

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:2280

ANSWERED ON:12.08.2011

ALLOCATION OF FUNDS UNDER NRHM

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Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether cases of irregularities and misappropriation of funds allocated under the National Rural Health Mission (NRHM) have been reported from various States including Uttar Pradesh;
- (b) if so, the details thereof during each of the last three years and the current year, State/UT-wise;
- (c) the action taken/proposed by the Government in each of the reported cases during the said period, State/UT-wise;
- (d) whether the State Governments of various States including Uttar Pradesh have periodically submitted utilisation certificates during the said period; and
- (e) if so, the details thereof, State/UTwise and if not, the corrective measures taken/proposed to be taken so that funds are properly utilised and irregularities curbed ab-initio?

Answer

THE MINISTER OF STATE FOR HEALTH & FAMILY WELFARE (SHRI SUDIP BANDYOPADHYAY)

(a) to (c): Funds are made available to States for implementing the NRHM, and the primary responsibility for proper financial management and taking action against any anomalies lies with the State. The Central Government facilitates the State's effective implementation of the Mission and provide overall monitoring and supervision.

Complaints received from time to time, are immediately drawn to the attention of the State Government for necessary action. In addition, the following mechanisms have been put in place for adherence to financial procedures:

- (i) Submission of quarterly Financial Monitoring Reports by the State;
- (ii) Annual Statutory Audits;
- (iii) Concurrent Audits; and
- (iv) Visits by the teams of the Financial Management Group of the Ministry to States for periodical reviews.

In order to build financial management capacities in States, the following initiatives have been taken by the Ministry : -

(i) Model Accounting Handbooks for sub-district level finance / accounts personnel for Community Health Centres / Primary Health Centres, Village Health & Sanitation Committees (VHSC), Sub Centres, Rogi Kalyan Samitis (RKS) and Block Accountants have been prepared and circulated;

(ii) E-training modules on finance and accounts to help train finance personnel in all States have been disseminated;

(iii) E-transfers are being effected for fund releases to all States and Districts countrywide. An E-banking web enabled MIS to generate information on funds available and expenditure thereagainst has been successfully piloted in Karnataka and shared with States for similar initiation at their end;

(iv) Guidelines and advisories on non-diversion of funds, State share contribution and utilization of funds (RKS and VHSC) have been sent to the States; and

(v) Customised Tally ERP 9 accounting software has been implemented for maintaining NRHM Accounts in the majority of the States / UTs.

Deficiencies / shortcomings noticed during the reviews are immediately brought to the notice of the States for remedial action. In the

case of the review of financial management of Uttar Pradesh, the following irregularities were noticed:

- (i) Irregularity in award of contract for procurement of Emergency Medical Transport Services and Mobile Medical Units, Management of Hospital cleaning and gardening, procurement of safe drinking water and R.O. systems etc.
- (ii) Supply of poor quality of IEC/ BCC material and poor quality of drugs and consumables etc.
- (iii) In respect of civil construction works, there was mere transfer of funds to various State Government agencies without any formal agreement and without any system.
- (iv) Poor monitoring of progress of the civil construction as well as quality of construction, and no action on the defects in constructions pointed out by JEs/CMOs.
- (v) Non operationalisation of emergency transport services even after procurement of 779 ambulances.

These deficiencies were immediately brought to the notice of the State Government of Uttar Pradesh who has reported that they have instituted separate independent enquiries into the following: -

- (i) Irregularities in award of contract for procurement of EMTS, MMS vehicles.
- (ii) Quality of vehicles and accessories on MMS and EMTS.
- (iii) Irregularities in award and execution of supply orders placed on M/s UPSIC.
- (iv) Supply of poor quality RO systems by M/s UPSIC.
- (v) Supply of poor drugs and consumables by M/s UPSIC.
- (vi) Supply of poor quality of IEC/ BCC materials.

(d) & (e): All the State Governments including Uttar Pradesh periodically submits Utilization Certificates (UCs) after completion of the annual statutory Audit of the State and District Health Societies. The UCs for the funds released to the States in a particular Financial year become due one year after the close of the Financial Year. The UCs are submitted by the States along with their statutory Audit Reports every year, and these are examined in the Ministry for their settlement. The deficiencies observed in the Audit Reports are also communicated to the States for taking appropriate remedial measures. The Ministry also regularly takes up the matter with the State Governments from time to time for timely submission of the UCs. In addition, the implementation of NRHM in the States is also monitored and reviewed by teams from Programme Divisions and Regional Directorates.