is further consolidated at the State level. The State Programme Implementation Plan (SPIP) is to be prepared every year by the SHS by aggregating the DHAPs for submission by end of December for approval to the GoI by end of February every year.

Test-check of records of six<sup>2</sup> CHCs in three test-checked districts showed that the annual BHAPs during the years 2011-12 to 2015-16 had not been prepared at the Block level and submitted to the respective DHSs. Moreover, timelines for

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<sup>1</sup> Doda, Rajouri and Udhampur

<sup>2</sup> CHCs: Gandoh and Bhaderwah (Doda); Kandi and Nowshera (Rajouri); Chenani and Ramnagar (Udhampur)

submission of SPIPs to the GoI were not adhered to and the SPIPs for 2011-12 to 2015-16 were submitted after delay of one to three months which consequently resulted in delayed approvals by GoI.

### 2.1.7 Financial Management

The mission is an expression of the commitment of the Government to raise public spending on health from 0.9 *per cent* of GDP to 2-3 *per cent* of GDP. As per programme guidelines, the States are to take action to increase their expenditure on Health sector by at least 10 *per cent* every year over the Mission period. The position of investment on Health sector in the State during the period 2011-12 to 2015-16 is given in the **Table-2.1.1** below.

**Table-2.1.1 : Statement showing the expenditure incurred on Health Sector**

(₹ in crore)

Year	State GSDP	Total expenditure of the State Government	Budgetary Outlay of State Government on Health Sector	Expenditure of State Government on Health Sector	Expenditure through NRHM (Central assistance)	Total expenditure on Health Sector	Percentage of expenditure on Health sector vis-a-vis total expenditure of State Government	Percentage of total spending (including NRHM) on Health sector vis-à-vis State GSDP
1	2	3	4	5	6	7 (5+6)	8	9
2011-12	68185	28645	1674.94	1540.29	195.80	1736.09	6	2.54
2012-13	76916	30434	1787.14	1622.54	235.47	1858.01	6	2.42
2013-14	87570	31686	1923.01	1784.91	342.26	2127.17	7	2.43
2014-15	87921	34550	2311.26	2015.12	323.22	2338.34	7	2.66
2015-16	91850	43845	2887.94	2610.04	416.47	3026.51	7	3.29

Public spending on Health sector ranged between 6 *per cent* and 7 *per cent* of total expenditure of the State Government whereas it was between 2.42 *per cent* and 3.29 *per cent* of GSDP during 2011-12 and 2015-16.

The funding pattern under Mission was in the ratio of 85:15 between the Government of India (GoI) and the State Government up to 2011-12 and thereafter in the ratio of 90:10. Prior to 2014-15, funds were transferred by GoI directly into the account of SHS through e-transfer mode. From 2014-15 onwards, funds were released to the State Finance Department by GoI where from these were transferred to SHS through treasury route. The position of funds available and expenditure incurred there against under the Mission during 2011-16 is given in the **Table-2.1.2** below.

Table-2.1.2: Position of funds received and expenditure incurred

(₹ in crore)

Year	Opening balance	Releases by GoI	State share	Total funds available	Expenditure (per cent)	Closing balance
2011-12	105.13	194.60	27.16	326.89	195.80 (60)	131.09
2012-13	131.09	134.01	51.65	316.75	235.47 (74)	81.28
2013-14	81.28	345.15	34.82	461.25	342.26 (74)	118.99
2014-15	118.99	265.13	19.00	403.12	323.22 (80)	79.90
2015-16	79.90	361.49	76.00	517.39	416.47 (80)	100.92
<b>Total</b>		<b>1300.38</b>	<b>208.63</b>		<b>1513.22</b>	

The utilization of funds ranged between 60 *per cent* and 80 *per cent* during 2011-12 to 2015-16 which impacted implementation of the Mission. There was short release of funds by GoI against the approved GoI Resource Envelope during 2011-12 to 2015-16 as indicated in the **Table-2.1.3** below.

Table-2.1.3: Details showing the funds released against approvals

(₹ in crore)

Year	Administrative approval of SPIP by the GoI <sup>3</sup>	GoI Resource Envelope	Funds Released by the GoI	Percentage release of funds <i>vis-a-vis</i> approved Resource Envelope
2011-12	260.95	176.00	194.60	111
2012-13	312.54	209.75	134.01	64
2013-14	392.37	381.55	345.15	90
2014-15	544.93	436.36	265.13	61
2015-16	689.53	368.00	361.49	98
<b>Total</b>	<b>2200.32</b>	<b>1571.66</b>	<b>1300.38</b>	

Against approved State Programme Implementation Plans (SPIPs) worth ₹2,200.32 crore and GoI Resource Envelope of ₹1,571.66 crore, GoI released ₹1,300.38 crore (83 *per cent*) during 2011-12 to 2015-16. The percentage release of funds *vis-a-vis* approved GoI Resource Envelope ranged between 61 *per cent* and 98 *per cent* during 2012-13 to 2015-16. This was due to delayed submission of SPIPs and short and delayed release of State share.

The Department stated (December 2016) that funds released by GoI did not include infrastructure maintenance and National Disease Control Programme which are also part of NHM Resource Envelope and that there was no shortage of funds released by GoI except in 2014-15 when funds had not been released in full to all the States.

<sup>3</sup> Includes supplementary plan of ₹41.78 crore for 2012-13; ₹163.33 crore for 2013-14 and ₹30.45 crore for 2015-16

### 2.1.7.1 Delays in release of funds and diversion

Audit noticed delay in release of funds and diversion as well as irregular expenditure of Mission's funds including excess release of annual maintenance grants and non-utilisation of funds for stated procurements all of which adversely impacted the timely and effective implementation of the Mission. A summary of specific cases is given in **Table-2.1.4** below.

**Table-2.1.4 : Deficiencies in Financial Management**

Sl. No.	Guidelines/ Rules	Actual Position and audit observations	Response/ observations
1.	Funds to the implementing agencies to be released within 15 days from the date of receipt from the GoI.	There were delays ranging between one month and four months in release of funds to SHS by the State Finance Department.	Department stated (December 2016) that delay in release of central funds to the SHS through State treasury was due to procedural delays involved in securing sanction from the Finance Department for advance drawal.
2.	Funds allocated for any activity/ scheme approved in the SPIP should not be diverted or re-appropriated without approval of the National Programme Coordination Committee.	Principal, Government Medical College, Jammu was authorised by the Administrative Department to divert ₹two crore out of JSSK <sup>4</sup> funds for clearing the liability of diet charges of five hospitals created under other schemes of the State Government. It was paid (February 2016) to M/s Mahamaya Sales Corporation.	Department stated (December 2016) that no authorization had been given to Principal Government Medical College Jammu for diversion of funds from one head to another. It added that excess expenditure could not be deposited under minus expenditure due to closure of financial year.
3.	Cost of land is to be borne by the State Government out of its own resources.	An amount of ₹2.18 crore had been paid irregularly for compensation of land during 2012-15 out of the Mission's resources.	Department stated (December 2016) that payment of land compensation of ₹105.72 lakh out of NRHM funds had been authorized (December 2012) by the Administrative Department and that ₹75 lakh released (December 2012) by the Planning Department for land compensation had been utilized for construction of SDH Akhnoor. Further, provision of ₹1.80 crore was made in the DPR for land compensation and that funds had also been released for the purpose under State Plan thus liquidating the amount paid out of NRHM funds.
4.	Expenditure reflected in the Annual Financial Management Report (FMR) should tally with the Audited statement of expenditure.	There was an unexplained variation of ₹53.13 crore between FMR and Audited statement of expenditure during 2011-12 to 2014-15. No reconciliation has been carried out to ascertain the reasons for such variation.	Department stated (December 2016) that some figures remain unreported/ partially reported by the implementing agencies at the end of financial year and that physical checking of books of accounts of health institutions was not possible at the end of financial year. It added that the figures were taken into account and books of account were checked by the statutory auditor and audited FMR was considered as final financial report. However, audit observation regarding reconciliation of figures was noted for compliance.

<sup>4</sup> Janani Shishu Suraksha Karyakram



Sl. No.	Guidelines/ Rules	Actual Position and audit observations	Response/ observations
5.	Allocations to support Information, Education and Communication (IEC) activities are to be spent equally (one third each) at National, State and District levels.	Out of total expenditure of ₹13.98 crore during 2011-12 to 2015-16 on IEC activities, an amount of ₹10.21 crore (73 <i>per cent</i> ) was spent at State level.	Department stated (December 2016) that since IEC activities were not possible to be undertaken at the district/block level, these were being carried out at the State level and the activities get percolated down to the district/block/village level. Audit maintains that it defeated the purpose of decentralisation envisioned in the Mission.
6.	Each PHC and CHC, as part of IPHS <sup>5</sup> , is required to set up a Rogi Kalyan Samiti (RKS)/ Hospital Management Committee, which will bring in community control into the management of public hospitals.	During 2011-12 to 2013-14, there were 61 RKS (80 <i>per cent</i> ) in three districts out of 76 RKS required to be formed and during 2014-15 to 2015-16 only 81 RKS (84 <i>per cent</i> ) were formed out of 96 RKS required to be formed in these districts. In 15 test-checked units (DH: 1; CHCs: 4; PHCs: 4 and SCs: 6) ₹35.01 lakh was spent on purchase of machinery/ equipment, drugs/ medicines, routine office expenses, etc., from Untied grants not covered under the programme guidelines or without approval of RKS.	Department stated (December 2016) that RKS had been constituted in all health institutions of district Doda and Udhampur and that in Rajouri district registration of 15 NTPHCs was in process.
7.	Annual Maintenance Grants (AMG) was to be provided to health institutions having their own buildings and the hired health institutions housed in private buildings were not entitled for the AMG.	Excess AMG of ₹5.26 crore was projected in the SPIPs (2014-15 and 2015-16) for those health institutions housed in private accommodations (326 PHCs and 3626 SCs) and shown as rent-free for approval and release of funds thereof in 2014-15 and 2015-16.	Department stated (December 2016) that from 2014-15 Untied Fund, AMG and Corpus Fund of Rogi Kalyan Samities (RKS) were merged into one head "Untied Grant" and that its allocation to the health institutions was based on actual utilization, service delivery and case load irrespective of its functioning and that there was no question of providing AMG to only those health institutions having own buildings. Audit maintains that rented building housing health institutions were not entitled for AMG.

### 2.1.8 Physical Infrastructure

Audit noticed that 1,748 out of 3,193 health institutions (55 *per cent*) were functioning from hired accommodations. In test-checked districts, 336 (Doda: 82; Rajouri: 136; Udhampur: 118) out of 610 health institutions were in rented accommodations.

#### 2.1.8.1 Availability of Health Institutions

As per norms for hilly/ tribal/ difficult areas, there should be one CHC for population of 80,000, one PHC for population of 20,000 and one SC for population of 3,000

<sup>5</sup> Indian Public Health Standards

in the State. As of March 2016, there were 3,193 health institutions (DHs: 22; CHCs: 84; PHCs: 398; NTPHCs: 239 and SCs: 2450) in the State with shortages of 13 CHCs, 46 PHCs and 468 SCs as per the population criteria.

The State Government accorded (October 2014) sanction for establishment of 826 new SCs and hiring of 676 Auxiliary Nurse-cum-Midwife (ANM) under NHM. However, as of March 2016, only 540 SCs had been made functional. Audit noticed that out of 183 SCs created in three test-checked districts of Rajouri (70), Doda (69) and Udhampur (44), 12 SCs (Doda:10; Udhampur: 2) had not been opened and one<sup>6</sup> SC was already in existence while remaining 170 SCs were operating in rented accommodations.

The State Government had also accorded (October 2014) sanction for upgradation of 371 SCs to the level of New Type Primary Health Centres (NTPHCs) with equal number of posts of Medical Officers (Allopathic) and 1,284 casual workers to work as nursing orderlies. Out of 40 SCs upgraded as NTPHCs in three test-checked districts of Rajouri (18), Doda (11) and Udhampur (11), two SCs (Marmat and Jijhote in Doda district) did not exist on the ground while as none of the remaining 38 NTPHCs had been provided with the required facilities by way of additional manpower and other infrastructure indicating that only nomenclature of the SCs was changed to NTPHCs thereby defeating the purpose of upgradation of SCs to NTPHCs.

The Department stated (December 2016) that construction of new buildings required funding which could not be met from annual availability of funds and these would be taken up in phased manner subject to availability of funds and land sites.

### **2.1.8.2 Upgradation of Health Institutions**

During 2011-16, none of the SCs/ PHCs/ CHCs had been upgraded to the level of IPHS in the State. Against target of upgradation of 14 CHCs to First Referral Units (FRUs) in the State during 2011-13, only 10 CHCs were upgraded. Further, no categorization of SCs as Type 'A' and Type 'B' existed in the State. In test-checked districts, none of the CHCs and PHCs had been upgraded to FRU and 24x7 PHCs during the years 2011-12 to 2015-16.

The Department stated (December 2016) that all CHCs in test-checked districts had been upgraded to FRUs and PHCs were selected for upgradation as 24x7 PHCs on eligibility criteria laid down by GoI. It added that 32 out of 56 PHCs had been upgraded as 24x7 PHCs in the selected districts and the remaining did not fall in the required eligibility criteria.

### **2.1.8.3 Award of works without exercise of codal checks**

The works relating to construction and upgradation of DHs/ CHCs/ PHCs/ SCs were allotted by the Department without considering the requirements of the district level functionaries. Further, neither the cost estimates had been got

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<sup>6</sup> SC Charat, Udhampur

technically vetted to establish their accuracy and genuineness nor there was monitoring of the construction works at any level by the Department as stipulated in extant codal provisions. In the three test-checked districts of Doda, Rajouri and Udhampur, audit noticed the following:

- The Department had released ₹2.75 crore under three schemes/ works (**Table-2.1.5**) between April 2014 and February 2016 without obtaining cost offers/ Detailed Project Reports (DPRs), without accord of administrative approval of these schemes and without getting the estimates technically vetted from the Public Works Department (PWD) Roads and Buildings (R&B) and Design Directorate.

**Table-2.1.5: Statement showing the details of works without cost offers, DPRs, administrative approvals**

(₹ in lakh)

Sl. No.	Name of the scheme/ work	Amount released (Date of release)	Name of executing agency
1.	Execution of civil works for remodelling of old buildings of SDH Bhaderwah for establishment of MCH wing	100 (April 2014 and November 2015)	Jammu and Kashmir Housing Board Jammu
2.	Execution of civil works for remodelling of old building of DH Doda for establishment of MCH wing	125 (March 2014 and December 2015)	Jammu and Kashmir Projects Construction Corporation Limited
3.	Construction of additional accommodation at CHC Thanamandi	50 (March 2015 and February 2016)	Public Works (Roads and Buildings) Department
	<b>Total</b>	<b>275</b>	

- The Scheme “Construction of PHC building at Khawas Rajouri” was taken up in 2006-07 at an estimated cost of ₹1.92 crore by the Executive Engineer (EE), PWD (R&B) Division Rajouri and was targeted to be completed in two working seasons. The provision of ₹31.15 lakh for machinery and equipment (₹15 lakh), cost of Ambulance (₹7 lakh) and 5 per cent escalation charges (₹9.15 lakh) was kept in the DPR of the scheme. The project was not technically vetted by the Chief Engineer, R&B Department/ Design Directorate and was neither administratively approved nor were drawings counter-signed by the DHS Jammu. The Department released ₹1.88 crore under the scheme up to March 2016 which had been shown as expenditure on works incurred by the Department. Even after spending ₹31.35 lakh meant for procurement of machinery/ equipment and ambulance, the construction of building had not been completed.
- Due to land/ site selection dispute in respect of four construction works in Rajouri, an expenditure of ₹91 lakh incurred had remained locked up and rendered unfruitful.

The Department stated (December 2016) that re-modelling of old buildings of DH Doda and SDH Bhaderwah was repair/renovation/alteration works and Statement of Expenditure would be obtained and that executing agency had been asked to submit DPR in respect of construction of accommodation at CHC

Thanamandi for administrative approval. It added that ₹1.88 crore had been released for construction of PHC building at Khawas Rajouri and executing agency had been asked to refund ₹17.36 lakh meant for machinery/ equipment and ambulance.

#### **2.1.8.4 Availability and functioning of Critical Care Ambulances**

The Mission Director released (January 2011) ₹2.40 crore in favour of DHS Jammu for procurement of 12 critical care ambulances. Supply order for fabrication of the ambulances including installation of equipment was placed in February 2013 with a firm but was subsequently withdrawn in September 2013 due to differences in the specifications in the NIT and the machinery/ equipment to be installed in the ambulances. After expenditure of ₹0.61 lakh on account of Petrol, Oil, Lubricant charges, toll tax, etc., the balance of ₹2.39 crore was transferred in November 2015 to the J&K Medical Supplies Corporation Jammu after about five years. Thus, critical care ambulances could not be made available despite allocation of funds.

The Department stated (December 2016) that rate contract for the ambulances had been finalized and post-dispatch inspection of three ambulances received in Jammu had been carried out by a committee constituted for the purpose and certain clarifications had been sought from the concerned agency. Further, order for remaining ambulances had been placed.

#### **2.1.8.5 Availability of Staff residential quarters**

As per Indian Public Health Standards (IPHS), suitable accommodation with all amenities should be available for medical officer, nursing staff, pharmacist, laboratory technician and other staff in a PHC. A minimum of eight quarters for doctors, eight quarters for staff nurses/ paramedical staff, two quarters for ward boys and one quarter for driver should be provided in the CHC.

As against these norms, the shortage of staff quarters was to the extent of 91 *per cent*, 93 *per cent* and 94 *per cent* in three DHs, six CHCs and 12 PHCs respectively. Audit noticed that staff quarters were not available in two CHCs and eight PHCs in three test-checked districts.

The Department stated (December 2016) that staff quarters wherever required would be constructed in a phased manner subject to availability of funds and land.

#### **2.1.9 Human Resources availability**

The position of staff in 22 District Hospitals, 84 CHCs/ SDHs, 398 PHCs and 2,736<sup>7</sup> SCs in the State ended 31 March 2016 is detailed in *Appendix-2.1*. The availability of health care human resources at the State level (22 District Hospitals) *vis-a-vis* IPHS norms was to the extent of 86 *per cent* for medical specialists and 78 *per cent* for nurses and para-medical staff. The position of staff in Blood Banks in DHs was worse as the sanctioned and effective strength was only 10 against required 132 posts as per IPHS norms.

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<sup>7</sup> Out of 2736 SCs, 286 SCs have not yet been established

The availability of medical specialists *vis-a-vis* IPHS norms in 84 CHCs was to the extent of 54 *per cent*. The position in respect of nurses and para-medical staff in CHCs was better with sanctioned strength of 2,757 and persons-in-position of 2,512 (91 *per cent*) against required 2,100 posts of nurses and para-medical staff as per IPHS norms.

The position of medical officers (MBBS) was better in PHCs as compared to IPHS norms but there was shortage of 256 Doctors *vis-a-vis* the sanctioned posts. Further, against 4,378 posts of nurses and para-medical staff in PHCs as per IPHS norms, there were 3,210 staff leaving shortage of 1,168 posts (27 *per cent*).

The Department stated (December 2016) that they had referred the vacant posts to the Public Service Commission and Subordinate Services Selection Board and that creation of posts as per IPHS norms would be considered in a phased manner.

### 2.1.9.1 Availability of ASHAs

Under the Mission, a trained female community health worker called Accredited Social Health Activist (ASHA) is to be provided in each village in the ratio of one per population of 1,000 people or less, for large isolated habitations. The job of ASHA includes tracking of children upto full immunization stage, accompanying the pregnant ladies to the institution for delivery and facilitating ante-natal checkups (ANCs). The position of ASHAs during the years 2011-12 to 2015-16 is given in the **Table-2.1.6**.

**Table-2.1.6: Statement showing the status of ASHA staff**

Year	Selection of ASHAs	
	Target	Achievement
2011-12	12,000	9,814
2012-13	12,000	10,692
2013-14	12,000	11,214
2014-15	12,000	11,686
2015-16	12,000	11,753

Against the target of selection of 12,000 ASHAs, 11,753 ASHAs were in position as of March 2016. It was observed that 394 ASHAs selected in three test-checked districts (Doda, Rajouri and Udhampur) during 2015-16 were not provided with drug kits.

The Department stated (December 2016) that there was shortfall in selection of ASHAs due to non-acceptance of the work by local women owing to less incentives paid. GoI had revised the incentives for ASHAs and their number would increase in due course. Further, 3,000 new drug kits proposed for 2016-17 were not approved by GoI.

As per mission guidelines, ASHA should be literate woman with formal education up to 10<sup>th</sup> standard which could be relaxed only if no suitable lady with this qualification was available. Audit noticed that out of 1,887 ASHAs engaged in three

districts (Doda, Rajouri and Udhampur), 1,123 ASHAs (60 per cent) were below 10<sup>th</sup> standard.

The Department stated (December 2016) that the qualification of 10<sup>th</sup> standard was applicable to new ASHAs and not existing ones.

### 2.1.9.2 Training of Medical and Para-medical staff

The position of targets *vis-à-vis* achievements in respect of trainings provided to medical and para-medical staff during the period 2011-12 to 2015-16 is given in Table-2.1.7 below.

**Table-2.1.7: Targets and achievement of training imparted to medical staff**

Year	Medical Officers		Staff Nurses		ANMs	
	Target	Achievement (Percentage)	Target	Achievement (Percentage)	Target	Achievement (Percentage)
2011-12	172	97 (56)	96	75 (78)	616	260 (42)
2012-13	248	134 (54)	208	172 (83)	666	386 (58)
2013-14	364	277 (76)	384	358 (93)	616	427 (69)
2014-15	1,272	642 (50)	648	443 (68)	1,631	599 (37)
2015-16	458	267 (58)	464	360 (78)	624	482 (77)
<b>Total</b>	<b>2,514</b>	<b>1,417</b>	<b>1,800</b>	<b>1,408</b>	<b>4,153</b>	<b>2,154</b>

Training was imparted to 1,417 out of 2,514 Medical Officers (MOs) during 2011-16 and shortfall ranged between 24 and 50 per cent. Similarly, shortfall in imparting training to staff nurses and ANMs ranged between seven and 32 per cent and 23 and 63 per cent respectively during 2011-16.

The Department stated (December 2016) that training required availability of resource persons and that all doctors were not required to get all types of training.

### 2.1.10 Quality of Health Care

#### 2.1.10.1 Implementation of Quality Assurance at Facility level

The District Quality Teams (DQT) were required to function at District Hospitals. Further, in-charge of Health Facility would form an Internal Quality Assurance Team. Audit observed that no District Quality Teams nor Internal Quality Assurance Teams had been constituted in the test-checked districts of Doda, Rajouri and Udhampur. As a result, no assessments were conducted during the period 2011-16.

A quarterly feedback was to be taken on a structured format by the Hospital Manager as patient satisfaction survey. This feedback was to be analysed to see the lowest performing attributes and further actions were to be planned accordingly. Audit noticed that no patient satisfaction surveys were conducted in test-checked districts of Doda, Rajouri and Udhampur.

Under the Quality Assurance programme, all health facilities were to establish procedure for death and medical audit. While death audits were to be conducted for all deaths happening at the facility, medical audit and prescription audit was done on a representative sample drawn from medical records. Emphasis was to be placed on maternal and infant death audits and also death/ failure/ complication following sterilization.

Audit noticed that 24 maternal deaths and 260 infant deaths had occurred at facilities in three test-checked districts of Doda, Udhampur and Rajouri during the period from 2013-14 to 2015-16 but no death audits were conducted and also these deaths were not reported to District or State Quality Assurance Committee. Also no medical audit and prescription audit had been conducted on a representative sample drawn from medical records of the Facilities.

The Department stated (December 2016) that efforts were being made to implement the quality assurance at the facility level from the current financial year.

#### **2.1.10.2 Availability of drugs/ medicines at Health Centres**

List of essential drugs approved as per the Public Health Standards for CHC contain 172 medicines/ drugs (136 items under various categories of “General List”, 20 items under “Miscellaneous List” and 16 items under “Essential Obstetric Care Drug List”). Audit found that 135 items of medicines/ drugs (78 *per cent*) in CHC Gandoh, 62 items (36 *per cent*) in CHC Bhaderwah and 146 items (85 *per cent*) in CHC Nowshera were not available during 2015-16.

Women in the reproductive age require a weekly dose of iron folic acid tablets for prevention of iron deficiency anaemia. In November 2013, DHS Jammu placed supply order with a firm from outside the State for purchase of these tablets. It was observed that supply of iron folic acid tablets was neither received from the supplier nor was alternative procurement made from any other agency thereby depriving the beneficiaries from the intended benefits. Thereafter, the DHS Jammu transferred ₹1.97 crore (January 2015) to 10 CMOs of Jammu region and ₹1.99 crore (November 2015) to J&K Medical Supplies Corporation Ltd. However, the supply was also not received from the Corporation (June 2016).

The Department stated (December 2016) that the procurement could not take place for about two years due to handing over the procurement system to J&K Medical Supplies Corporation Ltd. It added that with the start of procurement process by the Corporation, the supply of drugs was being made to the health institutions of Jammu division.

#### **2.1.10.3 Emergency Response System-Non-functional Health Helpline services**

Health emergency response system is critical in providing rapid health services. Audit noticed the following:

- Procurement of ambulances to be operated on Helpline number 108 had not been approved by the State Government. As such, Ambulances under 108 could not be purchased (July 2016).

- An amount of ₹15 lakh released in January 2013 by the Mission Director NRHM in favour of the DHS Jammu for establishment of Health Helpline (104) was refunded in the next month (February 2013) without utilisation. No Health Helpline (104) has been established (July 2016).
- The DHS Jammu awarded (July 2013) the project “Vehicle Tracking and Management System” for establishing the Control Room/ Call Centre<sup>8</sup> and also installation and commissioning of GPS and Fuel Sensors<sup>9</sup> in ambulances in favour of a firm. For this purpose, ₹27.72 lakh was paid to the firm for 200 ambulances between February 2014 and December 2014. The Department did not monitor the functioning of GPS and Fuel Sensor systems installed in these ambulances and the purpose for which these systems were installed had not been achieved as GPS system remained functional in only three ambulances. Audit also noticed that ₹22.25 lakh was further paid to the Firm for establishment of Control Room and recurring charges for functioning of 102 Ambulance services during the period from December 2013 to December 2015. The Department stated (December 2016) that the ambulances could not be monitored on LCD screen when internet services were not available.
- 83 Ambulances available in three test-checked districts (Doda, Rajouri and Udhampur) as of March 2016 had not been fully equipped with essential medical equipment.

### 2.1.11 Reproduction and Child Health (RCH)

Planning and Budgeting for RCH should cover all the related components such as Maternal Health, Child Health and Family Planning which plan to reduce IMR/ MMR/ TFR as per National Programme Implementation Plan of RCH-II.

#### 2.1.11.1 Maternal Health

The ‘Framework of Implementation’ of the Mission (2012-17) has laid down outcome indicators to be achieved upto the end of 12<sup>th</sup> Five Year Plan (2012-17) viz. to reduce maternal and infant mortality rates to 100 per one lakh live births and 25 per thousand live births respectively and to reduce total fertility rate (TFR) to 2.1. The important services for ensuring maternal health and care include ante-natal care, institutional delivery care, post-natal care and referral services.

##### 2.1.11.1 (a) Registration and Antenatal care of pregnant women

One of the major aims of safe motherhood is to register all pregnant women before they attain twelve weeks of pregnancy and provide them with services such as four ante-natal checkups, iron folic acid tablets and two doses of tetanus toxoid (TT). The number of registered pregnant women who got first, second and third ante-natal (ANC) checkups ranged between 25 per cent and 48 per cent, between 19 per cent and 43 per cent and between 39 per cent and 91 per cent of total pregnant women

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<sup>8</sup> At the rate of ₹1,25,000 per month for one year and at the rate of ₹50,000 per month for 2<sup>nd</sup> year

<sup>9</sup> At the rate of ₹16,500 per unit



registered respectively during 2011-12 to 2015-16. In three test-checked districts (Doda, Rajouri and Udhampur), these checkups ranged between 54 *per cent* and 69 *per cent* of total pregnant women registered during 2011-12 to 2015-16.

#### **2.1.11.1 (b) Administration of Iron Folic Acid**

As per supplementation interventions by MOH&FW, 100 mg of elemental iron and 500 mcg of folic acid daily for 100 days during pregnancy followed by same dose for 100 days in the post-partum period has been recommended for pregnant and lactating women. Audit observed that iron folic acid tablets were administered to pregnant women ranging between 15 *per cent* and 61 *per cent* during the period 2011-12 to 2015-16. In three test-checked districts (Doda, Rajouri and Udhampur), iron folic acid tablets were administered in the range of 5 *per cent* and 36 *per cent* of pregnant women during the same period.

The Department stated (December 2016) that there was shortage of the tablets as the Purchase Committee could not finalize the rate contract and that Medical Supplies Corporation had then procured sufficient stock of these tablets and provided to the districts.

#### **2.1.11.1 (c) Tetanus toxoid immunisation**

The provision of quality ante-natal care including two tetanus toxoid injections has been envisaged under the programme. During 2011-12 to 2015-16, 39 *per cent* to 55 *per cent* of pregnant women were fully immunized in the State. The position in test-checked districts (Doda, Rajouri and Udhampur) was comparatively better as between 60 *per cent* and 72 *per cent* of pregnant women were fully immunized in these districts.

#### **2.1.11.1 (d) Pregnant woman not accompanied by ASHAs**

The ASHAs are responsible for facilitation of ante-natal checkups and for accompanying the mothers up to health institutions for delivery. Audit noticed that upto 43 *per cent* of women who delivered at health institutions were accompanied by ASHAs during 2011-12 to 2015-16 which indicated poor performance of ASHAs.

The Department stated (December 2016) that they were in the process of strengthening ASHA *grehas* in the health institutions to facilitate ASHAs to stay at the facility while escorting the pregnant women.

#### **2.1.11.1 (e) Distribution of Sanitary Napkins**

MOHFW, GoI, introduced a scheme for promotion of menstrual hygiene among adolescent girls in the age group of 10-19 years in rural areas. Audit observed the following:

- In district Rajouri, 2.46 lakh packs of sanitary napkins were received in six medical blocks out of which 2.13 lakh were distributed leaving balance of 0.33 lakh sanitary napkin packs in two Blocks (Kandi: 0.23 lakh

and Manjakote: 0.10 lakh) unutilised. Against realisable amount of ₹10.65 lakh from the distribution of 2.13 lakh sanitary napkin packs (at the rate of ₹5 per pack), ₹6.96 lakh had been realized and remitted by the medical blocks during October 2013 to May 2016 leaving balance of ₹3.69 lakh un-remitted by the concerned Blocks. Also the remaining 0.33 lakh undistributed sanitary napkin packs had got expired with the passage of time.

- Against realisable amount of ₹2.23 lakh from distribution of 0.45 lakh sanitary napkins in CHC Bhaderwah, only ₹1.61 lakh was realised. Further, in CHC Gandoh, against realisable amount of ₹2.40 lakh from distribution of 0.48 lakh packs of sanitary napkins, only ₹0.27 lakh was deposited with DHS Doda leaving balance ₹2.13 lakh unremitted.

### 2.1.11.2 Institutional deliveries

To promote safe institutional delivery, the Janani Surakhsha Yojana (JSY) provided all pregnant women a cash compensation of ₹1,400 in rural areas and ₹1,000 in urban areas with cash free services which included free medicines/ consumables during the period of delivery and free referral transport from hospital to home. The ASHA who accompanied the pregnant woman was to be given cash compensation of ₹600 per case. The position of institutional/ home deliveries and compensation provided during the years 2011-12 to 2015-16 in the State is shown in the **Table-2.1.8** below.

**Table-2.1.8: Statement showing the amount of compensation paid against deliveries**

Year	Total No. of pregnant women registered	Total No. of deliveries <sup>10</sup> (Institutional + Home)	Home deliveries (Percentage)	Compensation provided to No. of pregnant women (Percentage)
2011-12	4,62,362	1,78,849	25,851 (14)	1,32,645 (74)
2012-13	3,53,001	1,91,584	22,572 (12)	1,27,041 (66)
2013-14	4,38,916	1,96,610	19,872 (10)	1,43,129 (73)
2014-15	3,89,096	1,97,068	17,877 (09)	1,16,635 (59)
2015-16	3,55,521	1,90,900	18,855 (10)	1,06,265 (56)

Audit noticed that percentage of home deliveries in the three test-checked districts (Doda, Rajouri and Udhampur) ranged between 16 and 22 *per cent* of pregnant women registered during 2011-12 to 2015-16. The cash compensation was provided to beneficiaries ranging between 39 *per cent* and 69 *per cent* of the total deliveries in these districts. Further, out of 1.42 lakh deliveries in three test-checked districts only 0.65 lakh beneficiaries (46 *per cent*) were assisted by ASHAs during 2011-16.

All pregnant women who deliver at any health institution in normal condition is to be retained for at least three days i.e. 72 hours so that she could stabilise and also

<sup>10</sup> The data on total number of deliveries in private hospitals is not being captured in HMIS web portal

look after the child she has delivered. Audit observed that between 64 *per cent* and 73 *per cent* of women having institutional deliveries in these three districts were discharged within 48 hours of delivery in contravention of the guidelines.

The Department stated (December 2016) that mode of payment to beneficiaries was changed from cash payment to payment by cheque to prevent pilferage/ misuse of funds and then to cash benefit transfer and this had resulted in declining trend in payment of compensation to pregnant women.

#### **2.1.11.2 (a) Janani Shishu Suraksha Karyakram**

JSSK is an initiative to assure free services to all pregnant women and sick neonates accessing public health institutions. The scheme envisages free and cashless services to pregnant women including normal deliveries and caesarean operations and also treatment of sick newborn (upto 30 days after birth) in all Government health institutions across the State.

Audit check of records showed that ₹37.15 lakh was irregularly diverted in four units (DHs: Rajouri and Udhampur; CHCs: Nowshera and Kandi) from JSSK to Hospital Development Fund (HDD) of these institutions and incurred on wages of security and purchase of stationery items.

The Department stated (December 2016) that diversion of JSSK funds to HDD in these districts had been stopped from 2014 onwards.

#### **2.1.11.2 (b) Janani Suraksha Yojana**

The programme guidelines provide that all payments under JSY to expectant mothers shall compulsorily be made in one instalment including compensation amount for sterilization wherever applicable at the time of discharge from the hospital/ health centre. The main objective of JSY was to promote institutional deliveries and to reduce IMR/ MMR.

The data regarding registration of pregnant women under JSY and amount paid to them was not available with the Department. The Mission Director NHM stated (August 2016) that no separate registration for pregnant women under JSY was mentioned in the portal and that the GoI had recently made registration of pregnant women on MCTS portal mandatory for getting JSY benefits which was being followed.

Audit check of records in three test-checked districts (Doda, Rajouri and Udhampur) showed that out of 1.64 lakh beneficiaries entitled to receive incentive under the scheme who delivered in the hospitals, only 0.85 lakh beneficiaries were paid incentive thereby depriving 0.79 lakh women (48 *per cent*) from availing the benefit under the scheme during 2011-16. Besides, out of 0.35 lakh home deliveries in these three districts, incentive under the scheme was not paid to 0.34 lakh women (97 *per cent*) entitled for benefits under the scheme.

Further, an incentive of ₹1,400 is to be paid to mother beneficiaries for institutional deliveries in rural areas and ₹1,000 in urban areas. The said benefit to the mother should be paid at the health facility immediately after the delivery and before

discharge, but not later than seven days of the delivery. Audit check of records, however, showed that payment of incentive was made to the mother beneficiaries in test-checked medical blocks after delay ranging between one day and one year during 2011-12 to 2015-16.

### 2.1.11.2 (c) Post-natal care services

Post-natal services include immunisation, monitoring weight of the child, physical examination of the mother, advice on breast feeding and family planning. Test-check in the three selected districts brought out that due attention was not paid to post-natal care services as only 0.67 lakh (63 *per cent*) out of 1.07 lakh institutional deliveries during 2011-12 to 2015-16 were attended for post-natal care services. The Medical Termination of pregnancy (MTP) cases ranged between 12 *per cent* and 19 *per cent* whereas suspected Reproductive Tract Infection (RTI) and Sexual Transmitted Infection (STI) cases ranged between 60 *per cent* and 82 *per cent* of total institutional deliveries in these districts during 2011-12 to 2015-16.

### 2.1.11.2 (d) Maternal deaths

RCH-II was launched with the objective to reduce maternal mortality rate and infant mortality rate. The position of maternal and infant deaths at the State level during the years 2013-14 to 2015-16 is given in the **Table-2.1.9** below.

**Table-2.1.9: Details showing the position of maternal and infant deaths**

Year	No. of deaths	
	Maternal	Infant
2013-14	104	2,292
2014-15	136	2,008
2015-16	150	2,034
<b>Total</b>	<b>390</b>	<b>6,334</b>

As can be seen from above, the maternal mortality had gradually increased since 2013-14 to 2015-16 which indicated that the objective of reducing maternal mortality under the Mission remained unfulfilled. Audit noticed that mechanism to get regular and complete information about maternal and neonatal deaths for maintaining a district-wise data base was not in place in the test-checked districts. However in three test-checked districts, there were 54 maternal deaths (0.05 *per cent*) and 1,666 still births (2 *per cent*) out of 1.07 lakh institutional deliveries during 2011-12 to 2015-16.

### 2.1.12 Family Planning

The objective of the National Family Planning Program is that all women and men in the reproductive age group will have knowledge of and access to comprehensive range of family planning services thereby enabling families to plan and space their children to improve the health of women and children. Target-free approach based on unmet needs for contraception, equal emphasis on spacing and limiting

methods and promoting children by choice in the context of reproductive health are the guiding principles in this regard.

### 2.1.12.1 Permanent method

The permanent method of family planning includes vasectomy (male sterilization) and tubectomy (female sterilization). The position of targets and achievements in various permanent methods during the years 2011-12 to 2015-16 is given in **Table-2.1.10** below.

**Table-2.1.10 : Details showing the targets and achievements of family planning**

Year	Vasectomy		Tubectomy and Laparoscopy <sup>11</sup>	
	Target	Achievement (Percentage)	Target	Achievement (Percentage)
2011-12	5,762	1,136 (20)	28,461	18,174 (64)
2012-13	5,652	912 (16)	22,610	17,958 (79)
2013-14	5,767	652 (11)	23,068	15,587 (68)
2014-15	5,882	442 (08)	23,530	12,898 (55)
2015-16	5,948	452 (08)	23,794	13,980 (59)
<b>Total</b>	<b>29,011</b>	<b>3,594</b>	<b>1,21,463</b>	<b>78,597</b>

As can be seen from the above table, the percentage achievement under vasectomy was very poor and ranged between eight *per cent* and 20 *per cent* and under tubectomy/ laparoscopy between 55 *per cent* and 79 *per cent* during 2011-12 to 2015-16. Further, proportion of vasectomy to the total sterilisation was only five *per cent* whereas 95 *per cent* of sterilisations were tubectomy/ laparoscopy during 2011-12 to 2015-16 which pointed towards gender imbalance.

The Department stated (December 2016) that achievement of vasectomy was poor country wide as this method had not been accepted as a method of choice.

### 2.1.12.2 Spacing methods

The intra uterine contraceptive device (IUCD), oral contraceptive pills (for women), and condoms are three contraceptive methods of family planning to help space children. The achievement under oral pill cycles and distribution of condoms *vis-à-vis* targets fixed was satisfactory but in respect of IUCD the achievement was low ranging between 43 *per cent* and 59 *per cent* of the targets fixed during 2011-12 to 2015-16.

The Department stated (December 2016) that they were working at improving the achievements in respect of IUCD insertions.

### 2.1.13 Immunisation and child health

Indicators of child health relate to the immunization status of children, details pertaining to exclusive breastfeeding, prevalence of diarrhoea and acute

<sup>11</sup> Targets and achievements of Tubectomy and Laparoscopy shown together by the Department

respiratory infection (ARI) and more importantly their nutritional status in terms of grade III/ IV malnutrition. **Table-2.1.11** below gives a summary of targets and achievements under the routine immunization during 2011-12 to 2015-16.

**Table-2.1.11: Statement showing the position of Immunisation - target and achievements**

(Figure in thousands)

Year	Target	Achievement								
		BCG <sup>12</sup>	Measles	DPT <sup>13</sup> / LPV <sup>14</sup>	OPV <sup>15</sup>	FI <sup>16</sup>	DT 5 years	TT (10)	HEP-B	
									T*	A*
2011-12	224	213	204	210	209	204	97	163	224	177
2012-13	240	212	195	206	204	195	107	164	240	197
2013-14	224	208	194	169	187	194	120	152	224	65
2014-15	226	207	206	200	202	206	138	141	226	138
2015-16	228	213	218	218	219	218	138	141	228	160

\* T : Targets; A : Achievement

Audit observed that the targets were not fixed on the basis of household surveys for achieving universal immunization. The overall shortfall in achievements of full immunisation of children between 0 to 1 age group covering BCG, Measles, DPT, OPV and Hepatitis-B ranged between four *per cent* and 19 *per cent* during 2011-12 to 2015-16. The shortfall in immunization resulted in incidence of vaccine preventable infant and child diseases, the year-wise details thereof in the State were as in **Table-2.1.12** below:

**Table-2.1.12: Details of incidence of infant and child diseases**

Year	Name of Disease (Cases in number)				
	Diphtheria	Whooping cough/ pertussis	Measles	AR-I3 for less than five year infants	Diarrhoea
2011-12	39	92	2,147	10,843	62,796
2012-13	78	92	910	11,956	63,039
2013-14	43	26	992	12,848	57,904
2014-15	5	3	835	6,839	49,753
2015-16	1	0	413	6,876	38,145
<b>Total</b>	<b>166</b>	<b>213</b>	<b>5,297</b>	<b>49,362</b>	<b>2,71,637</b>

### 2.1.13.1 Vitamin-A solution

One of the child health indicators are Vitamin A coverage with two mega doses each year of children in 9-36 months. There was shortfall ranging between 43 *per cent* and 59 *per cent* in 1<sup>st</sup> dose, 26 *per cent* to 60 *per cent* in 2<sup>nd</sup> dose and between 56 *per cent* and 74 *per cent* against the targets fixed during 2011-12 to 2015-16.

<sup>12</sup> Bacille Calmette Guerin

<sup>13</sup> Diphtheria Pertussis and Tetanus

<sup>14</sup> Liquid Pentavalent Vaccine

<sup>15</sup> Oral Polio Vaccine

<sup>16</sup> Fully Immunized

The Department stated (December 2016) that the condition would improve with the availability of Vitamin A being made through the Medical Supplies Corporation.

### 2.1.14 Performance Indicators

The main objective of the programme is to reduce the Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and Total Fertility Rate (TFR). The position in the State under 'Framework of Implementation' of the Mission and Millennium Development Goals (MDGs) were as in **Table-2.1.13** below:

**Table-2.1.13: Statement showing the comparative position of performance indicators**

	Framework of Implementation (2005-2012)	Framework of Implementation (2012-17)	Expected outcomes by the end of 31 March 2016	Millennium Development Goals (2015)	Position in the State (SRS-2014)	All India Position (SRS-2014)
1.	Infant Mortality Ratio (IMR) reduced to 30/1000 live births by 2012	Reduce IMR to 25/1000 live births	Reduce IMR to 26/1000 live births	Reduce IMR to 27/1000 live births	37	40
2.	Maternal Mortality Ratio (MMR) reduced to 100/100,000 live births by 2012	Reduce MMR to 100/100,000 live births	Reduce MMR to 100/100,000 live births	Reduce MMR to 109/100,000 live births	70	212
3.	Total Fertility Rate (TFR) to 2.1 by 2012	Reduce TFR to 2.1	Reduce TFR to 2.1	-	1.9	2.3

As per Sample Registration System-2014, the IMR, MMR and TFR in the State was 37/1000 live births, 70/100,000 live births and 1.9 respectively whereas expected outcomes by end of 31 March 2016 were 26/1000 live births (IMR), 100/100,000 live births (MMR) and reduction of TFR to 2.1. However, the position of the State was better as compared to the All India position.

The Department stated (December 2016) that continued efforts were being made to reduce IMR and TFR further to achieve the targets for 2017.

### 2.1.15 Monitoring and Evaluation

The four major approaches to monitoring and evaluation under NRHM include use of data from population surveys, commissioning implementation research or evaluation studies, use of Health Management Information System (HMIS) data and field appraisals and reviews. The Health Planning and Monitoring Committees (HPMCs) were to be formed at PHC, Block, District, and State levels to ensure regular community based monitoring of activities at respective levels along with facilitating relevant inputs for planning.

Audit checks of records showed that HPMCs to assess the progress made under various activities were not constituted at any level. Further, hard copies of monthly

HMIS reports were not submitted by the DHSs to the SHS which was mandatory as per guidelines.

#### **2.1.16 Conclusions**

While considerable progress had been achieved, public spending on health sector remained low at between 6 *per cent* and 7 *per cent* of total expenditure of the State Government whereas it was between 2.42 *per cent* and 3.29 *per cent* of GSDP. There were shortages of 13 CHCs, 46 PHCs and 468 SCs in the State as of March 2016, about 55 *per cent* health institutions in the State were in hired accommodation and none of the SCs/ PHCs/ CHCs had been upgraded to the level of IPHS in the State indicating the need for greater spend on development of infrastructure. There were significant shortfalls in providing desired facilities to pregnant women and in immunization as well as reproductive care targets. Between 25 *per cent* and 91 *per cent* of total registered pregnant women were provided first, second and third ante-natal checkups and full immunization were administered to 39 *per cent* to 55 *per cent* of pregnant women. The IMR, MMR and TFR in the State was 37/1000 live births, 70/100,000 live births and 1.9 respectively against expected outcomes of 26/1000 live births (IMR), 100/100,000 live births (MMR) and reduction of TFR to 2.1 by end of 31 March 2016.

#### **2.1.17 Recommendations**

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

- Expediting filling of vacancies of medical and para-medical personnel in health institutions as per IPHS norms;
- Ensuring ante-natal check-ups, administration of iron folic acid tablets and full immunisation as well as incentive payment to all registered pregnant women; and
- Strengthening the monitoring mechanism by ensuring submission of hard copies of HMIS reports, involvement of local communities and constitution of Health planning and monitoring committees.



## Housing and Urban Development Department

### 2.2 Jawaharlal Nehru National Urban Renewal Mission

The Government of India (GoI) launched the Jawaharlal Nehru National Urban Renewal Mission (JnNURM) for providing universal access to civic amenities to the urban population with focus on sustainable development of physical infrastructure in cities, creation of new sewerage system and renewal of existing ones. A performance audit of the implementation of the scheme during the period 2011-16 brought out that the implementation of JnNURM was hampered by short release of funds by the State Government and delay in transmission of funds to the implementing agencies. The Government had yet to fully carry out reforms envisaged under the scheme guidelines relating to transfer of certain powers to urban local bodies and city planning and development as well as in the urban transport sector which would have facilitated achievement of the overall objective of holistic development of urban infrastructure on a sustainable basis. Further, execution of housing projects was marked with delays and sewage management projects could not fructify due to poor planning and conceptualisation. Some of the significant audit findings are highlighted below:

#### Highlights

- **There was short release of State share of ₹33.32 crore, delay in release of funds, mis-utilisation of ₹1.07 crore and non-refund of interest of ₹11.48 crore. In addition, ₹31.84 crore was kept in fixed deposits instead of utilizing them for the purpose for which they were released.**

*(Paragraphs: 2.2.7.1, 2.2.7.2, 2.2.7.3 and 2.2.7.4)*

- **Execution of housing projects was marked by delays with none of 34 projects costing ₹141.38 crore taken up for execution between 2007-08 and 2015-16 having been completed despite expenditure of ₹101.16 crore. The Detailed Project Reports were not based on authentic data of revenue/ census authorities nor had beneficiaries' survey been carried out before project formulation.**

*(Paragraph: 2.2.9.1 (d))*

- **Only three out of twelve Solid Waste Management projects could be completed due to non-availability of sites while sewerage projects in Jammu and Srinagar could not be fructified despite expenditure of ₹158.45 crore due to poor planning and conceptualisation.**

*(Paragraphs: 2.2.10.1 and 2.2.10.3)*

#### 2.2.1 Introduction

The Jawaharlal Nehru National Urban Renewal Mission (JnNURM) was launched in December 2005 by the Government of India (GoI) with the objective of reforms driven and fast track development of cities with focus on sustainable development

of physical infrastructure including development of technical and management capacity for promoting holistic growth with improved governance. The mission was implemented during 2005-12 and extended up to 2017.

In Jammu and Kashmir, JnNURM was launched in 2007 and consisted of four sub-missions viz. Urban Infrastructure and Governance (UIG), Basic Services to the Urban Poor (BSUP), Urban Infrastructural Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP). The cities of Srinagar and Jammu were identified as mission cities and were covered under UIG and BSUP and other cities and towns were covered under the other two components.

JnNURM is implemented by the Housing and Urban Development Department (HUDD) through Jammu and Kashmir State Urban Infrastructure Development Agency (SUIDA). A total of 115 projects were sanctioned between 2006-07 and 2013-14 out of which 20 were completed (March 2016). The financing pattern of the scheme is 90 *per cent* Central share and 10 *per cent* State share.

### **2.2.2 Organisational Set-up**

The Ministries of Urban Development (MoUD) and of Housing and Urban Poverty Alleviation (MoHUPA), Government of India (GoI) act as nodal ministries for implementation of projects under UIG/ UIDSSMT and BSUP/ IHSDP respectively. In the State, the Commissioner/ Secretary, Housing and Urban Development Department, assisted by Special Secretary, Chief Executive Officer (CEO) SUIDA, Joint Director Planning and Statistics and Director Finance Department, oversees the implementation of the Mission in the State. The implementing agencies are the Jammu Municipal Corporation, (JMC), the Srinagar Municipal Corporation (SMC), the Lakes and Waterways Development Authority (LAWDA) Srinagar and 78 Urban Local Bodies (ULBs).

### **2.2.3 Audit Objectives**

The objectives of the performance audit were to ascertain whether:

- Proper, comprehensive and effective plans had been formulated for implementation of the programme based on detailed assessment of requirements;
- financial management was adequate and effective;
- reforms were implemented according to mission guidelines to urban governance;
- projects were executed economically, efficiently and effectively and adequate arrangements were made for operation and maintenance of created assets; and
- implementation of the scheme was monitored effectively.

#### 2.2.4 Scope of Audit and Methodology

The performance audit of implementation of JnNURM projects during 2011-16 was conducted between September 2015 and April 2016. The audit was carried out as per the Performance Auditing Guidelines issued by the Comptroller and Auditor General of India by test-check of records of the administrative department, SUIDA and selected ULBs and implementing agencies.

The scope and objectives of the performance audit were discussed in an entry conference held on 12 January 2016 and results of audit were discussed in an exit conference held on 9 December 2016 with Commissioner/ Secretary HUDD. The response of the Government has been suitably included in the Report.

#### 2.2.5 Audit Criteria

The audit criteria used for assessing various objectives under the scheme were derived from the following sources:

- Guidelines, instructions/circulars/orders issued by MoUD and MoHUPA, GoI;
- Memorandum of Agreement signed between the State Government, GoI and ULBs;
- City Development Plans and Detailed Project Reports; and
- Jammu and Kashmir Municipal Act 2000.

#### 2.2.6 Planning

JnNURM guidelines stipulate preparation of City Development Plans (CDP) for a period of 20-25 years with five-yearly updates for each mission city indicating policies, programmes and strategies for meeting fund requirements. The perspective plan was to be followed by preparation of respective development plans integrating land use with services, urban transport and environment management for every five years plan period. It was seen that CDP for Jammu and Srinagar Cities were formulated (2006-07) but were never subsequently updated. Though CDPs for other towns and cities covered under UIDSSMT were not mandatory, GoI advised (April 2007) that plans be prepared for them also to provide broad framework for development of cities/ towns. UIDSSMT projects were launched in 13 towns of the State but CDPs were not prepared/ finalized and development projects were implemented without comprehensive development plans.

Audit also found gaps in selection of ULBs for sanction of projects under the mission components. Elections to all the ULBs were held in 2005 and were therefore eligible for sanction of projects under UIDSSMT and IHSDP. Audit noticed that out of the 78<sup>17</sup> ULBs in the State, IHSDP and UIDSSMT projects were sanctioned (2006-07) for only 34 and 13 ULBs respectively. The State Government had not formulated any criteria based on existing infrastructure and priority for creation of new infrastructure in ULBs and projects were formulated and sanctioned only on first come first served basis.

<sup>17</sup> Excluding JMC and SMC

## 2.2.7 Financial Management

The position of assistance received by implementing agencies and expenditure incurred there against during the period 2011-12 to 2015-16 is given in the **Table-2.2.1** below.

**Table-2.2.1: Position of assistance received and expenditure incurred**

(₹ in crore)

Year	Opening balance	Receipt	Total availability	Expenditure	Percentage of expenditure	Closing balance
2011-12	43.49	172.42	215.91	186.10	86	29.81
2012-13	29.81	297.00	326.81	151.91	46	174.90
2013-14	174.90	68.23	243.13	135.80	56	107.33
2014-15	107.33	23.65	130.98	82.51	63	48.47
2015-16	48.47	48.46	96.93	52.39	54	44.54

(Year-wise details of allotment and expenditure were not provided by the Administrative Department/ J&KSUIDA. Figures were compiled by audit from departmental records)

From above, it can be seen that percentage of expenditure decreased from 86 per cent (2011-12) to 54 per cent (2015-16) and unspent balance accumulated to ₹44.54 crore at the end of March 2016.

### 2.2.7.1 Delay in release of funds

Against ₹174.27 crore of State share, the State Government released ₹140.95 crore during 2006-07 to 2013-14.

Audit also noted that ₹208.25 crore released by GoI for execution of projects in 22 test-checked cases during 2011-12 to 2014-15 was released by Finance Department to the administrative department after a delay<sup>18</sup> ranging between 14 and 284 days. The administrative department also released funds to SUIDA in five other test-checked cases after a delay of 19 to 109 days during 2014-15. Moreover, funds of ₹30.71 crore received by Director ULBs Jammu and Srinagar under UIDSSMT and IHSDP were also released to the implementing agencies after a delay ranging between 14 and 776 days.

On being pointed out (September 2015), Director ULBs Jammu stated that funds were released to the executing agencies against work done claims/ demand put forth by them and that the delay was due to non-execution of works/ schemes owing to land disputes, etc.

Audit observed that delay in release of State share and of transmission of funds from the Finance department to the implementing agencies through the administrative department contributed to delay in execution of works and reflected lack of monitoring and coordination between the departments and the implementing agencies.

<sup>18</sup> Calculated on the basis of 10 days retention

### 2.2.7.2 Retention of funds in Fixed Deposits

Funds allocated under JnNURM are meant to be utilized for projects under the scheme. Audit noticed retention and parking of funds in bank accounts and fixed deposit receipts instead of releasing funds to implementing agencies for execution of projects as summarized below:

(a) SUIDA and Director ULBs Srinagar retained ₹16.48 crore and ₹8 crore respectively in Fixed Deposit Receipts<sup>19</sup> (FDRs) between March 2014 to October 2014. The interest earned thereon from the date of inception of the scheme had not been accounted for/ ascertained by the department. On being pointed out, SUIDA stated (December 2016) that FDRs had been made due to non-execution of works and delay in execution of works due to turmoil in the valley and non-shifting of utilities in respect of sewerage projects. The reply was not convincing as amount was kept under FDR before occurrence of floods (September 2014) and objective of the scheme was not parking of funds and earning interest but execution of works.

(b) SUIDA released (May 2011) ₹0.66 crore to the Chief Engineer (CE) Urban Environmental Engineering Department (UEED) Srinagar for execution of sewerage projects. Instead of releasing the funds to the construction company, the CE released (2011) the amount to two Executive Engineers<sup>20</sup> (EEs) who kept the amount under deposit head. On being pointed out, SUIDA stated (December 2015) that UEED Srinagar had been asked (December 2015) to refund the amount. It added that ₹51 lakh<sup>21</sup> had been returned to SUIDA by UEED.

(c) Similarly, Director ULBs Kashmir received (August 2013) State share of ₹2.57 crore from SUIDA for execution of drainage works in Ganderbal and Kupwara towns. The amount was initially deposited in bank accounts and later kept (November 2015) in FDRs. Instead of transferring the amount to the Town Drainage Division Srinagar, the Director made (September 2013) budgetary allotment of ₹2.57 crore in favour of the Division. The Division drew the amounts from the treasury and utilized the same on execution of works. Thus, ₹2.57 crore was drawn twice from the treasury and the original amount remained blocked in FDRs. The CEO SUIDA stated (December 2016) that matter was under investigation and that ₹2.57 crore was still lying in the official account of Director, ULB Kashmir.

(d) Out of ₹641.76 crore sanctioned under UIDSSMT for 51 projects, ₹4.13 crore was meant for incentive for preparation of DPRs by concerned departments. Instead of releasing the amount to the concerned departments, SUIDA retained the amount in the FDRs to earn interest.

Thus, ₹31.84 crore of funds released for specific projects/ purposes were retained in fixed deposits which would have accentuated the constraint of funds for timely implementation of projects.

<sup>19</sup> Actual date of FDR not available with department

<sup>20</sup> Sewerage and Drainage Division-I, Srinagar and Sewerage and Drainage Division (West), Jammu

<sup>21</sup> ₹33 lakh during May 2015 and ₹18 lakh during September 2015

### 2.2.7.3 Mis-utilization of Funds

Audit noticed that out of ₹63 lakh deducted from contractor's bills (2011-15) on account of taxes by the Executive Officer (EO), Municipal Council (MC) Sopore, ₹16 lakh<sup>22</sup> was remitted to the concerned agencies<sup>23</sup> and balance amount of ₹47 lakh had neither been remitted nor accounted for in the records of MC. On being pointed out, the EO, MC Sopore stated (March 2016) that the then Drawing and Disbursing Officer (DDO) had not remitted the tax due to negligence and the matter would be taken up with Director ULBs Srinagar. The CEO SUIDA stated (December 2016) that amounts outstanding in respect of taxes recovered from contractors was only ₹17.23 lakh and that the former Executive Officer had diverted the amount towards other heads. It added that the amount would be remitted into relevant head of account as soon as the MC came out of cash crunch.

Audit noticed that ₹60 lakh was paid out of JnNURM funds to staff posted at SUIDA and Municipal Council/ Committee (MCs) Sopore and Kokernag between June 2013 and October 2015 though there was no provision of salary to be paid to staff out of JnNURM funds. On being pointed out, the department stated that the salary of staff posted at SUIDA was paid as per Government order of March 2007 which stipulated that the salary for the posts would be met from 1.5 per cent of the project cost according to the guidelines of the scheme. The reply was not based on fact as the mission guidelines stipulated 1.5 per cent of the project cost for preparation of Detailed Project Reports (DPRs) and not for payment of salary to the staff.

### 2.2.7.4 Non-refund of interest

As per scheme guidelines, interest earned on the funds kept in bank accounts under UIG was to be transferred to GoI. Audit noticed that implementing offices had remitted interest of ₹10.15 crore earned on bank deposits to SUIDA which had not been refunded to GoI as of December 2015. Additionally, the EE, Water Supply, Master Plan Division Srinagar did not transfer interest of ₹1.33 crore earned on deposits to GoI but utilized the same on execution of civil works during 2015-16 despite availability of ₹23.83 crore.

Thus, financial management of the mission was deficient with short release of State share of ₹33.32 crore, delay in release of funds, parking of funds of ₹31.84 crore in fixed deposits, mis-utilisation of ₹1.07 crore and non-refund of interest of ₹11.48 crore.

### 2.2.8 Implementation of Reforms

JnNURM guidelines required the State Government and ULBs to initiate reforms in accordance with the 74<sup>th</sup> Constitutional Amendment Act (Constitution of India). As per tripartite Memorandum of Agreement (MOA) executed in December 2006 between the GoI, the State Government and the ULBs, 23 reforms (*Appendix-2.2*) were to be implemented by the State Government within the mission period.

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<sup>22</sup> Service Tax ₹7 lakh, Income Tax ₹8 lakh and Labour Cess ₹1 lakh

<sup>23</sup> Income Tax Department, Commercial Taxes Department, etc.

The State Government under the provisions of the J&K Municipal Corporation Act, 2000 and J&K Municipal Act, 2000 notified (April 2013) 18<sup>24</sup> mandatory functions for the ULBs. However, audit found that the reforms had not been fully implemented (March 2016) as follows:

- (i) Only eight<sup>25</sup> functions had been transferred to ULBs;
- (ii) Neither had city planning functions and preparation of development plans for municipalities been transferred to the ULBs nor had amendment to municipal laws to incorporate the provisions of community participation law been passed by the State legislature;
- (iii) Neither property tax was levied in the State nor was collection of water tax transferred to ULBs. The MCs had no effective mechanism to collect the revenue. Sanitation charges, though levied were not collected fully in the two test-checked MCs (Sunderbani and Bhaderwah) where Solid Waste Management plants had been commissioned. Against sanitation charges of ₹52.75 lakh due from the users of Sunderbani and Bhaderwah towns, the MCs had collected ₹10.09 lakh only which resulted in short realization of ₹42.66 lakh<sup>26</sup>;
- (iv) Reforms such as (i) revision of building bye laws (except JMC and SMC) to streamline the approval process for construction of buildings and development of sites, (ii) simplification of legal and procedural framework for conversion of agricultural land for non-agricultural purpose, (iii) introduction of property title certification system in ULBs, (iv) introduction of computerized process for registration of land and property, (v) revision of by-laws (except JMC and SMC) to make rain water harvesting/ reuse of recycled water mandatory in all buildings and adoption of water conservation measures had not been carried out by the ULBs. This hindered providing better governance and service delivery and making the ULBs self reliant; and
- (v) Only JMC and SMC had followed accrual system of accounting. Other reforms such as strengthening of skills, reduction in establishment and voluntary retirement schemes were not in place.

<sup>24</sup> (1) Regulation of land use and construction of building (2) Planning for economic and social development (3) Urban planning including town planning (4) Roads and bridges (5) Water supply for domestic, industrial and commercial purposes (6) Public Health sanitation conservancy and Solid Waste Management (7) Urban forestry, protection of environment and promotion of ecological aspects (8) Safeguarding the interests of weaker sections of the society including the handicapped and mentally retarded (9) Slum improvement and upgradation (10) Urban poverty alleviation (11) Provision of urban amenities and facilities such as parks, gardens and play grounds (12) Promotion of cultural, educational and aesthetics aspects (13) Burials and burial grounds, cremations and cremation grounds and electric crematoriums (14) Cattle ponds and prevention of cruelty to animals (15) Vital statistics including registration of births, deaths (16) Public amenities including street lighting, parking lots, bus stops and public convenience (17) Registration of slaughter houses and tanneries and (18) Extinction and prevention of fire

<sup>25</sup> (i) Public health and sanitation (ii) Slum improvement and upgradation (iii) Burial and burial grounds, cremations, cremation grounds and electric crematoriums (iv) Cattle ponds, prevention of cruelty to animals (v) Vital statistics including registration of births and deaths (vi) Public amenities including street lighting, parking lots, bus stops and public conveniences (vii) Regulation of land use and construction of buildings (partly) and (viii) Regulation of slaughter houses and tanneries

<sup>26</sup> Sunderbani: 2011-12 to 2014-15: ₹30.10 lakh; Bhaderwah: 2014-15 to 2015-16: ₹12.56 lakh

The State Government/ ULBs was also required to implement the following reforms under urban transport sector to be entitled to financial assistance from GoI:

- creation of city level Unified Metropolitan Transport Authority for Srinagar and Jammu cities;
- dedicated Urban Transport Fund to meet the cost of new projects in urban transport, replacement of assets of public transport companies and to meet the cost of various concessions extended to encourage public transport by the State Government;
- change in bye laws and master plans of cities to integrate land use and transport by densification along with the (Mass Rapid Transit System) corridors around the stations;
- creation of ‘Dedicated Urban Transport Fund’;
- formulation of advertisement and parking policy;
- using Intelligent Transportation System through city specific (Special Purpose Vehicle) bus services preferably on Public Private Partnership mode; and
- traffic information management control centre for effective monitoring and enforcement of traffic as well as data generation and collection for future planning.

The State Government had yet to carry out the aforesaid reforms.

### **2.2.9 Housing Projects**

As per mission guidelines, houses were to be constructed under IHSDP and BSUP by the implementing agencies according to approved DPRs. The Jammu and Kashmir Government decided (February 2009) to give financial assistance to beneficiaries for construction of dwelling units themselves.

#### **2.2.9.1 Implementation of Housing Projects under IHSDP**

Under IHSDP, housing with basic infrastructure amenities in a healthy environment was to be provided to the urban poor either *in situ* or at a new location. The IHSDP projects involved construction of dwelling units besides upgradation of existing infrastructure.

##### **2.2.9.1 (a) Incomplete Detailed Project Reports**

Data/ information, for area/ population of towns and slum population depicted in the DPRs was not supported by authenticated data of revenue/ census authorities as was required under mission guidelines. DPRs were silent about availability of land and site for the intended project and whether the shelters were to be constructed *in situ* or at a new location. No data regarding water logging, salinity and drainage were depicted in the DPRs.



### 2.2.9.1 (b) Non-conducting of Survey for Verification of Beneficiaries

The guidelines of JnNURM stipulated that household survey of slums proposed to be upgraded under housing projects of IHSDP should be carried out before submission of DPRs to State Level Nodal Agency (SLNA)/ Central Sanctioning and Monitoring Committee (CSMC). The willingness of beneficiaries was necessary for any re-location project. The CSMC also stressed the need for identification of beneficiaries by conducting a proper survey indicating the livelihood or occupation profile of beneficiaries before taking up the project. Identified beneficiaries were to be notified and their names placed on the website of JnNURM/ ULB and the beneficiaries were to be issued biometric cards to ensure that houses were allotted to targeted beneficiaries.

Out of 34 towns, projects for 26 towns were sanctioned before February 2009. Audit noticed that committee for identification of beneficiaries was constituted in February 2009 after the sanction of projects by GoI which was indicative that no verification of beneficiaries was conducted before submission of projects. Beneficiaries were not involved in planning process as beneficiary committees were not constituted for consultation, construction of houses, allotment thereof and formulation of DPRs.

### 2.2.9.1 (c) Execution of Projects

As per scheme guidelines, cost of dwelling units was to be shared in the ratio of 80:10:10 *per cent* between GoI, the State Government and the beneficiary respectively. Audit check of records of MC Billawer revealed that 81 beneficiaries were provided financial assistance of ₹1.50 lakh against the unit cost of ₹1.53 lakh which indicated that no contribution was realized from the beneficiaries resulting in excess payment of ₹0.12 crore. In three<sup>27</sup> MCs, 16 beneficiaries, after receiving first installment of ₹0.30 lakh, did not turn up for receiving next installments.

### 2.2.9.1 (d) Status of Housing Projects

The State Government sanctioned (2007-11) housing projects for 34 towns at a cost of ₹141.38 crore<sup>28</sup>. Audit noticed that despite incurring an expenditure of ₹101.16 crore between 2007-08 to 2015-16, none of the 34 projects taken up for execution were completed (March 2016). Out of 6,131 DUs (excluding Leh) approved (2007-08 to 2011-12) for construction under these 34 projects, 4,973 (81 *per cent*) were completed, 969 were under progress and 189 had not been taken up for execution.

Thus, DPRs were without authentic data of revenue/ census authorities and other necessary information and no survey had been conducted for identification of beneficiaries. There was non-realisation of beneficiary share of ₹0.12 crore and 34 projects taken up for execution had not been completed despite incurring expenditure of ₹101.16 crore resultantly defeating the mission's objective of providing housing to urban poor.

<sup>27</sup> Billawer, Bhaderwah and Dooru-Verinag

<sup>28</sup> Additional Central Assistance (ACA): ₹112.95 crore; State Share (SS): ₹18.25 crore and Beneficiary Contribution (BC): ₹10.18 crore

### **2.2.10 Implementation of Urban Infrastructure Projects**

Urban infrastructure projects were sanctioned under UIG for mission cities and under UIDSSMT for other towns and cities of the State. Projects for solid waste management, sewerage, storm water and surface drainage, water supply, roads and urban transport, urban renewal, development of water bodies, etc., were sanctioned under these programmes.

#### **2.2.10.1 Solid Waste Management Projects**

Audit scrutiny of records of Directors ULBs Jammu and Kashmir revealed that 12 (Jammu: 7; Kashmir: 5) Solid Waste Management (SWM) projects for 12 towns involving provision for collection and segregation of waste were sanctioned (2006-07) by GoI under UIDSSMT at a cost of ₹25.34 crore. The execution of Jammu based projects was entrusted (September 2007) to a construction company and in Kashmir division the works were executed by the Director, ULBs. An amount of ₹13.46 crore was released by GoI for these projects during the period 2006-07 to 2011-12.

Audit noticed that only three projects of Jammu division were completed at a cost of ₹5.25 crore and the remaining nine (Jammu: 4; Kashmir: 5) projects could not be taken up due to non-availability of sites and availability of land. The construction company recommended bio-composting plants instead of vermi-composting which needed more land. Local people were not taken into confidence for setting up SWM projects as execution of projects was not allowed by public due to pollution/ hazardous nature.

The Director ULBs Kashmir utilized ₹5.69 crore out of ₹7.62 crore received for procurement of tippers, tractors, front end loaders and other machinery and equipment which though distributed between March 2013 and July 2015 to the five MCs, could not be utilized for intended purpose as no project was taken up for execution in Kashmir Division. The balance funds of ₹2.52 crore were lying with the department.

#### **2.2.10.2 Collection, Segregation, Storage and Transportation of Waste**

As per the Municipal Solid Waste (MSW) Rules 2000, every Municipal Corporation was to organize house to house collection of MSW. According to directions of the Central Pollution Control Board, the MCs were also to maintain daily records of MSW collected and disposed off. Audit noticed the following:

- (a) Although bins had been installed in various wards, collection schedules and timings had not been notified and daily records of collection and disposal of MSW were not maintained by the MCs;
- (b) No awareness programmes for segregation of waste and promotion of recycling or reuse of segregated materials were organised during 2011-12 to 2015-16;

- (c) Bins for storage of waste were required to be coloured according to the kind of waste such as green for bio degradable waste, white for recyclable waste and black for other wastes. However, all bins had been painted green with the result that no segregation of recyclable waste had been undertaken by any of the MC; and
- (d) Test-check of two functional SWM plants (Sunderbani and Bhaderwah) revealed that the construction company had supplied (2010) eight vehicles to the MCs for transportation of waste to the SWM plants out of which five vehicles were either damaged/ under repair or were not put to use at all.

### 2.2.10.3 Sewerage projects

A comprehensive sewerage scheme for Division 'A' of Greater Jammu and Zone-III of Greater Srinagar was sanctioned (December 2006) by GoI under JnNURM. The schemes were sanctioned at a cost of ₹129.23 crore<sup>29</sup> for Greater Jammu and ₹132.92 crore<sup>30</sup> for Zone-III, Srinagar. The Government released between November 2007 and March 2015, ₹59.11 crore<sup>31</sup> for Greater Jammu and ₹91.05 crore<sup>32</sup> for Zone-III, Srinagar. Both the schemes were allotted (August 2007) to National Building Construction Corporation Limited (NBCC) and were targeted to be completed by March 2014. Scrutiny of records of execution of both the schemes revealed the following:-

#### (A) Comprehensive sewerage scheme for Division 'A' of Greater Jammu

The DPR of the project envisaged construction of a 27 MLD Sewage Treatment Plant (STP) along with 32,007 metres of Trunk Sewer Line (TSL) and 90,740 metres Lateral Sewer Line (LSL) to connect to 30,400 households. After surveying the site conditions, the company allotted work of construction of 26,536 metres of TSL and 65,500 metres of LSL to the sub-contractors. However, during execution of work of the sewer lines, it was seen that some links had been omitted in the main project. In order to cover the missing links, another DPR was sanctioned (March 2012) by GoI for laying of additional 1,050 metres of TSL and 36,220 metres of LSL at an estimated cost of ₹20.32 crore.

As of March 2016, the laying of sewer lines remained incomplete due primarily to non-shifting of utilities by PHE and Power Development Departments. In the meantime, the STP was constructed at a cost of ₹13.58 crore which remained unutilized due to lack of connecting sewer lines. For completion of the project, the construction company demanded an additional amount of ₹34 crore which was yet to be provided by the State Government.

Thus, poor conceptualisation and inadequate survey of the alignment of the sewer lines before award of work resulted in non-completion of the project and unfruitful expenditure of ₹67.74 crore incurred as on March 2016 on the construction of STP, TSLs and LSLs.

<sup>29</sup> ACA: ₹116.31 crore; SS: ₹12.92 crore

<sup>30</sup> ACA: ₹119.63 crore; SS: ₹13.29 crore

<sup>31</sup> ACA: ₹46.42 crore; SS: ₹12.69 crore

<sup>32</sup> ACA: ₹77.76 crore; SS: ₹13.29 crore

## **(B) Comprehensive sewerage scheme for Zone-III of Greater Srinagar**

The DPR of the project envisaged construction of 60 MLD STP, 42,950 metres of TSL and 93,430 metres LSL to be connected to 15,000 households. After surveying the site conditions, the company allotted work of construction of 37,604 metres of TSL and 1,02,100 metres of LSL to the sub-contractors. As of March 2016, construction of sump cum pump house, laying of sewer lines and pumping station remained incomplete due primarily to non-shifting of utilities by the Line Departments. For completion of project, the construction company demanded an additional amount of ₹69.32 crore. Hence, the sewerage project was yet to be fructified despite expenditure of ₹90.71 crore as of 31 March 2016.

### **2.2.10.4 Storm Water Drainage Projects**

Nine (Jammu: 7; Kashmir: 2) storm water and surface drainage water projects were sanctioned (2006-07) under UIDSSMT at a cost of ₹119.84 crore. None of these projects had been completed as of March 2016. Audit noted that the DPRs of these works did not include details like affected land, area under submergence and total forest land/ private land/ revenue land/ data of population areas affected. At the time of preparation of DPRs, it was not ascertained that land required for the project was free from encumbrances and no care was taken to shift and re-locate utilities and other services. Consequently, the execution of the works was impaired as illustrated below:

- Work of 'Construction of covered and deep drain from drainage siphon of Kathua canal' allotted (January 2010) to a contractor which was to be completed by March 2014 could not be completed due to land dispute (about 80 metres in the middle of drain) and stay by Hon'ble High Court and non-shifting of utilities by PHE department. Thus, the expenditure of ₹1.02 crore incurred on this component of the project was unproductive. The department stated that all the works were proposed in Government land but disputes emerged as there were encroachments. The reply is not convincing as the encroachments should have been attended to before award of work to ensure encumbrance free availability of land.
- The construction of Drainage scheme Ganderbal allotted (2012-13) to Town Drainage Division Srinagar at a cost of ₹18.27 crore was to be completed by 2013-14. For execution of works ₹13.52 crore released by SUIDA was utilized in full by the Division. However, against 15,780 metres of drain only 13,916 metres could be completed as the work at main outfall drain could not be executed due to dispute between two habitations for alignment of the proposed drain. Thus, commencement of work without ensuring that the site for final disposal of the drain water was free from encumbrance resulted in unfruitful expenditure of ₹13.52 crore.

Thus, only three out of twelve SWM projects were completed due to non-availability of sites while sewerage projects in Jammu and Srinagar could not be fructified despite expenditure of ₹158.45 crore due to poor prior planning and conceptualisation.

### 2.2.11 Urban Roads

Eleven projects were sanctioned (2007-08) under UIDSSMT at a cost of ₹75.13 crore to be completed by March 2014 for improvement and upgradation of road network. Audit noticed that none of the five<sup>33</sup> test-checked projects (sanctioned cost: ₹47.88 crore) had been completed (March 2016). Out of 173 roads for which ₹35.79 crore was released, 134 had been completed after incurring expenditure of ₹32.27 crore. Out of the remaining 39 roads, 33 could not be completed due to scarcity of funds and non-acquisition of land and six had not been taken up for execution.

#### 2.2.11.1 Strengthening City Transport Systems

For strengthening city transport system in the cities of Jammu and Srinagar, purchase of 150 buses (Jammu: 75, Srinagar: 75) was sanctioned (June 2009) by the Central Steering and Monitoring Committee (CSMS) under JnNURM at a cost of ₹26.40 crore. An amount of ₹24.78 crore was released by SUIDA to Jammu and Kashmir State Road Transport Corporation (SRTC) between December 2009 and August 2011 and 150 buses were procured by the SRTC in 2010-11 at a cost of ₹24.78 crore. Audit observed the following:

- As per the terms and conditions of supply order, buses were to be supplied within 90 days from the issue of supply order failing which the firm was liable to pay a penalty of ₹1,000/ day/ bus if supplied after 90 days to 120 days and ₹1,500/ day/ bus beyond 120 days. Audit scrutiny of records revealed that against the delivery month of January 2010, the buses were received between July and October 2010 but penalty of ₹1.11 crore had not been recovered from the firm. Moreover the bank guarantees of ₹96.10 lakh furnished by the supplier had also expired as of April 2013 and September 2014.
- Against consultancy charges of ₹40 lakh payable as per the guidelines, ₹84 lakh was paid by the SRTC to the consultant resulting in excess payment of ₹44 lakh. The Corporation had also not deducted service tax of ₹9 lakh from the firm.
- Instead of utilizing the buses for intra-city service, the SRTC utilized the buses for inter-state and inter-city bus services. SRTC stated that the buses were utilized for inter-state and inter-city services as police department had not allowed the buses to operate in the cities because of the judgment of Hon'ble High Court relating to restriction on plying of heavy load buses. Reply was not tenable as the Hon'ble High Court had clarified (2006) that there was no restriction to operate passenger buses in Srinagar city. In any case, the Corporation was required to purchase buses which were allowed to operate for city bus services.

<sup>33</sup> Samba, Kathua, Sunderbani, Ganderbal and Sopore

### **2.2.12 Urban Renewal Projects**

With a view to reduce congestion in the cities of Poonch, Sunderbani and Samba, Urban Renewal Projects were sanctioned (2006-07) under UIDSSMT by GoI at a cost of ₹9.12 crore and ₹4.63 crore was released between March 2007 and August 2012. Audit observed the following:

(a) Development works of the towns of Poonch and Sunderbani were taken up (2007) at an estimated cost of ₹8.99 crore which included construction of shopping complex at Poonch and widening of roads at Poonch and Sunderbani. Despite release of ₹4.49 crore, works could not be taken up as shopkeepers were not ready to shift their shops and business establishments to other locations. It was evident that projects were not formulated after due planning taking into account ground survey and willingness of local stakeholders. This resulted in non-utilization of ₹4.27 crore<sup>34</sup> for over seven years defeating the very purpose of the scheme and denial of intended benefits to the public.

(b) Construction of toilet complex in Samba was allotted (May 2014) at a cost of ₹4.25 lakh to a contractor after a delay of over six years since the project was sanctioned (2006-07) and was to be completed by March 2014. The work had not been completed as of April 2016 despite incurring an amount of ₹3.80 lakh on its execution. The department stated (April 2016) that the work could not be completed within the allotment due to escalation of market rates and the concerned EO had been asked to provide funds under normal resources for completion of the work.

### **2.2.13 Monitoring and Evaluation**

A Programme Management Unit (PMU) at State level and four Project Implementation Units (PIUs) were to be established for strengthening the capacity of SUIDA to manage and implement the projects and to enhance the pace and quality of implementation of mission activities. Audit noticed that:

(a) Despite release (March 2009) of ₹82 lakh by GoI, PMU/ PIUs had not been established;

(b) Project Completion Reports of 20 completed projects were not submitted to GoI; and

(c) There was no monitoring mechanism for projects being implemented under UIDSSMT and IHSDP. Physical/ financial progress reports were not being obtained from the executing agencies by the Directors ULBs Jammu and Kashmir for monitoring and evaluation of projects.

SUIDA stated (December 2015) that PMU and PIUs could not be established due to non-release of funds by the administrative department and that the projects executing agencies were being impressed upon to furnish the Project Completion Reports.

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<sup>34</sup> Expenditure of ₹21.79 lakh was incurred on construction of passenger sheds

### 2.2.14 Capacity building

GoI sanctioned (June 2012) ₹98 lakh for capacity building programmes for JMC and SMC and first installment of ₹41 lakh was released in June 2012. Audit noticed that 83 training programmes, 32 workshops, and two exposure visits required to be conducted up to March 2014 for the staff involved with JnNURM through Institute of Management and Public Administration Jammu/ Srinagar had not been conducted by the department and the funds remained unutilized with the State Government.

### 2.2.15 Conclusions

The implementation of the JnNURM was hampered by short release of State share of ₹33.32 crore and delay in transmission of funds from the Finance department to the implementing agencies through the administrative department. Financial management and controls needed to be strengthened as evidenced by mis-utilisation of ₹5.20 crore and non-refund of interest of ₹11.48 crore. Further, funds amounting to ₹31.84 crore was kept in fixed deposits instead of utilizing them for the purpose for which they had been released. The Government had not carried out reforms envisaged under the scheme guidelines relating to transfer of certain powers to urban local bodies and city planning and development as well as in the urban transport sector which would have facilitated achievement of the overall objective of holistic development of urban infrastructure on a sustainable basis.

Further, execution of housing projects was marked with delays with none of 34 projects taken up for execution at a cost of ₹141.38 crore between 2007-08 to 2015-16 having been completed despite expenditure of ₹101.16 crore. The Detailed Project Reports were not based on authentic data of revenue/ census authorities nor had beneficiaries' survey been carried out before project formulation. Lastly, only three out of twelve SWM projects could be completed due to non-availability of sites while sewerage projects in Jammu and Srinagar could not be fructified despite expenditure of ₹158.45 crore due to poor prior planning and conceptualisation.

### 2.2.16 Recommendations

In light of the audit findings, the Government may:

- (i) Strengthen financial management and utilization of funds so as to ensure that funds budgeted for during a financial year are utilised for the intended purpose and not retained in fixed deposits or diverted;
- (ii) Strengthen project management including ensuring proper pre-award site surveys so that works once awarded are progressed without hindrance or delays;
- (iii) Expedite urban and transport sector reforms especially transfer of functions to urban local bodies, creation of Unified Transport Metropolitan Transport

Authority for Jammu and Srinagar cities and a dedicated Urban Transport Fund that would create the necessary institutional structure for more efficient identification and implementation of urban projects; and

(iv) Strengthen monitoring mechanism of ongoing schemes and projects so as to enable prompt remedial action to remove bottlenecks and hindrances that may arise.

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