

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

UNSTARRED QUESTION NO:2431

ANSWERED ON:23.08.2013

UTILIZATION CERTIFICATES UNDER CENTRALLY SPONSORED SCHEMES

Singh Shri Sushil Kumar

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

(a) whether a large number of Utilization Certificates (UCs) from executing agencies for the grants released are pending under various Centrally Sponsored Health Schemes;

(b) if so, the reasons therefor and the action taken by the Government to liquidate the pendency of UCs;

(c) whether the Government has any mechanism to verify the physical progress matching the utilisation of funds and if so, the details thereof along with the number of cases in which diversion/misuse of funds has been reported; and

(d) the action taken by the Government to check diversion/ misuse of funds?

Answer

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI GHULAM NABIAZAD)

(a)&(b): Yes. There are a significant number of Centrally Sponsored Schemes under which the grants-in-aid is released by various authorities in the Ministry to a number of grantee bodies including States/UTs, State Health Societies, NGOs, Voluntary Organizations and Medical Colleges, etc. Different grant releasing authorities as well as grantee bodies face different sorts of problems in liquidating the Utilisation Certificates (UCs) varying from UCs for execution of infrastructural works, procurement purposes, deployment of manpower, delay in conducting Audit and the cases of one-time release of grant-in-aid, and thus cannot be described in a general manner. However, the Ministry is making sincere efforts to liquidate the pendency of UCs and an action plan has been formulated for the purpose, viz. (1) Additional Secretaries/Joint Secretaries/Directors have been appointed as nodal officers to monitor the work of liquidation of pending UCs, and (2) The sanction issuing authorities have taken up the matter vigorously with the grantee bodies to reconcile and liquidate the pending UCs.

(c) & (d): There exists a system for verification of physical progress matching the utilization of funds. Each grantee body is required to furnish a Report containing both the physical and financial progress against each of the approved activity and these are analysed for correlation and feedback sent to them for appropriate action, wherever required. To check the diversion/ misuse of funds and to maintain a financial discipline, following steps have been taken by the Ministry:

(i) The implementation of Schemes is reviewed periodically by the Ministry through various mechanisms. The deficiencies/shortcomings noticed during the reviews are immediately brought to the notice of the grantee body for remedial action.

(ii) Periodic statutory Audit and concurrent audit is undertaken.

(iii) Transaction Audit by office of Comptroller & Auditor General (CAG) has been started from 2011-12 in respect of NRHM.

(iv) Monitoring of flow of funds through a web portal of Central Plan Scheme Monitoring System (CPSMS) which enables the Ministry to track and monitor flow of funds and its utilisation.

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

1. Model Accounting Handbooks for sub-district level has been prepared and circulated;

2. Detailed operational guidelines on Financial Management under the NRHM;

3. E-training modules on finance and accounts to help train finance personnel in all States have been disseminated;

However, despite all these measures, a few cases of diversion/ misuse of funds have been reported wherein the grantee bodies have been advised to refrain from such irregularities.