

**GOVERNMENT OF INDIA  
WOMEN AND CHILD DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2913  
ANSWERED ON:13.03.2015  
MISUSE OF FUNDS UNDER NRHM  
Sonkar Shri Vinod Kumar

**Will the Minister of WOMEN AND CHILD DEVELOPMENT be pleased to state:**

- (a) whether the Government is aware of misuse of funds by the States under the National Rural Health Mission (NRHM);
- (b) if so, the details thereof, State-wise including Uttar Pradesh;
- (c) whether the Government has set up/ proposes to set up high level committee to monitor implementation of schemes under NRHM;
- (d) if so, the details thereof; and
- (e) the other corrective steps taken/ proposed to be taken by the Government in this regard?

**Answer**

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI JAGAT PRAKASH NADDA)

(a) & (b): Certain instances of misuse of NRHM funds like mis-appropriation, misuse of untied funds, diversion of funds from one pool to another without authorization, excessive and infructuous purchases etc. have come to light through Audit in States like Uttar Pradesh, Assam, Bihar, Haryana, Jammu & Kashmir, Orissa and Rajasthan. Such irregularities may occur due to poor enforcement of financial discipline, inadequate availability and inadequate capacities of financial staff etc.

(c) to (e): Public health being a state subject, primary responsibility of implementation and monitoring of schemes under NRHM rests with the State Governments. However, the Central Government has been monitoring the schemes under NRHM through following mechanisms:

I. The Ministry requested the Comptroller & Auditor General (CAG) for conducting annual transaction audits of the National Rural Health Mission (NRHM) in all the States 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 has agreed to undertake annual audit and initiated the process.

II. Besides provision of annual CAG audit, following monitoring mechanisms have been put in place by the Ministry of Health & Family Welfare for adherence to financial procedures and proper financial utilization:

# Submission of quarterly Financial Monitoring Reports by the States;

# Annual Statutory Audits;

# Concurrent Audits;

# Visits by the teams of the Financial Management Group of the Department to states for periodical review;

# Annual visits to states by Common Review Mission, which inter-alia, looks at financial systems and mechanisms.

# Institute of Public Auditors of India (IPAI) has conducted the financial review of NRHM in several states.

# Implementation of Public Financial Management System (PFMS) developed by the office of the CGA of Ministry of Finance for monitoring and management of funds on just in time basis.

# Regular reviews on NHM including on financial matters with States/UTs Government officials.

# Integrated monitoring visits by senior officials of the Ministry and National Health System Resource Centre.