

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

UNSTARRED QUESTION NO:1831

ANSWERED ON:23.03.2012

IRREGULARITIES IN NRHM

Adhalrao Patil Shri Shivaji;Adityanath Shri Yogi;Adsul Shri Anandrao Vithoba;Bais Shri Ramesh;Bundela Shri Jeetendra Singh;Choudhary Shri Nikhil Kumar;Das Gupta Shri Gurudas;Das Shri Bhakta Charan;De Dr. Ratna;Dharmshi Shri Babar Gajanan;Gutha Shri Sukender Reddy;Kataria Shri Lal Chand;Mohan Shri P. C.;Owaisi Shri Asaduddin;Panda Shri Prabodh;Pandurang Shri Munde Gopinathrao;Patil Shri C. R. ;Rajbhar Shri Ramashankar;Ramasubbu Shri S.;Ramkishun Shri ;Ramshankar Dr. ;Rani Killi Krupa;Ray Shri Rudramadhab ;Reddy Shri Magunta Srinivasulu;Shekhar Shri Neeraj;Shukla Shri Balkrishna Khanderao Balu Shukla;Singh Shri Yashvir;Siricilla Shri Rajaiah;Sushant Dr. Rajan;Yadav Shri Dharmendra;Yadav Shri Om Prakash

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

- (a) the funds allocated/utilized by the State Governments under the National Rural Health Mission (NRHM) during each of the last three years and the current year, State-wise/UT-wise;
- (b) whether cases of irregularities, misappropriation and diversion of funds allocated under the NRHM have been reported from various States;
- (c) if so, details thereof alongwith the present status of enquiries made or are being made by various investigating agencies during each of the last three years and the current year, agency-wise and State/UTwise including Uttar Pradesh, Bihar, Himachal Pradesh, Rajasthan and Odisha;
- (d) the details of the Comptroller and Auditor General (CAG) auditing and other auditing mechanism set up to monitor the utilisation of NRHM funds so disbursed alongwith the appraisal of NRHM fund so far, State/UT-wise; and
- (e) the corrective measures taken/proposed to be taken so that funds are properly utilized and irregularities curbed ab-initio?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI S. GANDHISELVAN)

(a) A statement showing the Allocation, Release and Expenditure under National Rural Health Mission (NRHM) to States/UTs for the Financial Years 2008-09 to 2011-12 is annexed.

(b) & (c) Funds are made available to States for implementing the National Rural Health Mission (NRHM), and the primary responsibility for proper financial management and taking action on any anomalies lies with the State. The Central Government facilitates the State's effective implementation of the Mission.

Complaints relating to implementation of NRHM as and when received are immediately drawn to the attention of the State/UT Government for necessary action.

Central teams are sent from time to time to review the utilization of funds in the States. A Central team reviewed the fund management under the Mission in Uttar Pradesh during May, 2011 and the major findings are outlined below:

(i) Irregularity in award of contract for procurement of Emergency Medical Transport Services and Mobile Medical Units, Management of Hospital cleaning and gardening services, 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.

Further, pursuant to the directions of Hon'ble Allahabad High Court in Writ Petition Nos. 3611 (MB) of 2011 (PIL), 3301 (MB) of 2011 (PIL) and 2647 (MB) of 2011 (PIL), the Central Bureau of Investigation (CBI) has registered five Preliminary Enquiries related to alleged irregularities in the execution and implementation of National Rural Health Mission funds in the State of Uttar Pradesh since its

inception in the year 2005- 06 till date. During the course of the said Preliminary Enquiries, the CBI has registered 13 cases so far.

(d) The Ministry had requested the Comptroller & Auditor General (CAG) for conducting annual transaction audits of the National Rural Health Mission (NRHM) in all the States from the Financial Year 2011-12 in order to identify the existing gaps, facilitate independent monitoring and timely corrective measures so that a quality and timely audit assessment becomes available to assist the State Governments in undertaking remedial measures and achieving the targets of NRHM. The CAG's office in its reply dated 2nd January, 2012 has stated that the audit of NRHM shall be incorporated by Accountants General of all States in their regular audit planning process.

The Annual Transaction Audits are to be conducted by the CAG from the current F.Y. 2011-12. No Audit Report has yet been received by this Ministry.

(e) The following mechanisms have been put in place for adherence to financial procedures:

- (i) Submission of quarterly Financial Monitoring Reports by the States;
- (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 and Nutrition Committees (VHSNCs), Sub Centres, Rogi Kalyan Samitis (RKS) and Block Accountants have been prepared and circulated;
- (ii) Detailed operational guidelines on Financial Management have been prepared for adoption and implementation at State, district, block and village levels under the NRHM;
- (iii) E-training modules on finance and accounts to help train finance personnel in all States have been disseminated;
- (iv) 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 is under implementation;
- (v) Guidelines and advisories on non-diversion of funds, State share contribution and utilization of funds (RKS and VHSNC) have been sent to the States; and
- (vi) Customised Tally ERP 9 accounting software has been implemented for maintaining NRHM Accounts in the majority of the States / UTs.

The implementation of NRHM in States is reviewed through Joint Review Missions (JRM), Common Review Missions (CRM) and periodical reviews by the Ministry.

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