

**CHAPTER – III : CIVIL DEPARTMENTS
SECTION – A – REVIEWS**

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 National Family Welfare Programme

Highlights

The National Family Welfare Programme is a demographic as well as a Welfare Programme meant for stabilising population level and at the same time improving maternal and child health care. The programme is a cent percent Centrally Sponsored Scheme. A review of the programme through test check of records revealed that programme implementing department could not achieve the demographic goal in respect of birth rate, crude death rate, etc., during March ending 1995, 1996 and 1997 though expenditure on this account continued to be increased year after year. The couple protection rate during 1995-96 to 1999-2000 fell short of the target to a considerable extent. There was huge shortage of manpower in operation of the programme. The State Government did neither evolve any monitoring system nor any evaluation was ever conducted, thereby, the effectiveness of the programme remained unassessed.

Against the grants of Rs.809.66 lakh released by the Government of India for implementation of the scheme during the period from 1995-96 to 1999-2000, Rs.958.59 lakh was spent by the State Government resulting in excess expenditure of Rs.148.93 lakh over the grant.

(Paragraph 3.1.4)

There was short establishment of 23 SCs and 0.69 lakh population was deprived of the desired benefit of health services.

(Paragraph 3.1.5.1.(i))

Couple protection during 1995-96 to 1999-2000 ranged between 3 and 14 per cent against target of 60 per cent set under National Health Policy.

(Paragraph 3.1.5.2(ii))

Under MCH Services shortfall in coverage under DPT ranged between 36 and 67 per cent, OPV between 28 and 49 per cent, BCG between 32

and 47 per cent, measles between 49 and 64 per cent, T.T. for pregnant women between 52 and 76 per cent during the years from 1995-96 to 1999-2000 (upto October 1999) as against 100 per cent immunization targetted.

(Paragraph 3.1.6(i))

Rupees 41 lakh incurred by the SCOVA for the execution of the items of work which were not covered by their approved guideline was irregular.

(Paragraph 3.1.6(iii))

No target for imparting training to Family Welfare Staff was fixed by the department. Out of 155 ANMs, only 78 ANMs were trained in IUD insertion during the period from 1995-96 to 1999-2000. Out of Rs.47.08 lakh released by the GOI for training, Rs.23.43 lakh was irregularly spent by the department for payment of salary of the ANMs of sub-centres and Urban Family Welfare Centres during 1995-2000.

(Paragraph 3.1.7)

As per GOI norm for carrying out IEC activities in a smaller State, maximum financial assistance was fixed as Rs.10.00 lakh per year. But due to inflated demand in the Annual Action Plan of the department, the GOI had released Rs.24.20 lakh in excess of the stipulated norm to the State Government during 1995-2000.

(Paragraph 3.1.8)

3.1.1 Introduction

The Family Welfare Programme was introduced in the First Five Year Plan in 1952. It was made target oriented and time bound with effect from 1966-67. Maternal and Child Health Services (MCH services) designed to improve the health of mothers and children were also integrated with it during the Fourth Plan period. The National Health Policy (NHP) approved by the Parliament in 1983 envisaged attainment of twin goals of 'Health for All' and a 'Net Reproductive Rate' (NRR) of unity by the year 2000A.D. Keeping in view the level of achievements made in the Seventh Plan period it was stated in the Eighth Five Year Plan document that NRR-I would be achievable during the period 2011-16 AD. However, the Report of the Technical group on Population Projection (constituted by the Planning Commission) indicated that the replacement level of NRR-I is achievable only by 2026 AD.

The main objectives of the National Family Welfare Programme (NFWP) was to stabilize population level consistent with the needs of national development by adopting following measures/methods :

- (i) to bring down the birth and death rates through various family planning measures and temporary methods of birth control.
- (ii) To persuade people to adopt small family norms by popularising the use of conventional contraceptive devices or oral pills etc.
- (iii) To provide medical services, medicines and incentives free of cost at the doorsteps of the acceptors of family planning measures.

These objectives of NFWP were to be achieved through implementation of following schemes.

- (a) Minimum Needs Programme (Redesigned as Basic Minimum Services (BMS))
- (b) Sterilisation Bed Scheme
- (c) Post Partum PAP Smear Test Facility Programme
- (d) All India Hospital Post Partum Programme
- (e) Population Research Centre Scheme
- (f) Child Survival and Safe Motherhood (CSSM) Programme redesigned as Reproductive and Child Health (RCH) programme.

3.1.2 Organisational Set up

At the State Level the Director of Health and Family Welfare Department is nodal authority to oversee the implementation of the programme. The programme is implemented by the Director of Health Services Arunachal Pradesh through 11 Rural and 17 Urban Family Welfare Centres, 58 Primary Health Centres, 19 Community Health Centres, 323 Sub centres and 1 Post Partum Centre. Besides, there is a Family Welfare Training Centre.

3.1.3 Audit Coverage

The review covered the period from 1995-96 to 1999-2000 by test check of records of the Director of Health Services, Additional Director of Health Services (Family Welfare), 1 (West Siang District) out of 4 District Family Welfare Bureau, 3 (Papumpare, Lower Subansiri and West Siang) out of 13 district Medical Officers, 5 (Ragha, Doimukh, Ziro, Kimin and Balijan) out of 58 PHCs and 3 (Naharlagun, Ziro and Along) out of 13 District Hospitals during the period from February to March 2000.

The services of the ORG centre for social research, a division of ORG-Marg Research Limited was commissioned by the Comptroller and Auditor General of India with a view to obtaining the beneficiary perception of the programme and related matters. The ORG-Marg carried out survey over a sample of 1000 households between 21.10.2000 and 07.11.2000 and 21 health facilities in respect of 3 districts (West Kameng, Lower Subansiri and East Siang) and 30 villages, determined on the basis of socio cultural characteristics and

development status. Significant findings of the survey on matters discussed in the Report have been included in this review at appropriate places.

The results of test check are given in the succeeding paragraphs.

3.1.4 Finance and Expenditure

The programme is cent percent centrally assisted scheme. For orientation training of medical and para medical personnel the grant is admissible on 50 : 50 sharing basis between Government of India and the State Government which is to be utilised for rent of hostel, contingency, consumable for Training materials, additional teaching staff, class rooms for Health and Family Welfare Training Centres etc. The establishment of PHC, CHC, sub-centres in rural areas and hospitals and dispensaries in urban areas are met under Minimum Needs Programme.

The budget provision, funds released by the Government of India expenditure incurred, less or excess utilisation of central assistance etc., for the period from 1995-96 to 1999-2000 are detailed below.

(Rupees in lakh)

Year	Budget Provision		Total	Central assistance received		Expenditure		Total	Less (-)/ excess (+) utilisation of Central assistance
	Salary Component	Non Salary Component		Cash	Kind	Salary Component	Non Salary Component		
1995-1996	46.51	92.25	138.76	139.85	110.69	24.56	93.92	118.48	(-) 21.37
1996-1997	50.00	96.76	146.76	146.82	33.86	26.59	105.02	131.61	(-) 15.21
1997-1998	50.00	105.13	155.13	147.73	89.65	35.80	207.92	243.72	(+) 95.99
1998-1999	77.60	62.84	140.44	144.06	NA	46.42	193.83	240.25	(+) 96.19
1999-2000	53.15	147.04	200.19	231.20	103.35	79.64	144.89	224.53	(-) 6.67
Total	277.26	504.02	781.28	809.66		213.01	745.58	958.59	(+) 148.93

The reason for savings as furnished by the Additional Director of Health Services – Family Welfare, Naharlagun during 1995-96 and 1996-97 was due to non-filling of certain posts (which was not specified) while the reason for excess expenditure during 1997-99 was stated to be due to revision of Pay scales of the employees of Family Welfare Department as per recommendation of 5th Pay Commission.

3.1.5 Implementation

In Arunachal Pradesh, the following three (out of six) schemes/programmes were implemented, viz.,

- (i) Minimum Needs Programme
- (ii) All India Hospital Post Partum Programme
- (iii) Child Survival and Safe Motherhood (CSSM) Programme redesigned as Reproductive and Child Health (RCH) Programme

3.1.5.1 Minimum Needs Programme

(i) Family Welfare Services are to be provided to the community through a net work of Sub Centres (SCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs) in the rural areas and hospitals and dispensaries in the urban areas in a phased manner by 2000 AD. The population norms for setting up the Centres and their staffing norms and activities/services to be delivered are as detailed in **Appendix - XIV**.

Test check of records and information collected from Rural Health Statistics and from DHS and Additional DHS (FW) revealed the following target and achievement in respect of establishment of these Centres.

Centres	No. of Centres required as per 1991 census	No. of centres required as per projected population at the end of ninth plan as per GOI's norm	Position as on 31 March 2000	No. of centres established in excess (+)/less (-) of norm	Funds released during 1995-2000		Actual Expenditure
					By GOI	By State	
					(Rupees. in lakh)		
SCs	288	346	323	(-) 23			2593.45 (Upto Dec. '99)
PHCs	43	52	58	(+) 6	245.45	2498.00	
CHCs	11	13	19	(+) 6			

It would be seen from the table that as per the projected population of 10.38 lakh at the end of 9th plan period, as against the requirement of 346 SCs, 52 PHCs and 13 CHCs the positions of centres established as on 31 March 2000 was 323, 58, 19 respectively. Thus, there was a short establishment of 23 SCs and excess establishment of 6 PHCs and 6 CHCs. Thus, due to short establishment of 23 SCs, 0.69 lakh rural population were deprived of the desired benefits of health services.

Excess number of centres established in violation of Government norm

The additional Director of Health Services, Family Welfare in his reply, justified establishment of excess number of PHCs and CHCs because of the peculiar geographical position of Arunachal Pradesh like very small density of population (i.e 10 persons per Sq.Km), coverage of large area by each centre etc. The departmental stand was not tenable as they had not obtained prior approval of Government of India for relaxation of population norm in respect of establishment of PHCs and CHCs.

It was further noticed that out of 323 established SCs, only 277 SCs were made functional as of May 2000. According to the department, the remaining 46 SCs (323-277) could not be made functional due to financial constraint and non-availability of required manpower, institutional and residential quarters. The contention of the Department is not tenable as the Government had released Rs. 2743.45 lakh during the period from 1995-96 to 1999-2000 for maintenance of SCs, PHCs and CHCs. Out of this Rs.245.45 lakh was specifically provided by the Government of India for implementation of family welfare programme during the aforesaid period. The department also stated that the entire amount of Rs. 245.45 lakh was spent towards payment of pay and allowances of staff engaged for carrying out family welfare activities. Thus, department's failure to make 46 SCs fully functional resulted in deprivation of health care to 1.38 lakh population of that area.

Again, in Regha PHC, no Medical Officer was posted during the period from December 1996 to September 1999 for reasons not on record. The people of the locality was therefore, deprived of the health care and treatment facilities during the said period.

Department failed to achieve the demographic goals, reasons for failure also unidentified

(ii) Performance against demographic goal

The National Health Policy 1983 envisaged achievement of the Net Reproductive rate of unity by the year 2000 AD and the achievement made by the Family Welfare Department at the end of March 1995, March 1996 and March 1997 were as under:

Name of goal	Targets	Achievement at the end of		
		March 1995	March 1996	March 1997
(i) Crude birth rate (per thousand)	21	27.6	27.4	34.6
(ii) Crude death rate (per thousand)	9	13.5	13.5	13.5
(iii) Annual growth rate (per cent)	1.2	1.4	1.4	2.1
(iv) Infant mortality rate (per thousand)	below 60	64	64	64

Despite incurring an expenditure of Rs.25.93 crore during 1995-96 to 1999-2000 (upto December 1999) under the Minimum Needs Programme, the infant mortality rate and the crude death rate remained static during 1994-95 to 1996-97 while the crude birth rate and annual growth rate recorded an increasing trend by 26 and 50 **per cent** respectively as on 31 March 1997 as compared to the corresponding figures as on 31 March 1996. The Crude Birth Rate (CBR) and Crude Death Rate (CDR) were also higher than the national average (27.2 and 8.9 per 1000 population). Only the Infant Mortality Rate (IMR) is lower (64 per 1000) than that of national scenario(71 per 1000 live births). Thus, the

department failed to achieve the demographic goal as laid down in the National Health Policy.

3.1.5.2 All India Hospitals for Post-Partum Programme

The district/sub-district level Post Partum Centres (PPC) were to motivate women within the reproductive age group (15-44) years and their husbands for adopting small family norms through education and motivation during prenatal, Post Natal period and after Medical Termination of Pregnancy. The basic objective of the programme was to provide integral package of maternal child health and Family Welfare Services in service training to medical/para medical staff, out reach services to allotted population and MMR rate. Under this programme cent percent Central assistance was provided for recurring and non recurring items. In the State, there is only one sub-District level PPC at Naharlagun.

Funds provided by Government of India, released by the State Government and expenditure incurred during 1995-96 to 1999-2000 are as under :

Year	Funds provided by GOI	Funds released by State Government	Expenditure incurred
	(Rupees in lakh)		
1995-96	3.50	NA	5.38
1996-97	5.00	NA	7.31
1997-98	7.00	6.67	9.43
1998-99	6.50	6.50	10.48
1999-00	10.00	10.00	11.14

The reason for incurring excess expenditure was neither on record nor stated.

The performance of PPC in respect of family welfare methods and immunisation during the period from 1995-96 to 1999-2000 are as under :

Activity	Overall achievement under NFWP in the State		Target of PPC	Achievement of PPCs	Percentage of achievement of PPC to total achievement
	Target	Achievement			
*Family Welfare Method (i) Sterilization	6305	8511**	No target was fixed	1601	19
(ii) Oral Pills	7230	22,049**		2600	12
Immunisation T.T.(for pregnant women)	123689	44728		4874	11
BCG	124505	69441		8293	12
Polio***	25600	8395		2555	30
DPT	124425	65305		2420	4
Measles	122545	49470		2096	4
DT (for infants)	70780	53110		833	2

* Number of eligible couples during 1995-96 to 1999-2000 (upto October 1999) : 6.42 lakh.

** Target free approach during 1997-98 and 1998-99.

*** For 1999-2000 only.

It would be seen from the above table that the percentage of achievement of PPC to overall achievement under different indicators of NFWP ranged between 2 and 30. Although the coverage of immunisation programme for the State as a whole was to be made centpercent there were shortfall ranging between 25 and 67 **per cent** in achieving the target fixed for different indicators of the programme during 1995-96 to 1999-2000.

Failure on the part of PP centre to increase the number of tubectomy cases through education

(i) In the absence of any target specially for the PPC, the shortfall, if any, in respect of different indicators could not be verified in audit. It was, however, noticed that out of 5891 number of registered pregnant women during the period from 1995-96 to 1999-2000 (upto December 1999), only 1597 numbers, i.e. 27 **per cent** were acceptors of tubectomy of which 888 women were already having 3 or more children.

The ORG-Marg survey observed that post partum care was almost negligible in the state with only 5 **per cent** women having got examined within 42 days of their deliveries. The report also observed that about one-fourth of women received FP counselling during each of the antenatal / Post natal periods and about 25 **per cent** mentioned having accepted contraceptives before resuming menstruation which was moderately high.

Shortfall in couple protection rate ranges from 46 to 57 per cent due to poor infrastructure and manpower shortage

(ii) As per national norm fixed under National Health Policy 1983, the effective couple protection rate was 60 **per cent** of the eligible couples.

Eligible couples identified with reference to estimated population and couples protected by various methods of family planning during the period from 1995-96 to 1999-2000 were as under :-

Year	Total estimated population	Eligible couples	Percentage of couples to total population	Couples protected			Total couples protected	Percentage of couples protected to total eligible couples
				Tubec - tomy	IUD	Oral pills		
				(In number)				
(Number in lakh)								
1995-96	9.68	1.50	15	1654	2513	930	5097	3
1996-97	9.92	1.53	15	1890	2794	1949	6633	4
1997-98	8.22	1.01	12	2353	2585	2761	7699	8
1998-99	8.92	1.17	13	1983	2601	1804	6388	5
1999-2000 (October 1999)	10.12	1.21	12	631	1394	14605	16630	14
Total				8511	11887	22049	42447	

Against the population of 10.12 lakh at the end of October 1999, only 42,447 couples were protected by different methods of family welfare programme, of which, 8511 females were protected through permanent methods viz., tubectomy while 33936 couples were covered by temporary methods (11887 couples by IUD and 22049 couples by oral pills). Besides, 7.65 lakh condoms (Nirodh) were distributed to 36,782 male users during the aforesaid period,

i.e., 4 condoms per head per year on an average. Thus, with reference to National target of couple protection (i.e 60 **per cent** of eligible couples), there was heavy shortfall ranging from 46 to 57 **per cent** in achievement of target. This indicated that the department totally failed to motivate the women in their post delivery period to avail the benefit of family welfare programme. The Additional DHS, FW stated (May 2000) that poor physical infrastructure and shortage of man-power at field level were the main reasons for poor performance of couple protection rate. The department, however, had not evolved any effective measure to solve the problem.

The ORG-Marg survey report also indicated that the Couple Protection Rate in Arunachal Pradesh was only 13 **per cent** in 1998, compared to 45.4 **per cent** for India (Family Welfare Year Book, 1997-98).

3.1.6 Child Survival and Safe Mother Hood (CSSM) and renamed as Reproductive Child Health (RCH) Programme

In the Eighth Plan (1992-97), programmes, like Universal Immunisation, Oral Rehydration Therapy (ORT) and various other related programmes of Maternal and Child Health (MCH) were integrated under (CSSM) programme. In Ninth Plan (1997-2002) CSSM was renamed as RCH and included Sexually Transmitted Diseases and Reproductive Tract Infection (RTI).

With the introduction of RCH programme under Family Welfare activities in 1998-99, necessary fund for implementation of the programme in the State was routed through the State Level Registered Society named State Committee on Voluntary Action (SCOVA) in the State.

The objective of the programme was to ensure relevant services for assuring reproductive and Child Health to all citizens, for obtaining stable population in the medium and long term for the country.

Funds released by Government of India and expenditure incurred under CSSM and RCH are as under :

(Rupees in lakh)			
Year	Funds released by GOI	Expenditure	Excess (+) / savings (-)
CSSM			
1995-96	36.30	17.71	(-) 18.59
1996-97	37.50	19.88	(-) 17.62
1997-98	22.50	21.58	(-) 0.92
Total	96.30	59.17	(-) 37.13
RCH			
1998-99	109.41	74.44	(-) 34.97
1999-2000	290.50	31.64	(-) 258.86
Total	399.91	106.08	(-) 293.83

The department stated (March 2000) that the major component of expenditure under CSSM/RCH was salary for posts created under CSSM programme.

Activities carried out under CSSM and RCH Programmes under different indicators by the FW Department and SCOVA as emerged on verification (March 2000) of records are mentioned below:

(i) Under MCH Services, health care services were provided through two main prophylaxis schemes as detailed below :-

Considerable shortfall in achieving target of DPT, OPV, BCG, TT(PW)

Prophylaxis against nutritional anemia among women and children ; pregnant and nursing mothers, acceptors of family planning and children of 1 to 5 years are to be given daily doses of iron and folic acid for a period of 100 days as a prophylactic measure. Prophylaxis against blindness due to Vitamin-A deficiency among children : 2 lakh international unit of Vitamin-A is given to children of age group 1-5 years once in every 6 months.

MCH Services are provided through PHCs, District Hospitals, Urban Family Welfare Centres attached to the District PPCs and ICDs centres.

Target and achievement under MCH scheme in respect of services provided to children and women (other than family planning activities) during 1995-96 to 1999-2000 are as follows:

Name of Services	Years														
	1995-96			1996-97			1997-98			1998-99			1999-2000		
	Target	Achievement	Short-fall	Target	Achievement	Short fall	Target	Achievement	Short-fall	Target	Achievement	Short fall	Target	Achievement	Short fall
DPT	25500	14437	11063 (43)	26000	13137	12863 (49)	23100	13803	9297 (40)	24225	15550	8675 (36)	25600	8378	17222 (67)
OPV	25500	14437	11063 (43)	26000	13355	12645 (49)	23100	15077	8023 (35)	24225	17487	6738 (28)	NA	NA	NA
BCG	25580	16677	8903 (35)	26000	13879	12121 (47)	23100	15757	7343 (32)	24225	15710	8515 (35)	25600	7418	-
Measles	25500	10654	14846 (58)	26000	9445	16555 (64)	23100	11774	11326 (49)	24225	11607	1218 (52)	23720	5990	-
TT (Pregnant Women)	28100	10194	17906 (64)	28500	8975	19525 (69)	19896	9640	10256 (52)	25313	5968	19345 (76)	21880	6011	-
TT (10 years)	22100	6834	15266 (69)	22600	11498	11102 (49)	NA	16170	-	NA	9574	-	17453	6157	-
TT (16 years)	21800	5237	16563 (76)	22000	10237	11763 (53)	TFA	-	-	TFA	6963	-	13610	2832	-
TT (5 years)	24700	6567	18133 (73)	25300	13265	12035 (48)	TFA	-	-	TFA	10402	-	20780	6590	-

TFA - Target Free Approach

Figures in brackets indicate percentage of shortfall

The table above will show that the department could not achieve the target in any of the Services during the year from 1995-96 to 1999-2000 (upto October 1999). The shortfall in achieving target in respect of DPT ranged between 36 to 67 **per cent**, OPV between 28 to 49 **per cent**, BCG between 32 to 47 **per cent**, measles between 49 to 64 **per cent**, TT (P.W.) between 52 to 76 **per cent** respectively during the year from 1995-96 to 1998-99. The reason for non-achievement of target has not been stated (March 2000).

The ORG-Marg survey observed that as against the centpercent coverage required for child immunisation, ANC care for pregnant women, coverage under TT doses and safe delivery, the observed coverage was relatively low, with coverage of around 50 **per cent** for most of the services.

**Progress of
utilisation of fund
was very poor**

(ii) Out of funds amounting to Rs. 399.91 lakh provided to SCOVA for implementation of RCH programme during 1998-99 to 1999-2000, Rs. 106.08 lakh (23 to 46 **per cent**) only was utilised through the concerned DMOs of the 13 districts on purchase of RCH material and drug (Rs. 18.29 lakh), organisation of awareness generation training (Rs. 13.93 lakh) in 5 districts out of 13 districts, engagement of contractual staff (Rs.15.02 lakh) in the category of Lab Technician and staff nurse to PHCs in 13 districts, Rs.175.28 lakh is lying unutilised in the bank account of SCOVA which led to locking up of funds for over 2 years. Besides, out of Rs.118.55 lakh released to 13 districts during 1998-99 and 1999-2000 for undertaking minor works, only 2 districts (Papumpare and Upper Subansiri) utilised the full amount while another 6 districts partially utilised the amount. Total amount utilised by 8 districts upto March 2000 was Rs.43.49 lakh. The position given above indicates that the pace of progress of utilisation of fund by the SCOVA was very poor which resulted in insignificant impact on execution of minor works under the programme.

The ORG-Marg survey report also revealed that the facilities were also lagging behind in equipping laboratories for diagnosing RTI/STDs and maintaining RTI/STD records (negligible).

(iii) As per guidelines issued by Government of India funds provided for works under RCH Programme was to be utilised on construction of operation theatre, labour room, or for providing and upgrading water and electricity supply in the CHC,PHC and district hospitals.

Government of India sanctioned and released (February 1999) Rs. 135.91 lakh to SCOVA for undertaking works in 13 districts of Arunachal Pradesh on the basis of estimates submitted by the State Government. The SCOVA also accordingly released (April 2000) the entire amount to the DMOs in charge District Society on Voluntary Action of 13 districts for taking up the work.

Irregular expenditure of Rs.41.00 lakh

Scrutiny of sanctioned estimate, however, revealed that certain items of work valuing Rs.41 lakh (as mentioned in **Appendix - XV**) were included therein though these were not covered by the guidelines. Thus, execution of these items and eventual expenditure thereon to the extent of Rs.41 lakh was not only irregular but also deprived the programme of the facilities worth Rs.41 lakh.

3.1.7 Training

There is only one training centre for training of Auxiliary Nurse Midwives (ANMs), medical and para medical staff in the State. Funds released by the Government of India and expenditure incurred during 1995-96 to 1999-2000 were as follows :

Category of Training	Funds released and expenditure incurred	Period					Total
		1995-96	1996-97	1997-98	1998-99	1999-2000	
(Rupees in lakh)							
ANM/LHV	Funds released	6.08	5.00	10.00	11.00	15.00	47.08
	Expenditure	4.30	3.58	1.47	1.00	13.08	23.43
	Excess (+) / Savings (-)	(-) 1.78	(-) 1.42	(-) 8.53	(-) 10.00	(-) 1.92	(-) 23.65

Though for orientation training of medical and para-medical personnel the grant is admissible on 50:50 sharing basis between the GOI and the State Government, no State share was released. Reason for non-release of State share was neither stated nor found on record.

The intake capacity of the centre viz Health Training and Research Centre at Pasighat in East Siang District is 40. There was no target fixed by the department for imparting training to different categories of officers and staff. Altogether training to 78 out of 155 ANMs in IUD insertion and 13 Medical Officers in MTP was imparted in the training centre during the period from 1995-96 to 1999-2000. This indicated that the department has failed to avail the full benefit of training centre by sponsoring another 109 trainees (40x5=200-78+13) during the period.

For the purpose of training, Government of India provided Rs. 47.08 lakh to the State Government during the period from 1995-96 to 1999-2000. It was however, noticed that, of this, an amount of Rs.23.43 lakh was spent for payment of pay and allowances of ANMs of Sub-centre and Urban Family Welfare Centre and staff of P.P Centre. The reason for diversion of training fund for payment of pay and allowances was not stated. On a query, the department stated that training for ANM and LHV are occasionally conducted in other General/District Hospital as required under the FW programme. But details of such training imparted since 1995-96 have not been furnished.

The ORG-Marg survey report also observed that the government centres in Arunachal Pradesh still have a long way to go with respect to training the

medical and para medical staff in RCH and on specific activities such as screening cases for spacing methods, IUD insertion and diagnosing RTI/STD.

3.1.8 Information Education and Communication (IEC)

IEC and motivation activities play an important role in the Family Welfare Programme.

Excess release of fund by the GOI

Failure to utilise the excess fund released by GOI resulted in savings of Rs.20.93 lakh

As per GOI guidelines smaller States are to be funded Rs.10 lakh per year for undertaking IEC activities in the State. Scrutiny (March 2000) of DHS records, however, revealed that Rs.24.20 lakh was released to the FW department of the State in excess over norm as shown below :

Year	Fund released by GOI	Fund admissible	Excess Fund released	Amount spent	Excess (+) Savings (-)
(Rupees in lakh)					
1995-96	15.64	10.00	5.64	13.61	(-) 2.03
1996-97	11.29	10.00	1.29	10.15	(-) 1.14
1997-98	19.76	10.00	9.76	8.37	(-) 11.39
1998-99	12.31	10.00	2.31	5.94	(-) 6.37
1999-2000	15.20	10.00	5.20	NA	NA
Total	74.20	50.00	24.20	38.07	(-) 20.93

A sum of Rs.24.20 lakh during the period from 1995-96 to 1999-2000 was released in excess by GOI due to preparation/submission of excess demand by the department in the Annual Action Plan. The reason for excess demand/release was not on record. Moreover, the department could not spend the total release and there was a saving of Rs.20.93 lakh out of total release of Rs.59.00 lakh from 1995-96 to 1998-99 indicating **35 per cent** savings/non-utilisation of GOI fund.

The IEC activities are looked after by 4 projectionists at Along, Bomdila, Ziro and Khonsa.

Though the department had spent a sum of Rs.38.07 lakh during 1995-99 in IEC activities, the impact of the IEC activities on the beneficiaries/people of the State had never been analysed.

The ORG-Marg survey report also indicated that the IEC component of the programme was weak with only **10 per cent** respondents reporting awareness about any IEC activity undertaken in their areas and the availability of IEC material at the government centres was dissatisfactory.

3.1.9 Man Power

Shortage of manpower at field level contributes to the poor performance of the programme

There is no full fledged Family Welfare Directorate in the State. One Additional DHS(FW) with skeleton staff, however, manage with relating to Family Welfare. In the district also the minimum staff required for effective implementation of FW Programme is lacking. Each District should have one District Family Welfare Bureau and one District Training Centre and one IEC unit attached to the District FW Bureaus.

There were only 193 posts (including clerical posts) operated in the department at district and field levels. Against 13 districts, there were only 4 District Family Welfare Officers, 2 Mass Education and Information Officers and 4 Deputy Mass Education and Information Officers. At the field level too there were shortages as compared to GOI norms. Against 58 Lady health visitors which was required as per norm, there were only 16 sanctioned posts. Similarly against 58 Health educators to be sanctioned as per norms, there were only 2 in position. Shortage of personnel particularly at operational levels affected Family Welfare services.

3.1.10 Role of Voluntary Organisation

There is only one Voluntary Organisation viz., Ramakrishna Mission (RKM) hospital at Itanagar which is associated with the family planning programme.

Test check of records (March 2000) revealed that grants aggregating Rs.418.00 lakh had been provided by the State Government from its plan budget through the Director of Health Services (DHS) during the period from 1995-96 to 1999-2000 and was fully utilised by the RKM Hospital. A total of 712 sterilisation and 388 IUD cases were performed by the hospital during the period from April 1995 to December 1999. No oral pills and conventional contraceptives were supplied to this Hospital by the department. This indicates the lack of co-ordination between the Voluntary Organisation and the family welfare department of the State.

3.1.11 Vehicles

Shortage of vehicles effected the implementation of the programme

As against the total requirement of 51 vehicles as assessed by the Department, the GOI provided 39 vehicles till March 2000 for implementation of Family Welfare Programme. Out of 39 vehicles, 30 vehicles are in running condition. 5 vehicles have already been condemned and 4 vehicles are off-road due to mechanical defects. The department had not initiated any action to get the off-road vehicles repaired. The shortage of 21 vehicles affected the implementation of the programme as all the officers and workers of the Family Welfare Department could not perform their duties by paying visit to PHCs/HSCs which are located in remote localities of the State.

3.1.12 Expired medicine

Scrutiny (March 2000) of stock registers of DMO-Ziro, Along and Ragha and Ziro PHC, it was found that a huge quantity of medicines lost their shelf-life as shown in the **Appendix – XVI**.

Supply of medicines in excess of requirement/non-functioning of refrigerator caused expiry

It was stated by the District Family Welfare Officer (DFWO), West Siang-Along that medicines were received in excess of requirement and short expiry medicines were supplied by the GOI. The DFWO-Ziro also stated that DPT injection expired due to excess supply which could not be used before expiry. The reason for expiry of medicines in PHC-Ragha under DMO-Lower Subansiri district-Ziro as stated by the Medical Officer in charge was due to non-functioning of the refrigerator during the period from April 1998 to August 1999.

The department had not taken any effective step to avoid loss due to expiry of medicines.

(ii) As per stock register of DMO-Along balance of ORS as on 21-09-1999 was 18,400 packets, quantity of ORS issued during the period from 21-09-1999 to 22-11-1999 was 600 packets. The balance in the stock ledger as on 22-11-1999 was shown as nil instead of 17,800 packets (18,400 Pkts – 600 Pkts). The discrepancy of 17,800 numbers was not clarified to audit.

3.1.13 Idle stock of drugs and other materials

According to the programme, laparoscopic sterilisation was to be performed by trained teams consisting of a gynaecologist/surgeon, nurse and operation theatre technician and laparoscope was to be procured at the rate of 1.5 laparoscope per team. Laparoscope/tube rings were being supplied by the Ministry of Health and Family Welfare to the State for conducting laparoscopic sterilisation operations.

The details of number of laparoscopic teams trained and their location could not be made available to audit. However, from the records of the Addl. Director of Health Services, Family Welfare, Naharlagun it was seen that 15,000 pairs of tubal rings were received from the GOI Health and Family Welfare Department during the period from January 1996 to August 1998 while there was a stock balance of 600 pairs with the department. Out of total stock of 15,600 pairs of tubal rings, 5400 were distributed to the Chief Medical Officer, General Hospital, Naharlagun, 1400 to DMO, Lohit District, Tezu and 500 pairs to the Secretary RKM Hospital, Itanagar during the period from February 1996 to February 2000 and balance 8300 pairs of laparoscopic rings are lying undistributed to any hospital/districts. The reason for non-distribution of the same to different districts has not been stated. Cost of idle stock of laparoscopic rings at Rs.30.60 per pair (1995-96 rate) was computed to Rs.2.54 lakh (8300 x Rs.30.60).

Out of 9 sets of laparoscope received during February 1996, 3 sets were issued (CMO, GH Naharlagun - 2 sets and DMO Tezu - 1 set) during the period from March 1996 to March 1999 and balance 6 sets of laparoscope are lying undistributed with the Addl. Director of Health Services, FW, Naharlagun, thereby the needy patients were deprived of getting their desired benefits of 6 laparoscope sets. The reason for non-issue of laparoscope to Districts has not been stated. The details of laparoscopic sterilisation done with the help of laparoscope sets and tubal rings had not been reported to the Additional DHS, FW by the concerned Medical Officers. As a result, impact of utilisation of laparoscope sets could not be ascertained in audit.

3.1.14 Monitoring and evaluation

Monitoring cell required to be created at Directorate of Health Services to monitor the various activities under Family Welfare Programme, had not been created as of March 2000.

Evaluation of the impact of the programme on beneficiaries has also not been made by any agency at any stage during the period up to March 2000 for reasons not on record.

Performance of SCs remained unassessed due to absence of any monitoring system

Further, as per departmental procedure, family welfare activities carried out by SCs at grass root level was to be monitored by the concerned controlling PHCs/CHCs by way of obtaining monthly report in the prescribed format (Form No.6) from them. But the performance of SCs have never been monitored by the PHCs/CHCs due to non-receipt of required monthly report from them. At the State level also there was no system to exercise any control over the function of SCs by the Additional DHS, Family Welfare Department. As a result, the community based family welfare services including treatment of minor ailment rendered by the SCs remained unassessed.

As per scheme, a co-ordination committee was to be formed and regular meetings were to be held at Post Partum Centres for effective implementation of the programme and minutes of the meetings be sent to state family welfare department. But since inception of the post partum programme in the State in 1991-92, neither any co-ordination committee was formed nor any meeting was held till March 2000 to ascertain the effectiveness of the programme and recommend measures to overcome the inherent deficiencies. The reason for non-formation of Co-ordination Committee and non-holding of any meeting has not been stated.

The Programme has not been evaluated by the State Government to assess its impact.

3.1.15 Recommendations

Though staff is the most significant input for the success of the programme provisioning of staff at field levels was inadequate. The State Government should take effective steps to raise the manpower at the desired level for successful operation of the programme. The target under MCH services, i.e.,

DPT, OPV, BCG, TT should be adhered properly so that there is no shortfall under immunization. A system of monitoring should also be evolved and evaluation of the impact of the programme on the beneficiaries be conducted.

The above points were reported to Government/Department (July 2000); their reply has not been received (December 2000).

3.2 WORKING OF THE MEDICAL DEPARTMENT

Highlights

The review, interalia, highlights defective budgeting, irregular deployment as well as utilisation of available manpower, thereby depriving a section of population of the state to avail the benefit of health care services, irrational deployment of Specialist and Dental Surgeons, establishment and running of 2 PHCs and 68 HSCs either with one Group 'D' staff or having no staff at all, extra avoidable expenditure of Rs.47.21 lakh for procurement of medicine at higher rates, procurement of X-Ray Machines before completion of infrastructure and absence of any system to monitor and evaluate the working of the Department as a whole.

Against total provision of Rs.259.40 crore expenditure incurred was only Rs.222.56 crore resulting in saving of Rs.36.84 crore.

(Paragraph 3.2.4.1)

DCC bills for Rs. 48.91 lakh against 27 AC bills drawn between 1997-98 and 1999-2000 remained outstanding, which indicated serious deficiencies in control over expenditure.

(Paragraph 3.2.4.3)

During 1995-96 to 1999-2000, there were shortfall of 27, 44 and 59 per cent in the targetted establishment of CHC, PHC and HSC respectively.

(Paragraph 3.2.5.1)

Failure of the department to provide adequate infrastructure as well as irrational utilisation of manpower resulted in denial of health care services to the rural population significantly.

(Paragraph 3.2.5.2 and 3.2.5.3)

Entertainment of 10 specialists and 5 Dental Surgeons in excess of the sanctioned strength of the General Hospitals, Naharlagun and Pashighat during the period from April 1995 to May 2000 resulted in avoidable expenditure of Rs. 77.89 lakh towards payment of their pay.

(Paragraph 3.2.5.6.1(i))

3 X-ray machines procured between April 1997 and May 1998 at a cost of Rs. 13.54 lakh for use in Sagalee CHC, Rupa PHC and Seppa district hospital had been remaining idle as of May 2000 due to non-posting of radiographer/non-completion of infrastructure. Another 2 X-ray machines procured in April 1997 at a cost of Rs. 7.57 lakh for Khonsa district hospital remained idle till January 1999 due to non-availability of infrastructure for installation of the same.

(Paragraph 3.2.6.2)

Idle retention of staff engaged in Drug control and prevention of food adulteration wings without proper utilisation of their service resulted in unproductive expenditure of Rs. 33.05 lakh.

(Paragraph 3.2.7)

Introduction

The Health and Family Welfare Department (HFWD) of the State is responsible for providing health care services to all including extension of easy access to Family Welfare, Maternity and Child care facilities besides control of communicable diseases through immunisation, medical education and training. The Department is also implementing various Centrally Sponsored Schemes and State Plan Schemes for health care through a network of General Hospitals, District Hospitals, Dispensaries, Community Health Centres (CHCs), Primary Health Centres (PHCs) and Health Sub-Centres (HSCs).

3.2.2 Organisational Set up

The Director of Health Services (DHS) is in overall charge of the Health and Family Welfare Department in the State. He is assisted by 1(one) Additional DHS, 4(four) Joint Directors and 5(five) Deputy Directors at the Directorate level. At the district level, he is assisted by 13 District Medical Officers (DMOs) in all the activities relating to health care. Besides, there are two* General Hospital for providing necessary health care.

3.2.3. Audit coverage

The working of the Health and Family Welfare Department (excluding the activities under NMEP and NFWP) for the period from 1995-96 to 1999-2000 was reviewed in audit during April – June 2000 through test check of records of the Finance Department, Health and Family Welfare Department, Directorate of Health Services, 7 (out of 13) DMOs and 2 General Hospitals. The implementation of Rural Health Services under Minimum Needs Programme (MNP) and the functioning of Hospitals and Dispensaries under Urban Health Care Programme, were also reviewed.

* One each at Naharlagun and Pasighat

Important points noticed during review are summarised in the succeeding paragraphs.

3.2.4. Financial performance

3.2.4.1 Position and utilisation of Funds

The funds made available through budget and its utilisation during 1995-96 to 1999-2000 were as under:

Year	Budget Provision	Expenditure	Excess (+) Savings (-)
(Rupees in crore)			
1995-96	33.29	35.74	(+) 2.45
1996-97	51.18	40.35	(-)10.83
1997-98	57.86	45.82	(-)12.04
1998-99	63.44	48.93	(-)14.51
1999-2000	53.63	51.72	(-) 1.91
Total :	259.40	222.56	(-)36.84

Against a total provision of Rs.259.40 crore, expenditure incurred was only Rs.222.56 crore, resulting in a saving of Rs.36.84 crore.

3.2.4.2 Lack of control over progress of expenditure

Budget Manual provides for proper watching of progress of expenditure incurred by the DDOs against allotment of Funds so that expenditure incurred in excess of allotted funds can be detected by the Controlling Officer and adjusted in time and savings if any, could be diverted to other departments requiring funds. For this purpose, the DHS being the Controlling Officer (CO) is required to maintain a record showing progressive expenditure based on monthly statement of expenditure to be received from each DDO by the 10th of the following month.

The DDOs however, failed to maintain the time schedule even during the months of January, February and March and there were delays ranging from 1 to 197 days in receipt of monthly expenditure statements during 1997-98 to 1999-2000. The DDOs of Anini, Khonsa, Tezu, Changlang and Bomdila were the habitual defaulters in timely submission of monthly expenditure statements. The CO was thus never in a position to assess the actual requirement of funds at any stage of the financial year. No action was, however, taken to ensure timely receipt of monthly expenditure statements. This indicated lack of control of the department over the expenditure incurred by the DDOs from time to time.

3.2.4.3 Drawals in AC Bills remained unadjusted

Rules provide that on no account may an AC Bill be cashed without the certificate to the effect that the Detailed Contingent Bills have been submitted to the Controlling Officer in respect of AC Bills drawn more than a month before the date of that bill. Scrutiny revealed that submission of DCC Bills against drawal of Rs. 48.91 lakh drawn between 1997-98 and 1999-2000 in 27 AC bills was awaited as of May 2000. This indicated lack of control over financial management (Details in **Appendix-XVII**). The matter was taken up with the Department from time to time by the Accountant General (A&E) in cases of wanting DCC bills.

Management of Rural Health Care

Delivery of primary health care is the foundation of rural health care system. As per Government of India's norms, the Primary unit of rural health care is the Health Sub Centres (HSC) to be established for every 3000 population in the hilly and tribal areas. The Primary Health Centres (PHC) are to be established for every 20,000 population in the hilly and tribal areas. Each PHC is to provide supportive supervision to 6 HSCs and to serve as a referral institution for these sub centres. Besides, Community Health Centres (CHCs) are to be established for every 80,000 to 1,20,000 population covering 4 PHCs so as to serve as a referral institution of these PHCs with minimum 30 beds and 4 qualified Medical Officers in each.

3.2.5.1 Target and achievement in respect of establishment of Health Centres and sub centres

Despite utilisation of allotted fund, there were shortfall in the establishment of required number of CHC, PHC and HSC

As against the norms prescribed by the State Government population to be covered for establishment of HSC, PHC and CHC (2000 population for every HSC, 15000 population for every PHC and 40000 population for every CHC) the requirement of HSCs, PHCs and CHCs (on the basis of projected population of 10.38 lakhs) were 519, 69 and 26 respectively. However, as of 31 March 2000 there were 323 HSCs, 58 PHCs and 19 CHCs covering a population of 8.70 lakhs out of total population of 10.38 lakhs in the State of Arunachal Pradesh. Thereby a population of 1.68 lakhs involving 196 HSCs, 11 PHCs and 7 CHCs was not covered as of 31 March 2000.

Year wise physical targets and achievements in the establishment of CHC, PHC and HSC from 1995-96 to 1999-2000 are shown below :-

Year	Targets			Achievements			Excess(+) Short fall (-)		
	CHC	PHC	HSC	CHC	PHC	HSC	CHC	PHC	HSC
1995-96	1	7	30	1	5	30	--	(-) 2	--
1996-97	2	5	50	2	2	22	--	(-) 3	(-) 28
1997-98	4	8	55	3	4	22	(-) 1	(-) 4	(-) 33
1998-99	3	5	50	1	2	5	(-) 2	(-) 3	(-) 45
1999-00	1	7	20	1	5	5	--	(-) 2	(-) 15
Total :	11	32	205	8	18	84	(-) 3	(-) 14	(-)121

There was shortfall of 27, 44 and 59 **per cent** in the establishment of CHC, PHC and HSC respectively with reference to the targets fixed during the aforementioned period.

3.2.5.2 Primary Health Centres/Health Sub-centres remained non-functional

Scrutiny of records of the 7 (out of 13) test checked districts* revealed that 40 PHCs and 150 HSCs were in existence whereas as per records of DHS, 37 PHCs and 180 HSCs were shown to have been established in those districts. Thus there were discrepancies in the number of PHCs/HSCs functioning in the districts.

Nine PHCs (out of 40) were running without any Medical Officer including one at Lumdum with only one peon and another at Supple having no staff. Thus, these PHCs remained non-functional. Also, 39 HSCs out of 150 HSCs (26 **per cent**) remained non functional due to non-posting of any staff and another 29 HSCs (19 **per cent**) with only one Group – D in each remained non-functional. Thus, 31 PHCs and 82 HSCs only were actually functional in these 7 districts as of March 2000.

District wise position of PHCs with and without Medical Officer(s) and of functional and Non-functional HSCs are shown in **Appendix-XVIII**.

Failure on the part of the Department to provide adequate infrastructure to make 9 PHCs and 68 (39+29) HSCs functional resulted in denial of health care services to the rural population of these 7 districts significantly.

3.2.5.3 Irrational utilisation of Manpower

As per staffing pattern, as prescribed by the Government of India (December 1995), the staff required for each CHC is 25 (Medical Officer – 4, Paramedical Staff – 11 and Non-medical staff – 10) and for each PHC is 15 (Medical Officer – 1, Paramedical staff – 7 and Non medical staff – 7 including 4 Group D). The sub-centres were to be manned by 1 Female health worker /ANM** and 1 Male health worker in each.

CHC/PHC wise position of excess entertainment of staff in these 7 districts is given in **Appendix-XIX**.

Scrutiny of records relating to 11 CHCs, 40 PHCs and 111 HSCs covered by seven test-checked districts revealed as under :-

(a) While 10 (out of 11) CHCs were running with shortage of 84 staff (Medical Officer – 24, Para-medical staff-53 and non-medical – 7), the remaining one CHC* was entertaining 28 excess staff (Medical Officer – 3, Para-medical staff – 11 and non-medical – 14) over the prescribed norm of GOI.

* Papumpare, Lower Subansiri, East Siang, West Siang, East Kameng, West Kameng, Tawang.

** Auxiliary Nurse Midwife

Excess deployment of 7 medical officers in test-checked districts resulted in avoidable expenditure of Rs.37.04 lakh

(b) Out of 40 PHCs, test checked, 17 PHCs were maintaining 225 excess staff (Medical Officer – 16, Para-medical staff – 57 and non-medical staff-152) while the remaining 23 PHCs were running with shortage of 161 staff (Medical officer-9, Para-medical staff-95 and non-medical-57). Thus, it is evident that 7 medical officers and 95 non-medical staff in 7 test-checked districts were deployed in excess over the prescribed norm of GOI which not only involved avoidable expenditure of Rs.37.04* lakh towards pay and allowances but also deprived other deficient PHCs of their professional services.

Deployment of 155 Gr.-D staff and 5 medical officers beyond the prescribed norm (GOI) resulted in infructuous expenditure of Rs.49.48 lakh

(c) In 111 HSCs, against the requirement of 222 health workers, 113 para medical staff and 155 non-medical staff of Group-D were deployed inspite of the fact that there was no provision for deployment of Group D staff as per norms prescribed by the GOI. Thus, entertainment of 155 Group D staff resulted in infructuous expenditure of Rs.49.48** lakh.

Besides, deployment of 5 medical officers at 5 HSCs beyond the prescribed norm resulted in extra avoidable expenditure of Rs.4.80*** lakh. It would appear from above that none of the CHC or PHC under any of the 7 districts test checked were having staffs as per norms prescribed by the Government of India. No action was so far initiated by the department towards adjustment of the excess staff by transfer to the deficient units. No record showing that the position of deployment of staffs in CHCs/PHCs was analysed by the DHS for taking appropriate action in proper manning of the centres. Lack of planning rendered the rural health centre delivery system only partially functional.

3.2.5.4 Irregular engagement of cook

Scrutiny of records revealed that 16 cooks were engaged in 2 CHCs, 8 PHCs and 6 Sub Centres on different dates between March 94 and October 98 although there was no provision for supply of diet in those centres. Engagement of 16 cooks in those centres was, thus, irregular and led to unproductive and recurring expenditure of Rs.5.11^β lakh per annum towards their pay and allowances (taking minimum of the time scale).

3.2.5.5 Functioning of Health Centres

Scrutiny of 3 CHCs^ε and 6 PHCs^ε under 4 districts^ε, revealed the following deficiencies in functioning of the health centres.

(a) In none of the CHCs/PHCs, the date of expiry of the medicines received in stock were recorded in the stock register, in the absence of which the fact, whether medicines were issued within their shelf life, could not be confirmed.

* $(Rs.8000 \times 12 \times 7) + (Rs.2660 \times 12 \times 95) = Rs.37.04 \text{ lakh per annum}$

** $Rs.2660 \times 12 \times 155 = Rs.49.48 \text{ lakh per annum}$

*** $Rs.8000 \times 12 \times 5 = Rs.4.80 \text{ lakh per annum}$

^β $Rs.2660 \times 12 \times 16 = Rs.5.11 \text{ lakh per annum}$

^ε West Siang – Basar CHC, Rumgong CHC, Tirbin PHC, Gensi PHC and Kaying PHC.
East Siang – Ruksin CHC, Bilat PHC
Papumpare – Doimukh PHC
Lower Subansari – Old Ziro PHC

(b) In Doimukh PHC under Papumpare district, medicines valued at Rs.0.28 lakh were shown in the stock register to have been issued to out patient and indoor patient departments on various dates between January 2000 and May 2000 without being supported by any indent either from outdoor or indoor departments. The issue of the medicines was, thus, doubtful.

Also, out of a stock balance of 340 vials of Ampicillin Injection (500 mg) which had lost their shelf life in February 2000, 265 vials were issued to outdoor and indoor patients in April 2000 and balance of 75 vials declared unusable.

The adverse effect of applications of expired injection on the patient, if any, was not investigated and assessed.

(c) Medicines prescribed by MO for both indoor and outdoor patients are recorded in an indent register and issued from stock on the basis of quantity recorded in the indent register. It was seen during scrutiny of stock register of medicines maintained by Tirbin and Gensi PHCs under West Siang district that no indent register was maintained and the whole quantity of medicine received in stock on a date was shown to have been issued on a single date after 5 to 30 days of the receipt of the medicines as detailed in **Appendix-XX**. There was no other record to support the fact of actual issue of medicine to the patients, in absence of which issue of medicines shown in the stock register remained doubtful.

(d) Scrutiny of records of issue of diet in Kimin PHC under Papumpare district and Basar CHC under West Siang district revealed that in Kimin PHC (14 bedded) for a maximum number of Patient days of 3402 (14 X 243 days) between 1 August 1998 to 31 March 1999 (actual number of indoor patient not made available) a total quantity of 1421 Kgs of Meat/Fish shown to have been procured against actual requirement of 510 Kgs at 150 gms of either Meat or Fish per patient per day. Procurement of 911 Kgs of meat and fish in excess over the prescribed scale was irregular.

The above facts indicated improper functioning of the Centres and inadequate exercise of departmental control over the Centres.

3.2.5.6 Urban Health Care

3.2.5.6.1 Hospital and Dispensaries

Health care services in urban areas of the State were being provided through two General Hospitals (one each at Naharlagun in Papumpare district and at Pashighat in East Siang district) and 11 other district hospitals and 12 dispensaries. Health care services provided for specialised treatment and Dental care in these hospitals and dispensaries are discussed below :-

i) Irrational deployment of specialists in hospitals

Position of sanctioned strength of specialists in the General and district hospitals vis-à-vis deployment there against as of April 2000 as was made available revealed that as many as 20 specialists of different streams were deployed in General Hospital, Naharlagun against a sanctioned strength of 14

specialists. In General Hospital Pashighat, 11 specialists were deployed against a sanctioned strength of only 7 specialists. In 11 district hospitals, on the other hand, only 7 specialists were deployed against a sanctioned strength of 38 specialists. Out of the 11 district hospitals, there were 4 district hospitals (Bomdila, Seppa, Changlang and Anini) where no specialist has been posted as of April 2000.

The justification of deployment of specialists in both the General Hospitals in excess over sanctioned strength was neither available on record nor stated. No assessment was also made at any point of time whether the professional services of all the specialists were fully utilised. Again, the adverse effect, if any, on the patients requiring specialised health care due to shortage of specialists in the District Hospitals also remained unassessed.

Similarly, against the sanctioned strength of 5 Dental Surgeons (3 in General Hospital, Naharlagun and 1 each at Itafort Dispensary, Itanagar and General Hospital, Pashighat), there were 10 on roll (6 in General Hospital, Naharlagun, 2 each at Itafort Dispensary and General Hospital, Pasighat). Whereas some of the district hospitals (Daporijo, Along, Anini) including some CHCs/PHCs were not having any Dental Surgeon although posts were sanctioned for those places.

No action was initiated by the Government to post the specialist who were in excess to the Hospitals where no specialists were posted till May 2000 denying specialists medical care to the population (2.45 lakh) of the 4 districts.

Entertainment of 10 specialists in both the General Hospitals and 5 Dental Surgeons, as mentioned above, in excess of the sanctioned strength thus resulted in avoidable expenditure of Rs. 77.89* lakh towards their pay during the period from April 1995 to May 2000.

3.2.6 Procurement and distribution of Materials, Machineries and equipment

3.2.6.1 Procurement of materials and supplies

During 1998-99, the DHS procured 2485 number of Red woollen blankets at a total cost of Rs. 9.82 lakh at Rs.395 each. Scrutiny of records of the DMOs and General Hospitals, however, revealed that in 2 districts and 1 hospital, 473 number of Red woollen blankets issued in all from DHS in July – August 1999 and February 2000 (DMO, Lower Subansiri –198; DMO, East Siang – 124 and DDHS (T&R), Pashighat – 151) against indents placed by them, were lying in stock of the DMOs and Hospitals as of May 2000. It is, thus, obvious that the indents for woollen blankets were placed without assessing the actual requirement. Besides, in DHS office 243 blankets were lying idle as of May 2000.

* Calculated at minimum of the time scale of Rs.3000 for Specialist and Rs.2200 for Dental Surgeon (pre-revised) from April 1995 to December 1995 and Rs.10000 for Specialist and Rs.8000 for Dental Surgeon (Revised) from January 1996 to May 2000 = (Rs.3000 X 10 X 9) + (Rs.2200 X 5 X 9) + (Rs.10000 X 10 X 53) + (Rs.8000 X 5 X 53) = Rs.77.89 lakh.

No attempt was also made by the DHS to ascertain the requirement of blankets in the District Hospitals and General Hospitals before issue of the stock. This had resulted in idle investment of Rs. 2.83 lakh on 716 blankets lying unused.

3.2.6.2 Procurement of Machinery and equipment

Idle X-Ray machine

(a) Government sanctioned (March 1997) Rs. 10.72 lakh for the purchase of 2 X-ray machines with accessories one each for the district hospital, Khonsa and Sagalee CHC under Papumpare district. Two X-ray machines (100 MA) were procured in April 1997 at a total cost of Rs. 10.72 lakh (Rs.5.36 lakh each). Another X-ray machine (60 MA Mobile) was procured in April 1997 for the district hospital, Khonsa, at a cost of Rs. 2.21 lakh.

Scrutiny of records of the two district hospitals April-June (2000), revealed that the two X-ray machines at Khonsa were installed only in January 1999. The delay in installation of the machines was almost two years, the reasons for which was stated to be due to non-completion of required infrastructure like building and electrification thereof. The procurement of the X-ray machines before completion of the infrastructure indicated lack of proper planning and led to the machinery remaining idle for a long period and blockade of fund to the tune of Rs.7.57 lakh.

The X-ray machine at Sagalee CHC was installed in May 1998, but operation of the machine could not be started in the absence of any Radiographer or X-ray Technician in the CHC. An X-ray Technician was however, posted in January 2000 and cable fault was detected after posting of the Technician. For repairing of cable, the department took up (January 2000) the matter with the supplier but the cable fault remained unrectified till May 2000. Thus, the non-operation of the X-ray machine for more than 3 years from date of procurement led to idle investment of Rs.5.36 lakh. The service of the technician was not utilised since January 2000 till date (May 2000).

(b) Three X-ray machines (Watson 100 MA, Escort 50 MA and Egrophus 3 mm) in the General Hospital, Pasighat, had been lying idle since January 1985. The DDHS (T&R) Pasighat stated (June 2000) that the machines were lying idle due to damage caused to the hospital building by fire incident that took place in 1984. The department could put the machines in operation only in January 2000 after the lapse of 15 years. During this long period the services of the Radiographer could not be utilised and expenditure of Rs. 3.40* lakh was incurred on his pay proved to be unfruitful.

* Rs.330 X 12	=	Rs. 3,960
Rs.1200 X 120	=	Rs.1,44,000
Rs.4000 X 48	=	<u>Rs.1,92,000</u>
Total	=	Rs.3,39,960

Government sanctioned (March 1998) Rs.8.18 lakh for procurement of two numbers of X-ray machines for the District Hospital, East Kameng District, Seppa and Rupa Primary Health Centre under West Kameng District. The amount was drawn in March 1998 in AC Bill and supply orders were placed (March 1998), with a West Bengal based firm for supply of one X-ray machine (100 MA) to the district hospital, Seppa at a cost of Rs.5.31 lakh and another (60 MA-Mobile) to Rupa PHC at a cost of Rs.2.87 lakh. Scrutiny of records of DMO, East Kameng District, Seppa revealed that although the machine was received in the district in May 1998 the same was installed only in May 1999 due to non-completion of building and electrification thereof. The machine, however, remained non functional from August 1999 due to mechanical defects. Although as per terms of the supply order the supplier was to take up the repair or replace the defective parts free of charge within one year from the date of installation, no action was taken by DHS to get the machine repaired within the warranty period of one year. The X-ray machine purchased for Rupa, PHC could not be made functional as of May 2000 due to non-completion of building and non-posting of radiographer.

Inaction of the Department to get the X-ray machine at Seppa repaired and unplanned procurement of X-ray machine for Rupa, PHC and non-posting of radiographer rendered the total investment of Rs.8.18 lakh idle for more than 2 years.

The X-ray machine at Mechuka CHC under West Siang District was lying out of order since 1996. The date of installation and the cost of the machine were however not on record nor stated. No action for repair of the machine was taken till May 2000. Failure of the department to get the X-ray machine repaired in 4 years resulted in unfruitful expenditure of Rs.1.92** lakh towards payment of the pay of the Radiographer during the period.

In all the above hospitals, the non-functioning of X-ray machines resulted in denial of X-ray facilities to the patients which was one of the main source for diagnosis of the diseases.

3.2.7 Establishment of Drug Control and Food Protection Unit

Under the Directorate of Health Services, Arunachal Pradesh a Drug Control wing and a Prevention of Food Adulteration unit for detection and prevention of sale/consumption of adulterated food as well as spurious/substandard drugs has been setup. The Director of Health Services is the ex-officio incharge of both the wings. The drug control wing is manned by 1 Asstt. Drug Controller and 3 Drug Inspectors (2 in Hq. Naharlagun and 1 in Tezu) and the prevention of Food Adulteration unit is manned by 1 Asstt. Food Controller, 2 Food Inspector, 1 Lower Division Assistant and 1 Field Peon. Scrutiny of records and information furnished by the Department however, revealed that none of

** Calculated at the minimum time scale of Rs.4000
Rs.4000 X 1 X 48 months = Rs.1.92 lakh

the units were having any laboratory or spot testing facility of their own to test sample. During the period from 1995-96 to 1999-2000 the samples collected by Food Inspectors for testing were sent to Assam State Public Health Laboratory (for food) Guwahati and to Central Drug Testing Laboratory Calcutta (for drugs) against payment of testing charges.

In a reply to audit query the Department stated on an average 150-160 samples are sent for analysis and an amount of Rs.40,000 is paid to Government of Assam.

Reply to further query regarding total numbers of samples listed and payments made during review period is awaited.

Action taken, if any, after receipt of test reports was not on record. Creation of the wings without adequate infrastructure for conducting tests of the samples locally thus led to non-utilisation of the services of staff borne on the wings and minimum expenditure of Rs. 33.05* lakh incurred during the period on the pay of the staff under the wings thus remained mostly unproductive (calculated at the minimum of their time scale).

3.2.8 Monitoring and Evaluation

No comprehensive monitoring system was evolved either at the Directorate level or at the District level. As a result, performance of the Department in general and implementation of health care schemes in particular remained unevaluated at various levels.

3.2.9 Recommendation

There is an urgent need on the part of the State Government/Department to rationalise the deployment of manpower for strengthening the health care system throughout the State and utilisation of available manpower and X-Ray machines so that the benefits of the health care schemes can be availed of by the people of the areas where the Health Centres and sub-centres were already established in the State. For effective functioning of the Drug Control Wing and Prevention of Food Adulteration Unit existed in the State, the need for establishment of laboratory or system on the spot testing facility may be examined by the State Government. Moreover, the monitoring and evaluation

* Asstt. Drug Controller & Asstt. Food Controller	= Rs.8000X2X12X5	= Rs.9,60,000
Drug Inspector	= Rs.6500X3X12X5	= Rs.11,70,000
Food Inspector	= Rs.6500X2X12X5	= Rs.7,80,000
LDA	= Rs.3900X1X12X5	= Rs.2,35,000
Peon	= Rs.2660X1X12X5	= <u>Rs.1,59,600</u>
		Rs.33,04,600

aspects also need to be geared up to assess the performance of the field officers at higher level.

The above points were reported to Government/Department (July 2000); their reply has not been received (December 2000).

PLANNING DEPARTMENT

3.3 Members of Parliament Local Area Development Scheme

Highlights

Under the scheme, launched in December 1993, each MP has the choice to select works of development nature to the tune of Rs.1 crore (increased to Rs.2 crore from 1998-99) per year for execution through district collectors in his/her constituency/entire State. The fund for the purpose is released directly by Government of India to the district collectors. A review in audit of the implementation of the scheme during 1997-98 to 1999-2000 revealed the following significant points.

Against the total available funds of Rs.12.05 crore during 1997-98 to 1999-2000, the actual expenditure was Rs.8.70 crore leaving an unspent balance of Rs.3.35 crore.

(Paragraph 3.3.4)

Short release of Rs.6 crore by GOI was not pursued by the nodal authorities.

(Paragraph 3.3.4(i))

Rs.4.41 lakh was incurred in construction of Government buildings contrary to the GOI guidelines.

(Paragraph 3.3.5(ii)(a))

Out of 246 works, 34 works valued Rs.1.84 crore remained incomplete though according to scheme works were to be completed in one or two seasons.

(Paragraph 3.3.5(c))

Utilisation certificates for 220 works valued Rs.7.70 crore completed during 1997-98 to 1999-2000 had not been submitted by any of the nodal DCs.

(Paragraph 3.3.6)

No mechanism was developed at any level for proper monitoring of the progress of works executed under the scheme.

(Paragraph 3.3.7)

3.3.1 Introduction

The Members of Parliament Local Area Development Scheme (MPLADS) was launched by Government of India (GOI) on 23 December 1993. Under the scheme, each Lok Sabha MP has the choice to recommend to the Deputy Commissioner (DC), sanction/execution of works of Capital nature totaling Rs.1 crore per year in his/her constituency. Rajya Sabha MP representing the whole of the State selects works for implementation in one or more district(s) of his choice. The scheme provides for release of funds by GOI directly to the Deputy Commissioner of the district in instalments on the basis of physical and financial progress of the works under implementation. The funds released under the scheme do not lapse. The allocation of funds to each MP per year stands increased to Rs.2 crore from the year 1998-99.

The State of Arunachal Pradesh has three MPs representing the entire State, two for Lok Sabha (LS) and one for Rajya Sabha (RS).

3.3.2 Organisational set up

At the state level, the programme has been brought under the control of the Secretary/Director Planning and Development (P&D). The overall responsibility for co-ordinating the programme at the District level was vested in the District Planning Officer (DPO) under the direct administrative control of the DC who remained the Implementing Authority as per guidelines.

There are 13 districts in the state out of which DPOs were appointed/posted to 12 districts except Dibang Valley where scheme was looked after by an officer nominated by the DC Dibang Valley.

3.3.3 Audit Coverage

The implementation of the MPLADS during the period from 1997-98 to 1999-2000 was reviewed in August-September 2000 based on the test check of records of the Director (Planning) at the Secretariat and 3 Nodal DCs at Itanagar, Along and Tezu. Of the total expenditure of Rs.8.70 crore, the sample test-checked accounted for Rs.4.80 crore (55 per cent). The results of the review are brought out in the succeeding paragraphs.

3.3.4 Financial outlay and expenditure

The year-wise and MP-wise details of fund received from the GOI and expenditure incurred thereagainst by nodal DCs during the period from 1997-98 to 1999-2000 were indicated in **Appendix-XXI**.

Unspent balance of Rs.3.35 crore

During 1997-98 to 1999-2000, an amount of Rs.12.05 crore was available with the nodal authorities (i.e. DCs Itanagar, Along and Tezu) for implementation of MPLADS, out of which Rs.8.70 crore was shown as total expenditure leaving an unspent balance of Rs.3.35 crore which constituted 28 **per cent** of the total funds released during 1997-2000.

The nodal DCs failed to provide the details of unspent balance lying with executing agencies.

Following points were also noticed in financial management :

(i) **Short release of fund by the GOI**

Short release of fund for Rs. 6 crore by Government of India was not pursued by the nodal Deputy Commissioners

Scrutiny of Cash Books of 3 nodal DCs revealed that funds to the extent of Rs.6.00 crore relating to the years 1998-99 (Rs.1.00 crore) and 1999-2000 (Rs.5.00 crore) had not been released to the nodal DCs by the GOI as of March 2000, nor assigned any reason thereof. As a result full benefit of the scheme during the years 1998-99 and 1999-2000 could not be provided to the people of MPs local area. Details of short release of fund has been shown below :-

Year	Number of MPs	Amount was to be released by the GOI	Amount actually released	Amount short released
(Rupees in crore)				
1997-98	3	3.00	0.50	2.50
1998-99	3	6.00	4.00	2.00
1999-2000	3	6.00	4.50*	1.50
		15.00	9.00	6.00

3.3.5 Implementation of Scheme

(i) **Physical performance**

The nodal DC-wise and year-wise details of works recommended by the MPs, sanctioned by DCs completed by the executing agencies and number of works remained incomplete in the State during 1997-2000 were shown in **Appendix-XXII**.

Out of 253 works valued at Rs.9.79 crore recommended by MPs, the DCs concerned accorded sanction to 246 works valued at Rs.9.25 crore. Remaining 7 works (253-246) valued Rs.0.54 crore recommended by the MPs of Arunachal Pradesh East Constituency in 1999-2000 could not be taken up for execution as these works were sanctioned by DC, Tezu in July 2000 only.

* upto September 2000.

(ii) Execution of works

Scrutiny of 250* works executed during the period revealed the following :

(a) Expenditure on unauthorised works

According to scheme guidelines, construction of any building relating Central or State Government, departments, agencies etc. are not permissible. In course of scrutiny of records of nodal DCs it was, however, noticed that the following Government buildings were constructed on the recommendation of the MP concerned by the DCs after according formal sanctions from their side.

Expenditure of Rs.4.41 lakh was incurred on non-permissible works

Name of Constituency	Name of work	Date of approval by MP	Date of completion	Expenditure incurred (Rs.in lakh)
(i) R.S. Papumpare, Itanagar	Construction of Police Beat at Naharlagun	October 1998	December 1998	0.55
(ii) L.S. Arunachal West, Along	Construction of Stadium at Group SSB, Centre at Basar Commandant Group SSB-Basar	May 1998	December 1998	1.50
(iii) L.S. Arunachal East, Lohit District, Tezu	Construction of Computer room at District Planning Office, Tezu	April 1999	July 1999	1.00
(iv) L.S. Arunachal East Lohit, Tezu	Construction of Computer room in DPO's Office, Khonsa	April 1999	December 1999	1.36
Total				4.41

Thus the assets created by spending Rs.4.41 lakh was in contravention of the provisions of scheme guidelines and the reasons thereof had not been stated (October 2000).

* 38 works valued Rs.1.28 crore pertaining to the year 1996-97 were executed and expenditure incurred during 1997-98.

(b) Delay in accordance of sanction by the DCs

As per guidelines, DCs were required to sanction the works within 45 days from the date of receipt of proposal from MPs. From the records produced to audit by the DC - Papumpare-Itanagar, DC - Along and the DC - Changlang it was noticed that 15 works valued Rs.54.50 lakh were sanctioned by the concerned DCs after a considerable delay ranging from 27 days to 435 days (as shown in **Appendix-XXIII**) from the stipulated time.

In reply to an audit query, the District Planning Officer (Papumpare) stated that RS-Papumpare covers the whole State of Arunachal Pradesh. Funds are also released to other DCs of the state on receiving estimates etc. from other districts. Thus there was a time gap between MP's proposal and financial sanction. The DPO Along stated that DC Along covers 7 districts of the state after receiving estimates etc. from different executing agencies through respective DCs and sanction was accorded for release of fund by the nodal DC. Hence, delay occurred. The DPO - Lohit Tezu also offered the same reason for delay in according financial sanction. The procedure for sanction and completion of scheme requires tightening and strict adherence to the stipulated time.

(c) Delay in execution of works

According to guidelines works taken up under the scheme were to be completed in one or two working seasons.

In course of scrutiny of work register of the Deputy Commissioner, Papumpare - RS constituency it was, however, noticed that 6 works valued Rs.17.98 lakh was completed after the delay ranging between 4 to 9 months as shown in **Appendix-XXIV**. Out of 246 works sanctioned and taken up for execution during the period from 1997-98 to 1999-2000, 34 works valued Rs.1.84 crore sanctioned between July 1998 and March 2000 remained incomplete till the date of audit (September 2000).

To watch the periodical progress and timely completion of works no systematic record indicating the date of commencement of work, stipulated date of completion and their periodical physical progress was maintained by the two nodal DCs of West Siang District, Along for Arunachal West Lok Sabha constituency and Lohit District - Tezu for Arunachal East Lok Sabha constituency. As a result work wise delay in completion of works, if any could not be ascertained in audit.

(d) Non-maintenance of asset register / handing over of assets

The Scheme guidelines envisaged that various assets created out of MPLADS funds are to be recorded in a register by the DCs concerned. The scheme also provides that all the assets created under the Scheme are to be handed over to the users/line departments by the executing departments/officers on the basis of an undertaking to be obtained from them for future up-keep and maintenance of those assets.

Test check of records of 3 nodal DCs and 7 executing departments, however, showed that none of them had maintained any Asset Register in support of assets created under the scheme. They also could not produce any record to show that the assets created out of MPLADS fund so far were handed over to the users/line department for maintenance. The nodal DCs also had not taken any action in this regard to ensure timely handing over of assets to the users/line departments by the executing departments. In the absence of any records for handing over of the assets, it could not be verified in Audit whether the assets are maintained and are in good condition.

3.3.6 Non-submission of utilisation certificates

Non-submission of utilisation certificates valued Rs.7.70 crore

A scrutiny of records of three nodal DCs revealed that utilisation certificates in respect of 220 works (including 38 works of 1996-97) completed during 1997-98 to 1999-2000 at an expenditure of Rs.7.70 crore (as detailed below) had not been submitted to the Government of India even after a lapse of more than 1 to 4 years as of September 2000.

Sl. No.	Name of the Parliamentary Constituencies	Name of Nodal DCs	Period	Works completed		Submission of utilisation certificates		Number of works for which utilisation certificate not submitted	Amount involved
				Number	Value (Rs. in lakh)	Number	Value (Rs. in lakh)		
1.	Rajya Sabha, Arunachal Pradesh	D.C. Papumpare, Itanagar	1997-98 to 1999-2000	127	432.00	30*	100	97	332.00
2.	Lok Sabha, Arunachal West Along	D.C. West Siang District, Along	-do-	73	293.79	Nil	Nil	73	293.79
3.	Lok Sabha, Arunachal East Tezu	D.C. Lohit District, Tezu	-do-	50	144.69	Nil	Nil	50	144.69
Total				250**	870.48**			220	770.48

Reasons for inordinate delay in submission of utilisation certificates were neither kept on record nor clarified by the nodal DCs.

3.3.7 Monitoring, evaluation and reporting

As per Scheme guidelines, the DC being the head of the district was to monitor the progress of works by inspecting at least 10 **per cent** of the works in his district every year with the Senior Officers of the executing agencies. The MPs were also to participate to the extent possible in such inspections. Likewise, the officers of district at the sub-divisional and block level were responsible to monitor implementation of works through visits to work sites. The DCs concerned were also required to submit their monitoring report once

* Out of works sanctioned in 1997-98.

** Includes 38 works valued Rs.128.24 lakh pertaining to the year 1996-97, completed during 1997-98 to 1999-2000.

in two months to the MP and Department of Programme Implementation (DPI), Government of India.

But none of the nodal DCs could produce any record to show that such field inspection was carried out at any level. The reasons for such omissions had not been stated (October 2000).

As per guidelines, the Chief Secretary or in his absence a Senior Principal Secretary/Additional Chief Secretary was required to conduct a meeting involving heads of the districts and MPs to assess the progress of work at least once in a year. But no such meeting was held during the period under review and thus monitoring at State Level headquarter was never done and the reasons thereof had not been stated (October 2000).

Besides, the scheme guidelines provides for monthly submission of progress report on works to the GOI by the nodal DCs. It was, however, noticed that excepting the DC-Papumpare-Itanagar, other two nodal DCs viz, DC West Siang-Along and DC Lohit district, Tezu had not yet furnished any monthly progress report to the GOI.

Effective monitoring mechanism and reporting system was, therefore, not yet developed either at State Level or at District Level. The impact of the implementation of the scheme was also not evaluated at any level during the period covered under review.

The matter was reported to the Government (October 2000); reply had not been received (December 2000).

3.3.8. Recommendation

- Execution of unauthorised works should be avoided.
- Works recommended by MPs should be sanctioned within the time frame laid down.
- Effective monitoring mechanism and reporting system should be developed.

URBAN DEVELOPMENT DEPARTMENT

3.4 Urban Employment Generation Programme

Highlights

The review highlights certain major short-comings in the implementation of the programme which inter-alia, include non-conducting of survey to identify the target groups of beneficiaries, short utilisation of 62.54 per cent of the available fund, non-submission of physical performance report , etc.

62.54 per cent (Rs.494.89 lakh) of available fund (Rs.791.27 lakh) was lying unspent in Bank accounts of SUDA and DUDAs.

(Paragraph 3.4.4)

Drawal of Rs.769.18 lakh from State exchequer by the implementing department was booked as final expenditure while the actual expenditure including advances to DUDAs was Rs.621.26 lakh only.

(Paragraph 3.4.4(a))

There was abnormal delay ranging from 12 to 48 months in releasing funds to the implementing department by State Government (both Central and State shares) and also short release of fund to the implementing department (Central share Rs.19.86 lakh and State share Rs.61.34 lakh).

(Paragraphs 3.4.4.1 (a) & (b))

The scheme was implemented without conducting survey for identification of target groups of beneficiaries thereby depriving most of the people for whom the programmes were launched.

(Paragraph 3.4.5)

Five works were executed through contractors by the two DUDAs due to which 15634 mandays could not be generated among the target groups.

(Paragraph 3.4.7.1.1)

Fifteen works at a total cost of Rs. 33.12 lakh were executed out of NRY funds which were mostly by way of improvement to Government buildings.

(Paragraph 3.4.7.1.2)

30 per cent women beneficiaries had not been engaged as per provision of the schemes.

(Paragraph 3.4.7.1.4)

Work under wage employment programme were executed by the departmental labour of PWD, where as 5714 mandays could have been generated by engaging the unemployed urban poor.

(Paragraph 3.4.7.1.6)

Self Employment Programme under NRY, PMIUPEP and SJSRY had not been implemented although Rs. 84.63 lakh were available with the DUDAs.

(Paragraph 3.4.7.2.1)

462 beneficiaries of 4 districts were defaulters in repayment of loans (Rs.330.25 lakh) outstanding against them and also most of the self employment ventures under PMRY were closed/suspended.

(Paragraph 3.4.7.2.2)

3.4.1 Introduction

The Urban Employment Generation Programme (UEGP) is designed to alleviate urban poverty through self employment and wage employment and also aimed at creation of infrastructure and civic amenities for urban poor. UEGP consisted of four schemes as shown below:-

- (a) Nehru Rojgar Yojana (NRY) (merged with SJSRY from December 1997)
- (b) Prime Minister Rojgar Yojana (PMRY)
- (c) Urban Basic Services for the Poor (UBSP)
- (d) Swarna Jayanti Sahari Rojgar Yojana (SJSRY) and
- (e) Prime Minister Integrated Urban Poverty Eradication Programme (PMIUPEP) merged with SJSRY with effect from December 1997.

NRY, PMIUPEP and SJSRY were Centrally Sponsored Schemes while PMRY was a Central Sector Scheme.

In replacement of NRY, UBSP and PMIUPEP, Swarna Jayanti Sahari Rojgar Yojana (SJSRY) was launched in December 1997 to provide gainful

employment to the Urban unemployed/under-employed poor through encouraging for setting up of self employment venture or provision of wage employment through creation of socially and economically useful public assets in the jurisdiction of Urban Local bodies, while the main objective of PMRY was to provide employment to the educated unemployed youths by setting up of the self employment ventures through industry, service and business.

Target groups of the first three programmes were urban poor, women beneficiaries and beneficiaries belonging to SC/ST, while the unemployed educated youths between the age group 18-35 years in any part of the State either urban or rural would be eligible for assistance under PMRY. Under NRY, PMIUPEP and SJSRY, the assistance was to be given to poor having family income below Rs.11850/- p.a. based on the Price Index of 1991-92 while under PMRY launched in October 1993 the family income raised to Rs.24000/- p.a. of family or parents of the beneficiary. Identification of the beneficiaries was to be done based on household survey by Municipal bodies.

The expenditure under NRY, PMIUPEP and SJSRY was shared between Central and State on 60:40, 60:40 and 75:25 ratio respectively while PMRY was cent **per cent** funded by the Centre.

3.4.2 Organisational set up

The Ministry of Urban Development, Government of India is responsible for planning, implementation, monitoring and evaluation of the schemes NRY, PMIUPEP, UBSP and SJSRY. It releases Central share of funds to the State Government. The Commissioner of Urban Development, Arunachal Pradesh is the nodal officer for implementation of the schemes with the help of the Director of Urban Development and State Urban Development Agency (SUDA) at the State level, while for PMRY, the Director of Industry with the help of task force committee is responsible for implementation of the scheme at the State level.

At District level, District Urban Development Agency (DUDA) under the Chairmanship of Deputy Commissioner of the concerned district is responsible for implementation of NRY, PMIUPEP, UBSP and SJSRY, while the Deputy Directors of the District Industries Centre of 13 districts are responsible for receipt and finalisation of the applications of the beneficiaries of PMRY and for providing adequate training to the selected beneficiaries.

3.4.3 Audit Coverage

A review of the Urban Employment Generation Programme for the period from April 1995 to March 2000 was conducted by audit between the period April and May 2000 with reference to records available in the Directorates of Urban Development and Industry, State Urban Development Agency (SUDA), 4 (out of 13) District Urban Development Agencies (DUDAs), 4 (out of 13)

District Industries Centres and Lead Banks of 4 districts[§]. Out of the total Urban population of 139198 a population of 63303 (45.48 **per cent**) was covered and findings are summarised in the succeeding paragraphs.

(Sample check percentage, percentage of population and percentage of total expenditure covered are shown in **Appendix-XXV**).

3.4.4 Financial outlay and expenditure

Against total available fund of Rs.791.27 lakh, Rs.494.89 lakh i.e. 62.54 per cent of the available fund remained unutilised

During the period from 1995-96 to 1999-2000, against the requirement of fund of Rs.872.47 lakh (Central share: Rs.537.93 lakh and State Share: Rs.334.54 lakh), the State Government released a total fund of Rs.791.27 lakh (Central share: Rs.518.07 lakh and State share: Rs.273.20 lakh) during the corresponding period although the GOI released its full share of Rs.537.93 lakh to the State Government. The fund (Rs.791.27 lakh) so released by the State Government was withdrawn by the State Urban Development Agency (SUDA) and deposited the same in its bank account. Out of the available fund of Rs.791.27 lakh, Rs.513.63 lakh was disbursed to 13 DUDAs for execution of the programme. A total expenditure of Rs.296.38 lakh only was incurred during the period from 1995-96 to 1999-2000 (by SUDA: Rs.107.63 lakh and by DUDAs: Rs.188.75 lakh) leaving a balance of Rs.494.89 lakh (with SUDA: Rs.170.01 lakh excluding interest earned for Rs.47.56 lakh and with DUDAs: Rs.324.88 lakh) remained unutilised as on 31 March 2000 which constitutes 62.54 **per cent** of the total available fund. Details of release of fund by the GOI, State share required, actual release of fund by the State Government, expenditure, balance etc. are shown in **Appendix – XXVI** and the district wise details are shown in **Appendix-XXVII**.

A scrutiny of financial statements, returns, reports etc. revealed (May 2000) the following irregularities:

(a) As per information furnished (April 2000) by the department Rs.621.26 lakh* (including advances to DUDAs) was shown as actual expenditure by SUDA during 1995-96 to 1999-2000, but SUDA in its accounts booked Rs.769.18 lakh as final expenditure. The discrepancy of Rs.147.92 lakh remained unreconciled till the date of audit (May 2000).

Against actual expenditure of Rs.621.26 lakh shown by the department, an amount of Rs.769.18 lakh had been booked as final expenditure

As per guideline, SUDA has to be constituted to give policy directions, monitor the programme and to receive and distribute fund for implementation of the programme. Out of the total fund (Rs.791.27 lakh) available including States share, 5 **per cent** of the total fund should be earmarked for meeting the administrative and other operational expenses of SUDA. It was, however, noticed in audit that out of the total expenditure of Rs.621.26 lakh, an amount of Rs.513.63 lakh was distributed to 13 DUDAs and Rs.107.63 lakh was

[§] Papumpare, West Siang, Lower Subansiri and Upper Subansiri districts.

* Advance to DUDAs	Rs.513.63 lakh
Expenditure by SUDA	<u>Rs.107.63 lakh</u>
Total	Rs.621.26 lakh

incurred by SUDA as administrative expenditure against the admissible amount of Rs.39.56 lakh, being the 5 **per cent** of the total available fund of Rs.791.27 lakh, resulting in an excess expenditure of Rs.68.07 lakh over the prescribed norm.

3.4.4.1 Delay and short release of fund

(a) Central share

During the period from 1995-96 to 1999-2000, there was delay ranging from 12 to 48 months in release of Central share by the State Government.

There was short release of Central share of Rs.19.86 lakh by the State Government as on 31 March 2000

There was an unspent balance of Rs.116.73 lakh pertaining to 1989-90 to 1994-95 out of the funds released by centre towards urban employment schemes. Further, releases made by GOI during 1995-96 to 1999-2000 amounted to Rs.421.20 lakh. Against the total central funds available amounting to Rs.537.93 lakh, the state released only Rs.518.07 lakh during 1995-96 to 1999-2000 leading to short release of Central share by Rs.19.86 lakh as on 31 March 2000.

(b) State share

During the period from 1995-96 to 1999-2000 against the requirement of fund of Rs.334.54 lakh (including the short release of State share of Rs.51.26 lakh pertaining to the period 1989-90 to 1994-95) being the State share, an amount of Rs.273.20 lakh was released by the State Government till March 2000. This resulted in short release of State share of Rs.61.34 lakh.

There was short release of State share of Rs.61.34 lakh by the State Government as on 31 March 2000

3.4.4.2 Non-submission of account for Rs.2.32 lakh

During the year 1996-97, the DUDA, Papumpare district received Rs.18.84 lakh from Director of Urban Development for implementation of NRY scheme in the District. Test check of record revealed that 5 works had been completed at a total cost of Rs.16.52 lakh out of that fund. The balance amount of Rs.2.32 lakh was neither available in bank account nor any account could be furnished by the concerned DUDA. No responsibility was also fixed by the department in this regard.

3.4.4.3 Loss of interest of Rs.1.97 lakh

In September 1996, the SUDA paid Rs.8.48 lakh to the Deputy Commissioner (DC), District Urban Development Agency, Dibang Valley District for implementation of NRY Programme at Roing which was paid to the District Rural Development Agency (DRDA), Anini by the DC in 1996-97. The DRDA did not implement the programme during the period from September 1996 to March 2000 and in April 2000 the said amount (Rs.8.48 lakh) was handed over to the District Urban Development Agency, Roing. The reasons for not taking up the implementation of the programme was not available on record nor could be stated. As the DRDA Anini could not utilise the amount of Rs.8.48 lakh, audit observed that had the money been deposited in the savings

bank account, interest of Rs.1.97 lakh would have been earned, calculated at 6 **per cent** per annum pertaining to the period from September 1996 to March 2000.

3.4.5 Planning

The State level nodal department is responsible for planning, identification of beneficiaries by conducting house-to-house survey, selection of economically viable projects/works which are socially and economically useful assets in Urban jurisdiction, fixation of annual target and monitoring actual achievement. It is also the responsibility of the nodal department to supply guideline of the scheme to the executing agencies.

Test check of the records of Directorate and selected district-executing agencies revealed that except receipt and distribution of lump sum fund to the executing agencies, the State level nodal departments i.e. Director of Urban Development and Director of Industries were non-functional. No survey was conducted to identify the beneficiaries before launching the programme. Selection of economically and socially useful projects/works had not been done. Urban Self Employment Programme under NRY, PMIUPEP and SJSRY had not been implemented due to improper planning. No target of employment generation had been fixed and physical achievement was also not available to the State level nodal department. Even the guideline of the schemes had not been supplied to the executing agencies. Thus, due to improper planning and lack of support from nodal department, the objective of the schemes has been frustrated.

3.4.6 Physical Progress

Physical achievement was not reported to the GOI by the State Government

As per guidelines of the schemes, the State nodal department was required to submit the quarterly physical and financial progress report to the Government of India. The Prime Minister Rojgar Yojana was implemented by the Industries Department and the Director of Industry being the nodal department had submitted the physical and financial progress report to the GOI as detailed in **Appendix - XXVIII**. During the period from 1993-94 to 1998-99, Rs.795.84 lakh was disbursed by banks to 1178 beneficiaries as loan and 1178 Micro Enterprises had been established creating self employment to 1178 beneficiaries. As regards implementation of NRY, PMIUPEP and SJSRY physical and financial progress report upto 1996-97 had been submitted by the Director of Urban Development to the Government of India which was not based on fact because the District Urban Development Agencies had never submitted physical progress to the State Urban Development Agency. During the years 1997-98 and 1998-99, only financial progress had been reported to GOI by the Director of Urban Development, without indicating the physical achievement made during these years.

3.4.6.1 Irregular reporting on the disbursement of subsidy without providing loan to the beneficiaries

As per guideline of the schemes, after recommendation of the application for loan, training was to be provided and the applications were to be forwarded to the Lead Banks for sanction and disbursement of loans. The schemes provide for grant of capital subsidy at the rate of 15 **per cent** of the project cost subject to a limit of Rs.7500 per beneficiary and the subsidy will be admissible to those beneficiaries only to whom the loan was disbursed. Again, the fund for subsidy was to be deposited in the concerned bank from which loans were disbursed and that also for onward adjustment from the loan of those beneficiaries. It was, however, noticed in audit that though no loan was disbursed by the Bank but subsidy of Rs.28.71 lakh was shown to have been disbursed to 853 beneficiaries upto March 1997, as per progress report submitted (October 1997) by the Director of Urban Development to the GOI. As the subsidy was required to be deposited into bank for adjustment of loans, the report furnished by the Directorate to the GOI was not based on fact, as the subsidy was neither deposited into bank nor the same was reported to have been disbursed directly to the beneficiaries by the district implementing agencies.

3.4.6.2 Non-reporting of physical achievement under the scheme Swarna Jayanti Sahari Rojgar Yojana (SJSRY)

The scheme SJSRY was launched by the GOI from December 1997. Under the scheme, the State Government released Rs.294.44 lakh upto 31 March 1999 for implementation of the scheme. However, as per progress report submitted (February 2000) by the State Government to the GOI, a total expenditure of Rs.122.13 lakh was shown as incurred by the department, but no physical achievement/progress was reported thereagainst to the GOI till the date of audit (May 2000).

3.4.7 Implementation

3.4.7.1 Urban Wage Employment Programme

Prior to 1993-94, the scheme was not implemented in the State although the programme was launched from 1989-90. During the period from 1993-94 to 1999-2000, out of the total fund of Rs.513.63 lakh distributed to 13 districts (DUDAs), Rs.228.16 lakh was allotted particularly for wage employment programme in which employment was to be generated among the beneficiaries living below urban poverty line through creation of socially and economically useful public assets. Out of Rs.228.16 lakh allotted for wage employment, District Urban Development Agencies (DUDAs) could utilise Rs.171.90 lakh upto 31 March 2000, leaving a balance of Rs.56.26 lakh remained unutilised. Other irregularities noticed during the test-check of selected DUDAs are summarised below :

**Rs.56.26 lakh
remained unutilised
as on 31 March 2000
by the DUDAs**

3.4.7.1.1 Engagement of contractor

During the period from 1995-96 to 1999-2000, two District Urban Development Agencies (Ziro and Daporijo) executed 5 works through contractors with a total expenditure of Rs.13.68 lakh under NRY and SJSRY wage employment programme. As the objective of the schemes was to generate employment among the selected beneficiaries living below urban poverty line, engagement of contractors was not permissible. Engagement of contractor thus resulted in non-generation of 15634 mandays among the people living below poverty line.

3.4.7.1.2 Execution of inadmissible works

As per guideline of the scheme (NRY), economically viable project/works which are socially and economically useful public assets in the urban jurisdiction are to be selected.

During the period from 1995-96 to 1999-2000, 7 DUDAs (Changlang, Pasighat, Tezu, Khonsa, Papumpare, Bomdila and Tawang) executed 15 works at a total cost of Rs.33.12 lakh under NRY which were mostly by way of improvements to Government buildings/assets. These were normally required to be executed by Government from its regular budget and not out of NRY Funds (Details shown in **Appendix-XXIX**).

3.4.7.1.3 Advances of Rs.5.56 lakh paid to the contractors remained unadjusted

The District Urban Development Agency, Papumpare paid an advance of Rs.1.75 lakh to the Defence Research Laboratory Tezpur in February 1998 for soil conservation work at Karsingsa and another amount of Rs.3.81 lakh as advance to the Sulabh International, Guwahati for construction of Sulabh Sauchalaya at the bus station of Itanagar in March 1998 out of the NRY fund/SJSRY fund. But till date of audit (May 2000) neither the advances were refunded nor the work was started/executed. Thus, the advances paid which was meant for employment generation remained unadjusted (May 2000). Besides engagement of institutions resulted in non-generation of 6354 mandays.

3.4.7.1.4 Women beneficiaries were not engaged in wage employment programme as per provision of guideline

As per guideline of the scheme 30 **per cent** women beneficiaries are to be selected for programme, but out of the four DUDAs, three DUDAs (Papumpare, Daporijo and Along) had not selected any women beneficiaries as provided in the guidelines.

3.4.7.1.5 *Diversion of fund from one element to another*

According to guidelines, the fund allotted for a particular element of the scheme cannot be diverted to another element.

An expenditure of Rs.15.45 lakh was incurred by five DUDAs by diverting the amount out of the fund for other element in contravention of the provision of the guideline

Test-check of records revealed that five DUDAs (Changlang, Yiangkiong, Pasighat, Bomdila and Tezu) incurred an expenditure of Rs.15.45 lakh, during the period from May to October 1997 (on Urban Wage Employment Programme Rs.9.03 lakh, on A&OE Rs.1.29 lakh and on UBSP Rs.5.13 lakh) by diverting the amount out of the fund for other elements of the scheme i.e. USEM(S), USEP(T), ULB'S, NGO'S, by ignoring the provision of the guideline, details of which are as below :-

(Rupees in lakh)

Sl. No.	Districts	Total allotment for all elements	Name of the element	Fund allotted for the elements	Expenditure	Excess expenditure by diverting from other element
1.	Changlang	22.05	UWEP	18.22	19.34	(+) 1.12
2.	Yiangkiong	7.82	UWEP	4.50	6.54	(+) 2.04
3.	-do-	7.82	A&OE	Nil	1.29	(+) 1.29
4.	Pasighat	18.10	UWEP	10.75	16.28	(+) 5.53
5.	Bomdila	18.18	UWEP	9.62	9.96	(+) 0.34
6.	Tezu	38.87	UBSP	14.58	19.71	(+) 5.13
Total		112.84		57.67	73.12	15.45

It would be seen from the above table that an excess expenditure of Rs.15.45 lakh was incurred in six districts by diverting the fund from other elements of the scheme inspite of the fact that the original elements of the scheme from which funds were diverted were either partially executed or not executed at all. Thus, the act of diversion of fund which carried an adverse effect in execution of the original element of the scheme was irregular.

3.4.7.1.6 *Execution of wage employment works by departmental labour of PWD by diverting the fund of Rs.5.00 lakh from other components of the scheme*

The DUDA, Along paid Rs.5.00 lakh to the Executive Engineer, PWD, for construction of drainage system at old market, Along by diverting the amount from other elements of the scheme {SUME(T) Rs.0.65 lakh + SUME(S) Rs.1.00 lakh + ULB's Rs.1.50 lakh + NGO's Rs.0.35 lakh + UBSP Rs.1.50 lakh} for implementation of urban wage employment programme. The work

was executed through departmental labour of PWD which should have been executed by the selected beneficiaries from the unemployed people living below urban poverty line.

Thus, by executing the work through departmental labour of PWD, the urban unemployed poor had been deprived of the benefit by 5714 mandays which could have been generated had the work been executed through selected beneficiaries (40 **per cent** of Rs.5.00 lakh = Rs. 2.00 lakh ÷ Rs.35 = 5714 mandays).

Further, the diversion of fund from the original work was contrary to the guideline of the scheme.

3.4.7.1.7 Maintenance of inventory of assets

As per guideline, the assets so created through wage employment should be handed over to the concerned department or local bodies for subsequent maintenance. But, scrutiny of records revealed that the assets created through wage employment had not been handed over to any department or local bodies for future maintenance/repair. Funds were also not provided for by the State Government for subsequent maintenance etc. Asset Register was also not maintained by the DUDAs.

3.4.7.2 Self Employment Scheme

3.4.7.2.1 Non-implementation of self employment programme under NRY, PMIUPEP and SJSRY

The schemes NRY, PMIUPEP and SJSRY were to be implemented by the Urban Development Department while the PMRY was to be implemented by the Industries Department. It is intended to provide training to urban unemployed youths so that they can set up self employment ventures or secure salaried employment with better remuneration.

During the period from 1995-96 to 1999-2000, the SUDA had distributed Rs.84.63 lakh to 13 DUDAs of Arunachal Pradesh, as fund for subsidy and training under USEP, out of which an expenditure of Rs.3.26 lakh only had been incurred leaving a balance of Rs.81.37 lakh lying un-utilised with the DUDAs.

Scrutiny of records revealed that the scheme “Urban Self Employment Programme” under NRY, PMIUPEP and SJSRY was not implemented by the DUDAs as no loan was provided by the Banks and identification of beneficiaries was also not done by the implementing department. Out of the total expenditure of Rs.3.26 lakh, Rs.1.80 lakh was incurred as expenditure towards subsidy. But as per guideline, subsidy was admissible to the beneficiaries against whom loan had been sanctioned and disbursed by bank in which case the subsidy was to be credited to bank for onward adjustment from loan. Out of Rs.1.80 lakh, Rs.1.00 lakh was distributed among 20 women

beneficiaries in kind and Rs. 0.80 lakh was spent for training to these beneficiaries but no loan was granted to any of them.

Thus, the self employment programme under NRY, PMIUPEP and SJSRY which are to be implemented by the Urban Development Department totally failed as the implementing department had not taken any initiative in proper implementation of the programme.

3.4.7.2.2 Self employment under Prime Minister's Rojgar Yojana (PMRY)

Self Employment Programme under Prime Minister's Rojgar Yojana (PMRY) was implemented by the Industries Department. The identification of beneficiaries was done by the task force committee constituted for the purpose at the district level under Chairmanship of the Deputy Commissioner of the district as per guideline. During the period from 1993-94 to 1998-99 the target for establishment of Micro Enterprises among 2000 beneficiaries was fixed by the State nodal department. During the period 4490 applications were received from the unemployed educated youths out of which 2046 applications were recommended by the task force committees and forwarded to the concerned banks. Banks had disbursed loans of Rs.795.84 lakh to 1178 beneficiaries of 13 districts. Detailed position is shown in **Appendix - XXVIII**.

462 beneficiaries of four districts defaulted in repayment of loan of Rs.330.25 lakh (including interest) under PMRY

Test check of the records of four District Industries Centre (Papumpare, Ziro, Daporijo and Along) and 13 lead banks of 4 districts revealed that during the period from 1993-94 to 1997-98, the banks had disbursed loans of Rs.317.95 lakh to 462 beneficiaries for establishment of self-employment ventures. As per the statement furnished by the banks, all the 462 beneficiaries were defaulting in repayment of loans together with interest and till the date of audit (April/May 2000) and as a result, Rs.330.25 lakh remained outstanding (including interest) against 462 beneficiaries. Some of the banks could not furnish the position of self-employment ventures so created out of the loan. From the statement furnished by 3 lead banks, it was noticed, that under SBI Ziro, out of 99 enterprises, 72 beneficiaries closed their establishment, 16 beneficiaries did not even start their ventures and only 11 establishments were running till March 2000. From the statement of SBI, Along and Basar it was noticed that out of 63 beneficiaries, most of the beneficiaries closed/suspended their establishments. Details are shown in **Appendix-XXX**.

It was the responsibility of the district implementing agencies to monitor the self-employment programme under PMRY and to help the banks in recovery of loans but the district implementing agencies had not taken any initiative for watching the activities of the beneficiaries and as a result most of the self-employment ventures had been closed and were defaulting in repayment of loans.

3.4.7.3 Urban Basic Service Programme (UBSP)

The objective of the UBSP was to create neighbourhood development committees in slums, ensuring the effective participation of slum dwellers in developmental activities and for co-ordinating the convergent provision of social services for the income generation activities and physical facilities in slum through programme of various specialist departments like health, family welfare, education etc.

Test check of records revealed that during the period from 1995-96 to 1996-97, the DUDA, Papumpare received Rs.10.62 lakh under the programme, of which, one Tripper Truck at a total cost of Rs.6.02 lakh had been purchased for sanitation duty of Itanagar and the balance amount of Rs.4.60 lakh was lying unspent in DUDA's account (March 2000). Thus, the fund for development and employment generation in slum areas was utilised for urban sanitation duty which was the duty and responsibility of State Government/Local Body. Apart from non-execution of the Urban Basic Service Programme by the DUDA, Papumpare, diversion of fund of Rs.6.02 lakh for a different purpose resulted in loss of 6880 mandays.

3.4.7.4 Scheme of employment through Housing and Shelter Up-gradation (SHASU)

The programme SHASU under NRY, PMIUPEP and SJSRY had not been implemented in the State although a fund of Rs.11.83 lakh (Central share: Rs.7.10 lakh and State share: Rs.4.73 lakh) was made available to SUDA by the State Government during 1995-96 to 1998-99. The entire fund was kept in the savings bank account of SUDA.

3.4.8 Monitoring and evaluation

Successful implementation of the programme depends upon proper monitoring and inspection of the implementation. The Nodal Agency was responsible for general supervision and monitoring of the schemes with reference to the principal goals of expenditure and the employment potential. No State level monitoring cell had been created and as such no State level monitoring and supervision of the programmes had been done. Director, Urban Development stated that due to shortage of man power, no State level monitoring and supervision could be taken up. Similarly, at the district level also no proper monitoring and supervision had been done for which most of the components of the programme are yet to be implemented in the districts as well as in the State as a whole.

Due to lack of monitoring most of the components of the programme are yet to be implemented. No evaluation of schemes was done at any level

Evaluation of the impact of various schemes is essential to judge their success or their failure and for taking remedial action to eliminate short comings/weaknesses in the implementation. But no such evaluation of the schemes had been done either at the State level or at the district level. It was stated by the nodal department that in the absence of furnishing returns/report

showing the physical/financial achievement of the programme by the District Urban Development Agencies, the evaluation of the implementation could not be undertaken at State level. No action was also taken by the nodal authority for obtaining returns/reports from the district authorities.

The foregoing points were reported to the Government, and the Department (June 2000); their replies have not been received (December 2000).

SECTION – B - PARAGRAPHS

EDUCATION DEPARTMENT

3.5 Extra expenditure

Entertainment of excess teachers over the prescribed norm resulted in extra expenditure of Rs.119.74 lakh

According to norms prescribed by the Government in January 1986 for appointment of teachers in Government Primary Schools (Class I to V), one teacher was to be appointed for every 40 children subject to a minimum of two teachers in a school having more than one class.

Test-check (November/December 1999) of records of the Deputy Director of School Education (DDSE), Papumpare District, Naharlagun and East Siang District, Pasighat revealed that in 12 Government Primary Schools of Papumpare district 135 and 156 teachers were actually on roll during 1997-98 and 1998-99 respectively against 73 and 75 teachers justified as per norm in these years. Similarly in 12 Government Primary Schools of East Siang District, 125 teachers were on roll as of November 1999 against 68 teachers justified as per approved norms thereby entertaining 57 excess teachers and in 6 Government Primary Schools 16 teachers were on roll as of November 1999 against 34 teachers justified resulting in less entertainment of teachers. Thus, the students of 6 Government primary schools of East Siang district were deprived of the desired teaching benefit for less entertainment of 18 teachers (i.e. shortage of 53 **per cent** of the required norms). Moreover, neither the directorate nor the Government had taken any initiative to overcome the deficiency by transferring teachers from schools having surplus teachers to schools having lesser teachers than norm. However, entertainment of teachers in Papumpare and East Siang districts in excess of the prescribed norms without adequate workload entailed a minimum extra recurring expenditure of Rs.119.74 lakh on their pay and dearness allowance, alone as detailed in **Appendix - XXXI**.

The matter was reported to Government/Department (February 2000); their reply has not been received (December 2000).

3.6 Infuctuous expenditure

Procurement of books and subsequent ban on its distribution without assigning any reason therefor resulted in infuctuous expenditure of Rs.30.25 lakh

Scrutiny of records (October, November 1999) of the Director of School Education (DSE), revealed that the purchase committee while approving purchase of NCERT books for the session 1998-99 also approved purchase of books, not published by the NCERT, from private publishers, on negotiation basis. Accordingly, the DSE procured (between March and April 1998) books worth Rs.134.54 lakh from 9 (nine) private publishers for the students of KG to Class-VIII against the Government sanction thereof (March 1998) and payment was also released to them (April 1998).

The DSE, Arunachal Pradesh in a crash message (June 1998) directed the Deputy Director of School Education (DDSE) of all the districts to stop distribution of the text books supplied by the private publishers and accordingly the distribution was withheld. Subsequently, on review, it was decided by the Government (August 1998) to distribute the books upto Class V and to ban distribution of books for class VI to VIII costing Rs.30.25 lakh which were lying in the stores of district officers till date of Audit (November 1999). Reasons for ban on distribution of books was, however, not stated (March 2000).

Thus, expenditure of Rs.30.25 lakh incurred on procuring books for students of class VI to VIII and subsequent ban on its distribution without assigning any reason therefore was infuctuous, besides, affecting the day to day studies of the students due to delay of 4 months in distribution of the books.

The matter was reported to the Government/Department (February 2000); their replies have not been received (December 2000).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.7(a) Idle investment

Injudicious procurement of fogging machines without assessment of actual requirement resulted in idle investment of Rs.102 lakh for a period of about 2 years.

In order to combat mosquito borne diseases in Arunachal Pradesh, the Director of Health Services, procured (September 1997) 12 TIFA thermal fogging machines, model 100E (USA make) having a warranty period of one year

through a Delhi based Indian Agent* of TIFA (CI) Limited, USA, for use in 12** different places of the State at a cost of Rs.102 lakh (Rs.8.50 lakh each).

The fogging machines were procured without assessment of requirement and receipt of any indents for such machines from District Malaria Units. The justification for procurement of such machines was neither available on records nor stated (March 2000). It was also seen that the DHS, had not observed any codal formality or entered into formal agreement with the firm before placing the supply order (July 1997) to the Indian Agent of the firm. Actual price of the machine also had not been ascertained.

Scrutiny (October-November 1999) of records of the DHS revealed that although the machines were received in September 1997 against payment of Rs.102 lakh made to the firm in October 1998, 2 machines were used for one month only in the Capital Complex (Naharlagun and Itanagar) and at Namsai during June 1999 under the guidance of malaria mechanic who was trained in fogging operation (old model) and with the help of operational manual and the remaining 10 machines could not be put to use as of November 1999 for want of trained operational staff and non-availability of Malathion (an insecticide required for fogging operations). Similarly, after one round fogging operation, the fogging machines were stopped at capital complex and Namsai due to lack of Malathion. The department in February 1999 asked the firm to demonstrate the operational know-how of the fogging machine to get the departmental personnel trained. The firm, however, claimed (February 1999) an additional amount of Rs.3.05 lakh towards demonstration and training to departmental staff on the ground of expiry of warranty period. Any action taken, in this regard by the department is still awaited (March 2000) which resulted in idle outlay of all the 12 fogging machines.

Thus, purchase of fogging machines without having proper infrastructural facilities to utilise them was, injudicious and resulted in idle investment of Rs.102.00 lakh for about 2 years.

3.7(b) Extra expenditure

Procurement of the machines at higher rate resulted in extra expenditure of Rs. 34.25 lakh

It was also noticed that TIFA(CI) Limited agreed to the one time price of US \$9800 for each TIFA 100E machine as a special case for Arunachal Pradesh as intimated (August 1997) to their Indian Agent. Hence calculated at the conversion rate of US Dollar (1 USD = Rs.42.50) as on the date of payment and other charges incurred by the Delhi based firm in connection with import of the machines, total amount to be paid to the firm for 12 machines comes to

* M/S Health Crest Medical System Pvt. Ltd., New Delhi.

** Deomali, Jairampur, Bordumsa, Namsai, Tezu, Roing, Pasighat, Yingkiong, Boleng, Along, Itanagar and Kimin.

Rs.67.75 lakh^{***} only. The rates quoted by the dealer (@ Rs.8.50 lakh each) were accepted by the department (July 1997) without ascertaining the basic price from the manufacturer i.e. TIFA Ltd., USA and the reason thereof had not been furnished (November 1999).

Procurement of machines at a much higher rate offered by the firm than their actual rate thus resulted in extra expenditure of Rs.34.25 lakh (Rs.102.00 lakh – Rs.67.75 lakh) besides extending financial aid to the firm. Further, had the payment been made immediately after receipt of the machines, the department could have avoided another extra expenditure of Rs.7.82 lakh due to increase in the conversion rate of US Dollar from Rs.35.85 (at the time of import) to Rs.42.50 (at the time of payment).

The matter was reported to the Government/Department in March 2000; their replies have not been received (December 2000).

LAND REVENUE DEPARTMENT

3.8 Idle Outlay/Diversion of Central Fund

Allotment of STI building to other Departments, in contravention of the objective of the scheme led to idle outlay of Rs.7.24 lakh and diversion of Central fund to the extent of Rs.41.40 lakh

Pursuant to the State Government proposal (December 1994) in regard to Pilot Project for survey and settlement operations in the East-Siang District under Centrally sponsored scheme of strengthening of Revenue Administration and updating of land records, the Government of India (GOI) conveyed (January 1995) administrative approval at a total cost of Rs.166.67 lakh which included *inter-alia* setting up of Survey Training Institute (STI) (Rs.41.40 lakh) and cost of survey/camp/drawing equipments etc., (Rs.21.36 lakh). The Central share as onetime grants-in-aid amounting to Rs.150.00 lakh (90 **per cent**) was released in January 1995 with the stipulation to complete the project within three years. The State Government provided Rs.16.67 lakh (10 **per cent**) from its own budgetary resources for the purpose.

Test check (March 2000) of the records of the Director of Land Management (DLM), Itanagar revealed that construction of Survey Training Institute was undertaken by Public Works Department (PWD) and completed at a cost of

*** US \$ 9800 X 42.50 X 12	=	Rs. 49,98,000.00
Customs duty paid	=	Rs. 16,30,261.00
Insurance charges paid	=	Rs. 38,559.00
Clearing and forwarding charges paid	=	Rs. 87,580.00
Air way bill from New York to New Delhi paid	=	Rs. 21,016.72
	Total	=Rs. 67,75,416.72
		<u>Say Rs. 67.75 lakh</u>

Rs.41.40 lakh. Before the STI building was formally handed over to the DLM, the State Government allotted (July 1998) it to four offices of other Departments, functioning in hired premises, in order to effect economy in Government expenditure. Although the DLM procured (March 1998) survey and drawing equipment etc., worth Rs.7.24 lakh, these remained idle as of March 2000 thereby frustrating the very purpose for which the building was constructed.

Thus, the allotment of STI building, created out of Central fund, to other Departments, in contravention of the objective of the scheme, has not only led to idle outlay of Rs.7.24 lakh but also diversion of fund to the extent of Rs.41.40 lakh spent in its creation, besides, deprived the untrained and newly recruited survey staff of required training.

The matter was reported to the Government/Department (April 2000); their replies have not been received (December 2000).

HORTICULTURE, RURAL DEVELOPMENT AND PUBLIC WORKS DEPARTMENTS

3.9 Failure of senior officials to enforce accountability and protect the interests of Government

1154 paragraphs pertaining to 256 Inspection Reports involving Rs.1,744.70 lakh concerning Horticulture, Rural Development and Public Works Departments were outstanding as on June, 2000. Of these first replies for 34 Inspection Reports containing 275 paragraphs had not been received

Accountant General (Audit) conducts periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspection are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection, are not settled on the spot, these IRs are issued to the Heads of offices inspected with a copy to the next higher authorities. Rules/orders of Government provide for prompt response by the executive to the IRs issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. noticed during the inspection. The Heads of offices and next higher authorities are required to attend to the observations contained in the IRs and rectify the defects and omissions promptly and report compliance to the AG. Serious irregularities are also brought to the notice of the Head of the Department by the office of the Accountant General (Audit). A half-yearly report of pending inspection reports is sent to the Secretary of

the Department (in respect of pending IRs) to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued upto March 2000 pertaining to 95 offices of 3 departments disclosed that 1154 paragraphs relating to 256 IRs involving an amount of Rs.1744.70 lakh remained outstanding at the end of June, 2000. Of these, 41 IRs containing 118 paragraphs had not been replied to/settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of offices within six weeks from the date of issue of IR were not received in respect of 275 paras for 34 IRs pertaining to 26 offices issued between 1979 and March 2000. Department-wise position of the outstanding IRs and paragraphs are detailed in the **Appendix - XXXII**.

As a result, some of the important irregularities involving 429 paragraphs (53 paragraphs + 118 paragraphs + 258 paragraphs) amounting to Rs.1241.96 lakh (Rs.592.80 lakh + Rs.261.60 lakh + Rs.387.56 lakh) commented upon in the outstanding Inspection Reports of the three departments have not been settled as of June 2000 as indicated below :

Sl. No.	Nature of Irregularities	Horticulture Department		Rural Development Department		Public Works Department	
		No of paras	Amount (Rs. in lakh)	No of paras	Amount (Rs. in lakh)	No of paras	Amount (Rs. In lakh)
1.	Local purchase of stationery in excess of authorised limits and expenditure incurred without sanction	-	-	4	1.20	-	-
2.	Non-observance of rules relating to custody and handling of cash, position and maintenance of Cash Book and Muster Roll	14	12.47	30	121.90	26	3.30
3.	Delay in recovery or non-recovery of department receipts, advances and other recoverable charges	9	8.75	26	23.20	-	-
4.	Drawal of funds in advance of requirements resulting in retention of money in hand for long periods	7	73.07	6	10.81	-	-
5.	For want of D C C bills	12	486.14	11	6.22	-	-
6.	For want of APRs	2	0.36	11	30.89	-	-
7.	Non-maintenance of proper stores accounts and non-conducting of physical verification of stores	1	4.72	3	1.90	-	-
8.	Over payment or inadmissible payments noticed in audit not recovered	1	0.02	2	.003	-	-
9.	Defective maintenance and/ or non-maintenance of log book of departmental vehicles etc.	-	-	5	2.56	-	-
10.	For want of sanctions	7	7.27	19	61.20	-	-
11.	Utilisation certificate and accounts certificate by audit in respect of grants-in-aid not furnished	-	-	1	1.72	-	-
12.	Unauthorised expenditure/ excess over the sanctioned estimate	-	-	-	-	36	102.33
13.	Idle stock owing to purchase of materials in excess of Department/ Local purchase of materials without requirement beyond the delegation of financial power	-	-	-	-	109	129.33
14.	Extra expenditure due to execution of extra/ substituted items beyond the provision of sanctioned estimate	-	-	-	-	42	68.71
15.	Non-deduction of Forest Royalty	-	-	-	-	15	7.64
16.	Issue of work orders beyond the delegation of financial power	-	-	-	-	30	76.25
Total		53	592.80	118	261.60	258	387.56

A review of the IRs which were pending due to non receipt of replies, in respect of the departments mentioned in **Appendix - XXXII** revealed that the Heads of the offices, whose records were inspected by AG, and the Heads of the Departments, viz., Director of Horticulture, Director of Rural Development and Chief Engineer, Public Works failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs of the AG. The Secretaries of the concerned Departments, who were informed of the position through half-yearly reports, also failed to ensure that the concerned officers of the Departments took prompt and timely action.

The above also indicated that no action was taken against the defaulting officers.

It is recommended that the Government should look into this matter and ensure that (a) action is taken against the officials who fail to send replies to IRs/Paras as per the prescribed time schedule, (b) action is initiated to recover loss/outstanding advances/overpayments in a time bound manner and (c) there is a proper system of expeditious compliance to audit observations in the Department.

The matter was reported to the Government in August 2000; reply has not been received (December 2000).

FINANCE DEPARTMENT

3.10 Misappropriation, losses etc.

Delay in settlement of 28 cases of misappropriation, losses etc. resulted in outstanding balance of Rs.25.96 lakh for periods ranging from 8 months to 40 years

Twenty eight cases of misappropriation, losses etc. of Government money aggregating Rs.25.96 lakh reported to Audit were pending settlement for periods ranging from 8 months to 40 years at the end of June 2000.

Department-wise and case-wise analysis of outstanding cases in which final action was pending as of 30 June 2000 is given in **Appendix - XXXIII**.

The year-wise and department-wise, position of misappropriation, losses etc. along with period as of 30 June 2000 is given in table (a) and (b) below:-

(a)

Year	No. of cases	Amount (Rupees in Lakh)
Upto 1990	17	10.46
1991-92	1	0.65
1992-93	2	0.18
1993-94	1	0.15
1994-95	1	-
1995-96	1	0.48
1996-97	1	-
1997-98	1	1.08
1998-99	2	8.52
1999-2000	1	4.44
Total:	28	25.96*

(b)

Sl. No.	Department	Number of cases	Period of pending	Amount (Rs. in lakh)
1.	Education	4	2 years to 5 years	3.37
2.	Forest	8	8 months to 13 years	14.57
3.	General Administration	1	21 years	0.03
4.	Public Works	6	7 years to 13 years	2.93
5.	Supply and Transport	6	13 years to 40 years	1.33
6.	Information and Public Relation	1	11 years	2.65
7.	CWC	1	5 years	Amount not intimated
8.	Public Health Engineering	1	3 years	1.08
Total:		28		25.96

Out of 28 numbers of unsettled cases, departmental action was awaited in 9 cases, 8 cases were pending in the court of law/awaiting police action and 11 cases were awaiting recovery/write off order from Government.

The matter was referred to Government (August 2000); their reply has not yet been received (December 2000).

* No. of cases in which amount not intimated – 2.