
HEALTH & FAMILY WELFARE DEPARTMENT
2.1 NATIONAL RURAL HEALTH MISSION (NRHM)
Executive Summary

Government of India (GoI) launched the National Rural Health Mission (NRHM) in April 2005 for providing accessible, affordable, effective and reliable health care facilities in rural areas.

Given the extensive coverage of this ambitious scheme and enormity of the delivery mechanism there are some notable achievements under certain components of the Mission, namely, increase in in-patient numbers over the years, number of institutional deliveries, coverage of families under family planning, medical examination under Revised National Tuberculosis Control Programme. The availability of funds under the scheme also steadily increased over the years.

However, the above-mentioned achievements notwithstanding, there were certain shortcomings in the execution/management of the scheme which adversely affected the expected outcome of the scheme. Implementation suffered from the absence of reliable baseline data, as the household and facilities surveys were not conducted. Rogi Kalyan Samitis are yet to adequately fulfill their role in monitoring and supervising the functioning of health care centres. Staffing of the health care centres, at different levels, continues to remain a cause for concern, since the stipulated complement of specialist medical and nursing staff was not available in most of the test-checked centres. Deficiencies of physical infrastructure also persisted, as works of construction of many health centre buildings and staff quarters either remained incomplete or were not started.

The significant findings are indicated below

- Household and facilities surveys, required to identify the health care needs of the rural areas, were not conducted. The Perspective Plan for the Mission period was also not prepared.
- Village Health and Sanitation Committees (VHSCs) to be formed by Gram Unnayan Samitis, were not formed in any village.
- The population-health centre ratio was much higher than that prescribed under NRHM and no action was taken by Government for setting up new health centres during 2005-09. The health centres often lacked basic infrastructure (good quality building, electricity and water supply, etc.) as well as guaranteed services (inpatient services, operation theatre, labour room, pathological tests, X-ray, emergency care, etc.).
- While 72 Sub-centre (SC) buildings and 24 ANM¹ quarters completed at a cost of Rs 4.44 crore were not taken over even after two to 13 months of their completion, construction of 133 SC buildings and 284 ANM quarters was not started within the scheduled time frame.

¹ Auxiliary Nursing Midwife

2.1.1 Introduction

The Government of India (GoI) launched the National Rural Health Mission (NRHM) in April 2005 with a view to providing accessible, affordable, accountable, effective and reliable health care facilities in the rural areas, especially to poor and vulnerable sections of the population. The underlying strategy of NRHM was to bridge gaps in health care facilities, facilitate decentralised planning in the health sector and provide an overarching umbrella for the existing programmes of Health and Family Welfare including Reproductive and Child Health-II, Vector Borne Disease Control Programme, Tuberculosis, Leprosy and Blindness Control Programmes. The primary objectives of NRHM are to:

- involve the community in planning and monitoring;
- reduce infant mortality rate, maternal mortality rate and total fertility rate for population stabilisation; and
- prevent and control communicable and non-communicable diseases, including locally endemic diseases.

2.1.2 Organisational Structure

At the State level, NRHM functions under the overall guidance of the State Health Mission (SHM), headed by the Chief Minister, for providing health system oversight, consideration of policy issues in health sector, review of progress in implementation of NRHM and inter-sectoral co-ordination, etc. The activities under NRHM are carried out through the State Health and Family Welfare Society (SHS), which was formed by integrating all earlier societies set up for implementation of various disease control programmes. The Governing Body of the SHS is headed by the Minister-in-Charge of Health and Family Welfare (H&FW) Department. The Executive Committee of the SHS is headed by the Principal Secretary of H&FW Department. In each of the 18 districts, there is a District Health & Family Welfare Society (DHS) headed by the District Magistrate. Its Executive Committee, headed by Chief Medical Officer of Health (CMOH), is responsible for planning, monitoring, evaluation, as well as for accounting and database management in respect of implementation of NRHM. The implementation of various disease control programmes is supervised by the Heads of the respective Disease Control Programmes. Various components/activities of NRHM are implemented through 346 Community Health Centres (CHCs), 922 Primary Health Centres (PHCs) and 10356 Sub-Centres (SCs) in the State. The DHS is to supervise and monitor the overall implementation of NRHM at the district level.

2.1.3 Audit Objectives

The performance audit aimed to assess whether -

- release and utilisation of funds and accounting thereof in the decentralised set up were adequate;

- planning and monitoring procedures at the level of village, block, district and State were oriented towards the principal objective of ensuring accessible, effective and reliable health care to the rural population;
- the level of community participation in planning, implementation and monitoring of the Mission was adequate and effective;
- the Mission achieved capacity building, as targeted, and strengthening of physical and human infrastructure at different levels, as planned;
- system of procurement of medicines and equipment and logistic management were efficient and ensured improved availability of medicines and services;
- the performance indicators and targets fixed specially in respect of reproductive and child health care, immunisation and disease control programmes were achieved.

2.1.4 Scope and methodology of audit

The performance audit of NRHM was conducted from April to July 2008 and from February to March 2009. It covered the period from 2005-06 to 2008-09 through a test-check of records in H&FW Department, the SHS, five DHSs², five District Hospitals (DHs), 15 CHCs, 30 PHCs and 60 SCs. An entry conference with the Additional Chief Secretary to the Government of West Bengal, H&FW Department was held on 4 April 2008, wherein the audit objectives and criteria were discussed. Audit findings were discussed in an exit conference held on 27 January 2009 with the Director of NRHM.

Audit Findings

2.1.5 Financial Outlays

2.1.5.1 Expenditure on NRHM

The **Table 2.1.1** shows the expenditure incurred by the State on NRHM activities.

Table 2.1.1: Position of receipt and expenditure of funds under NRHM (Rupees in crore)

Year	Approved PIP	Opening balance	Amount released by GoI	State share	Total amount available for the year	Expenditure incurred during the year	Balance amount	Percentage of balance amount to total amount available
2005-06	NIL*	13.13	119.41	0.28	132.82	85.65	47.17	35.51
2006-07	208.93	47.17	241.39	0	288.56	152.98	135.58	46.99
2007-08	594.41	135.58	391.40	0	526.98	301.60	225.38	42.77
2008-09#	685.78	225.38	443.55	0	668.93	244.27	424.66	63.48
Total	1489.12	13.13	1195.75	0.28	1209.16	784.50	424.66	35.12

*PIP for the year 2005-06 had not been prepared.

#Figures for the year 2008-09 are provisional as the Accounts have not been finalised.

Source : Accounts of State Health Society

² Birbhum, Howrah, Jalpaiguri, Purulia and Uttar Dinajpur

During 2005-09, 37 to 64 per cent of available funds were utilised

It would be evident from **Table 2.1.1** that during 2005-09, availability of funds under NRHM has steadily increased, 37 to 64 per cent of total available funds were utilised each year. As of March 2009, Rs 424.66 crore (35 per cent of total available funds during 2005-09) remained parked with the SHS. The component wise receipts and expenditures on NRHM are shown in **Appendix 2.1.1**.

2.1.5.2 Release and utilisation of untied funds

Table 2.1.2 indicates the untied funds³ received and utilised by the health centres in the test-checked districts during 2005-06 to 2008-09 (up to December 2008):

Table 2.1.2: Release and utilisation of untied funds (Rupees in lakh)

Year	Number of health centres	Untied Funds received	Untied funds utilised	Unspent untied funds	
				Amount	Percentage to funds received
SC level					
Birbhum	484	193.60	154.24	39.36	20.3
Howrah	448	179.20	111.81	67.39	37.6
Jalpaiguri	537	214.80	159.33	55.47	25.8
Purulia	485	194.00	104.45	89.55	46.2
Uttar Dinajpur	344	137.60	96.88	40.72	29.6
Total	2298	919.20	626.71	292.49	31.8
PHC level					
Birbhum	58	43.50	36.48	7.02	16.1
Howrah	41	30.75	15.23	15.52	50.5
Jalpaiguri	38	28.50	13.56	14.94	52.4
Purulia	51	39.75	15.78	23.97	60.3
Uttar Dinajpur	19	16.50	8.59	7.91	47.9
Total	207	159.00	89.64	69.36	43.6
CHC level					
Birbhum	19	9.50	5.03	4.47	47.1
Howrah	15	7.50	2.55	4.95	66.0
Jalpaiguri	14	7.00	3.74	3.26	46.6
Purulia	20	10.00	6.33	3.67	36.7
Uttar Dinajpur	9	4.00	2.85	1.15	28.8
Total	77	38.00	20.50	17.50	46.1

Source : Records of District Health Societies

There was no annual/quarterly programme for use of untied funds and such funds aggregating Rs 3.79 crore (34 per cent of available fund of Rs 11.16 crore) remained unutilised at CHCs, PHCs and SCs of the five test-checked districts as of December 2008.

2.1.5.3 Diversion of untied funds

Untied funds at the SC level were to be utilised towards payments for cleaning, transport of emergency cases to appropriate referral centres, transport of blood samples during epidemics, purchase of bleaching powder and disinfectants for use in common areas of the village, etc. Similarly, untied funds of PHCs was to be used for minor repairs of PHCs, provision of running

³ Funds not linked to any specific programme and which are to be used for some specific purposes according to local needs

Thirty four per cent of untied funds available with the health centres remained unutilised

water supply and electricity, repair of soak pits, transport of emergency cases to appropriate referral centres, transport of samples during epidemics, etc.

Untied funds, aggregating Rs 5.62 lakh during 2005-09, were used for purposes not covered under the scheme, such as purchase of office stationery, equipment, drugs, etc, at 56 sub centres. Similarly, untied funds of Rs 7.75 lakh at 28 PHCs during 2006-09 were utilised for purchase of office stationery and equipment, drugs, furniture, payment of wages and payment towards advertisements and IEC⁴ related activities, etc.

2.1.6 Planning for implementation of NRHM

2.1.6.1 Absence of Baseline survey

Household and facility surveys at the village and block level were not conducted

The Annual District Health Action Plans (DHAPs) were to be prepared on the basis of preparatory studies, mapping of services, and household and facility surveys conducted at village and block levels through the Village Health and Sanitation Committees (VHSCs). Household surveys were essential to assess the health care requirements and identify underserved and unserved areas. Similarly, in order to establish benchmarks for quality of services and to identify input needs, facility surveys were to be conducted in each facility i.e. CHC, PHC and SC.

There are 40798 villages in 341 blocks in the State. As regards facilities, there are 346 CHCs, 922 PHCs and 10356 SCs. The H&FW Department did not formulate a plan for conducting household and facility surveys. Consequently, no targets were fixed for conducting such surveys and these surveys were not conducted in any district. The ground work required for effective implementation of the objectives of NRHM had thus not been done.

2.1.6.2 Non-preparation of Perspective Plan

Perspective Plan was not prepared in any district

In terms of the NRHM guidelines, the SHS and DHSs were to identify the gaps in health care facilities, areas of interventions and probable investment for the entire Mission period (2005-12). They were to set financial and physical targets in Perspective Plans for each district and the State, based on which the annual requirements of funds and targets were to be set annually. However, Perspective Plans were not prepared by the SHS and DHSs in any district.

2.1.6.3 Delayed preparation of Project Implementation Plans

The State Project Implementation Plan (PIP) was to be prepared by 30 November of the preceding year and was to be sent to GoI for approval by 15 December after approval of the Governing Body of SHS. The State and District PIPs for the year 2005-06 were not prepared. The State PIPs for the years 2006-07, 2007-08 and 2008-09 were sent to GoI on 16 October 2006, 30 July 2007 and 20 March 2008 after delays of ten, seven and three months respectively. Moreover, in 2006-07 the State PIP was prepared without

⁴ Information, Education and Communication

considering District PIPs since none of the DHSs had prepared the District PIP.

Recommendation

The SHS should expedite the completion of household and facility surveys which would provide reliable inputs for the preparation of State and district perspective plans. The future annual state and district PIPs should be based on long term requirements and results of baseline surveys.

2.1.7. Community participation in planning and implementation

2.1.7.1 Non-formation of Village Health and Sanitation Committees

The Village Health and Sanitation Committee (VHSC) was to undertake various activities like conducting a village level household survey, maintaining the village health register, preparing village health action plans, generating public awareness and motivating villagers to avail of the medical facilities available at village level, etc. In terms of the H&FW Department's order (July 2007), VHSCs were to be constructed by the Gram Unnayan Samiti (GUS). The VHSC was to be headed by the Chairman of GUS and consist of other members including one member of GUS, at least three women members of GUS, three members of women self help groups, Auxiliary Nursing Midwife (ANM), Anganwadi Worker (AWW) and Accredited Social Health Activist (ASHA) or link volunteer working in the area.

No VHSCs were formed in any of the five test-checked districts adversely impacting the level of community participation

However, in the five audited districts, GUSs did not form the VHSC and the untied funds meant for VHSCs were disbursed to GUSs. The primary duties of VHSCs viz. village level household survey and maintaining village health register were not being performed by GUSs. The failure to establish the VHSCs adversely impacted the level of community participation in implementing the Mission's activities.

2.1.7.2 Non-creation of village level revolving fund

The Mission envisaged setting up of a revolving fund at the village level by VHSC for providing referral and transport facilities for emergency deliveries, as well as immediate financial needs for hospitalisation. It has been prescribed that households may draw money from the revolving fund at the time of need, which may be returned in instalments. The revolving fund was not set up by any GUS in 323 test-checked GUSs in the 12 audited Blocks.

2.1.7.3 Parking of untied grants for VHSC

Untied grants of Rs 45.54 crore were released by H&FW Department in July 2007 (Rs 16.77 crore) and February 2008 (Rs 28.77 crore) to the Panchayat & Rural Development (P&RD) Department. The grants were meant for releasing Rs 10000 to each of the 16770 VHSCs in 2007-08 and 28770 VHSCs in 2008-09. However, the P&RD Department released Rs 26.03 crore (at the rate of Rs 8000 for 16540 GUSs in 2007-08 and Rs 10000 for 12801 GUSs in 2008-09) to 132 Panchayat Samities (PSs) in eight districts between November 2007 and October 2008 for disbursement to GUSs, as VHSCs were not formed in any village. Further, the Department procured 16540 machines for weighing

babies at a cost of Rs 1.22 crore in September 2008 for distribution to each of 16540 GUSs.

The P & RD Department had irregularly retained untied grants of Rs 18.29 crore

Thus, the P&RD Department retained Rs 18.29 crore since February 2008, without releasing it to GUSs on the grounds that the NRHM programme under the State Public Health Cell of P&RD Department had been launched only in eight districts. The contention of the Department was not acceptable since H&FW Department released untied funds for 16770 GUSs in 2007-08 and 28770 GUSs in 2008-09 against 16540 and 13077 GUSs available in eight districts during 2007-08 and 2008-09 respectively.

In the 12 test-checked Blocks of four districts, out of Rs 2.22 crore received by PSs, the PSs released Rs 1.41 crore to 1682 GUSs in 2007-08 and 875 GUSs in 2008-09, while Rs 0.81 crore remained parked with PSs.

It was also noticed that GUSs were often not following prescribed procedures with respect to untied grants, as evidenced by the following illustrations:

- i. Out of 323 GUSs, separate bank accounts for VHSC funds were not opened by 81 GUSs.
- ii. Bank accounts were to be jointly operated by the ASHA/AWW or Health Link Worker and the Chairman of GUS. However, in all cases, bank accounts were being operated jointly by the Chairman and another member of GUS.
- iii. Separate cash books for VHSC funds were not maintained by GUSs.
- iv. Receipts and payments, out of VHSC funds, were not inspected by the ANM/Gram Panchayat (GP)/Multi Purpose Worker (MPW).
- v. Alipurduar-II PS released Rs 4000, instead of Rs 8000, to each of 113 GUSs during 2007-08 and unauthorisedly retained Rs 7.08 lakh.
- vi. Murarai-II PS in Birbhum unauthorisedly retained the entire amount of untied grants of Rs 18.38 lakh (Rs 9.68 lakh in November 2007 for 121 GUSs at Rs 8000 each and Rs 8.70 lakh in November 2008 for 87 GUSs at Rs 10000 each) meant for the GUSs. It deposited the entire amount in a bank account and utilised the interest of Rs 0.44 lakh for purchasing fuel for its vehicle and on refreshments for office staff.
- vii. Out of 16540 weighing machines purchased by P&RD Department in December 2008 for distribution to GUSs, 196 machines were lying with P&RD Department as of May 2009. Further, 473 machines costing Rs 3.49 lakh, stated to have been delivered to Howrah Zilla Parisad (ZP) on 18 December 2008 by the transport contractor, had not been received by ZP. The consignment could not be traced by P&RD Department.

2.1.7.4 Rogi Kalyan Samitis

Deficiencies were noticed in the composition and performance of the RKS

In term of the NRHM guidelines, a Rogi Kalyan Samiti (RKS) is to be constituted and registered under the Society Registration Act, 1860 for health care centres up to PHC level. The RKS, which was designed as the most important and pro-active intervention under the Mission to ensure delivery of

reliable and accountable health services through community ownership of the health centres, was not functioning as prescribed under the NRHM framework. Although RKSs were formed in each of 15 district hospitals (DHs), 346 CHCs and 922 PHCs during April to September 2006, the composition of the membership under the RKSs indicated deviation from the norms required to ensure broad-based participation. Further, none of the RKSs was registered under the Society Registration Act. The accountability structure under the RKS framework was further weakened by the non-institutionalisation of a grievance redressal mechanism, non-display of citizen charters at the health centres and non-formation of monitoring committees under the RKS, etc, as discussed in the subsequent paragraphs.

(i) Shortfall in holding meetings of RKS

Meetings of RKS were not held monthly

The RKSs were required to meet at least once in a month for reviewing the functioning of health care facilities. None of the test-checked five DHs, 15 CHCs and 30 PHCs, held monthly meetings of RKS each month. During 2006-09, 63, 165 and 239 meetings were held in these DHs, CHCs and PHCs against the requirement of 180, 540 and 900 meetings respectively. No report/proposal was submitted by the RKS of any of the test-checked DHs/CHCs/PHCs.

(ii) Non-constitution of Monitoring Committee by RKS

In absence of monitoring committee in any of the audited health centres, the monitoring and redressal mechanism was ineffective

A monitoring committee was to be constituted by each RKS to visit hospital wards/health centres and collect patient feedback for further improvement. The monitoring committee was, however, not constituted in any of the test-checked DHs, CHCs and PHCs. Thus, the objective of introducing a mechanism for redressal of complaints of the community regarding demand/need, coverage, access, quality, effectiveness, behaviour and presence of health care personnel at service points, denial of care and negligence, etc, was not achieved.

(iii) Poor utilisation of funds available with RKSs

In terms of the NRHM framework, RKSs were to levy user charges from non-BPL patients for various services rendered by the health centres to meet authorised local needs. In addition, specified funds were to be released to the RKSs to carry out the functions devolved on them. The RKSs at district hospitals and CHCs received annual grants of Rs 5 lakh and Rs 1 lakh respectively for operation/ functioning. Further, at CHCs and PHCs, the RKSs received annual untied grants of Rs 50000 and Rs 25000 respectively and annual maintenance grants of Rs 1 lakh and Rs 50000 respectively.

However, the utilisation of funds by the RKSs was very low. The status of funds received and utilised by test-checked RKSs is given below:

Table 2.1.3: Position of funds available with RKS (Rupees in lakh)

No of RKS	Year	Opening Balance	Funds received during the year	Total funds available	Expenditure incurred during the year	Closing Balance (Percentage to available funds)
5 DHs	2006-07	Nil	76.09	76.09	43.38	32.71(43)
	2007-08	32.71	124.20	156.91	113.61	43.30 (28)
	2008-09	43.30	102.82	146.12	92.84	53.28(37)
15 CHCs	2006-07	1.28	23.21	24.49	8.12	16.37(67)
	2007-08	16.37	40.54	56.91	31.70	25.21 (44)
	2008-09	25.21	51.58	76.79	48.70	28.09(37)
30 PHCs	2006-07	Nil	6.01	6.01	4.28	1.73(29)
	2007-08	1.73	7.54	9.27	4.11	5.16 (56)
	2008-09	5.16	5.75	10.91	3.05	7.86(72)

Source : Records of District Health Societies

The table indicates that balances, ranging from 28 to 72 *per cent* of available funds during the years 2006-09, remained unutilised with RKSs.

(iv) Misutilisation of corpus funds

According to the department's order dated 13 February 2006, the Corpus Fund of DHS was to be utilised through RKSs in the district on the basis of needs of each facility. In the following cases the Corpus Fund was utilised for inadmissible purposes:

One photocopy machine (Rs 0.97 lakh), one computer (Rs 0.33 lakh), one laptop (Rs 0.47 lakh), one printer (Rs 0.06 lakh) and one digital camera (Rs 0.15 lakh) purchased by Howrah DHS between May 2007 and June 2008 were retained in the office of District Magistrate, Howrah. Besides, DHS, Howrah also spent Rs 4.64 lakh for printing of 5000 guidebooks for Anganwadi workers, even though such expenditure was not admissible.

Recommendations

- ***The RKSs at all the health centres should be registered under the West Bengal Societies Registration Act, 1860.***
- ***The RKSs should play a more meaningful role in supervision and monitoring of the functioning of health centres as well as in redressal of the patients' grievances through holding regular meetings, constitution of monitoring Committees, etc.***
- ***Further, the monthly reporting by RKSs to DHS on the performance of health centres and their requirements for improvement of health care services should be effectively implemented.***

2.1.7.5 Shortfall in arranging health camps

To enhance access to primary health care by the poor as well as for extending the reach of Reproductive and Child Health (RCH), immunisation, family welfare and clinical services to the larger population, the Department decided (June 2006) to arrange health camps on a specific day each week at each Gram Panchayat (GP) Headquarter Sub-Centre, except those which were operating from PHC or any other health facility where regular out-patient services were provided. An expenditure, not exceeding Rs 1100, was sanctioned for each

camp towards purchase of drugs (Rs 500), mobility support (Rs 500) and contingencies (Rs 100).

Audit noticed that against the target of conducting 65191 health camps⁵ at 469 SCs in the five test-checked districts during August 2006 to March 2009, only 32227 health camps were organised as detailed below:

Table 2.1.4: Position of organisation of Health Camps (Rupees in lakh)

Name of district	No. of SCs	No. of health camps required	No. of health camps organised	Shortfall in camps	No. of patients treated	Total funds received	Expenditure for mobility support			Expenditure for purchase of medicine		
							Admissible	Actual	Excess Expenditure	Admissible	Actual	Excess
Howrah	104	14456	8023	6433	636868	131.08	48.14	43.32	-	40.12	35.36	-
Purulia	102	14178	7768	6410	455259	141.81	46.61	52.59	5.98	38.84	51.52	12.68
Birbhum	94	13066	4877	8189	292396	120.97	29.26	24.39	-	24.39	42.35	17.96
Uttar Dinajpur	69	9591	4636	4955	362903	85.63	27.82	24.78	-	23.18	24.28	1.10
Jalpaiguri	100	13900	6923	6977	431445	129.60	41.54	49.31	7.77	34.62	42.37	7.75
Total	469	65191	32227	32964	2178871	609.09	193.37	194.39	13.75	161.15	195.88	39.49

Source : Records of District Health Societies

The shortfall in organising targeted number of camps was due to non-availability of sufficient doctors. Audit scrutiny revealed the following:

- (i) The shortfall in organising the targeted number of health camps during 2006-2009, led to non-utilisation of funds of Rs 2.19 crore by DHSs.
- (ii) Against sanctioned expenditure of Rs 46.61 lakh and Rs 41.54 lakh towards mobility support for organising 7768 and 6923 health camps (at the rate of Rs 600 per camp) in Purulia and Jalpaiguri respectively, Rs 52.59 lakh and Rs 49.31 lakh were spent resulting in excess expenditure of Rs 5.98 lakh and Rs 7.77 lakh respectively.
- (iii) Against sanctioned expenditure of Rs 121.03 lakh for purchase of medicines for 24204 camps (at the rate of Rs 500 per camp) in four districts, Rs 160.52 lakh were spent resulting in excess procurement of medicines worth Rs 39.49 lakh. As the District Reserve Stores (DRSs) do not maintain separate stock registers for the medicines purchased for health camps, the utilisation of medicines purchased in excess of requirement could not be verified in audit.

2.1.8 Capacity building and strengthening of physical and human infrastructure

2.1.8.1 Non-availability of required number of health centres

The NRHM implementation framework set targets of providing one Sub-Centre for population of 5000 (3000 in tribal areas), one PHC for population of 30000 (20000 in tribal/desert areas) and one CHC for population of 100000 (80000 in tribal/desert areas). For the total rural population of 577.49 lakh in West Bengal (164.58 lakh in tribal areas and 412.91 lakh in other areas) as per 2001 Census, 10356 Sub-Centres, 922 PHCs and 346 CHCs existed even before the commencement of the Mission. There was an additional

No action was taken for setting up new health centres, though 3388 SCs, 1277 PHCs and 273 CHCs are still required to be set up in terms of NRHM norms

⁵ 35 camps during August 2006 to March 2007 and 104 camps during 2007-08 and 2008-09 in each SC

requirement of 3388 Sub Centres, 1277 PHCs and 273 CHCs to be set up during the Mission period (2005-12), without taking into account the increase in the population since 2001. No action was taken by the Department for setting up of new CHCs, PHCs, and SCs in tandem with the requirements, as per norms.

Recommendation

The Government should consider setting up of new health centres in the under-served areas.

2.1.8.2 Inadequate physical infrastructure at health centres

In a number of audited health centres, basic infrastructure and the required services were not available

The NRHM implementation framework and Indian Public Health Standards (IPHS) had set targets of providing certain guaranteed services at SCs, PHCs and CHCs. Test-checks, however, revealed that the basic infrastructure (good quality building, OPD rooms/cubicles for out patients, hygienic environment, water supply system, sewerage facility, medical waste disposal facility, electricity connection or standby power supply system, ambulance, etc.) and the required services such as inpatient services, operation theatre, labour room, pathological tests, X-ray, emergency care, etc, were not available in a number of audited health centres, as briefly indicated in *Appendix-2.1.2*. This indicated that the physical infrastructure of health centres required improvement and that gaps present in critical areas required to be addressed. Test-check in audit revealed the following:

- (i) Twenty four PHCs had no beds against sanctioned two to ten beds for each PHC. In two PHCs, five beds were available but in-patient service was not operational due to non-deployment of medical officer, nurses, etc, and due to the dilapidated condition of inpatient wards.
- (ii) Out of 15 test-checked CHCs, five had the full complement of 30 beds while ten CHCs were functioning with only 10 to 25 beds.
- (iii) Out of 12 CHCs with Operation Theatres (OTs), only minor surgery was carried out in OTs of seven CHCs due to the absence of specialist surgeons and required equipment. Five CHCs had non-working OTs. None of the OTs was equipped with the essential equipment as detailed in *Appendix-2.1.3*.
- (iv) The blood storage equipment⁶ costing Rs 18.90 lakh supplied (May 2007) to ten CHCs for creating blood storage units (BSUs) were not installed till May 2009 due to non availability of required infrastructure⁷ (Purulia:2, Uttar Dinajpur:2), non-receipt of licence for blood storage from Director of Drug Control (Purulia:2, Uttar Dinajpur:2, Howrah:2) and non-deployment of trained lab-technician (Purulia:2, Howrah:2, Jalpaiguri:2, Birbhum:2).
- (v) The staff quarters of 24 PHCs were dilapidated and were being used by villagers for storing straw, cow dung cake, etc.

⁶ Vertical autoclave, RH view box, incubator, binocular microscope, centrifuge and blood bank refrigerator

⁷ Adequate room for BSU with air conditioning, etc.

- (vi) Sixteen PHCs (Jalpaiguri:6, Purulia: 3 and Birbhum:7) upgraded between March 2006 and October 2008 by constructing additional buildings and providing required equipment as per IPHS norms for rendering 24 x 7 service, could not provide 24 x 7 services due to shortage of medical officers and other staff. As a result, equipment costing Rs 1.14 crore supplied to these PHCs remained unutilised as of March 2009.
- (vii) Forty eight generators (Jalpaiguri:17, Purulia:15 and Birbhum:16) costing Rs 21.50 lakh supplied to ten CHCs and 38 PHCs between March 2006 and October 2008 were lying unused (March 2009) as funds required to meet fuel and operating costs were not provided.

Recommendation

The issue of infrastructural shortcomings at CHCs/PHCs need to be addressed immediately by operationalising the installed facilities and supplementing essential manpower.

2.1.8.3 Delayed construction of sub-centre buildings

Against the target of construction of 676 SC buildings with ANM's quarters, construction of 133 SC buildings and 284 ANM's quarters had not started as of March 2009

The SHS released Rs 223.67 crore to 18 DHSs for construction of buildings and ANMs' quarters for 3095 SCs during 2005-09. The SHS did not have the State-wide overall position of construction of buildings and quarters, indicating inadequate monitoring. The status of construction of SC buildings and quarters in five test-checked districts as of March 2009 was as under:

Table 2.1.5: Progress in construction work

	No of SC building and ANM quarter to be constructed		Fund released to DHS (Rs in crore)	No. of construction completed		No. of construction works in progress		No. of construction not yet started		Unutilised funds retained by DHSs (Rs in crore)
	SC Building	ANM Quarter		SC Building	ANM Quarter	SC Building	ANM Quarter	SC Building	ANM Quarter	
Howrah	133	133	10.18	74	74	53	53	6	6	0
Purulia	150	150	12.75	45	0	31	49	74	101	6.86
Birbhum	177	177	13.69	112	21	37	110	28	46	2.43
Jalpaiguri	98	98	8.33	65	0	28	28	5	70	4.79
Uttar Dinajpur	118	118	9.39	82	18	16	39	20	61	0
Total	676	676	54.34	378	113	165	279	133	284	14.08

Source : Records of District Health Societies

It would be evident from the above table that against the target of construction of 676 SC buildings with ANM's quarters, construction of only 378 SC buildings and 113 ANM's quarters was completed while construction of 133 SC buildings and 284 ANM's quarters had not started as of March 2009. Unutilised funds of Rs 14.08 crore remained parked with three DHSs. Audit scrutiny revealed the following:

- (i) Seventy two SC buildings and 24 ANM quarters constructed at a cost of Rs 4.44 crore were not handed over to DHSs by PSs (executing agencies) for over two to 13 months. This was due to non-completion of sanitation and electrical works and water supply arrangements by contractors (69 SCs) and agitation amongst local people against shifting of SC to new buildings in a different locality (three SCs).

- (ii) Despite release of Rs 73.95 lakh to eight PSs in Purulia for construction of 19 SC buildings with quarters during May 2007 to February 2008, the works were not started by PSs as of March 2009 without assigning any reason.
- (iii) SHS released funds amounting to Rs 2.89 crore (Rs 1.20 crore in May 2006 and Rs 1.69 crore in August 2006) to Purulia DHS for 34 SCs which already had their own buildings. DHS did not refund the surplus funds to SHS resulting in blocking of funds amounting to Rs 2.89 crore.
- (iv) Construction of three SC buildings with quarters was suspended (August 2008) as the SC buildings were constructed without making provision for construction of ANM's quarter on the first floor of SC buildings.
- (v) An amount of Rs 3.50 lakh, paid (April 2007) to Fulur GP in Birbhum for construction of ANM quarters, was unauthorisedly utilised for supply of drinking water in Gram Panchayat area.
- (vi) Construction was to be completed within three months from the dates of placement of work orders. However, construction of nine SC buildings in Howrah, for which work orders were placed between September 2007 and February 2008 were not completed by the contractors as of March 2009, even though advances of Rs 0.36 crore were paid to them by PSs. Despite non-completion of works within the scheduled timeframe, PSs did not take any action against the contractors.
- (vii) In Howrah, construction of one SC building with ANM quarter remained suspended due to existence of overhead high tension line over the SC building since August 2007 after payment of Rs 1.70 lakh to contractor in March 2007. Construction of three SC buildings was not started due to non-availability of suitable land, even though Rs 17.69 lakh were paid to PSs in December 2007.

Recommendation

Bottlenecks for non-commencement/non-completion of construction of SC buildings need to be identified and initiative is to be taken to complete the works in a time bound manner.

2.1.9 Staffing of health facilities

2.1.9.1 Non-deployment of manpower in terms of NRHM norm

There were acute shortages of medical service providers at all levels in the health centres in the five audited districts in terms of the NRHM framework. The shortages were striking in the case of specialist doctors at CHCs, staff nurses at PHCs and CHCs, AYUSH doctors at PHCs and second ANMs and MPWs at SCs as detailed in *Appendix 2.1.4*. Test-check revealed the following:

(i) **Sub Centres (SCs)**

Out of 2298 SCs in five districts, 414 had no ANM and 923 had no MPW, while none has a second ANM

Each SC was to be run by two ANMs, with the second ANM being appointed on a contract basis, and a MPW (male). The Mission aimed at ensuring two ANMs. Out of 2298 SCs in five audited districts, 414 had no ANM while 923 had no MPW. Further, none of 2298 SCs had employed a second ANM on contract basis. Out of 529 SCs in 15 test-checked blocks, 39 (7.4 per cent) had no ANM and 326 (62 per cent) had no MPW while 16 SCs were functioning without an ANM or MPW.

(ii) **Primary Health Centres (PHCs)**

Six PHCs, out of 30 test checked, had no staff nurse

The PHC, being the first point of interaction of the rural population with a doctor, was to be manned by a medical officer. NRHM also aimed to provide an AYUSH doctor at each PHC, on contract basis. Since NRHM aimed to run PHCs on 24x7 basis, three staff nurses were to be deployed at each PHC. Support para medical staff, such as Nursing Midwife, Pharmacist, Lab-Technician and Lady Health Visitor, were also to be deployed at PHCs.

Out of 30 test-checked PHCs, 23 did not have an AYUSH doctor and three staff nurses had not been posted in 22 PHCs. Six PHCs were functioning without even a single staff nurse. Further, two PHCs at Bhrmarkole and Iswarpur in Birbhum had no doctor from May 2007 to February 2009 and April 2007 to February 2009 respectively. The availability of other para medical staff was also not satisfactory, as depicted in **Table 2.1.6**.

Table 2.1.6: Position of posting of paramedical staff

Post/ Designation	Number of PHCs where not posted	Per cent of the total sample
Nursing Mid-wife	24	80
Lab Technician	27	90
Pharmacist	8	27
Lady Health Visitor	24	80

Source : Records of District Health Societies

(iii) **Community Health Centres (CHCs)**

There were acute shortages of specialist doctors in the test-checked CHCs

According to NRHM norm, one general physician, general surgeon, gynaecologist, anaesthetist, paediatrician, radiologist, pathologist and AYUSH practitioner should be posted to each CHC.

Out of 15 test-checked CHCs, only four had gynaecologists, three had paediatricians, two had anaesthetists, and three had AYUSH practitioners. General surgeons, radiologists and pathologists were not posted to any CHC. As regards availability of nine staff nurses, 12 CHCs did not have the full strength of nurses, out of which five CHCs did not have even five staff nurses. Radiographers were not posted to ten CHCs while a lab-technician was not available in one CHC.

Thus, the essential medical and para-medical staff required to be deployed in CHCs, PHCs and SCs in terms of NRHM norms were not available which depicts poor management of prime services.

Recommendation

The Department should fill the posts of medical and support staff at health centres to meet the NRHM requirements.

2.1.9.2 Engagement of Accredited Social Health Activist

Only 14310 ASHAs were engaged against the target of 25034; of them only 5409 were trained; no drug kits were, however, issued to them

Under the NRHM, a trained female community health worker called Accredited Social Health Activist (ASHA) was to be provided in each village in the ratio of one per 1000 population. The ASHA was to be an interface between the community and the public health system. ASHAs were required to be provided with drug kits containing medicines for minor ailments, oral re-hydration solution (ORS), contraceptives, etc.

In terms of the NRHM norm, 0.58 lakh ASHAs were required in the State for a rural population of 5.77 crore (2001 Census). Against the target of selection and training of 25034 ASHAs during 2006-09, 14310 were selected, of which 5409 were imparted induction training over a period of 12 months up to March 2009.

According to PIP for 2007-08, 14511 drug kits costing Rs 1.45 crore were to be distributed to 14511 ASHAs. Despite availability of funds, drug kits were not distributed to them till March 2009, mainly due to non-completion of training of targeted number of ASHAs. Thus, the shortfall in selection and training of ASHAs resulted in their not being deployed in health care activities under NRHM.

Recommendation

Targeted number of ASHAs should be engaged and trained to make their services viable and effective.

2.1.9.3 Extra expenditure due to delayed selection of ASHAs

According to the ASHA implementation guidelines, one co-facilitator was to be engaged for training of each group of 25 ASHAs, while one co-ordinator was to be engaged for 200 ASHAs. Unplanned engagement of co-facilitators and co-ordinators resulted in an extra expenditure of Rs 0.84 crore as detailed below:

Faulty engagement of co-facilitators and co-ordinators resulted in an extra expenditure of Rs 0.84 crore

- (a) The State Mission Director engaged Mother Non-Government Organisations (MNGOs) in August 2006 for selection of co-facilitators and co-ordinators by September 2006 without first selecting ASHAs. MNGOs engaged 142 co-facilitators and 26 co-ordinators from November 2006 to March 2007 in 21 blocks. However, 2768 ASHAs were selected only between April 2007 and November 2007, after delays ranging from five to ten months from the dates of engagement of co-facilitators and co-ordinators. The engagement of co-facilitators and co-ordinators before selection of ASHAs resulted in an extra expenditure of Rs 41.51 lakh towards their remuneration for the periods when no training was imparted.
- (b) Despite non-selection of targeted number of ASHAs, targeted number of co-facilitators and co-ordinators were engaged by MNGOs. This resulted in an extra expenditure of Rs 42.32 lakh towards remuneration

of 111 co-facilitators and 12 co-ordinators engaged in excess of requirements during 2006-09.

2.1.10 Inventory management

2.1.10.1 Non availability of essential drugs in health centre

Under NRHM, two months' stock of essential drugs was to be maintained in each health centre. Audit scrutiny revealed that stock of essential drugs⁸ adequate for two months consumption were not available in any of the test-checked 15 CHCs, 30 PHCs and 60 SCs. Nil stock of 13 groups of essential drugs was found in 15 CHCs and 4 PHCs and nil stock of 17 groups of essential drugs was found in 26 PHCs.

2.1.10.2 Non availability of essential equipment

The number of essential equipment required vis-à-vis available in the test-checked CHCs, PHCs and SCs in the five audited districts is shown in **Table 2.1.7** below:

Table 2.1.7: Position of availability of equipment (in numbers)

Name of district	Equipment required as per norms ⁹ in test-checked health centres	Equipment available			Shortfall (Percentage to requirement)
		Working condition	Non working condition	Total	
Birbhum	978	512	4	516	462 (47.2)
Howrah	978	233	8	241	737 (75.4)
Jalpaiguri	978	298	14	312	666 (68.1)
Purulia	978	197	8	205	773 (79.0)
Uttar Dinajpur	978	496	0	496	482 (49.3)
TOTAL	4890	1736	34	1770	3120 (63.8)

(Three CHCs, six PHCs and 12 SCs were test-checked in each district)

Source : Records of District Health Societies

It is evident from the above table that in many cases, essential equipment was either not available in the centres or were non-functional.

2.1.10.3 Loss on expired and substandard drugs

Substandard drugs valuing Rs 16.44 lakh and expired drugs valuing Rs 50.37 lakh were lying in stores as detailed below:

Table 2.1.8: Substandard and expired drugs (Rupees in lakh)

Name of the procurement agency	Places where the drugs were lying in stock	Value of date expired drugs	Value of substandard drugs	Total
CMOH, Birbhum	District Reserve Store (DRS)	2.09	5.90	7.99
CMOH, Howrah	DRS and 14 CHCs	4.05	3.34	7.39
CMOH, Jalpaiguri	DRS, two CHCs and one PHC	1.13	4.28	5.41
CMOH, Purulia	DRS and ten CHCs	12.96	1.39	14.35
CMOH, Uttar Dinajpur	DRS and nine CHCs	30.14	1.53	31.67
	Total	50.37	16.44	66.81

Source : Records of CMOHs

Unplanned procurement of drugs coupled with procurement of substandard drugs resulted in an extra expenditure of Rs 0.67 crore.

⁸ CHC: 35 groups of drugs; PHC (Bedded): 35 groups and PHC (Non-bedded): 29 groups

⁹ CHC: 126 items of equipment; PHC: 28 items and SC: 36 items

2.1.10.4 Irregular procurement and distribution of drugs and equipment

(a) Under the NRHM Flexipool scheme for procurement of drugs for first referral unit kits for conducting caesarean deliveries in CHCs, the SHM released (July 2006) Rs 5.35 crore to 18 DHSs. The funds were meant for procurement of drugs as per list provided by GoI under the scheme and their distribution to District/Sub-Divisional/State General Hospitals in the respective districts where caesarean deliveries were done. Scrutiny in audit revealed the following:

(i) Howrah DHS procured drugs and equipment costing Rs 32.49 lakh. Of this, drugs worth Rs 6.07 lakh and equipment costing Rs 0.84 lakh were supplied to 14 CHCs and 10 PHCs during February-June 2007. However, no caesarean delivery was done in these CHCs at all. Similarly, out of drugs costing Rs 20 lakh purchased by Purulia DHS, drugs costing Rs 12.99 lakh were supplied to 20 CHCs where caesarean delivery was not done.

(ii) Howrah DHS purchased seven drugs costing Rs 9.21 lakh and six items of equipment costing Rs 2.55 lakh, not included in GoI approved list of drugs/equipment. Similarly Jalpaiguri DHS purchased nine drugs costing Rs 5.18 lakh and Birbhum DHS purchased six drugs costing Rs 2.09 lakh. Jalpaiguri DHS and Purulia DHS diverted Rs 3.61 lakh and Rs 0.26 lakh respectively for purchase of cleaning materials.

(b) Birbhum DHS purchased (August 2006) 58 sets of equipment costing Rs 17.73 lakh for ligation operations (female sterilisation) and supplied them to 58 PHCs in the district. However, none of the PHCs had operation theatres and gynaecologists. As a result, the equipment remained idle for over two and half years.

2.1.11 Performance indicators

The impact of NRHM can be assessed in terms of certain performance indicators, such as level of institutional deliveries, status of immunisation, prevalence of contraceptive usage-both termination and spacing, and number of patients reaching out-patient and in-patient departments in health centres, etc.

2.1.11.1 In-patient and out-patient cases

The impact on the number of in-patient and out-patient cases is an important indicator to assess the effectiveness of various interventions under NRHM. The SHS could not provide the overall status of increase/decrease in number of patients visiting PHCs and SCs during 2005-09. The data in respect of number of patients visiting CHCs in the State during 2005-09 was as under:

Table 2.1.9: Position of in-patient and out-patient cases

Year	Number of out-patient cases	Percentage increase(+)/decrease (-) as compared to previous year	Number of in-patient cases	Percentage increase(+)/decrease (-) as compared to previous year
2005-06	26728633	(+) 9.15	888721	(+) 11.03
2006-07	26022662	(-) 2.64	920796	(+) 3.61
2007-08	25745114	(-) 1.07	1070981	(+) 16.31
2008-09	25485044	(-) 1.01	1123582	(+) 4.91

Source : Records of State Health Society

It is evident that the total number of in-patients registered increases over the period 2005-09. Similarly, there was a significant increase in out-patient cases in 2005-06, followed by marginal decreases in subsequent years. Overall, access to health care in rural areas has increased.

2.1.11.2 Reproductive and Child Health (RCH)

RCH-II is the major programme under NRHM and aims to reduce the maternal mortality rate, infant mortality rate and total fertility rate; promote family planning, immunisation, etc. to achieve population stability.

(a) Antenatal care

One of the objectives of the safe motherhood programme is to register all pregnant women before they attain 12 weeks of pregnancy and provide them with services, such as a minimum of three antenatal check-ups, 100 Iron Folic Acid (IFA) tablets, two doses of tetanus toxoid (TT) and advice on the correct diet and vitamin supplements. In case of complications, they are to be referred to more specialised gynaecological care.

Out of 6851528 pregnant women registered during 2005-09, 4339341 (63 per cent) received three antenatal checkups, 5146705 women (75 per cent) were provided 100 days of IFA tablets and 6138434 women (89.6 per cent) were fully immunised from TT. While the reasons for shortfall in three antenatal checkups (37 per cent) were not analysed by the SHS/DHS, shortfall in administration of IFA tablets (25 per cent) and TT (10.4 per cent) was mainly due to non-supply or short supply of IFA tablets and doses of TT to SCs.

(b) Shortfall in institutional deliveries

In order to encourage institutional delivery, Janani Suraksha Yojana (JSY) provided all BPL pregnant women (above 19 years of age) a cash compensation of Rs 1000 (Rs 500 for antenatal care and Rs 500 for undergoing institutional delivery) irrespective of their age and number of previous children. The SHS did not fix any target of institutional deliveries. The shortfall in institutional deliveries as compared to registered pregnant women in five test-checked districts during 2005-09 is depicted below:

Table 2.1.10: Position of institutional deliveries

Year	No. of pregnant women registered	No. of institutional deliveries	Shortfall in institutional deliveries	Percentage of shortfall to registered women	No. of beneficiaries receiving cash payments
2005-06	383738	124270	259468	68	2800
2006-07	387780	131148	256632	66	31910
2007-08	367502	137578	229924	63	67712
2008-09	366383	161062	205321	56	101910
Total	1505403	554058	951345	63	204332

Source : Records of District Health Societies

Non-availability of delivery services at PHCs owing to absence of labour room, medical officer, staff nurses, etc, was the main reason for shortfall in institutional deliveries.

Test-check revealed that the equipment required for normal delivery was not available in any Sub-Centre and in 26 out of 30 PHCs test-checked. In 14 out of 15 CHCs checked, emergency obstetric care, including the facility to conduct caesarean section was not available. The reasons of non-availability of emergency obstetric care at CHCs were attributable to absence of specialists in obstetrics and gynaecology, anaesthetists, non-functional operation theatre, lack of adequate infrastructure, support staff, blood storage facility, etc. The equipment for neonatal care and neonatal resuscitation were also not available in any of the test-checked SCs, PHCs and CHCs. SCs and PHCs were also not supplied drugs for obstetric care.

Although the financial assistance of Rs 500 for antenatal care under JSY was to be given to pregnant women between 28th and 32nd weeks of pregnancy, in most of the cases it was paid after delivery. Out of 5156 test-checked cases in 60 audited SCs, 2798 beneficiaries were paid the assistance after delays ranging from two to 35 months while 933 beneficiaries were yet to receive the cash assistance as of December 2008.

Recommendation

The monitoring mechanism under JSY should be strengthened to ensure availability of reliable infrastructure for institutional delivery and to mitigate risks of delay and irregularities in grant of cash assistance.

(c) Postnatal care

Postnatal services include immunisation, monitoring weight of the child, physical examination of the mother, advice on breast feeding and family planning, etc. In five audited districts only 58, 65, 59 and 53 per cent of women were reaching a health centre for postpartum care during 2005-06, 2006-07, 2007-08 and 2008-09 respectively. The shortfall may be attributed to lack of motivation amongst women owing to non-deployment of ASHAs in villages.

(d) Maternal deaths

RCH II aims to reduce maternal and infant mortality rates to 100 per one lakh and 30 per thousand respectively by 2010. The maternal and neonatal deaths reported in the State were 1808, 2091, 2406, 1817 (on an average 274 per lakh) and 21735, 27658, 32748, 29621 (on an average 38 per 1000) during

2005-06, 2006-07, 2007-08 and 2008-09 respectively. Thus, the objective of reducing maternal and infant mortality rates to 100 per one lakh and 30 per thousand respectively by 2010 is unlikely to be achieved.

2.1.11.3 Family planning

RCH-II has launched a number of initiatives for family planning and has continued prevailing methods to achieve the goal of population stability through reduction of total fertility rate.

(a) Terminal method

The terminal method of family planning includes vasectomy for males and tubectomy for females. The target and achievement in various terminal methods in the state was as under:

Table 2.1.11: Targets and achievements in sterilisation (in numbers)

Year	Target of sterilisation	Achievement			Total	Shortfall (percent)
		Vasectomy	Tubectomy	Laproscopy		
2005-06	353019	824	115672	78863	195359	157660 (45)
2006-07	332335	1828	104234	30695	136757	195578 (59)
2007-08	342178	20718	269866*	-	290584	51594 (15)
2008-09	404485	41064	260928*	-	301992	102493 (25)
Total	1432017	64434	750700	109558	924692	507325 (35)

* This includes the cases of laproscopy also. Separate figure for laproscopy was not available.

Source : Records of State Health Society

It would be evident that the target of sterilisation could not be achieved and the shortfall during each of the years 2005-09 varied from 15 to 59 per cent.

(b) Irregular payment for sterilisation

According to GoI guidelines for sterilisation services for BPL, SC and ST categories of people, the accredited private Nursing Homes (NHs) were to receive payment of Rs 1500 for sterilisation (Rs 1300 or Rs 1350 as charges of NHs for male or female sterilisation and Rs 200 or Rs 150 as service charge of motivator viz. ANM/ASHA/AWW). The DHS was to check at least 10 per cent of the cases of sterilisation done by NHs, before releasing payments in order to ensure the validity of the cases.

The DHS of Birbhum paid Rs 30.22 lakh (Rs 4.69 lakh in September 2008 and Rs 25.53 lakh in January 2009) to five NHs for 2015 cases of sterilisation during June-August 2008. Further claims of NHs for Rs 47.31 lakh for sterilisation of 3154 male/female was yet to be paid by DHS as of March 2009. Scrutiny in audit revealed the following:

- (i) Out of 2015 cases of sterilisation for which payments had been made, only 35 cases (1.7 per cent) were verified against the target of checking at least 10 per cent.
- (ii) Out of 35 cases verified, in 21 cases post operation removal of stitches was not done by NHs and the same was done by beneficiaries at their own cost.

- (iii) In 34 cases, medicines were not given by NHs and the same was purchased by the beneficiaries at their own cost.
- (iv) In none of the cases were pre operation pathological tests done by NHs.
- (v) In ten cases, the payments were stated to have been made to the motivators even though the motivators were not known to the beneficiaries.

(c) *Spacing methods*

The oral pills, condoms and inter uterine device (IUD) insertion are three methods for spacing child birth. The year-wise details on target and achievement of use of spacing contraceptives in the state were as under:

Table 2.1.12: Target and achievement in spacing method of family planning (in numbers)

Year	Oral pills users		IUD insertion		Condom user	
	Target	Achievement	Target	Achievement	Target	Achievement
2005-06	545738	523908	101145	76820	617846	647852
2006-07	728660	600167	102244	74842	783481	674866
2007-08	707481	671064	98734	89350	932932	753479
2008-09	759170	691763	204718	90721	889030	745815
Total	2741049	2486902	506841	331733	3223289	2822012

Source : Records of State Health Society

The target (18.53 lakh couple) fixed for 2008-09 was much on the lower side as compared to the total eligible couple (170.92 lakh). Although 87 per cent of target was achieved, condom users accounted for around 50 per cent, while 44 and six per cent used oral pills and IUDs. The shortfall in IUD insertions was due to lack of trained doctors and nurses.

2.1.11.4 *Immunisation and child health*

(a) *Routine Immunisation*

The immunisation of children against six preventable diseases viz. tuberculosis, diphtheria, pertussis, tetanus, polio and measles has been the cornerstone of routine immunisation under the Universal Immunisation Programme. The targets and achievements under routine immunisation during each of the years from 2005-06 to 2008-09 are shown in **Appendix-2.1.5**.

The overall shortfall in achievements of full immunisation of children, belonging to zero to one year age group, covering BCG, Measles, DPT and OPV ranged from 17 to 29 per cent during 2005-09. The shortfall in secondary immunisation (DT for five to six years age group and two doses of TT at the age of 10 and 16 years respectively) ranged from 21 to 57 per cent for DT, 30 to 45 per cent for TT (10) and 43 to 56 per cent for TT (16).

The shortfall in immunisation resulted in prevalence of vaccine preventable infant and child diseases. The year wise details of reported incidence of infant and child diseases in the five audited districts were as under:

Table 2.1.13: Incidence of infant/child diseases

Year	Number of cases reported					Total
	Neonatal tetanus	Diphtheria	Tetanus	Whooping cough	Measles	
2005-06	13	6	38	40	3291	3388
2006-07	11	3	37	44	3847	3942
2007-08	06	10	21	03	2909	2949
208-09	5	119	12	3	3495	3634
Total	35	138	108	90	13542	13913

Source : Records of District Health Societies

(b) Vitamin A solution

RCH II programme emphasised administering Vitamin A solution to all children between nine months and five years of age for prevention of blindness due to Vitamin A deficiency. The targets and achievements for Vitamin A administration during 2005-09 were as per **Table 2.1.14**.

Table 2.1.14: Target and administration in administering vitamin A solution

(in numbers)

Year	Target	Achievement	Shortfall	Percentage of shortfall to target
2005-06	3235011	2512284	722727	22.3
2006-07	3330992	2663457	667535	20.0
2007-08	4083454	3026665	1056789	25.9
2008-09	3562198	2845463	716735	20.1
Total	14211655	11047869	3163786	22.3

Source : Records of State Health Society

Audit noticed that short supply of Vitamin A solution to the sub-centres was the main reason for shortfall in achievement of targets.

2.1.11.5 National Programme for Control of Blindness (NPCB)

NPCB aimed to reduce prevalence of blindness cases to 0.8% by 2007 through increased cataract surgery, school eye screening and free distribution of spectacles and strengthening of infrastructure by way of supply of equipment and training of eye surgeons and nurses.

(a) Cataract operation

Cataract operations are performed by doctors in Government hospitals, by NGOs and private practitioners in clinics and eye camps. The **Table 2.1.15** gives the position of cataract surgery performed in the state:

Table 2.1.15: Position of cataract operation

(in numbers)

Year	Performance of cataract operations in Government sector		Performance of cataract operations in NGO		Performance of cataract operations by private practitioner and others		Total cataract operations
	Number	Percentage	Number	Percentage	Number	Percentage	
2005-06	52672	19.58	127110	47.26	89205	33.16	268987
2006-07	49040	21.44	104659	45.75	75048	32.81	228747
2007-08	65108	22.78	132751	46.45	87932	30.77	285791
2008-09	41895	22.35	94726	50.53	50860	27.13	187481
Total	208715	21.5	459246	47.3	303045	31.2	971006

Source : Records of State Health Society

Against the target of distribution of workload between private and public sectors in the ratio of 1:1, the contribution of NGOs and private sector exceeded 78.5 per cent. The shortfall in achievement against target for cataract operation in Government sector was attributed mainly to non-availability of eye surgeons in the health centres. Against the norm of deployment of one eye surgeon in each CHC, no eye surgeon was posted to any of 15 test-checked CHCs.

(b) Refractive error and free distribution of spectacles

The programme envisaged training of teachers in Government and Government aided schools, for screening students for refractive errors and free distribution of spectacles to such students. As against 59250 such schools in the State, only 37208 teachers were trained during 2005-09. Against total detection of 131917 cases of refractive errors during 2005-09, 65252 spectacles (49.5 per cent) were issued to the students. Short supply of spectacles was the main reason for shortfall.

2.1.11.6 Revised National Tuberculosis Control Programme (RNTCP)

The main objective of RNTCP was to diagnose as large a number of cases as possible and to ensure cure rate of at least 85 per cent of smear positive cases through Direct Observed Treatment Short Course (DOTS). The targets and achievements regarding sputum examination and case detection under RNTCP during 2005-09 were as under:

Table 2.1.16: Targets and achievements under RNTPC

Year	Sputum examination			Detection of new Sputum positive cases		
	Target	Achievement		Target	Achievement	
		Number	Percent		Number	Percent
2005-06	546758	525218	96	52522	63981	122
2006-07	588056	560008	95	56001	65677	117
2007-08	643269	533968	83	53397	63989	120
2008-09	579580	540971	93	54097	57884	107
Total	2357663	2160165	92	216017	251531	116

Source : Records of State Health Society

While the targets of sputum examination were largely achieved, the number of sputum positive cases was high. The overall cure rate was 84 per cent against the target of 85 per cent under RNTCP. The cases of failure, defaulter and death (64312) represented 14.8 per cent of cases evaluated as would be evident from the following table:

Table 2.1.17: Cases of failure, defaulter and death under RNTPC (in numbers)

Year	No. of cases evaluated	Cured and treatment completed (Per cent)	Death	Failures	Defaulters	Transferred out
2005-06	107794	91799 (85)	4784	2284	8517	327
2006-07	109320	91748 (84)	5032	2247	8479	605
2007-08	107226	89915 (84)	5216	2225	8584	1284
2008-09	110584	91872 (83)	5616	2428	8900	1768
Total	434924	365334 (84)	20648	9184	34480	3984

Source : Records of State Health Society

2.1.11.7 National Vector Borne Disease Control Programme (NVBDCP)

NVBDCP aims to control vector borne diseases by reducing mortality and morbidity due to malaria, filaria, kala azar, dengue, chikungunia and Japanese encephalitis in endemic areas.

(a) Annual Blood Examination Rate and Annual Parasitic Incidence for malaria

NRHM stipulated to achieve Annual Blood Examination Rate (ABER)¹⁰ of 10 per cent and Annual Parasite Incidence (API)¹¹ of less than 0.5 per thousand by 2007-08. The target could not be achieved in the State as ABER was 5.5, 6.15, 5.63 and 5.39 and API was 2.32, 1.86, 1.06 and 1.08 during 2005-06, 2006-07, 2007-08 and 2008-09 respectively.

(b) Incidence of vector borne diseases

Morbidity and mortality due to various vector borne diseases during 2005-09 were as under:

Table 2.1.18: Incidence of vector borne diseases

Year	Kala Azar		Malaria		Filaria		Japanese Encephalitis		Dengue	
	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths
2005-06	2710	15	185964	175	130	Nil	72	07	6375	34
2006-07	1843	10	159646	203	1483	Nil	24	03	1064	08
2007-08	1817	09	87754	96	67003	Nil	25	01	150	01
2008-09	1256	03	89443	104	84224	Nil	17	01	690	06
Total	7626	37	522807	578	152840	Nil	138	12	8279	49

Source : Records of State Health Society

The Mass Drug Administration Programme was undertaken in 12 filarial endemic districts in November 2007 and November 2008 and subsequently, 67003 and 84224 disease positive cases were detected during 2007-08 and 2008-09 respectively. Thus, the target of ABER and API could not be achieved as well as the incidence of and death due to vector borne diseases could not be prevented.

2.1.12 Conclusions

- Availability of funds under NRHM steadily increased during 2005-09, this had a positive impact on providing health care in rural areas.
- The required household and facilities surveys for identifying unserved and underserved areas in the State were not conducted, resulting in the absence of baseline data. State and district perspective plans for the Mission period (2005-12) have also not been prepared, which can adversely affect long term planning.

¹⁰ ABER- percentage to the total population, covered every year by blood examination, for surveillance against Malaria; It is calculated as (No of slides examined in a year / Total population) X 100.

¹¹ API-Positive malaria cases per thousand population

- Rogi Kalyan Samitis are yet to adequately fulfill their role in monitoring and supervising the functioning of health care centres, as well as addressing issues raised through patient feedback.
- Staffing the health care centres, at different levels, continues to remain a cause for concern, since the stipulated complement of specialist medical and nursing staff is not available in most of the centres audited. Effective measures need to be taken to accelerate the recruitment and training of ASHAs.
- Issues pertaining to physical infrastructure continue to persist including delays in construction of health centre buildings and staff quarters. In some cases, there are inadequacies in providing the required equipment or cases of non-functioning equipment.
- While there was an increasing trend in Institutional deliveries, more progress is required to be made towards meeting targeted rates of maternal and infant mortality.

The matter was referred to Government in June 2009; reply had not been received (November 2009).

Recommendations

- *The SHS should expedite the completion of household and facility surveys, which would provide reliable inputs for the preparation of State and district perspective plans. The future annual state and district PIPs should be based on long-term requirements and results of baseline surveys.*
- *The RKSs should play a more effective and meaningful role in supervision and monitoring of the functioning of health centres as well as in redressal of the patient's grievances through holding regular meetings, constitution of monitoring Committees, etc.*
- *Targeted number of ASHAs should be engaged and trained to make their services viable and effective.*
- *Bottlenecks for non-commencement/non-completion of construction of SC buildings need to be identified and initiative is to be taken to complete the works in a time bound manner.*

MUNICIPAL AFFAIRS DEPARTMENT

2.2 WORKING OF STATE URBAN DEVELOPMENT AGENCY (SUDA)

Executive Summary

State Urban Development Agency (SUDA) was formed in October 1991 with the objective of ensuring proper implementation and monitoring of the Centrally Assisted Schemes (CAS) for generating employment opportunities and alleviation of urban poverty. SUDA being the State nodal agency for implementation of CASs for providing shelters to slum dwellers and generating employment opportunities amongst BPL families, provided houses to 5950 BPL families in urban slums and created employment opportunities for 23267 male and 21212 female members of BPL families during 2004-09. Besides, more than 2 lakh water borne latrines were constructed in urban slums leading to liberation of scavengers from their hereditary occupation.

The performance of SUDA, however, suffered from inadequate financial management leading to parking of substantial funds in its local fund account, unauthorised utilisation of interest earned on the scheme funds and diversion of scheme funds for other purposes. There were instances of avoidable expenditure due to delayed execution of works, payments to contractors at higher rates, etc. These deficiencies coupled with lack of monitoring by SUDA over scheme implementation not only affected the fulfillment of the objectives of the schemes adversely but also led to shortfalls in achievement of targets.

Some of the significant findings are enumerated below:

- According to the guidelines of the Central schemes, the scheme funds should be kept in separate bank accounts opened for each scheme. Interest earned on such funds was to be credited to the respective schemes. However, scheme funds of Rs 3.28 crore were retained by SUDA in its local fund account. Interest of Rs 3.18 crore earned on different scheme funds during 2003-08 was credited to SUDA's own account, instead of crediting the same to respective scheme funds.
- The State Government paid (March 2000) Rs 200 crore to SUDA for crediting the arrears of pay and allowances to the Provident Fund accounts of the employees of Urban Local Bodies (ULBs) during 1999-2000 under the scheme 'Revision of Pay and Allowances, 1998'. However, the unutilised amount of Rs 44.51 crore remained parked with SUDA for over nine years.
- Against the target of construction of 6100 dwelling units (DUs), 1809 toilets and upgradation of 1101 DUs during 2001-2006 under Valmiki Ambedkar Awas Yojana, 2611 DUs and 941 toilets were constructed while 222 DUs were upgraded upto March 2008. As the scheme was closed in March 2008, 4368 BPL families were deprived of the benefits of the scheme due to non-construction of targeted 3489 DUs and non-upgradation of 879 DUs.

- Against the target of construction of 12824 DUs in 16 municipalities by September 2008 under the Integrated Housing and Slum Development Programme, 3339 DUs were constructed up to March 2009, though fund was not a constraint. Consequently, out of Rs 215.76 crore released to ULBs, Rs 136.97 crore remained unutilised.
- Under the Urban Infrastructure Development Scheme for Small and Medium Towns, due to delayed execution of works, estimated costs of Rs 187.45 crore of 15 projects were revised to Rs 283.01 crore.
- Under Urban Self Employment Programme (USEP) only 28 *per cent* of targeted individual urban poor beneficiaries were paid subsidy for setting up gainful self-employment ventures. Although 49 *per cent* of targeted beneficiaries were imparted training in different trades during 1997-2009, half of the trained persons were not employed as of March 2009. Further, shortfall in coverage of Scheduled Castes, Scheduled Tribes and disabled persons ranged between 47 and 78 *per cent*.

2.2.1 Introduction

To ensure proper implementation and monitoring of the Centrally Assisted Schemes for generating employment opportunities and alleviation of urban poverty throughout the State, the State Government constituted the State Urban Development Agency (SUDA) under the administrative control of the Municipal Affairs Department and was registered under the West Bengal Societies Registration Act, 1961 in October 1991. The objectives of SUDA are to—

- (a) identify, with the help of Urban Local Bodies (ULBs), the weaker sections of the urban community below poverty line (BPL) and ascertain their socio-economic conditions for initiating and pursuing income and employment opportunities for them;
- (b) implement the Centrally sponsored schemes for employment generation amongst BPL families, infrastructure development in urban slums, shelter upgradation, etc;
- (c) promote infrastructural facilities to meet the needs of the beneficiaries of income and employment generation programmes; and
- (d) monitor the progress of execution of the schemes and evaluate their impact on the urban poor.

2.2.2 Organisational set-up

SUDA consists of 23 members including the Minister of State, Municipal Affairs Department, who is the Chairperson of SUDA. The Principal Secretary, Municipal Affairs Department, is the Chairman of the Governing Body of SUDA. The administrative head of SUDA is the Director cum

Secretary of the Governing Body. He is assisted by four Finance/Technical/Administrative officers, three Technical Advisors and 17 other staff. The organisational chart is given in **Appendix 2.2.1**.

2.2.3 Audit coverage

The performance audit of SUDA was conducted during April to June 2009 for the first time covering its activities during 2004-2009. Out of six Centrally sponsored schemes implemented by SUDA during 2004-09, five schemes viz. Valmiki Ambedkar Awas Yojana (VAMBAY), Integrated Housing and Slum Development Programme (IHSDP), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), Swarna Jayanti Sahari Rozgar Yojana (SJSRY) and Integrated Low Cost Sanitation Programme (ILCS) were reviewed in audit. Before commencing audit, the objectives of the audit were discussed with the Joint Secretary of Municipal Affairs Department and the Director of SUDA. As the Central schemes were executed by SUDA through 126 ULBs, records of 17 ULBs were also test-checked. On completion of audit, findings were discussed with the Director of SUDA.

2.2.4 Audit objectives

The main objectives of audit were to assess whether-

- the funds received by SUDA for different schemes were utilised properly and the expenditures incurred on the schemes were in accordance with the provisions of the scheme guidelines;
- schemes were executed efficiently and effectively in conformity with respective scheme guidelines and whether targets fixed for each component of the respective schemes were achieved;
- the benefits of the schemes were extended to the targeted people; and
- monitoring of scheme execution was adequate and effective.

Audit Findings

2.2.5 Funding

SUDA received funds from Union and State Governments for implementation of the Central schemes. In respect of State schemes for which SUDA was not the implementing agency, the State Government paid the scheme funds to SUDA for depositing into its Local Fund (LF) account or bank account in order to avoid lapse of budget grants. Thus, in Government accounts, the scheme funds were booked as spent even though the same remained parked with SUDA. These funds were released by SUDA to the respective executing agencies on the basis of instructions of the State Government.

The funds received by SUDA, payments made during the year and unutilised funds lying with SUDA at the end of each of the years 2004-2009 were as follows:

Table 2.2.1: Funds received and disbursed by SUDA

Year	Opening Balance	Receipts	Payments	Closing Balance
(Rupees in crore)				
2004-05	188.96	71.45	58.31	202.10
2005-06	202.10	98.42	133.54	166.98
2006-07	166.98	174.69	54.36	287.31
2007-08	287.31	275.09	222.28	340.12
2008-09	340.12	426.04	382.09	384.07
Total		1045.69	850.58	

Source: Audited accounts of SUDA

The closing balance of Rs 384.07 crore as on 31 March 2009, included unutilised scheme funds of Rs 353.20 crore as indicated below:

Table 2.2.2: Position of unutilised scheme funds

Year	Number of Schemes	Opening balance	Funds received	Total available funds	Expenditure incurred	Closing balance
(Rupees in crore)						
2004-05	29	177.54	67.26	244.80	53.90	190.90
2005-06	34	190.90	80.13	271.03	115.00	156.03
2006-07	35	156.03	156.16	312.19	39.60	272.59
2007-08	39	272.59	261.02	533.61	200.89	332.72
2008-09	43	332.72	335.33	668.05	314.85	353.20

Source: Audited accounts of SUDA

The scheme wise details are shown in **Appendix 2.2.2**. Audit scrutiny revealed the following:

SUDA did not open separate bank accounts for most of the schemes and credited an interest of Rs 3.18 crore in its A&OE Account

(i) Scheme funds are to be kept in separate bank accounts opened for each scheme. Interest earned on such funds, is to be credited to the respective schemes. However, SUDA did not open separate bank accounts¹² for the schemes and interest of Rs 3.18 crore, earned on scheme funds during 2003-08, was credited to Administrative and Office Expenses (A&OE) account of SUDA.

SUDA stated (June 2009) that the interest income was spent on programme related expenses and on organising various seminars, workshops, fairs, etc, on regular basis and were not utilised to meet the administrative and operational expenses. It further stated (October 2009) that the separate bank accounts for left out schemes would be opened very shortly.

The contention of SUDA is not acceptable since interest earned on scheme funds was to be credited to the respective scheme account and was to be utilised only for the specific scheme. Thus, transfer of interest of Rs 3.18 crore earned on various schemes, to SUDA's Account was irregular.

Recommendation

SUDA should take measures to open separate bank accounts for each Centrally sponsored scheme as well as to ensure efficient utilisation of available scheme funds. The interest earned on scheme funds should be credited to the respective scheme fund account.

¹² Except in the cases of Valmiki Ambedkar Awas Yojana (VAMBAY), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP) where separate accounts were opened

Retention of scheme funds in LF accounts, instead of bank, resulted in loss of interest of Rs 23.78 lakh

(ii) Out of Rs 62.55 crore paid by State Government to SUDA between February 2007 and March 2009 for two schemes¹³, Rs 3.28 crore (UIDSSMT: Rs 1.78 crore received in February 2007 and Rs 0.62 crore in March 2007, IHSDP: Rs 0.88 crore received in February 2007) was retained in the non-interest bearing Local Fund (LF) account of SUDA instead of transferring the same to the bank accounts of respective schemes. This resulted in a loss of Rs 23.78 lakh¹⁴ to the schemes on account of interest up to March 2009.

SUDA stated (June 2009) that according to Government orders sanctioning the funds, the amounts were to be deposited into the local fund account and that it would utilise the said funds at the earliest.

The fact remains that scheme funds aggregating Rs 3.28 crore were incorrectly kept out of the respective scheme accounts i.e. in LF accounts and SUDA did not transfer the amounts from LF account to the bank accounts of the respective schemes for over two years which had resulted in loss of interest of Rs 23.78 lakh.

Recommendation

SUDA should immediately transfer the scheme funds to the bank accounts of the respective schemes.

SUDA retained unutilised funds of Rs 1.45 crore of a closed scheme for over 12 years

(iii) Although the scheme for 'Strengthening of housing and shelter upgradation', was closed in October 1997, SUDA did not refund the unutilised funds of Rs 1.45 crore for over 12 years and retained the funds in its local fund account (Rs 93.78 lakh) and bank account (Rs 51.33 lakh). The Department took no measures to recover the unutilised funds from SUDA. SUDA subsequently diverted Rs 14.84 lakh during April 2008 to March 2009 for imparting training to urban unemployed youths by engaging Non-Government Organisations (NGOs).

SUDA stated (October 2009) that the unutilised funds of Rs 1.45 crore would be refunded to Government. As regards diversion of Rs 14.84 lakh, SUDA stated (October 2009) that the same would be compensated from SJSRY fund.

(iv) The State Government released (March 2000) Rs 200 crore to SUDA for disbursement to ULBs for crediting arrears of pay and allowances to ULB employees for the period from April 1997 to January 1999 to their Provident Fund (PF) accounts under the scheme 'Revision of Pay and Allowances, 1998'.

Release of funds in excess of requirement leading to parking of Rs 44.51 crore with SUDA for over nine years

Although the arrears were to be credited during 1999-2000, SUDA paid Rs 156.93 crore to ULBs between August 2000 and March 2009 on the basis of the instructions of the Department received from time to time. Further, out of Rs 25.37 crore paid to 30 ULBs during August 2000 to August 2001, Rs 1.44 crore were refunded to SUDA during October 2002 to May 2008, 14 to 86 months after the dates of payments as the funds were paid to these ULBs in excess of requirement. Thus, due to release of funds to SUDA without assessing actual requirement, the unutilised amount of Rs 44.51 crore

¹³ UIDSSMT and IHSDP

¹⁴ calculated at the rate of 3.5 per cent per annum

remained parked with SUDA for over nine years resulting in blockage of public money to the extent of Rs 44.51 crore.

SUDA stated (October 2009) that the balance fund of Rs 44.51 crore had been lying with it for want of specific direction from GoWB.

Recommendation

The Department should take immediate action to get the utilised funds relating to ROPA 1998 and closed schemes refunded by SUDA, as the same was lying out of Government accounts for years together.

Eleven ULBs diverted Rs 4.45 crore for purposes not covered under scheme guidelines

2.2.5.1 Diversion of programme funds

Executing agencies were to deposit all programme funds in the designated bank account of each scheme. No part of the fund was to be utilised for any other purpose. However, 11 ULBs unauthorisedly utilised scheme funds aggregating Rs 4.45 crore for construction of a bus terminus (Rs 1.10 crore), payment of salary and pension to the staff of ULBs (Rs 0.53 crore), payment of interest on bank loans (Rs 0.62 crore), purchase of land (Rs 0.97 crore), purchase of raw materials for works not related to the schemes (Rs 0.30 crore) and other purposes (Rs 0.93 crore) as detailed in **Appendix 2.2.3**.

SUDA stated (July 2009) that ULBs had been requested to replenish the diverted funds. However, no action against ULBs responsible for unauthorised use of Government Fund was initiated.

Recommendation

SUDA should issue necessary instructions to ULBs to prevent unauthorised diversion of scheme funds by ULBs as well as for replenishing the funds already diverted by them.

2.2.6 Execution of schemes

2.2.6.1 Valmiki Ambedkar Awas Yojana (VAMBAY)

To achieve the goal of 'Shelter for All', the GoI launched VAMBAY in December 2001 for providing shelter to BPL people living in urban slums. According to the scheme guidelines, out of the maximum construction cost of Rs 40000 for each dwelling unit, Rs 20000 was to be given by GoI as subsidy. The remaining Rs 20000 was to be provided by mobilising a matching grant from beneficiaries, ULB, State Government, loan from HUDCO or from other sources. SUDA was to identify the beneficiaries, in consultation with the ULBs, and formulate projects, prepare estimates and submit the same for sanction of State Government, which in turn would send the same to GoI for release of funds.

2.2.6.1.1 Funding for the scheme

Against the GoI pledged subsidy of Rs 16.92 crore for construction/up-gradation of targeted 7201 DUs and 1809 toilets, SUDA received GoI subsidy aggregating Rs 9.10 crore during May 2002 to January 2006. GoI did not provide additional funds as the released amount of Rs 9.10 crore was not fully utilised.

For construction of 2611 DUs and 941 toilets and upgradation of 222 DUs, GoI subsidy of Rs 7.33 crore was admissible to SUDA. Accordingly out of Rs 9.10 crore received, unutilised subsidy of Rs 1.77 crore was refundable to GoI. SUDA refunded Rs 1.05 crore to GoI during August 2004 to July 2008. Out of the balance of Rs 0.72 crore, Rs 18.60 lakh was retained by SUDA and Rs 53.40 lakh was retained by different ULBs. Thus, Rs 0.72 crore was yet to be refunded to Government as of November 2009. Test-check in audit revealed the following:

(i) In violation of the scheme guidelines for providing 50 per cent cost of upgradation of DUs as GoI subsidy, the Jalpaiguri Municipality fully utilised GoI subsidy of Rs 17.80 lakh for upgradation of 89 DUs (Rs 20000 each) against the admissible subsidy of Rs 8.90 lakh (Rs 10000 each). SUDA did not take any action for recovery of the excess amount of Rs 8.90 lakh spent from the Municipality.

(ii) Four ULBs¹⁵ incurred expenditure of Rs 1.83 crore for construction of 344 DUs, against the admissible cost of Rs 1.38 crore (344 x Rs 40000) resulting in extra expenditure of Rs 0.45 crore. Construction of four storied buildings by two ULBs¹⁶ (16+45=61 DUs) instead of small DUs and construction of DUs by two ULBs¹⁷ according to the choice of allottees were the main reasons for excess expenditure.

SUDA did not furnish any reply (November 2009).

Recommendation

SUDA should immediately recover the unutilised funds retained by ULBs and refund the entire amount of unutilised scheme funds to GoI.

2.2.6.1.2 Non-achievement of target

SUDA fixed targets for construction of dwelling units (DUs), toilets and upgradation of DUs on the basis of the requirements intimated by the ULBs. The ULBs, however, assessed requirements on *ad-hoc* basis without conducting a survey to ascertain the number of the homeless BPL families living in the urban slums.

Against the target of construction of 6100 DUs, 1809 toilets and upgradation of 1101 DUs during 2001-2006, 2611 DUs and 941 toilets were constructed and 222 DUs were upgraded during 2001-08. As the scheme was closed in March 2008, 4368 BPL families were deprived of the benefit of the scheme due to non-construction of targeted 3489 DUs and non-upgradation of 879 DUs. Test-check of records of eight ULBs revealed the following:

(i) Although 50 per cent of the cost of construction of DUs was to be financed by loan or matching grant from ULB or State Government or beneficiaries, six ULBs¹⁸ constructed DUs only for those beneficiaries

4368 BPL families were deprived of dwelling units owing to non-achievement of target under VAMBAY

¹⁵ Siliguri Municipal Corporation, Berhampur, Krishnanagar and Old Malda Municipalities

¹⁶ Siliguri Municipal Corporation and Berhampur Municipality

¹⁷ Krishnanagar and Old Malda Municipalities

¹⁸ Bardhaman, Kalna, Raiganj, Gangarampur, Old Malda and Khardah Municipalities

(1134 beneficiaries) who had contributed 25 to 50 *per cent* of the construction cost of DUs. Thus, ULBs did not explore the other sources of funding.

(ii) Three ULBs¹⁹ could not achieve the target due to non-receipt of beneficiaries' contributions from the targeted number of BPL families (they constructed 466 DUs against the target of 1008). Two ULBs²⁰ could not identify the targeted number of beneficiaries (constructed 99 DUs against the target of 336) even though 50 *per cent* of the construction cost of DUs was contributed by ULBs. Thus, ULBs failed to motivate the targeted group of BPL families to get the dwelling units under the scheme.

It would be evident from the above that due to ambiguity in the scheme guidelines regarding collection of 50 *per cent* cost of DUs, various ULBs collected beneficiaries' contribution as per their whims which had resulted in mismatch in beneficiaries contribution and shortfall in achievement of targets.

SUDA stated (June 2009) that non-availability of land in the names of intending beneficiaries, litigation over title to land, in-capability of the intending beneficiaries to deposit their shares and enhancement of cost of building materials were the key reasons for non-achievement of the target.

The contention of SUDA is not tenable because according to the scheme guidelines, land was to be provided by Government and 50 *per cent* cost of construction of DUs was to be met by beneficiaries' contribution or grants from ULB or State Government or loan from HUDCO or other sources. Thus, the target could not be achieved due to non-allocation of required land by the Department and non-mobilisation of required funds by SUDA/ULBs. State Government also failed to provide land for construction of DUs which has resulted in shortfall in achievement of intended benefits of BPL beneficiaries.

Government should lay down a uniform policy for collection of beneficiaries' contribution by ULBs pertaining to BPL category.

Recommendation

2.2.6.1.3 Irregular allotment of dwelling units

(i) The guidelines of VAMBAY provide that allotment of dwelling unit should be in the name of the female member of the household or in the joint names of the husband and wife. Houses cannot be allotted in the sole name of the male member. Out of 1025 DUs, 503 were allotted in the sole name of male members, which was not in order.

(ii) Despite completion of construction of 45 DUs in April 2008, the Berhampur Municipality did not handover possession of DUs to beneficiaries till date of audit (March 2009) because the Minister-in-charge, Municipal Affairs Department could not spare time for the inaugural programme though such programme was not necessary according to scheme guidelines. Thus, beneficiaries were deprived of their houses for over a year.

¹⁹ Bardhaman, Old Malda and Raiganj Municipalities

²⁰ Siliguri Municipal Corporation and Krishnanagar Municipality

SUDA stated (June 2009) that the Berhampur Municipality had been requested to distribute the DUs amongst beneficiaries immediately. However, the DUs were not distributed as of October 2009.

(iii) Without conducting any survey to assess the requirement of BPL families, Siliguri Municipal Corporation (SMC) constructed 16 DUs at a total cost of Rs 21.60 lakh, which includes GoI contribution of Rs 7.20 lakh (50 per cent cost of construction of 36 DUs) plus State Government contribution of Rs 0.80 lakh plus SMC's contribution of Rs 13.60 lakh. Out of 16 DUs, 14 were allotted to conservancy staff of SMC in October 2005 while two DUs were not allotted till May 2009. This was a violation of the very objective of providing shelter to homeless BPL families.

(iv) Out of 83 DUs constructed by Krishnanagar Municipality against 110 identified BPL families, 77 were allotted to beneficiaries during July 2006 to May 2007 while six DUs were allotted to the Chairman of the Municipality in May 2007 in violation of the scheme guidelines. However, there was no record indicating the purpose of actual utilisation of these DUs by the Chairman.

2.2.6.2 Integrated Housing and Slum Development Programme (IHSDP)

The GoI launched IHSDP in December 2005 for holistic slum development with a healthy and enabling urban environment, by providing adequate shelter and basic infrastructure facilities to the slum dwellers of identified urban areas. The cost of land required for such projects would not be provided under the programme funds and such cost was to be borne by the State Government. Programme funding was to be shared in the ratio of 80:20 between GoI and State Government/ULB. The cost of each dwelling unit (DU) was fixed at Rs 80000. DUs were not to be provided to the beneficiaries free of cost and a minimum 12 per cent beneficiary contribution was to be collected. The GoI revised the cost of each DU to Rs one lakh in February 2009 for construction of the DUs sanctioned during 2008-09.

**Seventy three
per cent of IHSDP
funds lying
unutilised with
SUDA and ULBs**

GoI sanctioned (February 2007 to March 2009) construction of 52591 DUs (cost: Rs 499.54 crore) and required infrastructure like roads and pavements, water supply system, sewerage and drainage, etc, (total cost: Rs 426.31 crore) in 80 municipalities at a cost of Rs 925.85 crore. Between February 2007 and March 2009, SUDA received Rs 295.05 crore (GoI: Rs 267.60 crore and GoWB: Rs 27.45 crore) and released Rs 215.76 crore to ULBs, out of which expenditure of Rs 78.79 crore had been incurred and balance Rs 136.97 crore remained unutilised with the ULBs.

SUDA stated (July 2009) that all the ULBs were being requested to utilise the fund parked at their disposal and to ensure that no fund remain idle for a longer period.

Audit scrutiny revealed the following:

2.2.6.2.1 Non-payment of ULB's share

According to the detailed project reports (DPRs) for infrastructure development in 12 test-checked municipalities, the project cost of Rs 77.85 crore was to be contributed by GoI (Rs 61.61 crore), State Government (Rs 11.55 crore) and ULBs (Rs 4.69 crore) and the projects were to be completed between August 2008 and March 2010. Audit noticed that out of proportionate amount of Rs 2.17 crore payable by ULBs by March 2009 (proportionate to GoI/State Government contributions of Rs 35.82 crore received by 12 ULBs), Rs 1.38 crore was paid by seven ULBs²¹. The remaining five ULBs²² did not contribute any amount for this purpose even though these ULBs were liable to pay proportionate amount of Rs 40.11 lakh by March 2009. Out of available fund of Rs 36.71 crore, expenditure of Rs 17.16 crore was incurred up to March 2009 while none of the projects scheduled to be completed by September 2008 in seven ULBs were completed as of March 2009.

SUDA stated (October 2009) that it insisted on the ULBs to deposit their proportionate share after the first installment was released to them. It also stated that by the time expenditure level reached 70 per cent, the ULB share is invariably deposited.

The reply of SUDA is not acceptable as it made merely a general statement as to payment of ULB's share of the scheme fund instead of indicating whether the errant ULBs had actually paid their shares.

Recommendation

SUDA should pursue the ULBs for payment of ULBs' shares to the project costs without further delay.

2.2.6.2.2 Non-achievement of target

Against a target of completion of 12824 DUs by September 2008, only 3339 were constructed as of March 2009

Against the target of construction of 12824 DUs in 16 municipalities by September 2008, 3339 DUs were constructed up to March 2009. Out of 20061 DUs sanctioned in 2007-08 (target of completion of construction by October 2009) for 41 municipalities, only 921 DUs were constructed as of March 2009.

In seven test-checked municipalities, against the target of construction of 8904 DUs by March 2009, construction of 3233 DUs was completed as of March 2009. Construction work of 2516 DUs was in progress while contractors were yet to start work for 1053 DUs, despite placement of work orders during May 2007 to February 2009 and municipalities did not place work orders for 2102 DUs. Due to non-completion of construction of the DUs within the scheduled timeframe, 5671 beneficiaries including 3488 who had already paid their contribution towards cost of construction of the DUs, were deprived of the benefit of the scheme.

²¹ Haldia (Rs 17.25 lakh), Gangarampur (Rs 29.06 lakh), Chakdah (Rs 15 lakh), Kalna (Rs 12.21 lakh), Raiganj (Rs 9.97 lakh) and Barahampur (Rs 1.51 lakh) Municipalities and Siliguri Municipal Corporation (Rs 53 lakh)

²² Bardhaman, Dhulian, Old Malda, Dalkhola and Kaliaganj Municipalities

Delays ranging from seven to 21 months in placement of work orders, coupled with delayed commencement of works by contractors owing to belated handing over of vacant land to contractors, labour problems, etc, were the reasons ascribed for non-achievement of target of construction of DUs.

Recommendation

SUDA should effectively monitor implementation of the project through field visits so that DUs are constructed within the scheduled timeframe in order to provide benefit of the scheme to targeted slum dwellers without further delay.

2.2.6.2.3 *Extra expenditure due to payment at higher rates*

Allowance of higher construction cost for DUs as compared to norms leading to excess expenditure of Rs 1.97 crore

According to the programme guidelines, the construction cost of each DU was fixed at Rs 80000. GoI revised the cost of each DU to Rs one lakh in February 2009 for construction of the DUs sanctioned during 2008-09, while the State Government revised (July 2008) the cost of each DU to Rs one lakh with effect from January 2008. Three ULBs²³ paid to the contractors Rs one lakh for each of 987 DUs even though the work orders for these DUs were placed on the contractors during May 2007 to November 2007 at Rs 80000 each on the basis of the tenders submitted by the contractors and the works were started before January 2008. Such payments at the higher rate resulted in an extra expenditure of Rs 1.97 crore.

SUDA stated (October 2009) that the revised rate was applicable for DUs for which either the work order was issued after 01 January 2008 or the work order was issued prior to 01 January 2008 but the work commenced after 01 January 2008. The additional expenditure incurred was, therefore, in conformity with the Government order.

The contention of SUDA was not acceptable because in respect of all the 987 DUs the construction works were started before January 2008.

2.2.6.2.4 *Construction of smaller sized dwelling units*

Eleven ULBs constructed DUs, smaller than the normative size specified in the guidelines

According to scheme guidelines, the floor area of each DU was to be not less than 25 square metres. Eleven ULBs²⁴ had modified the design of DUs, violating the scheme guidelines and floor areas of the modified DUs varied from 18.8 to 21.9 sq. metres. However, the construction work for 8220 such DUs of smaller size were awarded to contractors between May 2007 and February 2009 at the specified cost of Rs 0.80 lakh or Rs 1 lakh each. Of 8220 DUs, construction of 3305 DUs (292 DUs at Rs 80000 each and 3013 DUs at Rs 1.00 lakh each) had been completed as of March 2009. Further, the scheme envisaged construction of two rooms with a kitchen and a toilet but, two ULBs²⁵ awarded work orders for construction of 2371 DUs (1570 completed) without toilets and one ULB (Dalkhola Municipality) awarded work orders for 360 DUs without any kitchen and toilet.

²³ Chakdah, Haldia Municipalities and Siliguri Municipal Corporation

²⁴ Siliguri Municipal Corporation and Haldia, Chakdah, Bardhaman, Kalna, Gamngarampur, Raiganj, Dhulian, Old Malda, Dalkhola and Kaliaganj Municipalities

²⁵ Kalna Municipality (1031) and Siliguri Municipal Corporation (1340)

Dalkhola Municipality stated (June 2009) that in most of cases land constraints compelled to change the shape of DUs while Siliguri Municipal Corporation stated (July 2009) that it had decided to construct toilets at each dwelling unit later to bring the plinth area to 25 square metres. It, however, remained silent in respect of the source of funds required for construction of toilets.

Raiganj Municipality stated that it had constructed the DUs as per drawings approved by the Executive Engineer of Municipal Engineering Directorate, who was in-charge of the scheme.

Replies are not tenable since DUs have been constructed in violation of the GoI guidelines.

2.2.6.2.5 Irregular allotment of DUs

According to the scheme guidelines, the DUs were to be allotted to urban slum dwellers only. In violation of the same, Old Malda Municipality constructed 52 DUs in non-slum areas and allotted (February 2009) the same to the people not living in urban slums.

SUDA stated (July 2009) that all the ULBs were being requested by the Government to act strictly in compliance with the guidelines of the scheme.

2.2.6.3 Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)

To improve infrastructural facilities and to create durable public assets and quality services in towns, the GoI launched (December 2005) Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT). The duration of the scheme was seven years starting from 2005-06. Ninety *per cent* of the cost of each project was to be contributed by GoI (80 *per cent*) and State Government (10 *per cent*). The balance 10 *per cent* was to be shared by the respective ULB out of its internal sources or by raising loans from financial institutions. Assets created under the scheme were to be taken over by the respective ULBs.

GoI sanctioned (January 2007 to March 2009) 26 projects with project cost of Rs 385.65 crore in 25 municipal areas in the State. The projects included construction of 22 water supply (Rs 316.60 crore), two drainage (Rs 49.22 crore), one sewerage (Rs 12.52 crore) and one road (Rs 7.31 crore) projects. As of March 2009, SUDA received Rs 193.83 crore (GoI share: Rs 158.73 crore and State share: Rs 35.10 crore) and released Rs 154.53 crore to 22 ULBs, out of which expenditure of Rs 86.55 crore was incurred upto March 2009. The status of the projects as of March 2009 is shown in *Appendix-2.2.4*.

2.2.6.3.1 Non-payment of ULB's share

As the nodal agency for implementation, SUDA, was responsible for techno-economic appraisal of draft project reports (DPRs) of infrastructure

development projects received from ULBs and forwarding them to GoI for approval. While appraising the DPRs submitted by ULBs, SUDA did not assess their capacity to provide their contribution of 10 *per cent* of the project cost. Consequently, considering the difficulties on the part of ULBs to mobilise resources for their contribution the Department decided (July 2007) to enhance the State contribution from 10 *per cent* to 15 *per cent*. As a result, additional financial burden of Rs 19.28 crore devolved on the State exchequer. As of March 2009, the Department incurred additional expenditure of Rs 11.70 crore in order to compensate the ULBs' share of contribution for the projects. SUDA should have taken action to provide/arrange loan to ULBs to bear their contribution to avoid extra burden on the State exchequer.

Further, out of eight test-checked ULBs, only two²⁶ had contributed their proportionate amount of five *per cent*, while four²⁷ did not pay any amount against Rs 1.74 crore up to March 2009. Two²⁸ contributed Rs 19.14 lakh against their proportionate amount of Rs 55.44 lakh payable by March 2009. It was noticed in audit that out of Rs 10.88 lakh contributed by Katwa Municipality, Rs 4.17 lakh was diverted from other scheme funds.

SUDA stated (July 2009) that ULBs were being requested to deposit ULB's share in the project immediately. However, SUDA was yet to take any action against defaulting ULBs (November 2009).

2.2.6.3.2 Delay in completion of projects

It would be evident from *Appendix 2.2.4* that none of the eleven projects scheduled to be completed between January 2009 and March 2009 were completed as of March 2009. This was mainly due to delays in issuing tender notices, placement of purchase orders/work orders, supply of materials, handing over work sites to contractors coupled with delayed execution of works by the contractors. Due to delayed execution of works, the estimated cost of Rs 187.45 crore of 15 projects was revised to Rs 283.01 crore between July 2008 and January 2009. GoI's approval to the revised project costs had not been obtained by SUDA as of May 2009. Resultantly, the 80 *per cent* contribution of GoI towards the enhanced cost of the projects had not been received by SUDA as of May 2009. Further, due to non-completion of the water supply projects in four²⁹ test-checked municipalities within the scheduled timeframe, 1.88 lakh people were deprived of the supply of safe drinking water.

Scrutiny of records of test-checked ULBs revealed the following:

- (i) Under the water supply scheme at Siliguri, the work order for construction of overhead reservoir at Zone IXB was placed by Siliguri Municipal Corporation (SMC) in June 2005 at a cost of Rs 41.26 lakh. The work was to be completed within 12 months. Due to delay of about two years in handing over (April 2007) the work site to the

Two works under Siliguri Municipal Corporation was suspended even after incurring an expenditure of Rs 47.75 lakh

²⁶ Haldia and Berhampur Municipalities

²⁷ Old Malda, Krishnanagar, Kaliaganj Municipalities and Siliguri Municipal Corporation

²⁸ Suri Municipality (Rs 8.26 lakh) and Katwa Municipality (Rs 10.88 lakh)

²⁹ Katwa (0.91 lakh), Suri (0.25 lakh), Krishnanagar (0.56 lakh) and Haldia (0.16 lakh)

contractor owing to litigation, the work was completed only in April 2009 at a cost of Rs 65 lakh, resulting in an extra expenditure of Rs 23.74 lakh.

- (ii) The work order for construction of overhead reservoir at Zone IXA was placed by Siliguri Municipal Corporation in March 2005 at a cost of Rs 55 lakh with completion scheduled within 12 months. The work remained suspended since July 2007 under an order of the Hon'ble High Court of Kolkata, on a petition filed by the owner of the adjacent land on the ground that a portion of his land was encroached. The work order was terminated in March 2008 after incurring expenditure of Rs 42.49 lakh. Similarly, the work order for construction of overhead reservoir at Zone VIIIA placed in August 2008 was terminated in March 2009 after incurring expenditure of Rs 5.26 lakh due to a dispute raised by the land owner. Thus, due to construction of overhead reservoirs on the disputed sites, the works remained suspended after incurring expenditure of Rs 47.75 lakh.

Recommendation

SUDA should take effective measures for timely completion of the projects in order to avoid cost escalation as well as to extend the desired benefits to the urban people without delay.

2.2.6.3.3 Extra expenditure on a project

A hydrographic survey was required to be conducted by Kolkata Port Trust (KPT) for drawal of water from the river, for the intake system of the water supply projects at Berhampur, Katwa and Shantipur municipal areas. The cost of survey was not included in the estimated cost (Rs 42.92 crore) in the DPRs of the projects submitted in February 2007 by SUDA to GoI. Subsequently, SUDA paid Rs 32.96 lakh (Rs 22.54 lakh in August 2008 and Rs 10.42 lakh in October 2008) to KPT for the hydrographic survey in these three areas out of its own sources, since no funds for surveys were available from GoI/State Government due to non-inclusion of the cost in the project estimate. Thus, SUDA incurred an extra expenditure of Rs 32.96 lakh due to non-inclusion of the expenditure in the project estimates.

SUDA stated (June 2009) that it was not aware that a hydrographic survey was necessary for drawal of water from the river for the intake system and hence the cost of survey was not included in the DPRs submitted to GoI for approval of projects. SUDA further stated that the expenditure was unavoidable and it would be included in the revised project cost, irrespective of who would bear the additional costs.

Thus, due to improper project planning, the cost of hydrographic survey was not included in the project estimates and consequently SUDA had to incur the expenditure of Rs 32.96 lakh out of its own sources.

2.2.6.4 Swarna Jayanti Sahari Rojgar Yojana (SJSRY)

Swarna Jayanti Shahari Rojgar Yojana (SJSRY) was launched by GoI in December 1997 in order to provide gainful self-employment/wage employment to the urban people living below poverty line. The scheme was to

be funded by the Central and the State Governments in a ratio of 75:25 and was to be implemented by SUDA in co-ordination with the urban local bodies (ULBs) through two special programmes viz. Urban Self Employment Programme (USEP) and Urban Wage Employment Programme (UWEP).

Out of the total funds of Rs 82.10 crore available with SUDA for SJSRY during 2004-09, Rs 63.77 crore was released to ULBs and the balance of Rs 18.33 crore was lying with SUDA as shown below:

Table 2.2.3: Position of funds under SJSRY (Rupees in crore)

Year	Opening balance	Fund Received by SUDA		Total funds available	Amount disbursed to ULBs	Closing balance
		Central	State			
2004-05	12.42	4.24	1.41	18.07	11.14	6.93
2005-06	6.93	6.17	2.06	15.16	10.25	4.91
2006-07	4.91	10.63	3.54	19.08	10.76	8.32
2007-08	8.32	12.05	4.02	24.39	11.92	12.47
2008-09	12.47	19.48	6.08	38.03	19.70	18.33
Total		52.57	17.11		63.77	

Source: MIS of the scheme as of 31 March 2009

Although SUDA released Rs 63.77 crore to 124 ULBs during 2004-09 for implementation of SJSRY, it did not maintain any data regarding scheme funds utilised by ULBs vis-à-vis unutilised funds lying with them. Out of 17 test-checked ULBs, Bhadreswar Municipality did not maintain a separate account for SJSRY funds in violation of the scheme guidelines. Accordingly, unutilised scheme funds parked with it was not ascertainable. Out of Rs 20.09 crore (including opening balance of Rs 1.86 crore as of April 2004 and interest of Rs 15.46 lakh earned during 2004-09) received by 16 ULBs during 2004-09, Rs 16.39 crore were utilised and the balance of Rs 3.70 crore was lying with the ULBs as of March 2009.

SUDA stated (October 2009) that Bhadreswar Municipality had been instructed to open a dedicated account for SJSRY.

2.2.6.4.1 Urban Self Employment Programme

The Urban Self Employment Programme (USEP) had three main components, namely payment of subsidy, imparting training and formation of Development of Women and Children in Urban Areas (DECUA) Groups and Thrift and Credit Societies (TCS).

(a) Payment of Subsidy

Assistance, in the form of subsidy at the rate of 15 per cent (subject to a maximum of Rs 7500) of each project cost, was to be given to the selected individual urban poor beneficiaries for setting up gainful self-employment ventures. 80 per cent of project cost was to be contributed by the beneficiary from banks as loan while five per cent was to be contributed by the beneficiary. The amount of subsidy was released by SUDA to the banks (through ULBs) for disbursement to the beneficiaries along with the bank loans.

Against 39.93 lakh beneficiaries identified in the State, the target for payment of subsidy during 1997-2009 was fixed at 119802 beneficiaries, of which only

33222 beneficiaries (28 per cent) were paid subsidy (Rs 10.01 crore) as of March 2009. The shortfall in achievement of target of self employment during 2004-2009 ranged between 41 and 87 per cent as shown below:

Table 2.2.4: Target and achievement in payment of subsidy

Number of persons	2004-05	2005-06	2006-07	2007-08	2008-09
Targeted for payment of subsidy	9195	9255	27750	25250	13550
Achievement	2693	5489	3648	5940	5497
Shortfall (per cent)	6502 (71)	3766 (41)	24102 (87)	19310 (76)	8053 (59)

Source: Physical performance report of the scheme

Non-submission of viable projects by the beneficiaries, coupled with non-sanction of loans by banks was the main reason for non-achievement of the target of employment generation. Neither did SUDA nor ULBs persuade the banks for disbursement of loans to the beneficiaries, even though they forwarded the applications to banks. Further, neither did SUDA nor the ULBs maintain data regarding performance or discontinuation of business by the beneficiaries who were provided subsidy for setting up self employment ventures.

SUDA stated (June 2009) that the performances in bank-linked components under SJSRY depended significantly on the attitude of the banks over which SUDA had little control. The apathy of the banks towards loan applications submitted under SJSRY adversely affected the beneficiaries who gradually tended to show lesser interest in bank loans. This ultimately contributed to low performance level of the ULBs and the State. All bank related problems were often discussed at district level but noticeable progress had not been achieved yet.

The fact remains that due to non-release of loans by banks to the recommended beneficiaries, the target of generating self employment ventures remained unachieved to a considerable extent.

Project proposals for grant of loan/subsidy under USEP should be thoroughly assessed by ULBs to avoid rejection of the proposals by banks.

(b) Unauthorised retention of funds by banks

Audit scrutiny revealed that on the recommendations of Bongaon Municipality, banks sanctioned loans aggregating Rs 9.42 crore to 4710 beneficiaries during 2004-09. Accordingly, SUDA released subsidy of Rs 1.77 crore to the municipality, which was deposited into the banks, for payment to the beneficiaries along with the loans. The banks, however, disbursed subsidy of Rs 1.12 crore to 2997 beneficiaries during 2004-09. Out of the undisbursed amount of Rs 64.24 lakh, Rs 1.46 lakh (39 beneficiaries) was refunded by banks to SUDA in February 2007 (Rs 0.71 lakh) and April 2009 (Rs 0.75 lakh) while the balance Rs 62.78 lakh was retained by banks resulting in blockage of fund with consequential loss of interest of Rs 5.26 lakh³⁰ to the scheme fund. SUDA did not take action to get the

³⁰ interest calculated at the rate of 3.5 per cent per annum

Recommendation

The bank unauthorisedly retained Rs 62.78 lakh of subsidy funds for over one to four years in Bongaon Municipality

unutilised amount of Rs 62.78 lakh refunded by banks, even though subsidies payable to 1674 beneficiaries remained undisbursed for over one to four years.

While admitting the fact SUDA stated (October 2009) that steps were being taken to improve the situation.

(c) Training programmes

The programme provided training in various trades to selected beneficiaries and other persons associated with urban employment programme for upgradation and acquisition of vocational and entrepreneurial skills for two to six months.

Against the target of 1.42 lakh beneficiaries to be trained in different trades during 1997-2009, 0.70 lakh beneficiaries were imparted training as of March 2009, resulting in a shortfall of 0.72 lakh (51 per cent).

There was 51 per cent shortfall in training of targeted beneficiaries under USEP

Records, indicating the details of beneficiaries who were benefited after being trained in various trades, were not maintained by SUDA. In 17 test-checked ULBs, out of 15052 beneficiaries trained up to March 2009, 7591 were gainfully employed and 7461 trained persons (50 per cent) were not employed as of March 2009.

According to SJSRY guidelines, tool kits at a cost not exceeding Rs 600 were to be provided to each trainee who completed the vocational training satisfactorily. Audit noticed that 3346 trainees in seven ULBs were paid Rs 600 in cash, instead of tool kits.

SUDA stated (October 2009) that there is no standardised set of tools kits for the training courses. The multiple choices of the successful trainees could not always be accommodated by the ULBs. To tide over this problem the ULBs may have resorted to cash disbursement in lieu of distribution of tools kits.

The reply of SUDA was not acceptable as it violated the scheme guidelines.

(d) Development of Women and Children in Urban Areas (DWCUA)

The scheme aimed at providing special incentives to groups of at least 10 urban poor women, who decided to set up self employment ventures suited to their skills, aptitude and local conditions. Such groups were entitled to a subsidy of Rs 1.25 lakh or 50 per cent of the project cost whichever is less.

Against the target of formation of 2464 DWCUA groups during 1997-2009 in the State, 1697 groups consisting of 21212 members were formed as of March 2009 resulting in shortfall of 767 (31 per cent). Further, out of 1697 groups, 840 groups (49 per cent) consisting of 10470 members received Government subsidy (Rs 8.76 crore) and bank loans (Rs 7.89 crore) for setting up self-employment ventures. Thus, due to failure to form the targeted number of DWCUA groups coupled with non-release of loans by banks, about 16240 urban poor women were deprived of the self-employment opportunities.

In this regard bank related problems were discussed at District Level Review Committee, but of no avail.

(e) Thrift and credit societies

Formation of TCS fell short by 47 per cent in the State as compared to the target. Rs 1.28 crore payable to the TCS were parked with the ULBs

Where a group of urban poor women sets itself up as a Thrift and Credit Society (TCS), the group is entitled to a lump sum grant of Rs 1000 per member, subject to a maximum amount of Rs 25000 per group as revolving fund for income generating and other activities. Against the target of 54580 TCSs to be set up in the State during 1997-2009, 28896 TCSs were formed as of March 2009 resulting in shortfall of 25684 (47 per cent). SUDA released Rs 26.05 crore to ULBs for disbursement of lump sum grants to the TCSs during 1997-2009 but, the records/ details of grants paid by ULBs to TCSs were not maintained with SUDA to watch actual utilisation. Out of Rs 5.11 crore received by 15 test-checked ULBs, Rs 3.83 crore were paid to the TCSs and the balance of Rs 1.28 crore remained parked with the ULBs.

Recommendation

The overall shortfall in achieving the targets under various components of USEP coupled with retention of unutilised funds by ULBs indicates that SUDA should be more effective in monitoring the programme implementation through frequent field visits and arranging awareness meetings with the targeted group of BPL people.

(f) Expenditure on unidentified beneficiaries

According to the scheme guidelines, the benefit of USEP was to be extended only to BPL families. As per the GoI guidelines (October 1997) identification of BPL families was to be completed by June 1998.

Out of 17 test-checked ULBs, only five had prepared the list of BPL families by June 1998 and another five ULBs prepared the same during August 2002 to March 2007. These ULBs had incurred total expenditure of Rs 3.43 crore on various components of USEP before identification of BPL beneficiaries. The remaining seven ULBs could neither produce the list of BPL families during audit nor communicate the dates of preparation of such list.

SUDA stated (July 2009) that the BPL lists had been prepared by ULBs on different dates and these were being updated/modified on the basis of data collected during household survey conducted in 2006.

(g) Sponsoring of unviable project proposals

According to the scheme guidelines, applications received for assistance under USEP were to be screened thoroughly to minimise the rejection of project proposals by the banks. In 17 test-checked ULBs, against the target of 23193 beneficiaries to be paid subsidy during 1997-2009, 21026 applications were forwarded to banks. Of these, 11260 applications were rejected due to non-viability of the projects. Thus, submission of project proposals without proper screening resulted in rejection of 54 per cent of proposals and consequential denial of contemplated benefits to the beneficiaries under the scheme.

SUDA stated (October 2009) that the aspect of preparation of projects would be looked into and the rejection of projects would be reduced gradually.

(h) Shortfall in representation of targeted group of beneficiaries

According to the scheme guidelines, the percentage of women beneficiaries should not be less than 30 and the Scheduled Castes (SC) and Scheduled Tribes (ST) must be benefited at least to the extent of the proportion of their strength in the local population. A special provision of three *per cent* was made for disabled persons. The number of beneficiaries identified and sponsored from these groups is shown below:

Table 2.2.5: Number of beneficiaries identified and sponsored under different categories

Category	Number of beneficiaries identified	Percentage of reservation	Proportionate number of applications to be sponsored	Number of applications actually sponsored	Shortfall	Percentage of shortfall
Scheduled Castes	1069987	27	22800	10785	12015	53
Scheduled Tribes	116069	3	2533	1330	1203	47
Disabled	41470	3	2533	550	1983	78
Others	2765888	Not fixed	56578	71779	-	-
Total	3993414	-	-	84444	-	-
Women out of total	1902111	30	25333	22738	2595	10

Source: Physical performance report of the scheme

Although the target in respect of each component of SJSRY was fixed, the outcome indicators in respect of poverty alleviation was not determined.

Although SUDA accepted (October 2009) the audit observation, it did not state the reasons for shortfall in providing the benefit of the scheme to the targeted groups of people.

2.2.6.4.2 Urban Wage Employment Programme

Urban Wage Employment Programme (UWEP) aimed to provide wage employment to the BPL labours living within the jurisdiction of ULBs by utilising their labour for construction of socially and economically useful public assets. The works under the programme were to be executed departmentally and the material labour ratio for works was to be maintained at 60:40.

Although SUDA incurred expenditure of Rs 52.86 crore on the construction works during 1997-2009, it did not maintain any record regarding the assets created and the number of mandays generated under UWEP. SUDA did not also fix any target for generation of mandays against the works taken up under UWEP. In the MIS-Report for the quarter ending March 2009 sent by SUDA to GoI, Ministry of Housing and Urban Poverty Alleviation in June 2009, it was mentioned that 42.29 lakh mandays of work were generated under UWEP during 1997-2009. The figure was arrived at by dividing the expenditure by the amount of minimum wages payable per worker per day. Out of 17 test-checked ULBs, only two³¹ maintained the data regarding generation of mandays under UWEP during 2004-09. Eight³² ULBs did not incur any expenditure on UWEP during 2004-09 and seven³³ did not maintain any

³¹ Dalkhola and Kaliaganj Municipalities

³² Howrah, Bally, Bhadreswar, Suri, Bardhaman, Haldia, Bangaon Municipalities and Siliguri Municipal Corporation

³³ Katwa, Kalna, Dhulian, Old Malda, Raiganj, Gangarampur and Chakdah Municipalities

record regarding generation of mandays despite spending Rs 42.54 lakh on construction works under UWEP during 2004-09.

SUDA stated (October 2009) that the matter regarding maintenance of proper records would be taken up with the ULBs.

Audit scrutiny revealed the following:

- (i) Although the works were to be executed by ULBs through BPL labour, Dhulian Municipality executed works costing Rs 18.36 lakh through contractors during August 1999 to May 2005.
- (ii) In violation of the norm of the material labour ratio of 60:40, two municipalities executed works costing Rs 10.85 lakh during October 2005 to March 2009 by incurring expenditure on materials and labour in the ratio of 86:14 resulting in non-generation of 4877 mandays.

Recommendation

SUDA should effectively pursue ULBs for deployment of BPL labours in the construction works taken up under UWEP.

2.2.6.4.3 Inadmissible expenditure

According to SJSRY guidelines, not more than five *per cent* of total allocated funds to the State can be utilised for administrative and office expenses (A&OE). The A&OE of ULBs and other structures down the line should be met from the five *per cent* allowed for this purpose, out of the funds placed at their disposal. Any expenditure incurred over and above this limit shall be met out of local resources. A further sum, not exceeding three *per cent* of the allocated amount at ULB level can be used for strengthening the ULB structure, subject to the condition that the ULB should set up the Urban Poverty Eradication Cell (UPEC).

In violation of the above provisions of the scheme guidelines, SUDA retained five *per cent* of scheme funds for its A&OE and allowed A&OE of a further eight *per cent* of scheme funds released, to ULBs. Thus, SUDA utilised 13 *per cent* of allotted funds for A&OE.

In May 2003, the GoI, Ministry of Housing and Urban Poverty Alleviation clarified that maximum five *per cent* of total expenditure/allocation of scheme funds should be utilised for A&OE and not 13 *per cent*.

Despite this clarification, SUDA continued to release an additional eight *per cent* of scheme funds to the ULBs to meet their A&OE and incurred an unauthorised expenditure of Rs 2.46 crore during 2004-09.

While admitting the fact SUDA stated (October 2009) that corrective measures had been taken to restrict the expenditure under A&OE to five *per cent* of total allotment.

2.2.6.5 Integrated Low Cost Sanitation (ILCS) Programme

In order to liberate scavengers from their existing hereditary occupation of manually removing night soil by converting existing dry latrines to water

borne flush units, the GoI launched (1989) the Integrated Low Cost Sanitation (ILCS) Scheme for conversion of dry latrines to water borne ones. ILCS aimed to cover all households in slums and squatter colonies, who had dry latrines or had no sanitation facilities. GoI fixed the construction cost of each latrine varying from Rs 2500 to Rs 6000 (for different phases) and the funds required for construction of each unit was to be provided by GoI subsidy (45 per cent), GoWB contribution (50 per cent) and beneficiaries' contribution (five per cent).

Against the target of construction of 270089 latrines in 116 municipal areas in the State, 203377 were constructed as of March 2009. Due to non-achievement of the target of construction of latrines, out of GoI subsidy of Rs 44.03 crore received by SUDA during September 1992 to June 2006, Rs 7.03 crore was refunded to GoI during October 2001 to September 2005. Non-payment of beneficiaries' contribution was the main reason for shortfall in achieving the target. Thus, the ultimate objective of the scheme to cover all households in slums and squatter colonies, who had dry latrines or had no sanitation facilities, could not be achieved. Audit scrutiny revealed the following:

Against the target of construction of 8310 latrines, Dhulian Municipality constructed 6987 units up to March 2007. The remaining 1323 units were not constructed due to delayed receipt of subsidy from SUDA. The unutilised subsidy of Rs 18.29 lakh was not refunded by the Municipality as of May 2009.

SUDA stated (June 2009) that no GoI subsidy had been received since April 2007 and validity of all schemes had expired on completion of three years from the respective dates of sanctions.

2.2.7 Monitoring mechanism

SUDA, as the State Nodal Agency for urban anti-poverty programmes, was responsible for mobilising resources and determining allocations based on the local needs and performances, providing guidance and technical support to ULBs for achieving convergence targets, monitoring the programme implementation through periodic visits to the projects to ensure their quality and timely completion and reporting the programme status indicating physical and financial achievements quarterly to GoI, Ministry of Housing and Urban Poverty Alleviation and the State Government.

SUDA could not produce records in respect of inspections carried out by its officers. It did not also fix any norm for manpower requirement for visiting the work sites for supervision and monitoring over implementation of the schemes through ULBs. Although SUDA submitted the quarterly reports to GoI/State Government on the basis of data furnished by the ULBs, no remedial measures were taken to ensure timely completion of the projects as well as for achieving the targets even though the achievements against each of the schemes were much on the lower side despite availability of required funds from GoI. Against the norm (one meeting in two months) of holding 30 meetings of the Governing Body of SUDA during 2004-2009, only six meetings were held.

Thus, the role of SUDA in supervising and monitoring over the performance of the executing agencies of the schemes implemented by it was not adequate and effective.

SUDA stated (July 2009) that the Government had been moved for engagement of a third party monitoring agency to monitor the physical progress as well as the utilisation of funds placed at the disposal of the ULBs. It will further involve extra burden on State exchequer.

Recommendation

The monitoring mechanism should be strengthened by holding monitoring meetings with ULBs periodically and conducting regular field inspections by the officials of SUDA.

2.2.8 Conclusion

SUDA was responsible for proper implementation and monitoring of the Centrally assisted schemes for generating employment opportunities and alleviation of poverty in urban areas. The objective was not fully achieved owing to ineffective financial management leading to parking of considerable scheme funds in its local fund account, non-utilisation of the full amount of GoI grants for different schemes etc. Inadequate supervision by SUDA over scheme implementation had an adverse impact on the objectives of providing desired benefits to the targeted BPL beneficiaries in urban slums, as 69 per cent of the targeted BPL families (20025 families) were deprived of the benefit of the scheme for providing 'Shelter for All'. Similarly, under the scheme for providing subsidy for gainful self-employment, 72 per cent of the targeted BPL people (119802) were deprived of the benefit of the scheme. There were also instances of avoidable expenditure due to delayed execution of construction works, procurement of materials at higher prices, etc.

Recommendations

- *SUDA should take immediate steps to open separate bank accounts for each Centrally sponsored scheme as well as to ensure efficient utilisation of available scheme funds. The interest earned on various scheme funds should be credited to the respective scheme fund account.*
- *The Department should take immediate action to get the utilised funds relating to ROPA 1998 and closed schemes refunded by SUDA, as the same was lying out of Government accounts for years together.*
- *SUDA should pursue the ULBs for payment of ULBs' shares to the project costs without further delay.*
- *Project proposals for grant of loan/subsidy under USEP should be thoroughly assessed and examined by ULBs to avoid rejection of the proposals by banks.*
- *SUDA should effectively pursue ULBs for deployment of BPL labours in the construction works taken up under UWEP.*