



**Chapter 3**

**Functioning of  
Government  
Department(s)**

## Chapter 3

### Functioning of Government Department(s)

#### Public Health and Family Welfare Department (PH&FW)

#### 3.1 Chief Controlling Officer based Audit of PH&FW Department

##### Executive Summary

A Chief Controlling Officer based audit of the Public Health and Family Welfare (PH&FW) Department covering the period from 2009-10 to 2011-12 was conducted to examine whether the Department has provided curative, preventive and promotional health care and family welfare services including improvement in access, quality and coverage of health to the people of the State. The implementation of Schemes and activities of the Department were carried out economically, effectively, and efficiently to ascertain whether rules and regulations are complied with to achieve the objectives. Significant audit findings are narrated below:

- The Department prepared a Perspective Plan and the Annual Plans; a Programme Implementation Plan was also prepared. However, the plans were prepared without conducting household and facility survey. Large numbers of plan activities were not taken up.

*A comprehensive baseline survey of beneficiaries and facilities should be undertaken to draw up need based action plans at all levels. Activities included in the plans should be executed within the stipulated time frame so as to achieve the intended goals.*

- Budgetary and financial management was deficient as reflected from significant under-utilisation of funds by both Director of Health Services and the Mission Director, NRHM, unnecessary provision of supplementary grants, rush of expenditure in the month of March, violation of codal provision for maintenance of cash and delay in submission of UCs resulting in delay in receipt of Central funds

*Budgetary and financial controls should be strengthened to avoid unnecessary provision of funds and under-utilisation of scheme funds.*

- The Department did not ensure utilisation of funds provided under Deen Dayal Antodaya Upchar Yojna, Rajya Bimari Sahayata Nidhi and Mukhya Mantri Bal Hriday Upchar Yojna for the eligible beneficiaries/intended purposes. The Trauma centre at Guna district proposed in February 2006 was yet to be established.
- There were significant shortages of health centres compared to the targets set under NRHM framework. Facilities in the hospitals were deficient compared to Indian Public Health Standards. Thirty-four vision centres proposed for 17 districts were not established. During 2011-12, the number of institutional deliveries was 86 *per cent* of total deliveries. The Department could not achieve the targets of Maternal Mortality Rate, Infant Mortality Rate and Total Fertility Rate, though there was marginal

improvement in December 2011.

*The Department should ensure proper implementation of the programmes and delivery of health care services so as to achieve the targets of important health indicators.*

- Procurement procedure was deficient. The suppliers failed to supply medicines/material in time which led to local purchases at higher cost from the local market. Medicines were issued to patients before obtaining quality test report.

*Procurement policy should be reviewed to ensure availability of essential medicines and material in all the health centres.*

- There were significant shortages of manpower in the key posts compared to IPHS norms as well as the sanctioned strength. Despite shortage, doctors were posted against the post of District Programme Manager.

*All vacant posts should be filled up and the human resources improved as per IPHS norms in a phased manner.*

- Health planning and monitoring committees were not formed at different levels. Two Apex Committees at State level did not meet at regular intervals for strategic planning and for monitoring the implementation of schemes. Internal control mechanism was not codified through an updated departmental manual and the target set for internal audit inspections was not achieved.

*The monitoring mechanism at appropriate levels should be strengthened and targets of internal audit inspection should be achieved.*

### **3.1.1 Introduction**

Madhya Pradesh is the second largest State in India with a population of 7.26 crore as per Census 2011<sup>1</sup>. The number of females is 930 per thousand male in the State and the female sex ratio in the age group of 0-6 years for the State is 912. The health indicators i.e. Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR) and Total Fertility Rate (TFR) in the State as of December 2011 are 62 per 1000 live births, 310 per one lakh live births, and 3.2 children per woman respectively compared to all India average of 47, 212 and 2.6 respectively. The State Government had provided ₹ 6233 crore (3.62 per cent) for health, out of the total budget of ₹ 1,72,010 crore for the State during the period 2009-12.

Public Health and Family Welfare Department (Department) is responsible for providing curative, preventive and promotional health care and family welfare services to the people of the State. It is also responsible to improve the access, quality and coverage of health care in the State. The Department implements various Central and State programmes/schemes for strengthening of hospitals and dispensaries, eradication of vector-borne diseases, prevention and control of epidemic diseases, tuberculosis, blindness, leprosy, AIDS, Integrated Disease Surveillance Project (IDSP) etc. The Department caters to the health

<sup>1</sup> *provisional*

facilities in the State with 50 District Hospitals (DH), 150 Civil Hospitals (CH) and Dispensaries, 332 Community Health Centres (CHC), 1156 Primary Health Centres (PHC) and 8765 Sub-Health Centres (SHC).

### **3.1.2 Organisational set up**

The Department is headed by the Principal Secretary who is assisted by the Commissioner, Health Services and the Mission Director, National Rural Health Mission (NRHM). The Directorate of Health Services (DHS) is managed and controlled by the Commissioner, Health Services in respect of State budget, administrative matters and the State schemes. He is assisted by eight Directors in the Directorate, seven Regional Joint Directors at divisional level and Chief Medical and Health Officer (CMHO) and Civil Surgeon-cum-Hospital Superintendent (CS) at district level and Block Medical Officers (BMO) at block level. The Mission Director, NRHM is the implementing authority of the National Rural Health Mission (NRHM). For implementation of NRHM scheme, there is a State Health Society (SHS) having a General Body headed by the Chief Minister to oversee the activities and policy formation and an Executive Committee headed by the Chief Secretary to oversee the implementation of programme and activities approved by the General Body. The State Programme Management Support Unit (SPMSU) is headed by the Mission Director. At the district level, there are District Health Societies (DHSs) headed by the respective District Collectors, CMHO acts as Secretary of the DHS.

The accounts of Commissioner, Health Services are maintained by Additional Director Finance (Financial Advisor) at the State level and by Chief Medical and Health Officer/Civil Surgeon at district level. The accounts of Mission Director are maintained by Director Finance at the State level and Accounts Manager of DHS at district level. The internal audit function is with the Commissioner, Health Services. In addition to the above, there is the Controller of Food and Drug Administration and Project Director, State AIDS Control Society under the overall control of the Principal Secretary, PH&FW Department. These have not been covered in this audit.

### **3.1.3. Audit Objectives**

The audit objectives were to ascertain whether:

- the Department had a perspective/annual plan for achieving its objectives and the same were prepared considering the need of rural population;
- utilisation of funds and budgetary control was efficient and effective;
- schemes/programmes were implemented in an efficient, effective and timely manner;
- the material management was efficient and effective;
- the Department had adequate manpower and infrastructure to implement the programmes and schemes effectively; and

- the monitoring and evaluation system and internal controls were adequate and effective.

#### **3.1.4 Audit Criteria**

The audit criteria were drawn from the following sources:

- Rules, orders, notifications, scheme guidelines and instructions relating to health care services issued by the State Government and Government of India.
- Plan, Budget documents, Annual Reports, Administrative Reports, Programme Implementation Plan etc.
- Madhya Pradesh Financial Code (MPFC), Madhya Pradesh Treasury Rules (MPTC), Store Purchase Rules etc.
- Rules and Acts relating to management of bio-medical waste.
- Instructions, programme guidelines etc. prescribing the mechanism for monitoring of various schemes sponsored by the Department.

#### **3.1.5 Coverage, scope and methodology of audit**

The CCO based audit of PH&FW Department covering the period of three years (2009-12) was conducted during March to September 2012. The audit involved scrutiny of records in the offices of the Commissioner, Health Services, the Mission Director at State level, four Joint Directors at divisional level, 18 CMHOs, 18 CSs, and 18 DHSs in 18 selected districts. Thus, 41 Drawing and Disbursement Officers (DDOs) (out of 108 DDOs) were covered in audit. A list of selected units is given in **Appendix-3.1**. The audit evidences were gathered from the records, information obtained through audit memos/ replies to audit queries and information available on the website<sup>2</sup> of the Health Department.

An entry conference was held in May 2012 with the Commissioner, Health Services, wherein the Joint Director, NRHM and other subordinate officers were present. The objectives, criteria and scope of audit were discussed. The exit conference was held in November 2012. The replies given by the Department during the exit conference have been incorporated in this review.

#### **Audit findings**

#### **3.1.6 Planning**

A consolidated Perspective Plan (PP) for the State including NRHM for the Mission Period (2005-2012) was to be prepared by the Department outlining the year-wise resources and activity needs for each district indicating activities such as improvement in health indicators (IMR, MMR and TFR), upgrading health institutions to Indian Public Health Standards (IPHS) standards, universal immunisation for prevention of diseases, engagement of Accredited

<sup>2</sup> [www.health.mp.gov.in](http://www.health.mp.gov.in)

Social Health Activist (ASHA) after identifying the gaps in health care facilities, probable investment and the share of the Central and State Government.

**Perspective Plan and the Annual Plans were prepared; but no baseline survey conducted**

The Department prepared (January 2007) a five year PP for the period 2007-2012 instead of the period 2005-12. The thrust areas covered in the PP were to provide medical facilities to cope up with the increasing demand of institutional deliveries, access to rural health services by way of establishing new health institutions as per population norms and to provide buildings for all the primary health care institutions, strengthening support staff and office automation and establishment of MP Health Sector Project.

Scrutiny of the PP revealed that only physical targets in respect of the above mentioned activities were set and financial targets were not co-related. There was nothing on record to show that necessary inputs from the lower level functionaries were obtained for preparation of the PP. The Department has also prepared the Annual Plans on the lines of the PP. In addition, the annual Programme Implementation Plans (PIP) were prepared as envisaged in the NRHM guidelines issued by GoI. However, household survey and facility survey were not conducted prior to preparation of State PIP. We observed that the PIP was submitted for approval to GoI after a delay of about two months every year. The DHS have prepared the District Health Action Plan.

The Commissioner accepted (November 2012) the audit observations and stated that PP could not be prepared for 2005-12 and annual plans were prepared.

### 3.1.7 Financial management

The details of budget provision made and the expenditure incurred thereagainst during the years 2009-10 to 2011-12 are shown in the following table:

**Table-1: Budget provision and expenditure (Plan and Non-Plan)**

Year	Budget provision		Expenditure		Savings(-)/Excess(+)	
	Plan	Non-Plan	Plan	Non-Plan	Plan ( <i>per cent</i> )	Non-Plan
2009-10	411.53	831.07	399.41	812.02	-12.12 (2.95)	-19.05
2010-11	595.78	1122.29	501.19	1012.02	-94.59 (15.88)	-110.27
2011-12	935.72	1220.73	692.76	1200.31	-242.96 (25.96)	-20.42
<b>Total</b>	<b>1943.03</b>	<b>3174.09</b>	<b>1593.36</b>	<b>3024.35</b>	<b>-349.67</b>	<b>-149.74</b>

Source: Appropriation Accounts

**26 per cent of budgeted plan funds could not be utilised during 2011-12.**

From the above table it may be observed that the savings under Plan head gradually increased from 3 *per cent* (2009-10) to 26 *per cent* (2011-12) which indicated that programme funds were under utilised during the period 2009-12.

#### 3.1.7.1 Budgetary and Expenditure Control

Programmes and schemes implemented by the Department are based on Central Sector Schemes, Centrally Sponsored Schemes and State Plan

Schemes. The details of budget provision and expenditure of Directorate of Health Services are shown below:

**Table -2: Directorate of Health Services**

(₹ in crore)

Year	Grant <sup>3</sup> No.	Non-Plan/ Plan	Original	Supple- mentary	Final Grant	Expendi- ture	Savings (-) / Excess (+)
2009-10	19	Non-Plan	831.07	00	831.07	812.02	-19.05
		Plan	323.12	20.00	343.12	334.55	-8.57
	41	Plan	36.31	00	36.31	32.38	-3.93
	64	Plan	32.10	00	32.10	32.48	0.38
2010-11	19	Non-Plan	884.70	237.59	1122.29	1012.02	-110.27
		Plan	410.82	76.33	487.15	409.00	-78.15
	41	Plan	50.05	9.88	59.93	51.72	-8.21
	64	Plan	32.74	15.96	48.70	40.47	-8.23
2011-12	19	Non-Plan	1186.36	34.37	1220.73	1200.31	-20.42
		Plan	579.22	84.27	663.49	524.08	-139.41
	41	Plan	96.78	46.00	142.78	89.41	-53.37
	64	Plan	61.95	67.50	129.45	79.27	-50.18
<b>Total</b>			<b>4525.22</b>	<b>591.90</b>	<b>5117.12</b>	<b>4617.71</b>	<b>-499.41</b>

Source: Appropriation Accounts

There were unspent balances of ₹ 366.96 crore with the Mission Director, NRHM

The position of scheme-wise funds released by GOI, receipt of State share thereof and receipt for other sources (interest) and expenditure incurred by Mission Director, NRHM during 2009-10 to 2011-12 are shown below:

<sup>3</sup> 19-Public Health and Family Welfare, 41-Tribal Area Sub-Plan and 64-Scheduled Caste Sub-Plan.

**Table -3: Mission Director, NRHM***(₹ in crore)*

Year	Amount proposed in Annual Health Plan	Amount of budget approved by GoI	Name of programme <sup>4</sup>	Opening balance	Grant released by GoI to SHS	State share	Other sources (interest)	Total fund available	Expenditure	Balance
2009-10	962.36	962.36	RCH	171.27	360.98	113.00	0	645.25	506.69	138.56
			NRHM							
			Immunisation							
			NVBDCP	4.12	8.31	0	0.23	12.66	3.63	9.03
			RNTCP	2.39	10.52	0	0.11	13.02	8.87	4.15
			NLEP	1.80	0.60	0	0.04	2.44	1.48	0.96
			NPCB	2.29	12.87	0	0.06	15.22	13.69	1.53
			IDSP	2.46	2.01	0	0.25	4.72	2.04	2.68
			Pulse Polio	0.76	14.72	0	0	15.48	14.42	1.06
<b>Total</b>	<b>185.09</b>	<b>410.01</b>	<b>113.00</b>	<b>0.69</b>	<b>708.79</b>	<b>550.82</b>	<b>157.97</b>			
2010-11	1067.16	1010.73	RCH	138.56	542.07	130.09	0	810.72	659.31	151.41
			NRHM							
			Immunisation							
			NVBDCP	9.03	8.52	0	0.98	18.53	9.26	9.27
			RNTCP	4.15	8.60	0	0.12	12.87	11.72	1.15
			NLEP	0.96	0.98	0	0.10	2.04	1.36	0.68
			NPCB	1.53	10.00	0	0.13	11.66	7.07	4.59
			IDSP	2.68	1.98	0.60	0.10	5.36	2.45	2.91
			Pulse Polio	1.06	15.00	0	0	16.06	14.82	1.24
<b>Total</b>	<b>157.97</b>	<b>587.15</b>	<b>130.69</b>	<b>1.43</b>	<b>877.24</b>	<b>705.99</b>	<b>171.25</b>			
2011-12	1117.07	990.97	RCH	151.41	617.65	129.00	0	898.06	582.12	315.94
			NRHM							
			Immunisation							
			NVBDCP	9.27	8.40	4.86	0.08	22.61	10.53	12.08
			RNTCP	1.15	15.99	8.10	0.26	25.50	14.07	11.43
			NLEP	0.68	1.89	1.06	0.06	3.69	1.39	2.30
			NPCB	4.59	19.59	10.38	0.40	34.96	18.23	16.73
			IDSP	2.91	0.88	0.30	0.07	4.16	2.32	1.84
			Pulse Polio	1.24	7.77	0	0	9.01	2.37	6.64
<b>Total</b>	<b>3146.59</b>	<b>2964.06</b>	<b>Total</b>	<b>171.25</b>	<b>672.17</b>	<b>153.70</b>	<b>0.87</b>	<b>997.99</b>	<b>631.03</b>	<b>366.96</b>

Source: Data provided by State Health Society

It would be seen from **Table 3** that both Central and State shares increased during the period 2009-12. Though the total expenditure during 2010-11 increased by 28.17 per cent, there was decline in total expenditure during 2011-12 by 10.62 per cent over the previous year. The unspent balance increased from ₹ 157.97 crore in 2009-10 to ₹ 366.96 crore in 2011-12.

<sup>4</sup> RCH-Reproductive Child Health, NRHM-National Rural Health Mission, Universal Immunisation Programme, NVBDCP-National Vector Borne Disease Control Programme, RNTCP-Revised National Tuberculosis Control Programme, NLEP-National Leprosy Eradication Programme, NPCB-National Programme for Control of Blindness, IDSP-Integrated Disease Surveillance Programme and Pulse Polio Programme.



**Commissioner, Health Services**

During scrutiny of records of Commissioner, Health Services relating to budget provision, supplementary provision, re-appropriation/surrender, statement of expenditure as well as the State accounts, we noticed certain deficiencies in financial management and budgetary control as discussed in the following paragraphs.

**3.1.7.2 Significant savings**

As per Rule 91 of the Madhya Pradesh Budget Manual, the spending Departments are required to surrender the grants/appropriations or portions thereof timely to the Finance Department as and when savings are anticipated.

There were savings of ₹ 56.01 crore out of total provision of ₹ 85.46 crore

We noticed that in 17 out of 199 schemes, there were savings of ₹ 50 lakh and above, against the budget provision which ranged from 23 *per cent* to 100 *per cent* aggregating to ₹ 56.01 crore against the total provision of ₹ 85.46 crore during 2009-10 to 2011-12 (**Appendix-3.2**) Significant savings indicated slow implementation of the schemes.

We observed that these savings were not surrendered/re-appropriated, leaving no scope for utilisation of the funds for other schemes of the Government.

The Commissioner, Health Services stated (November 2012) that savings occurred mainly due to delay in completion of construction works. However appropriate steps would be taken so that this situation does not arise in future.

Supplementary provisions of ₹ 499.41 crore had not been utilised

As shown in **Table 2**, the funds were provided to the Department under Grant No.19, 41 and 64 in the original budget. We noticed that supplementary provisions of ₹ 591.90<sup>5</sup> crore were also made in these grants during the years 2009-10 to 2011-12. However, these extra funds had not been utilised to a great extent, as savings of ₹ 499.41 crore were noticed. These facts indicate lack of budgetary control.

The Commissioner Health Services stated (November 2012) that appropriate steps would be taken so that this situation does not arise in future.

**3.1.7.3 Rush of expenditure**

Para 92 of the Madhya Pradesh Budget Manual provides that rush of expenditure in the closing months of the financial year should be avoided. Incurring huge expenditure in the last quarter/month of a financial year is against financial propriety.

Expenditure incurred in March during 2009-12 ranged between 50 to 91 *per cent*.

Scrutiny of the records of the Commissioner, Health Services revealed that under 16 schemes<sup>6</sup> expenditure in the month of March during the years 2009-10 to 2011-12 ranged from 50 *per cent* to 91 *per cent* of the total annual expenditure as shown in **Appendix-3.3**.

This indicated deficient financial management and lack of uniform flow of expenditure, which is a primary requirement of budgetary control.

<sup>5</sup> Grant 19 – ₹ 452.56 crore, Grant 41 – ₹ 55.88 crore and Grant 64 – ₹ 83.46 crore.

<sup>6</sup> 11 State schemes, three NABARD schemes and two Central schemes

The Commissioner, Health Services stated (November 2012) that to avoid rush of expenditure in the last quarter/month of March, quarterly budget was being allotted.

The fact remains that even after allotment of quarterly budget in 2011-12, the rush of expenditure persisted during the year.

#### 3.1.7.4 Amount lying in Personal Deposit (PD) Account

Commissioner Health Services was operating a PD account (No.37) in which huge balances were lying at the end of the year, as detailed in the table below:

**Table-4: Details of transactions in PD account**

Year	Opening balance	Receipts	Total	Withdrawal	Closing balance
2009-10	127.99	6.93	134.92	69.05	65.87
2010-11	65.87	15.38	81.25	48.00	33.25
2011-12	33.25	44.14	77.39	59.49	17.90

(₹ in crore)

Source: Data collected from Treasury

Scrutiny of the PD account revealed the following:

- A total amount of ₹ 29.14 lakh<sup>7</sup> pertaining to departmental receipts (sale proceeds of tender forms, penalty and forfeited Earnest Money) was wrongly credited in the PD account instead of crediting sale proceeds to the Receipt Head of the Department, as required under the provision of Rule 7(i) of MPTC.
- Further, an amount of ₹ 58.06 lakh received from Bhopal Gas Tragedy Relief and Rehabilitation Department (BGTRRD) for procurement of drugs was lying in the Commissioner's PD account during the period 2009-12. This amount should either have been utilised for procurement of drugs for Bhopal Gas tragedy victims or refunded to BGTRRD.

Departmental receipt of ₹ 29.14 lakh wrongly credited to PD account and an amount of ₹ 58.06 lakh pertaining to other department was lying unutilised

The Commissioner, Health Services stated (November 2012) that amounts wrongly credited in PD account would be deposited to the concerned heads and the amount pertaining to BGTRRD would be refunded.

#### 3.1.7.5 Reconciliation of expenditure

With a view to enable the Controlling Officers to exercise proper control over expenditure, Rule 110 of the Madhya Pradesh Budget Manual and standing instructions of the Government provide that the Departmental figures of expenditure should be reconciled periodically with those recorded in the books of the Accountant General (Accounts and Entitlements) (AG-A&E) before the closing of the accounts for the year.

During scrutiny of records of the office of the Commissioner, Health Services, we observed that due to non-reconciliation of expenditure during the period

<sup>7</sup> ₹ 21.68 lakh-March 2011, ₹ 6.94 lakh January-2012 and ₹ 0.52 lakh – March 2012

2009-12 there were differences in the figures of expenditure provided by the Department and the figures booked in the AG (A&E)'s account under Major Heads 2210<sup>8</sup>, 2211<sup>9</sup> and 4210<sup>10</sup> of Grant No. 19, 41 and 64. The details are as under:

**Table -5: Difference of figures of expenditure between Department and AG (A&E) (₹ in crore)**

Difference of expenditure ranging from ₹ 5.42 crore to ₹ 17.55 crore between the department figures and those in books of AG(A&E) were not reconciled

Year	Expenditure booked by Accountant General (A&E)	As shown by the Department	Difference
2009-10	1211.44	1202.17	(-) 9.27
2010-11	1513.21	1507.79	(-) 5.42
2011-12	1893.08	1910.63	(+) 17.55

Source:- Detailed Appropriation Accounts and expenditure figures furnished by the Department.

The Commissioner stated (November 2012) that instructions were being issued for reconciliation of expenditure figures with the AG (A&E).

### 3.1.7.6 Security Deposit from officials handling Cash/Stores

Security Deposit of ₹ 26.02 lakh was not obtained from 527 officials dealing with cash/stores

Rule 282 of Madhya Pradesh Treasury Code (MPTC) Volume-I provides that the officials handling cash and stores were required to deposit a sum of ₹ 5000 as security deposit to safeguard the interest of the Government in case of any loss/misappropriation by them. Out of 41 test checked DDOs, we noticed that in 28 DDOs<sup>11</sup> the required security deposit amounting to ₹ 26.02 lakh was not obtained from 527 officials (Cashier: 125; Store Keeper: 402) who were dealing with cash/stores, in violation of the codal provisions.

All the DDOs stated that the required security deposit would be obtained from the concerned officials.

The Commissioner (November 2012) stated that suitable instructions have been issued.

### 3.1.7.7 Maintenance of Cash Book

Rule 53 of MPTC Volume-I provides that the DDO is required to verify cash personally at the end of each month and record analysis of the cash balance in the cash book under his signature. Daily totals of the cash book were to be

<sup>8</sup> 2210-Medical and Public Health  
<sup>9</sup> 2211-Family Welfare  
<sup>10</sup> 4210-Capital Outlay on Medical and Public Health

<sup>11</sup> CHS, Bhopal (₹ 0.10 lakh), CMHO-Balaghat (₹ 0.95 lakh), Barwani (₹ 0.40 lakh), Bhopal (₹ 0.80 lakh), Chhatarpur (₹ 0.10 lakh), Chhindwara (₹ 1.15 lakh), Khargone (₹ 3.70 lakh), Dhar (₹ 3 lakh), Dindori (₹ 1.80 lakh), Mandla (₹ 0.90 lakh), Ratlam (₹ 2 lakh), Sagar (₹ 2.55 lakh), Sehore (₹ 1.45 lakh), Shahdol (₹ 1.85 lakh), Tikamgarh (₹ 1.80 lakh), Ujjain (₹ 1.60 lakh) and Umariya (₹ 0.95 lakh), CS-Bhopal (₹ 0.05 lakh), Chhatarpur (₹ 0.04 lakh), Chhindwara (₹ 0.10 lakh), Khargone (₹ 0.10 lakh), Dhar (₹ 0.10 lakh), Ratlam (₹ 0.10 lakh), Sagar (₹ 0.10 lakh), Sehore (₹ 0.05 lakh), Shahdol (₹ 0.10 lakh), Tikamgarh (₹ 0.08 lakh) and Umariya (₹ 0.10 lakh).

checked by a person other than the writer of the cash book. Fortnightly verification of drawals was to be conducted with reference to the treasury voucher slips and computerised list of drawals obtained from the treasury at the end of each month.

**Codal provisions for maintenance of cash book were not followed by the 23 out of 41 DDOs**

Out of 41 DDOs, we noticed that in 23 DDOs<sup>12</sup>, the analysis of cash balance was not done at the end of the each month. Daily totals of transactions of the cash book were not checked by the person other than the writer of the cash book and physical verification of cash at the end of each month was not done. Violation of codal provisions of cash management may lead to misappropriation of cash by the person handling cash.

All the DDOs stated that the above observations would be taken care of in future.

On these being pointed out in audit, the Department issued instructions in November 2012 for strict compliance with the codal provision.

### **3.1.7.8 Maintenance of bill registers/budget control registers**

Rule 197 of MPTC Volume-I provides that each DDO should review the bill register monthly and record the results of such review. Rule 276 of MPTC Volume-I provides that the DDO is required to review the bill transit book twice a week to prevent any fraudulent drawal from the treasury and after review a certificate to this effect should be recorded. Further, Rule 52 of GFR and Rule 297 of MPTC Vol.-I provide that budget control register and contingent register for watching the contingent office expenditure should be maintained so that budget control mechanism is effective.

During scrutiny (March-September 2012) of such registers in 41 DDOs we noticed that the following DDOs did not comply with the above codal provision as detailed in **Appendix-3.4** and summarised in **Table 6**:

**Table-6: - Details of Accounts register not maintained/complied**

<b>Non-compliance with the codal provision</b>	<b>No. of DDOs involved</b>
Bill Register not reviewed	33
Bill Transit Book not reviewed	34
Budget Control Register not maintained	24
Contingent Register not maintained	18

All the DDOs replied that the codal provisions would be followed in future.

After we pointed this out, the Department issued instructions in November 2012 for strict compliance with the codal provision.

### **3.1.7.9 Inadmissible payment under four stage pay scales**

GoMP, PH&FW Department issued orders (August 2008) for promotion benefit in junior scales, senior scales, upper pay scales, senior upper pay scales to the doctors working as Health Officers, Dental Surgeons and Specialists effective from the date of issue with the approval of Finance Department. The

<sup>12</sup> CHS, Bhopal, CMHO-Balaghat, Barwani, Bhopal, Chhatarpur, Dhar, Dindori, Indore, Khargone, Ujjain, Ratlam, Sehore, Shahdol, Tikamgarh, CS-Bhopal, Chhatarpur, Chhindwara, Dhar, Indore, Ratlam, Sehore, Shahdol and Ujjain

eligibility criterion was completion of six years of service as on 26 August 2008, in the existing pay scale.

Further, an order was issued in May 2009 by the Department allowing the benefit from the date of appointment on notional basis up to August 2008 and actual benefit would be given from August 2008. For the change, approval of Finance Department was not obtained.

In May 2012, PH&FW Department cancelled the orders issued in May 2009. Government issued (June 2012) another order to recover the excess payment made due to notional fixation.

**Pay benefits were worked out at the higher side, resulting in inadmissible payment of ₹ 3.85 crore to 210 officials**

On scrutiny of records and information furnished by 26 test checked DDOs, we observed that in 210 test checked pay fixation cases, fixations under four stage pay scales were calculated notionally from the date of appointment. As a result, inadmissible pay amounting to ₹ 3.85 crore (approx) was paid to 210 employees during various periods (from 26 August 2008 to 31 March 2012) as mentioned in **Appendix-3.5**. Besides, other allowances admissible on excess pay would also be recoverable.

The Commissioner Health Services stated (November 2012) that orders regarding recovery of excess payment have been issued in June 2012. The orders of June 2012, however, stated that the excess payment should be adjusted against the arrear pay arising out of Sixth Pay Commission recommendations. Further scrutiny revealed that the excess payment was not yet recovered (October 2012).

#### ***Mission Director, State Health Society, NRHM***

##### ***3.1.7.10 Delay in submission of Utilisation Certificate***

Implementation framework of NRHM envisaged that the first installment of GoI share was to be released in April/May every year. The second installment was to be released in September/October based on the progress in implementation and submission of audited accounts/utilisation certificates (UCs) in respect of the funds utilised in the previous year. Thus, in order to ensure timely receipt of the second installment, the State Government was to submit the UCs within the month of August.

**Delay in submission of UCs resulted in delay in release of GoI funds**

We observed that while the UCs for the year 2009-10 were sent in August 2010, the UCs for 2010-11 and 2011-12 were submitted in November 2012. Due to delay in submission of UCs by SHS, release of second instalment of GoI grant was delayed up to the month of March in all the years.

Receipt of funds from GoI at the end of the year also resulted in huge balances lying in bank accounts.

The Commissioner Health Services stated (November 2012) that every year generally Central funds are received in four to five installments even after submission of UCs in time.

The reply was not acceptable as the Department did not ensure timely submission of the UCs.

### 3.1.7.11 Non-receipt of State share under Family Welfare Programme

As per instructions issued by PH&FW Department (December 2007), expenditure on contingencies, Petrol Oil Lubricants (POL) and fees of the assistants to doctors under the Family Welfare Programme was to be borne by the State Government.

Incidental expenditure of ₹ 1.29 crore on family planning operations to be borne by the State Government were spent from programme funds

We observed that in seven<sup>13</sup> test-checked DHSs, ₹ 1.29 crore was spent during the period 2009-12 on account of POL, fees of assistant, contingencies and miscellaneous expenses for conducting 2,32,330 family planning operations as shown in **Table 7** below:

**Table-7: Non receipt of State share for family planning cases**

Year	NSVT <sup>14</sup> at ₹ 47 per case		LTT <sup>15</sup> at ₹ 57 per case		CTT <sup>16</sup> at ₹ 42 per case	
	(₹ in lakh)					
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
2009-10	3961	1.86	53263	30.36	4323	1.82
2010-11	5585	2.62	79278	45.19	6582	2.76
2011-12	2669	1.26	70782	40.35	5887	2.47
<b>Total</b>	<b>12215</b>	<b>5.74</b>	<b>203323</b>	<b>115.90</b>	<b>16792</b>	<b>7.05</b>

Source: District Health Societies

We also observed that the amount spent by the DHSs was not recouped by the CMHOs as of March 2012.

In the exit conference, the Commissioner stated (November 2012) that the matter would be investigated and needful would be done.

### 3.1.7.12 Release of funds at the fag end of the year

The funds received from GoI/State Government were to be transferred by SHS to DHSs for onward transmission to block and village level field functionaries without any delay so that activity-wise targets fixed in the District Health Action Plan (DHAP) for the year could be achieved in the same year.

Funds ranging from ₹ 4.40 crore to ₹ 42.76 crore were released by SHS to DHS at the end of the year

We noticed that during the years 2009-10 to 2011-12, scheme funds ranging from ₹ 4.40 crore to ₹ 42.76 crore were transferred by SHS to DHSs at the end of the financial year (15<sup>th</sup> March to 31<sup>st</sup> March). We also noticed that of the 18 selected DHSs, 14 DHSs released funds ranging from ₹ 1.98 crore to ₹ 5.35 crore to the field functionaries at the end of the year (15<sup>th</sup> March to 31<sup>st</sup> March) as detailed in **Appendix-3.6**.

<sup>13</sup> DHS-Chhatarpur, Chhindwara, Dhar, Dindori, Mandla, Sehore and Umaria.  
<sup>14</sup> Non-Scalpel Vasectomy  
<sup>15</sup> Laparoscopic Tubectomy  
<sup>16</sup> Conventional Tubectomy

The release of funds to DHS and field functionaries at the fag end of the year makes it difficult to execute the activities and incur the expenditure judiciously.

The Commissioner stated (November 2012) that funds were released in the account of DHS directly in proportion of their total outlay. Funds were not released activity-wise and no activity was affected for want of funds at district level or below.

The reply was not in order because due to delayed release of funds significant unspent balances were noticed at district level and below.

### **3.1.7.13 Inter-scheme transfer/diversion of funds**

As per instructions issued by GoI, funds were required to be spent on earmarked activities/scheme and any inter-scheme transfers/diversion was not permitted without approval of the GoI.

**Inter-scheme transfer of ₹ 90 crore at SHS level was noticed, of which ₹ 21 crore was not recouped as of March 2012**

During the years 2009-10 to 2011-12, 14 instances of inter-scheme transfers involving ₹ 90 crore were noticed. There was nothing on record to indicate that GoI approval was obtained for the temporary diversion of scheme funds. As of March 2012 a total amount of ₹ 21 crore was not recouped to the schemes from which transfers were made, as detailed in **Appendix-3.7**.

The Commissioner stated (November 2012) that State share (15 per cent) received by SHS is deposited in NRHM Mission Flexipool, which is transferred to other schemes wherever necessary.

The reply is not acceptable in the light of GoI instructions. Besides, the entire funds of inter-scheme transfer were not taken back to the original scheme as mentioned above.

### **3.1.7.14 Non-adjustment of advances**

SHS did not frame any purchase/procurement policy of medicines, equipment, materials etc. However, purchases/procurement of medicines, equipments, materials, etc. were made through Director Health Services (Drug Cell) by giving advances for purchase of medicines/material.

As per directives issued by GoI (April 2011), age-wise analysis of advances must be conducted at all levels and reminders for settlement of advances and refund of unspent balances must be issued quarterly and pursued vigorously. We observed non-adherence to the directives of GoI, as discussed below:

**Advance of ₹ 55.55 crore released to PH & FW before March 2008 remained outstanding as of March 2012**

During scrutiny of records and information furnished by SHS, we observed that advances amounting to ₹ 91 crore paid by the SHS to the Director, PH&FW for purchase of medicines, kits etc. were shown as outstanding as on 31 March 2008. But the opening balance on 1 April 2008 was shown as ₹ 48.03 crore, which was less by ₹ 42.97 crore than the closing balance shown in the Advance ledger. Out of ₹ 48.03 crore, ₹ 35.45 crore were adjusted as of March 2012, leaving a balance of ₹ 12.58 crore. However, the short

accounting of ₹ 42.97 crore in the advance ledger on 1 April 2008 was not reconciled by the SHS as of March 2012.

₹ 1.18 crore released for purchase of medicine to Drug Cell of PH&FW in March 2011 remained unadjusted as of March 2012

Further, SHS advanced (March 2011) ₹ 1.40 crore to Director, PH&FW for purchase of medicines under NVBDCP<sup>17</sup>. Of this, ₹ 0.22 crore was utilised for purchase of medicines and ₹ 1.18 crore remained unadjusted. Thus, SHS did not ensure proper utilisation and timely adjustment of the advances.

In the exit conference, Commissioner, Health Services and Ex-Officio Secretary (November 2012) stated that the advances would be adjusted on receipt of UCs and differences in figures would be reconciled.

The reply was not acceptable because SHS is responsible for ensuring timely utilisation of the funds given as advances and conducting regular reconciliation for settlement of the differences.

### 3.1.8 Programme Management

Implementation of the Central schemes, viz., NRHM, RCH and Immunisation and State schemes, viz. Deendayal Antyodaya Upchar Yojana, Rajya Bimari Sahayata Nidhi, Mukhya Mantri Bal Hriday Upchar Yojana and establishment of Trauma Care Centre were examined during the course of audit and the shortcomings noticed are discussed in succeeding paragraphs:

#### Commissioner, Health Services

##### 3.1.8.1 Deen Dayal Antyodaya Upchar Yojna

Guidelines of Deendayal Antyodaya Upchar Yojna (DDAUY) issued in September 2004 envisaged that free treatment under the scheme would be given to indoor patients<sup>18</sup> of SC/ST people holding BPL cards. From July 2006 the scope of scheme was extended to BPL card holders of General category also. The scheme envisaged that necessary entries regarding treatment (cost of medicines and charges of tests/investigations etc.) should be made regularly on the health cards issued to beneficiaries along with the entries in the separate inventory records kept in the hospitals. The funds for this Scheme were not to be utilised in any other schemes.

The funds allotted and expenditure incurred during 2009-12 on the scheme was as under:

**Table-8: Budget and expenditure under DDAUY in the State**  
(₹ in crore)

Year	Total budget	Expenditure incurred
2009-10	29.65	25.39
2010-11	29.10	26.75
2011-12	29.81	28.30
<b>Total</b>	<b>88.56</b>	<b>80.44</b>

Source: Commissioner of Health Services

<sup>17</sup> National Vector Borne Disease Control Programme

<sup>18</sup> Annual treatment cost up to ₹ 20,000 per family, which was revised to ₹ 30,000 (September 2011)



**Expenditure of ₹ 13.43 crore was incurred without observing the procedures prescribed in guidelines**

We observed that in 17 test-checked DDOs, expenditure of ₹ 13.43 crore was incurred under DDAUY on treatment of 5.85 lakh patients during the years 2009-10 to 2011-12 as detailed in **Appendix -3.8**.

The deficiencies noticed by Audit during the scrutiny of records of test-checked CHCs/PHCs and CMHO offices are discussed below:

- (i) Though envisaged in the Scheme guidelines, separate inventory of medicines for DDAUY was not maintained by the CMHOs and value of medicines issued under DDAUY was not entered in the issue vouchers and the registers of medicines indicating issues to the subordinate units viz. CHCs and PHCs. Hence, Audit could not ascertain the actual expenditure incurred under this scheme with reference to the limits prescribed under the guidelines.
- (ii) Separate records relating to expenditure incurred on medicines issued to the patients and charges of tests for diagnosis were not maintained by any CH, CHC/PHC in the test-checked DDOs.
- (iii) The Nodal officer, who was to check the records, was not appointed by CHS at district level. Besides, as per instructions issued (September 2004) by the Director, Health Services, 10 *per cent* cases of beneficiaries were to be verified by CMHO to ensure that the benefits of scheme were not being given to ineligible patients. There was nothing on record to show that the verification was done by the test checked CMHOs.

Thus, the CMHO/CS did not ensure that the benefit of the scheme was provided only to the eligible beneficiaries and the funds were utilised for the intended purpose.

The CMHO/CS stated (March to September 2012) that instructions for maintenance of proper records as envisaged in the guidelines would be issued to concerned officials.

The Commissioner Health Services stated (November 2012) that corrective measures would be taken after investigation.

### **3.1.8.2 *Rajya Bimari Sahayata Nidhi*<sup>19</sup>**

Raja Bimari Sahayata Nidhi Scheme provides for financial assistance on treatment of BPL patients for 20 notified diseases<sup>20</sup>. The monetary limit prescribed per case is up to ₹ 1 lakh by district level authority and up to ₹ 2 lakh by State level authority, which is sanctioned by a management committee. The amount is paid directly to the selected empanelled health

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<sup>19</sup> State Illness Assistance Fund

<sup>20</sup> Cancer, Renal Surgery and Renal Transplantation, Hip Joint Replacement, Replacement of Knee, Brain Injury, Spinal Surgery, Retinal Detachment, Post Delivery Complications, Heart Surgery, Thoracic Surgery, Brain Surgery, Neuro Surgery, MDR, Pace Maker, Vascular Surgery, Congenital Male Formation, Aplastic Anemia, Burn and Post Burn Conductor, Chronic Renal Diseases, Swine Flu (C-Category)

institution, as an advance, on the basis of estimate. After the treatment, a detailed expenditure statement was to be obtained along with the certified copy of discharge ticket and utilisation certificates (UCs) from the concerned institution/hospital.

**Detail expenditure statement of treated patients and UCs of ₹ 62.75 crore were not obtained from the health institutions**

In 14 out of 19 test checked DDOs<sup>21</sup>, we noticed that against the total assistance of ₹ 79.40 crore provided in 6848 cases, only in 1437 cases UCs amounting to ₹ 16.65 crore were received during 2009-10 to 2011-12, as detailed in *Appendix-3.9*. However details of expenditure were not furnished along with the UCs by the concerned health institutions.

We further observed that details of treatment, period of treatment, expenditure incurred by the health institutions, etc. were not obtained from the institutions. The unspent amount, if any, was also not received back from the institutions. Due to non-receipt of the details of expenditure against the advances paid, it could not be ascertained whether the expenditure was incurred on intended purposes.

The Commissioner stated (November 2012) that a time limit of three months has been fixed for the institution to furnish the UCs along with detailed expenditure statement.

### **3.1.8.3 Mukhya Mantri Bal Hridaya Upchar Yojna<sup>22</sup>**

Mukhya Mantri Bal Hridaya Upchar Yojna (MMBHUY) was introduced (July 2011) in the State to provide free surgery/treatment for heart diseases to children aged 0-15 years who are unable to bear the cost of treatment. Under the scheme assistance up to ₹ 1 lakh would be provided for treatment of the beneficiary for getting surgery/treatment in Government or authorised private hospitals. The list of cases approved by a Divisional Committee along with relevant papers is to be sent by the Head of Divisional Committee to the State Co-ordinator for sanctioning of funds. The scheme guidelines (July 2011), however, do not contain any instructions regarding follow-up of the advances paid to the hospitals.

**Scheme did not provide for obtaining UCs and details of expenditure incurred against the advances paid to Government and Private Hospitals for treatment of patients**

Scrutiny of records of Commissioner, Health Services, Bhopal revealed that an amount of ₹ 6.94 crore for 710 cases was paid to eight private hospitals and ₹ 0.55 crore for 61 cases was paid to two Government hospitals during the period from July 2011 to March 2012. We further observed that despite involvement of private hospitals, the scheme did not provide for obtaining utilisation certificates (UCs) and detailed expenditure statement against the amounts advanced to the hospitals. Out of 771 cases for which ₹ 7.49 crore was paid, details of expenditure/UCs pertaining to only 449 cases amounting to ₹ 4.40 crore<sup>23</sup> was received (January 2013) by the DDOs.

<sup>21</sup> The Commissioner, Health Services and 18 CMHOs who are authorised to sanction funds under the scheme.

<sup>22</sup> Chief Minister Child Heart Treatment Scheme

<sup>23</sup> Government hospitals : ₹ 12 lakh (12 cases); Private hospitals: ₹ 4.28 crore (437 cases)

The Commissioner Health Services stated (November 2012) that instructions have been issued (October 2012) to obtain UCs from the concerned institutions.

The facts remains that in the absence of proper guidelines or specific instructions, there was lack of follow-up of the advances paid by the DDOs.

#### **3.1.8.4 Establishment of Trauma Care Centre**

For upgradation of emergency facilities in Government hospitals located on National Highways, GoI accorded (February 2006) sanction of ₹ 1.50 crore (₹ 20 lakh for ambulance and equipment, ₹ 61.50 lakh for civil works, ₹ 1 lakh for communication system and ₹ 67.50 lakh for equipment and furniture) for setting up a Trauma Care Centre at District Hospital Guna situated on the National highway. The Department also sanctioned (October 2006) posts of three Specialists, four Staff Nurses, two Dressers and four Ward boys for the Trauma Care Centre.

**Despite incurring an expenditure of ₹ 1.06 crore on civil works and procurement of machine/equipment, the proposed trauma care centre could not be established**

Scrutiny of records revealed that civil work was completed in September 2008 at a cost of ₹ 61.50 lakh and machines, equipment and furniture costing ₹ 44.93 lakh were procured during the year 2009-10. However, there were no records to show that any initiative was taken to procure the remaining equipment viz., ambulance, colour doppler, portable x-ray machine, central oxygen and succession machine, communication system etc. An unspent amount of ₹ 56.51 lakh including interest was lying unutilised in the bank account as of February 2013. Further, the sanctioned posts of the centre were also not filled up except for dressers. Thus, even after incurring an expenditure of ₹ 1.06 crore the Trauma Care Centre could not be established in the last six years.

The Commissioner, Health Services stated (November 2012) that machines and equipment were procured and the posts were sanctioned, but posting of manpower was yet to be done.

The reply was not acceptable as some machines and equipments required for the Centre were yet to be procured and the Commissioner was competent to post the staff.

#### **3.1.8.5 Bio-Medical Waste Management**

As per provisions of Rule 8 of Bio-Medical Waste (BMW) (Management and Handling) Rules 1998, every occupier of an institution generating, collecting, receiving, storing, transporting, treating, disposing and/or handling BMW in any other manner, except such occupier of clinics, dispensaries, pathological laboratories, blood banks providing treatment/service to less than 1000 patients per month, should obtain authorisation certificate from the prescribed authority i.e. Madhya Pradesh Pollution Control Board (MPPCB).

The Hon'ble High Court had also issued orders (May 2009) that only such persons/institutions will handle BMW who are authorised by MPPCB. Further, Health Department issued instructions (May 2010) that if any

institution or health facility centre stores, transports, treats and disposes of the BMW at their own arrangement other than the Common Bio-medical Waste Treatment Facility (CBWTF<sup>24</sup>), the institution/centre has to obtain a separate authorisation certificate from MPPCB.

During scrutiny of records in the sampled districts related to management and handling of BMW in the health institutions, we observed that out of 80 test-checked health centres, only 16 health centres obtained authorisation for generating BMW. Out of these, 43 units have hired CBWTF for disposal of BMW. The remaining 37 health centres were disposing BMW by their own arrangements without obtaining any authorisation for the same. The details are shown in **Table 9**:

**Table -9: Status of obtaining BMW authorization in health centres**

Type and number of health institutions which required authorisation for generating of BMW		Generation of BMW		Disposal of BMW		
		Number of units which obtained authorisation certificate	Number of units which do not have authorisation certificate	Number of units which have hired the services of CBWTF	Number of units where BMW is being disposed by own arrangement without having authorisation certificate	Unit not maintaining detailed records of BMW
District Hospital	03	01	02	02	01	03
Civil Hospital	06	02	04	05	01	06
CHC	60	12	48	33	27	60
PHC (6 bedded)	11	01	10	03	08	11
<b>Total</b>	<b>80</b>	<b>16</b>	<b>64</b>	<b>43</b>	<b>37</b>	<b>80</b>

Source: Information collected from CMHO/CS

Audit observed the following:

- As envisaged in BMW Rule 6(5), no untreated BMW shall be kept or stored beyond a period of 48 hours. We noticed that 13 DDOs<sup>25</sup> out of 36 test-checked CSs and CMHOs had hired the services of CBWTF. However, collection of BMW from health institutions under these DDOs was being done with a delay of three to 15 days by CBWTF, as stated by the officials in these institutions.
- None of the 80 health institutions kept category-wise<sup>26</sup> records relating to BMW, which is a pre-requisite to obtain the authorisation certificate from MPPCB.
- There was nothing on record to show that the work of segregation, packing and tagging of BMW was being done in the 80 test-checked institutions. Hence, the possibility of mis-handling of BMW could not be ruled out.

<sup>24</sup> There are private agencies who provide treatment facilities for BMW generated in the health care centres.

<sup>25</sup> All health centres under the jurisdiction of CMHO-Balaghat, Chhindwara, Dindori, Khargone, Mandla, Ujjain, CS-Balaghat, Chhindwara, Dindori, Indore Mandla and Shahdol and Umaria.

<sup>26</sup> Human anatomical waste, Microbiology and Biotechnology waste, waste sharps, discarded medicines and cyto-toxic drugs, solid waste, liquid waste and chemical waste.

The Commissioner Health Services assured (November 2012) that corrective measures would be taken after investigation.

**Mission Director, State Health Society**

**3.1.8.6 Non-implementation of activities included in approved PIP**

In view of implementation of NRHM/RCH/Immunisation programmes, the SHS prepares a consolidated health action plan every year comprising activities and interventions related to maternal health, child health, family planning, infrastructure and human resource, institutional strengthening and capacity building etc. which are to be executed/implemented within the same financial year so that the intended benefits could reach the rural population.

66 activities included in Programme Implementation Plan were not taken up

We observed that the approved PIPs for the years 2009-12 included 66 activities involving ₹ 75.19 crore which were planned for strengthening of health institutions, hiring of services of specialists, medical officers and para-medical staff, capacity building of medical officers, para-medical staff and community workers, procurement of ambulance, machines and equipments, gap analysis and baseline assessment, Information Education and Communication (IEC) activities, construction of buildings to IPHS standards etc. Scrutiny of the activity-wise progress reports of the SHS, however, revealed that no expenditure was incurred against these items of activities. The details are given in **Appendix-3.10**.

Non-implementation of the GoI schemes under RCH, NRHM and Immunisation programme affected achievement of the objectives of the Mission.

The Commissioner stated (November 2012) that after proper investigation, the needful would be done.

**3.1.8.7 Establishment of health care facility centres**

NRHM aims at bridging the gaps in the existing capacity of rural health infrastructure. The NRHM framework had set the target of providing one SHC for 5000 population (3000 in tribal area), one PHC for 30,000 population (20,000 in tribal area) and one CHC for 1,20,000 population (80,000 in tribal area).

Scrutiny of PIP and Administrative Reports of the Department in the State revealed that there was shortfall in establishment of health care centres as of December 2012, as detailed below:

**Table -10: - Number of health care centres required, established and shortfall**

Name of health care centre	Health care centres required as per 2011 Census	Number of health care centres proposed in PIP (Census 2001)	Number of health care centers as of December 2012	Shortfall as per 2011 Census (per cent)	Shortfall against PIP (per cent)
Community Health centre	438	333	332	106 (24.20)	01
Primary Health Centre	1751	1713	1156	595 (34)	557 (32.51)
Sub-Health Centre	10508	10194	8765	1743 (17)	1429 (14)

The number of health centres required as per population norms could not be established

Source: Data supplied by Mission Director NRHM

Due to shortage of health centres, the Government cannot provide health care facilities as per norms based on population.

The Commissioner Health Services stated (November 2012) that a plan was being formulated to establish the required health centres in accordance with the availability of finances and human resources.

### **3.1.8.8 Deficient facility in hospital buildings compared to the norms of Indian Public Health Standards (IPHS)**

The National Rural Health Mission, Ministry of Health and Family Welfare, Government of India seeks to bring the health centres at par with IPHS to provide round the clock hospital-like services. Accordingly, to ensure availability of standard health care services, IPHS had set the benchmarks in respect of CHC, PHC and SHC for infrastructure including building.

Compared to the IPHS norms, significant deficiencies of facilities were noticed in health care centres

We observed that none of the 332 CHCs, 1156 PHCs and 8761 SHCs established as of December 2011 in the State fulfilled all the IPHS norms.

An analysis of the information furnished by the SHS revealed the following:

- i) Out of 332 CHCs, 53 were running without operation theatre and emergency room.
- ii) 33 CHCs, 448 PHCs and 8630 SHCs had no labour/delivery room.
- iii) Blood storage facility was not available at 306 CHCs. 903 PHCs and 27 CHCs had no 24x7 emergency services.
- iv) 704 PHCs and 24 CHCs were running without the facility of new born corner. Further, 448 PHCs were running without facility of obstetric care.
- v) 1110 PHCs and 103 CHCs did not have X-ray facility and diagnostic services. Facility for internal examination during gynaecological testing was not available at 448 PHCs. Details are shown in **Appendix-3.11**.

Thus, the aim of NRHM to bring the health centres at par with IPHS to provide hospital like facility round the clock could not be achieved.

The Commissioner, Health Services stated (November 2012) that considering the huge infrastructure gap and available resources, the State has identified the facilities for upgradation and construction as per IPHS norms. The achievement of these standards could be extended for five years and would be done in phases.

The fact remains that the infrastructure and facilities according to IPHS norms could not be made available to the people despite availability of huge funds during the Mission period (2005-12).

#### ***Establishment of AYUSH<sup>27</sup> unit***

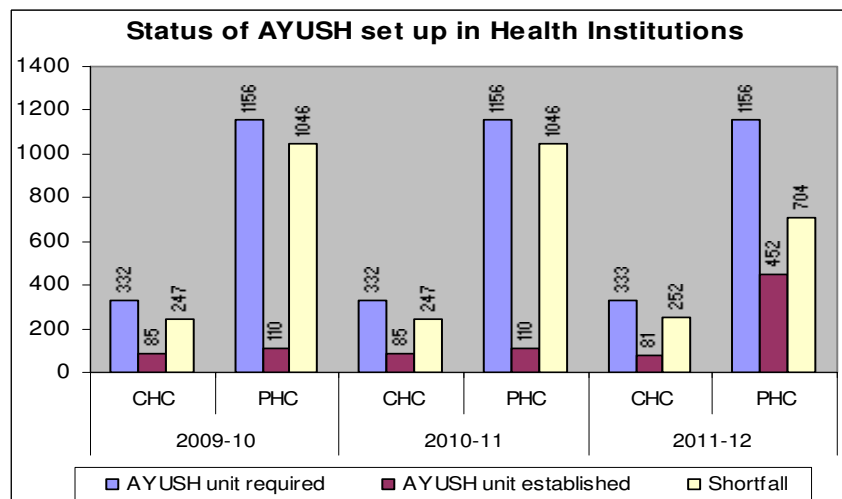
Significant shortfall (61 to 90 per cent) in establishment of AYUSH units

Under NRHM, a separate AYUSH unit was to be set up in each CHC and PHC to revitalise local health traditions. The outpatient services were to be strengthened by posting/appointment of AYUSH doctors on contractual basis over and above the Medical Officer posted there.

<sup>27</sup> Ayurveda, Yoga, Unani, Siddha and Homeopathy.

Scrutiny of records and information furnished by SHS regarding AYUSH unit revealed that even seven years after introduction of NRHM, there was significant shortage of AYUSH units in the CHCs/PHCs, as shown in the chart below:

Chart-1



Source: Data furnished by State Health Society.

It is evident from the above chart that 61 per cent to 90 per cent shortfall existed in the CHCs and PHCs in establishing AYUSH units. Further scrutiny of records revealed that against allotment of ₹ 43.16 crore during the period 2009-12 expenditure incurred was only ₹ 17.42 crore (40 per cent).

Thus, the SHS could not provide facility of alternative systems of medicines despite availability of funds.

The Commissioner, Health Services stated (November 2012) that the gap would be identified and covered in the next PIP.

### 3.1.8.10 Establishment of vision centre

The main objective of the National Programme for Control of Blindness (NPCB) is to reduce the rate of blindness in the country. According to the NPCB guidelines, vision centres were to be established in PHCs for ophthalmic treatment and Ophthalmic Assistants were to be appointed on contractual basis.

Scrutiny of records in the office of the Commissioner, Health Services revealed that during 2010-12, ₹ 45 lakh was released (June 2010, ₹ 20 lakh and January 2012, ₹ 25 lakh) to 42 district CMHOs for purchasing apparatus for 90 vision centres at ₹ 50,000 for each. These centres were to be established within three months. However, only 56 vision centres were established at a cost of ₹ 28 lakh in 25 districts as of January 2013. The remaining amount of ₹ 17 lakh was lying unutilised with 17 district CMHOs.

Thus, the objective of controlling blindness was not fully achieved.

**34 vision centres in 17 districts could not be established and ₹ 17 lakh was lying unutilised**

The Commissioner, Health Services stated (November 2012) that establishment of vision centres in the remaining districts was in progress.

### 3.1.8.11 Blocking of funds for development of eye clinics

Under NPCB, funds for non-recurring assistance at ₹ 40 lakh (for each unit) for development of pediatric eye units, retina units, low vision units etc. were provided (December 2009) to five<sup>28</sup> Medical Colleges.

Even after available funds of ₹ 80 lakh, two medical colleges could not procure equipments for eye patients

During scrutiny of records, we noticed that ₹ 2 crore was provided to the Medical Colleges for upgradation of the existing Ophthalmology department and procurement of ophthalmic equipment during 2009-10. As per information furnished by SHS, the funds were lying unutilised with the Medical Colleges as of March 2012.

The Commissioner stated (November 2012) that Medical Colleges Indore, Gwalior and Jabalpur have utilised the funds during September-October 2012. The Medical College, Rewa did not purchase the ophthalmic equipment and no information was furnished by Medical College, Bhopal.

### 3.1.8.12 Achievement against targets set for immunisation

Significant shortfall in achieving target against immunisation programme was noticed

Routine Immunisation is an important child survival strategy, which mainly focuses on preventive aspects to reduce morbidity to a great extent. The immunisation of children (0 to 24 months) for six preventive diseases, namely diphtheria, measles, pertussis, polio, tetanus and tuberculosis, have been the cornerstone of Routine Immunisation under the Universal Immunisation Programme.

The achievement against targets set for immunisation programme is given below:

**Table -11: Target, achievement and shortfall in immunisation**

(figures in lakh)

Year	Target	Diphtheria, Pertussis and Tetanus (DPT)		Oral Polio Vaccine (OPV)		Bacillus Calmette Guerin (BCG)		Measles	
		Achievement	Short-fall	Achievement	Short-fall	Achievement	Short-fall	Achievement	Short-fall
2009-10	18.96	17.70	1.26 (7%)	17.68	1.28 (7%)	18.36	0.60 (3%)	17.48	1.48 (8%)
2010-11	19.28	16.35	2.93 (15%)	16.37	2.91 (15%)	16.31	2.97 (15%)	16.23	3.05 (16%)
2011-12	17.21	15.72	1.49 (9%)	14.29	2.92 (17%)	15.37	1.84 (11%)	15.44	1.77 (10%)
<b>Total</b>	<b>55.45</b>	<b>49.77</b>	<b>5.68</b>	<b>48.34</b>	<b>7.11</b>	<b>50.04</b>	<b>5.41</b>	<b>49.15</b>	<b>6.30</b>

Source: Administrative Report of the Department

<sup>28</sup>

Bhopal, Gwalior, Jabalpur, Indore and Rewa



In view of the shortfall noticed during the year 2010-11, SHS reduced the targets in 2011-12, but the achievement had further gone down during 2011-12, reflecting adversely on the efficiency and effectiveness of the programme implementation. Short achievement in immunisation lessens the scope of preventive health care for the children.

The Commissioner Health Services stated (November 2012) that during the period 2009-11 targets were fixed on the basis of child birth rate, but during 2011-12 targets were fixed on the basis of census data; late availability of vaccines was one of the reasons for not achieving the target during 2011-12.

The reply was not acceptable as the Department did not ensure availability of vaccines even for the reduced targets in 2011-12.

### **3.1.8.13 Antenatal care**

NRHM framework envisages that under antenatal care early detection and registration of all pregnancies was required, ideally within the first trimester (before 12th week of pregnancy) and care to be given to expecting women according to gestational age of the foetus. A minimum of four antenatal check-ups was prescribed: the first visit to the antenatal clinic was to be done as soon as pregnancy was suspected; second between 4<sup>th</sup> and 6<sup>th</sup> month (around 26 weeks), third at 8<sup>th</sup> month (around 32 weeks) and last at 9<sup>th</sup> month (around 36 weeks). Further, services associated with antenatal care like general examination, measurement of weight, blood pressure, anaemia, height and breast apart from iron and folic acid supplementation are also provided during the pregnancy period. Administering Tetanus Toxoid injection and identification of high-risk pregnancies and prompt referral counselling are also included.

The status of registration of pregnant women in the first trimester as well as institutional deliveries is as below:

**Table-12: Number of pregnant women registered/number registered within first trimester of pregnancy/number of institutional deliveries**

*(figures in lakh)*

Year	Number of pregnant women registered in the State	Number of women registered within first trimester of pregnancy	Number of women with three ANC check-ups	Total deliveries	Total institutional deliveries
2009-10	19.93	9.30 (47%)	16.28 (82%)	16.08	12.92 (80%)
2010-11	20.28	9.94 (49%)	15.84 (78%)	15.93	13.35 (84%)
2011-12	19.41	9.58 (49%)	14.86 (77%)	14.85	12.79 (86%)

Source: Information supplied by SHS

Of the total registered pregnant women, only 47 to 49 per cent women were registered in the first trimester

The table shows that the rate of institutional delivery showed a rising trend, but low registration of pregnant women in the first trimester and the number of women with three ante-natal check-ups was decreasing during the last three years. The shortfall indicates lack of awareness generation by the Department. During the period 2009-12, number of institutional deliveries was 80 to 86 per cent of the total deliveries.

The Commissioner Health Services stated (November 2012) that all ASHAs are trained with Auxiliary Nurse Mid-wife (ANM)/Lady Health Visitor (LHV) which will help in timely detection of pregnancy.

#### **3.1.8.14 Availability of Accredited Social Health Activist (ASHA)**

The NRHM framework envisages providing one ASHA in every village with a population of 1000. For tribal, hilly and desert areas, the norm could be relaxed for one ASHA per habitation depending upon the work load. ASHA is the interface between the community and the public health system and ASHA acts as the nodal person for assessing the local health needs. The information collected by them is used for preparation of grass root level health plans, which becomes inputs for the State Health Action Plan. ASHAs were to undergo seven modules of induction training by 2011-12.

**Only 32,120 ASHAs were trained in all the seven modules, against 56,097 ASHAs recruited**

We noticed that against the requirement of 56,941 ASHAs, 56,097 ASHAs were recruited up to October 2012. Further, only 32,120 ASHAs were trained in all the seven modules and 10,285 ASHAs were trained up to fifth module. The remaining 13,692 ASHAs were not trained even up to fifth module. Shortfall in selection and training of ASHA affects the objectives of NRHM adversely in villages.

The Commissioner Health Services stated (November 2012) that most of the women in the villages do not fulfill the minimum qualification of 5<sup>th</sup> class pass, hence the required number of ASHAs could not be selected. However, a proposal was pending at Government level to select literate women.

The fact remains that due to shortage of ASHA the rural population was deprived of the services which were to be delivered by them.

#### **3.1.8.15 Utilisation of grant for maintenance of infrastructure and Rogi Kalyan Samiti**

Under NRHM, as per norms fixed<sup>29</sup> by the GoI, untied grant for local health action (expenditure on medicines etc.) and annual maintenance grant for improvement and maintenance of physical infrastructure (repair of building and equipment) and Rogi Kalyan Samiti (RKS) grant for bringing community ownership in running of Rural Hospital and Health centres is released by SHS to DHS. In turn, DHS releases the same to the field functionaries viz. District Hospital, Civil Hospital, CHC, PHC, SHC, Village Health and Sanitation Committee (VHSC) and RKS.

**Available fund of ₹ 22.71 crore for untied, maintenance and RKS grant could not be utilised**

During scrutiny of records of SHS, we noticed under utilisation of these grants as reflected from huge unspent balances of ₹ 22.71 crore as of March 2012, as detailed below:

<sup>29</sup> Untied Grant – CHC: ₹ 50000, PHC: ₹ 25000, SHC: ₹ 10000, VHSC: ₹ 10000.  
Maintenance Grant – CHC: ₹ 1.00 lakh, PHC: ₹ 50000, SHC: ₹ 10000.  
RKS Grant–DH: ₹ 5.00 lakh, CH: ₹ 1.00 lakh, CHC: ₹ 1.00 lakh and PHC: ₹ 1.00 lakh

**Table -13 – Position of untied, maintenance and RKS grant**

(₹ in crore)

Year	Name of grant	Amount available	Amount utilised	Amount un-utilised balance
2009-10	Untied	66.67	26.18	40.49
	Maintenance	14.14	10.37	3.77
	RKS	14.54	10.10	4.44
	<b>Total</b>	<b>95.35</b>	<b>46.65</b>	<b>48.70</b>
2010-11	Untied	68.83	37.61	31.22
	Maintenance	14.19	9.73	4.46
	RKS	15.19	10.22	4.97
	<b>Total</b>	<b>98.21</b>	<b>57.56</b>	<b>40.65</b>
2011-12	Untied	57.86	42.44	15.42
	Maintenance	14.40	11.56	2.84
	RKS	16.84	12.39	4.45
	<b>Total</b>	<b>89.10</b>	<b>66.39</b>	<b>22.71</b>

Source: Data furnished by SHS

Non-utilisation of funds for improvement and maintenance of infrastructure affects delivery of public health services.

The Commissioner, Health Services stated (November 2012) that the matter would be investigated and corrective action would be taken.

**3.1.8.16 Non-establishment of Sick Newborn Care Units (SNCUs) in the district hospitals**

To gain control over the Infant Mortality Rate and to provide intensive neonatal care at District Hospitals, SNCUs were planned under RCH-II programme during 2008-09.

Equipment valued ₹ 1.13 crore procured for SNCUs remained idle as the units were not set up

We observed in four<sup>30</sup> out of 18 test-checked District Hospitals that without ensuring completion of building for setting up the SNCUs, the Directorate purchased equipment<sup>31</sup> valued ₹ 1.13 crore during 2010-11 and 2011-12, which remained idle in the stores of the district hospitals as of July 2012. Thus, due to non establishment of SNCUs the improved and intensive neonatal care could not be provided in these District Hospitals despite incurring expenditure of ₹ 1.13 crore on purchase of equipment.

The Commissioner Health Services stated (November 2012) that the matter would be investigated and corrective action would be taken.

**3.1.8.17 Nutritional Rehabilitation Centres (NRCs)**

To gain control over the rate of serious malnutrition cases among the children of the age group 0-5 years, construction of NRC under NRHM was planned in May 2008. An NRC was to be established in each block to provide nutritional aid like zinc, folic acid, multivitamin, iron, albandazole etc. including nutritional food as prescribed by the doctor, cure to children and counseling to

<sup>30</sup> Balaghat (₹ 32.98 lakh), Chhindwara-(₹ 34.69 lakh), Dindori-(₹ 16.26 lakh) and Umaria-(₹ 28.80 lakh)

<sup>31</sup> Oxygen concentrator, auto blood analyzer, pulse oximeter, bilirubino meter, infanometer etc.

mothers of malnourished children. The Anganwadi worker of Women and Child Welfare Department and the ASHA would identify the serious malnourished children and bring them to NRC for further care and treatment. After admitting the malnourished child in NRC, the staff of NRC would take care of the child.

We observed that 269 NRCs were established in 242 blocks out of 313 blocks in the State at the end of March 2012. Of these, 263 NRCs<sup>32</sup> were working. The remaining six NRCs were not working due to non-posting of medical and para-medical staff. Thus, 71 blocks remained uncovered under the scheme depriving the benefits to residents of these blocks.

**NRCs were not established in 71 blocks; besides there were shortages of staff in the NRCs**

According to the guidelines, each NRC was to be equipped with a doctor, a feeding demonstrator and one to three nurses<sup>33</sup>. We noticed that seven NRCs were without doctors and 18 NRCs were without feeding demonstrators. Besides, there were 254 nurses against the requirement of 369.

Further, we observed that construction of buildings of seven NRCs was taken up during 2009-11 which were to be completed within six months. However, construction during 2009-11 of four<sup>34</sup> NRCs buildings remained incomplete as of March 2012 after incurring an expenditure of ₹ 32.63 lakh. The remaining three works<sup>35</sup> were not taken up as of March 2012.

The Commissioner Health Services stated (November 2012) that establishment of NRCs in a phased manner would be ensured and efforts will be made to provide adequate manpower in NRCs. Regarding construction of NRCs the Commissioner stated that due to delay in availability of land the works could not be completed.

The fact remains that due to non-establishment of NRCs in each block and shortages of doctors, nurses and feeding demonstrators, the objective of controlling serious malnutrition among children could not be achieved.

#### **3.1.8.18 Performance in terms of health indicators**

As envisaged in the NRHM framework, the performance indicators in respect of child and maternal health were fixed so as to achieve the same during the Mission period (2005-2012).

The performance in the State in terms of the health indicators is detailed in **Table 14:**

<sup>32</sup> 20-bedded centre:53; 10-bedded centre:210

<sup>33</sup> One nurse for 10-bedded centre and three nurses for 20-bedded centre

<sup>34</sup> Panna (DH, Panna), Sagar (CHC-Gadakota), Sheopur (DH, Sheopur) and Ujjain (PHC-Ghatia)

<sup>35</sup> Ashoknagar (DH, Ashoknagar), Khargone (DH, Khargone) and Tikamgarh (CHC-Badagaon)

The State could not achieve the targets of MMR, TFR and IMR

**Table-14: Status of health indicators**

Health indicator	Position before commencement of NRHM/RCH		Target fixed for Mission period		Position as of		
	National	State	National	State	Dec-2009	Dec-2010	Dec-2011
MMR <sup>36</sup> (per one lakh live birth)	254	379	100	220	379	379	310
TFR <sup>37</sup>	2.9	3.6	2.1	2.1	3.1	3.1	3.2
IMR <sup>38</sup> (per 1000 live birth)	58	76	30	60	72	72	62

Source: Programme Implementation Plan of State Health Society

The fact remains that even after receipt of huge assistance from GoI, the targets fixed by the State for MMR and IMR for the Mission period, which were higher than the National targets, could not be achieved. Also the TFR has increased from 3.1 as of December 2009 to 3.2 as of December 2011. The SHS attributed the under-performance to non-availability of skilled manpower, infrastructural gaps etc. This indicated lack of preparedness and planning on the part of Department.

In the exit conference the Commissioner, Health Services and Ex-Officio Secretary stated (November 2012) that efforts were being made by the State for reduction of IMR, TFR and MMR.

### 3.1.8.19 Establishment of Maternal and Child Health (MCH) level-I<sup>39</sup>, II<sup>40</sup> and III<sup>41</sup> centres

To gain control over MMR and rationalise the use of available resources, ensure that standards were set and health institutions were identified for upgradation of health care centres to MCH level for better service delivery to pregnant women and new born babies, health services were accessible within a 20 kms radius for each targeted beneficiary and health facilities had been mapped under Reproductive Child Health (RCH) programme, GoMP, declared some DH, CH, CHC and PHC in every district as CEMONC<sup>42</sup> and BEMONC<sup>43</sup> institutions. Further, in accordance with the guidelines of GoI, GoMP (September 2010) reclassified the MCH centres and standards were fixed for MCH level-I, MCH level-II and MCH level-III.

<sup>36</sup> MMR-Maternal Mortality Rate (per one lakh live births)

<sup>37</sup> TFR-Total Fertility Rate (average number of children that would be born to a woman over her reproductive life)

<sup>38</sup> IMR-Infant Mortality Rate (per thousand live births)

<sup>39</sup> **MCH Level-I** denotes such accredited SHCs identified as delivery point with availability of Skilled Birth Attendant (SBA) trained Auxillary Nurse Mid-Wife (ANM) and referral transport linkage to level II and III.

<sup>40</sup> **MCH Level-II** denotes such identified Civil Hospital, CHC and PHC with Basic Emergency Obstetric and New Born Care Services, Basic Amenities with referral services

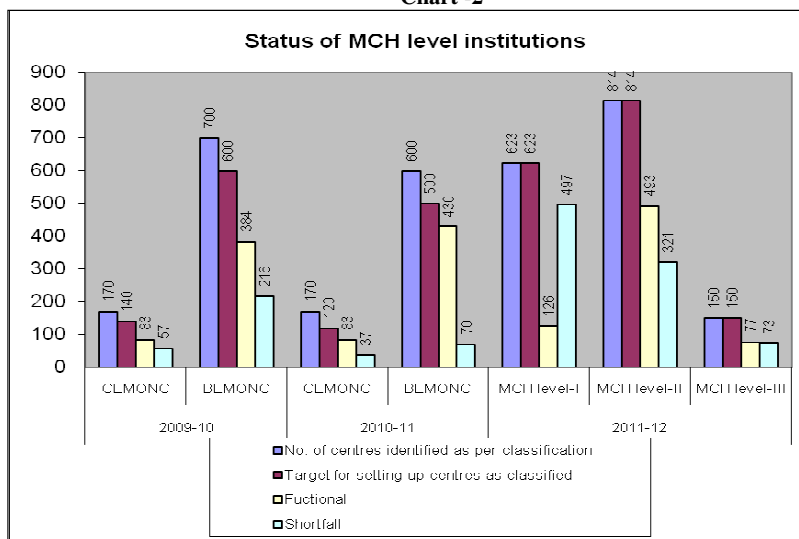
<sup>41</sup> **MCH Level-III** denotes all medical colleges, DH and identified CH, CHC having Comprehensive Emergency Obstetric and Neonatal Care Facility such as Caesarean operation facility, Small New Born Care Unit, Blood Bank, Blood storage with 24x7 availability of specialists, family planning services and others

<sup>42</sup> Comprehensive Emergency Obstetric and New Born Care service

<sup>43</sup> Basic Emergency Obstetric and New Born Care service

During the period 2009-12, the position of identified, targeted and functional MCH level centres was as under:

Chart -2



Source: Data furnished by SHS

From Chart-2, it is evident that out of identified number of MCH level centres, there was shortfall of 73 (49 per cent) in MCH level-III, 321 (39 per cent) in MCH level-II and 497 (80 per cent) in MCH level-I which could not be made functional due to non-availability of required medical and para-medical staff even after the completion of Mission period (2005-2012).

This indicated deficiency in health services to gain control over MMR and IMR in the identified centres.

Further scrutiny and analysis of data relating to establishment of MCH level health centres in seven<sup>44</sup> test-checked DHSs revealed shortfall in facilities in various MCH level centres, as shown in the table below:

Table -15: – Status of functional MCH centres

Name of facility	MCH Level-III (22 unit test checked)		MCH Level-II (141 unit test checked)		MCH Level-I (80 unit test checked)	
	Available	Shortfall	Available	Shortfall	Available	Shortfall
Small Newborn Care Unit/New born corner	15	07	97	44	NR	
Blood Bank/Blood Storage	13	09	NR		NR	
Delivery	22	Nil	141	Nil	33	47
Adequate machine and equipments	22	Nil	100	41	42	38
Specialists/Doctors	14	08	120	21	NR	
ANM/Staff Nurse	22	Nil	107	34	54	26

Source: Data furnished by DHSs. NR- Not required.

<sup>44</sup> Barwani, Dindori, Indore, Khargone, Ratlam, Sehore and Ujjain

**Significant deficiencies noticed in manpower and facilities in MCH level units**

GoMP declared (December 2011) 77 MCH-level-III, 493 MCH-level-II and 126 MCH-level-I units as functional in the State. However, we observed (March to September 2012) in the seven test-checked districts that all the services required as per the standards set were not available in 22 MCH-level-III, 141 MCH-level-II and 80 MCH-level-I units out of declared MCH levels as mentioned in **Table 15** above.

Thus, out of 1587 identified health institutions only 696 Government health institutions (44 *per cent*) could reach up to the MCH levels.

The Commissioner Health Services stated (November 2012) that efforts were being made to make majority of the centres functional.

### **3.1.8.20 Implementation of Telemedicine Project**

To create an operational Telemedicine Distance Continuing Medical Education training facility to enhance the availability of speciality health care services to all the district hospitals, selected Medical Colleges and Speciality Hospitals, the telemedicine pilot project was launched (August 2007) by GoI in Madhya Pradesh with the technical support of ISRO through Satellite Communication Based Telemedicine Technology.

In this regard, an MOU between GoMP and ISRO was signed (March 2007) under which the cost of communication system, Telemedicine software and hardware satellite bandwidth was to be borne by ISRO. The cost of necessary manpower and building having sound, dust and resonance proof rooms etc. and other civil works was to be borne by GoMP.

**The project could not be operationalised even after availability of funds**

During scrutiny of records, we noticed that GoMP released ₹ 10 lakh (August 2007) and GoI released (October 2008) ₹ 1 crore to SHS (total ₹ 1.10 crore) for setting up the telemedicine project in 10 districts in the first phase. Out of this, ₹ 32 lakh was released to Madhya Pradesh Council of Science and Technology (MPCST) (August 2007 to December 2011) for setting up a technical hub of Telemedicine network at Bhopal. Telemedicine project equipments were installed in 10 district hospitals<sup>45</sup>, three medical colleges<sup>46</sup> and two trust hospitals<sup>47</sup>. However, not even a single session of expert medical advice was held since installation of the network. There was no record to show that necessary arrangement for operationalisation of the project was made. The MOU with ISRO lapsed in March 2009 and free services of bandwidth provided by ISRO for two years also lapsed without any utilisation. As of May 2012 ₹ 78 lakh were lying unutilised with the SHS. Due to non-operationalisation of Telemedicine project the desired objectives could not be achieved despite incurring expenditure of ₹ 32 lakh and availability of funds.

The Commissioner Health Services stated (November 2012) that there was a link failure on the part of the ISRO. It took more than one year time to resolve

<sup>45</sup> DH-Balaghat, Betul, Jhabua, Khargone, Mandla, Mandsaur, Shajapur, Shahdol, Sheopurkala and Sidhi.

<sup>46</sup> Medical College-Bhopal, Gwalior and Jabalpur

<sup>47</sup> Padhar Hospital, Betul and Yogiraj Trust Hospital, Mandla

the problems. Now with the assistance of MPCST and ISRO this process would be established soon.

The reply was not satisfactory because the project could not be made operational in the absence of implementation mechanism viz. appointment of nodal officer and technician, telemedicine protocol calendar/time table and construction of sound, dust and resonance proof room etc. by the Department.

### 3.1.9 Stores/Material management

#### Commissioner Health Services

##### 3.1.9.1 Procurement of medicines

For procurement of quality medicines and medicinal equipment, a decentralised drug policy was formulated (September 2009) by the Department, which was made effective from August 2010. Under this policy the Department authorised (November 2009) Tamil Nadu Medical Services Corporation (TNMSC), a public undertaking company of Tamil Nadu, for finalisation of rates with manufacturers by inviting tenders at an all India level and also accreditation of drug testing laboratories for quality control. Thereafter, the Department entered into agreements with manufacturers approved by TNMSC for purchase of medicines.

As per the Drug Policy 2009, out of the budget allotted to CMHOs/CSs for purchase of medicine, orders upto 80 per cent of the budget were to be placed directly to the companies empanelled under TNMSC and 20 per cent of the budget was to be used for local purchase in emergency cases. The supply of medicines from TMNSC suppliers was to be received within 45 days of supply order, failing which penalty would be deducted at prescribed rates<sup>48</sup>. Further, the supplies of medicines were to be received in the district stores for further distribution to the health institutions as per requirement.

The deficiencies noticed in procurement of medicines are discussed below:

**Against the supply orders of ₹ 12.40 crore, medicines worth ₹ 6.27 crore were not supplied by the suppliers**

(i) In 11<sup>49</sup> out of 36 test checked DDOs we noticed that during the period 2010-12, supply orders amounting to ₹ 12.40 crore were issued for purchase of medicines/material to companies empanelled with TNMSC. However the companies failed to supply medicines worth ₹ 6.27 crore.

CMHO/CS stated (March to September 2012) that reminders for supply of medicines were issued and the matter was referred to higher authorities.

**Delay in supply of medicines led to paucity of life saving/essential drugs and penalty of ₹ 1.56 crore from the bills of the suppliers were not deducted**

(ii) In 36 test checked DDOs, we observed that supply of medicines was made in 1,795 cases with delays up to 446 days from the stipulated time limit, though there was paucity of life saving/essential drugs in 400 health

<sup>48</sup> Penalty of 0.5 per cent per day subject to maximum 7.5 per cent for the delay for supply after 45 to 60 days and penalty of 20 per cent for delay beyond 60 days.

<sup>49</sup> CMHO-Barwani, ₹ 124.32 lakh, Bhopal, ₹ 26.62 lakh, Guna, ₹ 24.99 lakh, Khargone, ₹ 71.66 lakh Mandla, ₹ 88.02 lakh and Sagar, ₹ 41.80 lakh, CS-Barwani, ₹ 64.94 lakh Chhatarpur, ₹ 14.66 lakh, Guna, ₹ 45.11 lakh, Mandla, ₹ 53.34 lakh and Sagar, ₹ 71.48 lakh



institutions in 12 districts. Further, penalty as envisaged was not deducted from the suppliers bills in all the 1,795 cases which amounted to ₹ 1.56 crore during the period 2010-12. Out of these 1,795 cases, in 1,075 cases medicines/material amounting to ₹ 1.05 crore were supplied with a delay of 60 days and above. The details are given in **Appendix-3.12**.

CMHO/CS stated (March to September 2012) that due to scarcity of medicines in the health centres, the delayed supply of material was accepted in the stores and penalty would be deducted in future.

(iii) The Department declared 69 to 211 essential drugs required for PHC, CHC, CH and DH, under the Essential Drug List 2009-10. Further, the Hon'ble High Court had directed (February 2009) the State Government for enlistment of life saving drugs which should be compulsorily made available at all health institutions. In compliance, the Department declared 87 drugs as life saving drugs, which was circulated in February 2009.

Significant number of life saving and essential drugs were not available at all levels of health care centres

In 12 test checked districts, scrutiny of records and information obtained in respect of the health centres in these districts revealed that there were shortage of significant number of life saving drugs and essential drugs ranging from 22 to 54 and seven to 130 respectively, in health institutions as detailed below:

**Table-16: Availability of life saving/essential drugs**

Health institution	Category of drugs	Number of drugs that should be available	Range of drugs not available
Civil Surgeon	Life saving	87	22-46
	Essential	211	76-130
CMHO/ Hospital	Life saving	87	26-54
	Essential	179	65-118
CHC	Essential	132	41-90
PHC	Essential	69	07-69

Source: CMHOs and CSs

Local purchases of ₹ 10.55 crore were made in excess of the permissible limit

(iv) We observed that due to delay/non-supply of medicines/equipments by TNMSC suppliers, 20 DDOs<sup>50</sup> out of 36 DDOs made local purchases in excess of the prescribed ratio of 80:20. Expenditure incurred in excess of the permissible limit was ₹ 10.55 crore.

CMHO/CS stated (March to September 2012) that due to delay in supply of medicines by TNMSC suppliers and in the light of utmost necessity to run the health centres, they were compelled to purchase the medicines locally.

(v) The Department issued instructions (August 1984) that before issue of medicines to patients in health institutions, quality test of medicines of each batch should be got done from the Controller, Food and Drug Administration.

<sup>50</sup> CMHO-Barwani (₹ 1.55 crore) Bhopal (₹ 0.02 crore), Chhatarpur (₹ 0.15 crore), Dhar (₹ 0.10 crore), Dindori (₹ 0.01 crore), Indore (₹ 0.32 crore), Khargone (₹ 1.65 crore), Mandla (₹ 1.18 crore), Sehore (₹ 0.44 crore), Tikamgarh (₹ 0.15 crore), Ujjain (₹ 0.13 crore), CS-Barwani (₹ 1.47 crore) Dhar (₹ 0.18 crore), Dindori (₹ 0.16 crore), Indore (₹ 1.73 crore), Mandla (₹ 0.66 crore), Ratlam (₹ 0.17 crore), Sagar (₹ 0.11 crore), Sehore (₹ 0.35 crore) and Tikamgarh (₹ 0.02 crore).

Due to purchase from local market, the CMHO/CS were required to get the quality control test of medicines purchased locally.

**Medicines worth ₹ 30.26 crore were issued to the patients for consumption without obtaining the quality test report**

In 25 out of 36 test checked DDOs<sup>51</sup>, we noticed that during 2009-12, local purchase of medicines worth ₹ 30.26 crore was made. We observed that the medicines were issued to patients for consumption without obtaining quality test report of medicines. Such practices pose a risk to the life of patients.

Sixteen CMHO/CS stated (March to September 2012) that samples were being taken by the Drug Inspectors, but reports thereof were not received. Nine CMHO/CS stated that samples were not collected by Drug Inspectors because of shortage of Drug Inspectors.

Thus, the procurement system of medicines and equipment was flawed leading to non-supply, delayed supply, paucity of life saving and essential drugs, consequent increase in local purchase and added responsibility for conducting quality test of medicines purchased locally.

The Commissioner, Health Services stated (November 2012) that the Directorate has taken necessary action for black listing or debarring the suppliers on account of non-supply. It was further stated that the DDOs will be instructed to take penal action in case of delay supply, availability of life saving and essential drugs would be monitored and instructions would be issued to demand the test reports for medicines purchased locally.

### **3.1.9.2 Maintenance of stock register and stock account**

Rule 125 and 133 of MPFC provides that annual physical verification of stock should be carried out and each Government office is required to maintain inventory-wise store and stock account in the prescribed form.

**Store and Stock Account was not prepared by the 33 DDOs and physical verification of Stock was also not done by 13 DDOs**

In the 33 test checked DDOs<sup>52</sup> (out of 36), we noticed that none of the DDOs prepared the annual store and stock account during the period 2009-12. Further, seven<sup>53</sup> DDOs did not conduct physical verification of stock during 2009-10 and 2010-11 and 13 DDOs<sup>54</sup> did not conduct the verification during 2011-2012. Thus, the CMHOs/CSs failed to ensure possibility of any pilferage in their stock account.

<sup>51</sup> CMHO-Barwani (₹2.11 crore), Bhopal (₹0.55 crore), Chhatarpur (₹0.61 crore), Chhindwara (₹2.23 crore), Dindori (₹1.07 crore), Khargone (₹6.31 crore), Sagar (₹0.47 crore), Sehore (₹1.34 crore), Tikamgarh (₹0.48 crore), Ujjain (₹0.92 crore) and Umaria (₹1.20 crore). CS-Balaghat (₹0.29 crore), Barwani (₹1.64 crore), Bhopal (₹0.39 crore), Chhatarpur (₹0.50 crore), Chhindwara (₹1.23 crore), Dhar (₹0.81 crore), Dindori (₹1.08 crore), Mandla (₹2.56 crore), Ratlam (₹1.32 crore), Sagar (₹0.30 crore), Sehore (₹1.91 crore), Shahdol (₹0.46 crore) and Umaria (₹0.28 crore), CH-Bairagarh (₹0.20 crore).

<sup>52</sup> CMHO-Balaghat, Barwani, Bhopal, Chhatarpur, Chhindwara, Dhar, Dindori, Khargone, Mandla, Ratlam, Sagar, Sehore, Shahdol, Tikamgarh, Ujjain and Umaria, CS-Balaghat, Barwani, Bhopal, Chhatarpur, Chhindwara, Dhar, Dindori, Indore, Khargone, Mandla, Ratlam, Sagar, Sehore, Shahdol, Tikamgarh and Umaria, JD-Bhopal.

<sup>53</sup> CHS, Bhopal, JD, Bhopal, CMHO-Balaghat, Bhopal, Chhatarpur, Mandla and CS Sehore,

<sup>54</sup> CHS, Bhopal, JD, Bhopal, CMHO-Balaghat, Bhopal, Chhatarpur, Dhar, Dindori, Khargone, Mandla and Sehore, CS-Dhar, Indore and Sehore,

The DDOs stated (March to September 2012) that the accounts would be prepared and physical verification of store would be done in future.

**Batch number and date of expiry were not recorded in the Stock registers by 20 DDOs**

Further, in 20<sup>55</sup> out of 36 test checked DDOs, we noticed that 236 out of 488 health centres (DH, CH, CHC and PHC) did not record batch number and date of expiry of medicines in the stock registers. In absence of this it was not possible to ensure the utilisation of medicine before their expiry and the possibility of issuing time barred medicines to the patients cannot be ruled out. If any batch of medicines is declared sub-standard, it would also be difficult to identify such medicines in the stores.

The Commissioner Health Services stated (November 2012) that the matter would be investigated and the needful would be done.

### **3.1.10 Human Resource Management**

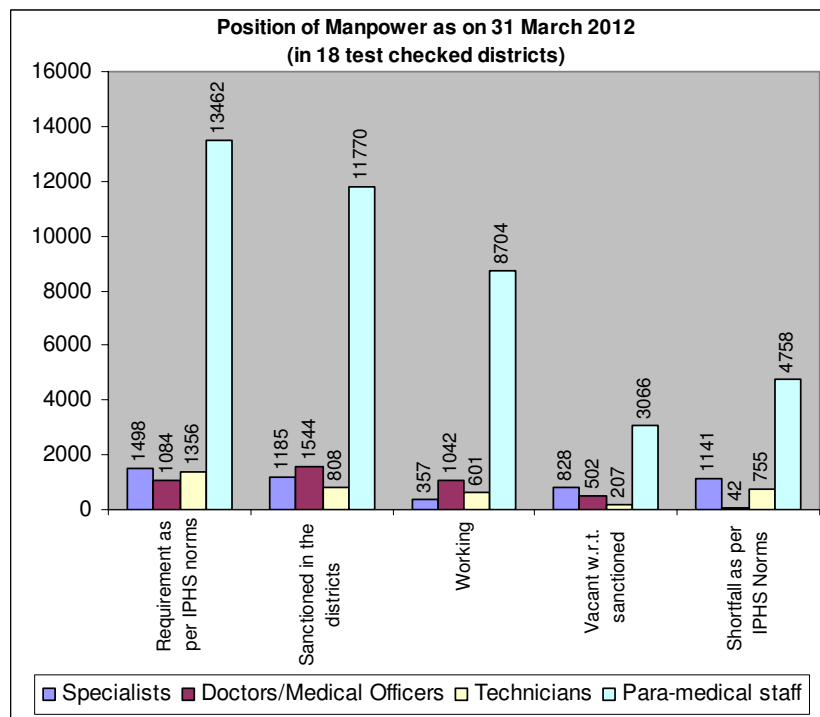
Health care is an essential service for human life. As such, the manpower required in different cadres should be made available either from regular staff or on contractual basis, wherever permissible. Commissioner, Health Services could not provide information to audit regarding the overall position of vacancies/excesses of manpower in the Department. However, the deficiencies in manpower deployment noticed in 18 test checked districts are discussed below:

#### **3.1.10.1 Deficiencies in Human Resources Deployment**

➤ As envisaged in the NRHM framework, Indian Public Health Standards (IPHS) for manpower management was to be adopted in the State. However, we noticed that these standards were not adopted. The manpower requirement in different cadres as per IPHS norms, number of posts sanctioned and persons in position are shown in **chart-3**:

<sup>55</sup> CMHO-Barwani, Balaghat, Chhatarpur, Chhindwara, Dindori, Indore, Khargone, Ratlam, Sehore, Tikamgarh and Ujjain, CS-Barwani, Bhopal, Dindori, Indore, Khargone, Ratlam, Sehore, Shahdol and Ujjain,

Chart-3



Persons in position were less than the sanctioned strength as well as the requirement as per the IPHS norms

The above chart reveals that there were shortages in the cadres of specialists (76 per cent), doctors (4 per cent), technicians (56 per cent) and para-medical staff (35 per cent) against the IPHS requirements. Shortages with reference to the sanctioned strength of State Government were 70 per cent, 32 per cent, 26 per cent and 26 per cent respectively. Shortage in manpower affects the quality of health services in the health institutions.

Deficiencies further noticed in human resource management are discussed below:

- Under 12<sup>56</sup> test checked CMHOs, 110 PHCs were functioning without doctors for a period ranging from one to 17 years as of March 2012. As stated by the CMHOs, health care services were being provided by visiting doctors from nearby health centres for some days in a week. Hence, full-time medical consultation in PHCs was hampered.
- GoMP sanctioned (2007-2012) additional manpower of medical and para-medical staff for upgradation of four PHCs<sup>57</sup> to CHCs, 10 SHCs<sup>58</sup> to PHCs, one CHC (Aaron) to Civil Hospital and increasing the bed capacity in three District Hospitals<sup>59</sup>. However, the required staff was

<sup>56</sup> Balaghat (23), Bhopal (2), Chhatarpur (7), Dhar (9), Dindori (6), Guna (2), Khargone (12), Mandla (16), Ratlam (15), Shahdol (7), Ujjain (3) and Umari (8).

<sup>57</sup> PHC-Badagaon, Khargapur, Mayana and Rampailly.

<sup>58</sup> SHC-Chandera, Fatehgarh, Jam, Jarua, Karanja, Khachora, Loharguva, Markimahu, Mohgaon and Rajegaon

<sup>59</sup> Guna, Ratlam and Sehore.

not posted as of March 2012. As a result, the health institutions could not be upgraded. Thus, the improved health facilities could not be made available to the patients in their locality.

Apart from acute shortage of medical and para-medical staff at all levels of health institutions it was also noticed that rational deployment of available resources of manpower was not done. We observed that in 11 DDOs<sup>60</sup>, 520 medical and para-medical staff were posted against the sanctioned strength of 387. CMHO Bhopal had excess strength of 10 doctors, while two PHCs of Bhopal were running without doctors. These excess officials should have been deployed or transferred to deficient units/offices.

**Despite acute shortage of doctors in health care centres, 18 doctors working in PHC/CHC/District Hospital were posted as DPM in 18 districts**

Further, we observed that the Government had posted (September 2011) 18 doctors working in PHC/CHC/District Hospital as District Programme Manager (DPM) in 18 districts<sup>61</sup>, while in 27 districts, 27 DPMs were recruited from persons having MBA qualification. In view of shortage of doctors in the State the posting of doctors as DPM was not justified, as it led to further shortage of doctors.

The Commissioner, Health Services stated (November 2012) that IPHS norms could not be adopted because of acute shortage of manpower in the State; instructions have been issued to rationalise the excess staff in the districts and needful would be done in case of PHC without doctors and declared upgraded health institutions. He also stated that doctors were posted as DPM after successful completion of management courses against the vacant position of DPM.

The reply was not acceptable because the Department was not even able to fill up the posts against the sanctioned strength. In the case of DPM, the post of DPM in 18 districts should have been filled up with MBA qualified persons so that the doctors could be utilised for providing health care services.

### **3.1.11 Monitoring, Evaluation and Internal Audit**

An effective monitoring and evaluation mechanism was required to be evolved to ensure efficient implementation of the State health schemes.<sup>62</sup> We observed that this was not done. The deficiencies noticed in implementing the schemes have been discussed in the relevant paragraphs. Further, NRHM envisaged a robust accountability framework through a three pronged mechanism of internal monitoring, community based monitoring and external evaluations i.e. survey by an independent agency. The reports on health activities were to be made public annually at district level to let the community know about the progress made under NRHM. We noticed in the test checked districts that neither public reports on health were published nor was survey by an independent agency conducted.

<sup>60</sup> CMHO-Barwani, Bhopal, Chhatarpur, Sehore, CS-Bhopal, Chhatarpur, Chhindwara, Dindori, Indore, Khargone and Ratlam.

<sup>61</sup> Alirajpur, Balaghat, Barwani, Burhanpur, Damoh, Datia, Dewas, Harda, Jhabua, Mandasaur, Panna, Raisen, Rewa, Shivpuri, Sidhi, Tikamgarh, Ujjain and Vidisha.

<sup>62</sup> Deendayal Antyodaya Upchar Yojana, Rajya Bimari Sahayata Nidhi, Mukya Mantri Bal Hridya Upchar Yojana, Janani Suraksha Yojana, Family Planning etc.

### 3.1.11.1 Meeting of General Body and Executive Body

Against 28 meetings of General Body due, only two meetings were held during the mission period

The General Body of State Health Society headed by the Chief Minister including 20 other members was constituted (July 2002) to plan the strategy for carrying out the activities under various National and State Health and Family Welfare Programmes. It was required to meet at least once in three months. We observed that against 28 meetings due during the Mission period (2005-2012), only two meetings were held in July 2006 and March 2010.

The Executive Committee consisting of 32 members headed by the Chief Secretary of the State was responsible for the implementation of policies/plans/projects/ schemes as approved by the General Body from time to time. It was required to meet at least once in two months. Against 42 meetings due during the Mission period (2005-12), only nine meetings were held as of January 2012. As noticed from the minutes of the meetings, the issues discussed mainly were to fill up the vacant posts of medical and para-medical staff in remote and rural areas, improve the rate of health indicators, optimally utilise the funds received from GoI, make the identified health institutions as MCH level centres functional, enhance the rate of universal immunisation, expedite the work of establishment of SNCU/NRC, complete the constructions works within the stipulated time and select ASHAs as per required norms. Accordingly, suitable recommendations were made by the Committee.

Inadequate number of meetings held by both the apex bodies indicated lack of strategic planning monitoring and supervision of implementation of the activities envisaged in the Mission programme. Had the meeting of the aforesaid apex bodies been held at regular intervals, the deficiencies could have been monitored and remedial action taken.

The Commissioner Health Services stated (November 2012) that the Chief Minister and Chief Secretary of the State organise monthly/quarterly meetings of all Departments including Health to monitor and supervise the activities. Hence, no separate meeting of the Governing Body and Executive Body was held.

The reply is not acceptable because these two apex bodies were formed exclusively to oversee the strategic planning and implementation of policies/plan/schemes and activities relating to the Mission. As such the general review of Departments does not fulfill the requirement of NRHM.

### 3.1.11.2 Monitoring committees not formed at different levels

Under the NRHM framework, Health Planning and Monitoring Committees were to be formed by the District Health Society at each PHC, Block and at district level for continuous monitoring of activities at the respective level and also for facilitating relevant inputs for planning.

In three districts, monitoring committees were not formed at district, block and PHC levels

We noticed that the above Committees were not constituted at district, block and PHC levels in three<sup>63</sup> out of 18 test-checked districts. There was nothing on record to show that DHS as well as SHS pursued this issue. Due to non-

<sup>63</sup> Dhar, Mandla and Sehore.

formation of monitoring committees, monitoring as required for the schemes implemented was not done.

The Commissioner Health Services stated (November 2012) that the matter would be investigated and the needful would be done.

### **3.1.11.3 Internal Audit**

**Against the target of 144 units in three years only 29 units were audited**

An internal audit wing at Directorate level was responsible for internal audit of the units in the districts. Year-wise roster was prepared for audit of 48 district units annually during 2009-10 to 2011-12. Out of 144 units (48 x 3 years) planned to be audited in three years, only 29 district units (20 per cent) were audited. Replies in respect of 18 internal audit reports were furnished as of May 2012. Shortfall in internal audit of 115 district units coupled with poor response to the observations made the internal audit ineffective.

The Commissioner Health Services stated (November 2012) that due to lack of manpower the target for internal audit could not be achieved.

### **3.1.11.4 Departmental Manual**

The Departmental manual is a permanent directive used for detailed guidance pertaining to the administrative functions of a department.

We observed that despite changes in the procedure of implementation of various new schemes/activities and in the organisational structure, the Departmental manual was not revised/updated since 1940. Even a copy of the manual was not available in the Directorate. On an audit query it was intimated that the manual is available on the website. However, the Central Province of Berar Medical Manual was posted on the website which appears to be obsolete. Absence of an updated manual prescribing procedures, duties and accountabilities affects the working of the Department.

## **3.1.12 Conclusion**

The financial management, planning, monitoring and implementation of the schemes in Public Health and Family Welfare Department were deficient, as reflected from the following audit findings:

- The Department prepared a Perspective Plan and the Annual Plans; a Programme Implementation Plan was also prepared. However, the plans were prepared without conducting household and facility survey. Large numbers of plan activities were not taken up.
- Budgetary and financial management was deficient as reflected from significant under-utilisation of funds by both Director of Health Services and the Mission Director, NRHM, unnecessary provision of supplementary grants, rush of expenditure in the month of March, violation of codal provision for maintenance of cash and delay in submission of UCs resulting in delay in receipt of Central funds.
- The Department did not ensure utilisation of funds provided under Deen Dayal Antodaya Upchar Yojna, Rajya Bimari Sahayata Nidhi and Mukhya Mantri Bal Hriday Upchar Yojna for the eligible

beneficiaries/intended purposes. The Trauma centre at Guna district proposed in February 2006 was yet to be established.

- There were significant shortages of health centres compared to the targets set under NRHM framework. Facilities in the hospitals were deficient compared to Indian Public Health Standards. Thirty-four vision centres proposed for 17 districts were not established. During 2011-12, the number of institutional deliveries was 86 *per cent* of total deliveries. The Department could not achieve the targets of MMR, IMR and TFR, though there was marginal improvement in December 2011.
- Procurement procedure was deficient. The suppliers failed to supply medicines/material in time which led to local purchases at higher cost from the local market. Medicines were issued to patients before obtaining quality test report.
- There were significant shortages of manpower in the key posts compared to IPHS norms as well as the sanctioned strength. Despite shortage, doctors were posted against the post of District Programme Manager.
- Health planning and monitoring committees were not formed at different levels. Two Apex Committees at State level did not meet at regular intervals for strategic planning and for monitoring the implementation of schemes. Internal control mechanism was not codified through an updated departmental manual and the target set for internal audit inspections was not achieved.

### **3.1.13 Recommendations**

The Department may consider implementing the following recommendations:

- A comprehensive baseline survey of beneficiaries and facilities should be undertaken to draw up need based action plans at all levels. Activities included in the plans should be executed within the stipulated time frame so as to achieve the intended goals.
- Budgetary and financial controls should be strengthened to avoid unnecessary provision of funds and under utilisation of scheme funds.
- The Department should ensure efficient implementation of the programmes and delivery of health care services so as to achieve the targets of important health indicators.
- Procurement policy should be reviewed to ensure availability of essential medicines and material in all the health centres.
- All vacant posts should be filled up and the human resources improved as per IPHS norms in a phased manner.
- The monitoring mechanism at appropriate levels should be strengthened and targets of internal audit inspection should be achieved.



## Department of Culture

### 3.2 Chief Controlling Officer based Audit of Department of Culture

#### Executive Summary

The Department of Culture was established by the Government of Madhya Pradesh with the objectives of preserving the cultural traditions and monuments of archaeological and historical importance in the State. A Chief Controlling Officer (CCO) based audit of the Department covering the period from 2009-10 to 2011-12 was conducted to examine whether the activities of the Department were carried out economically, effectively and efficiently to ascertain whether rules and regulations are complied with to achieve the objectives.

The CCO based audit revealed the following:

❖ The Department has not formulated any cultural policy so far.

*A well-documented cultural policy should be formulated.*

❖ Financial management was weak as evidenced by deficiencies in maintenance of cash book, rush of expenditure at the end of financial year, non-obtaining of security deposit from persons handling cash and stores, non adjustment of temporary advances for long periods etc.

❖ During the period under review the Department paid ₹ 7.19 crore to artistes, film personalities, playback singers etc. as honorarium without fixing any criteria.

❖ Excess disbursement of ₹ 1.17 crore was made to 23,372 *kala mandalis* for purchase of musical instruments.

❖ Expenditure of ₹ 1.80 crore was made by the Department for providing water and electricity for an activity which did not come under the objectives of the Department.

*Utilisation of funds for achieving the objectives of the Department may be ensured.*

❖ The Department did not ensure that NGOs to whom grants of ₹ 3.02 crore were given during 2009-10 to 2011-12, were engaged in the field of Culture.

*The Department should establish a mechanism for granting recognition only to NGOs involved in cultural activities.*

❖ Funds received under the Twelfth Finance Commission for upgrading and modernising the auditorium at Bharat Bhawan Trust amounting to ₹ 63.55 lakh were not utilised within the currency period i.e. upto 2009-10.

*The Department should ensure utilisation of the funds received under grants of Finance Commission within the currency period of the Commission.*

❖ Budget allotment of ₹ 3.01 crore received for construction of three Sanskritik *Kala Sankuls* at Rewa, Sagar and Khandwa was found withdrawn without requirement in the year 2008-09 as the construction works of these *sankuls* have not been started till November 2012.

- ❖ Allotment of ₹ 40.85 lakh received in March 2009 from the Government for the purpose of setting up of Dr. Vishnu Shridhar Wakankar Archaeological Research Institute was found withdrawn and deposited in the bank account of Heritage Development Trust, in contravention of MPTC rule 284.

*Funds should not be withdrawn without immediate requirement.*

- ❖ Expenditure incurred on restoration works undertaken in monuments was being rendered unfruitful due to shortage of security and care.

*Adequate security should be ensured at the monuments.*

- ❖ The internal control mechanism in the Department was found weak due to absence of an internal audit wing, absence of departmental manuals and inadequate reporting systems.

*An effective internal control mechanism should be established in the Department.*

### **3.2.1 Introduction**

The Department of Culture was established in 1980 by the State Government to fulfill its constitutional responsibility i.e. preserve the cultural traditions, and monuments of archaeological and historical importance in the State. There are three Directorates under the Department of Culture (1) Directorate of Culture (2) Directorate of Archaeology, Archives & Museum and (3) Directorate of *Swaraj Sansthan*.

The main objectives<sup>1</sup> of the Department are:

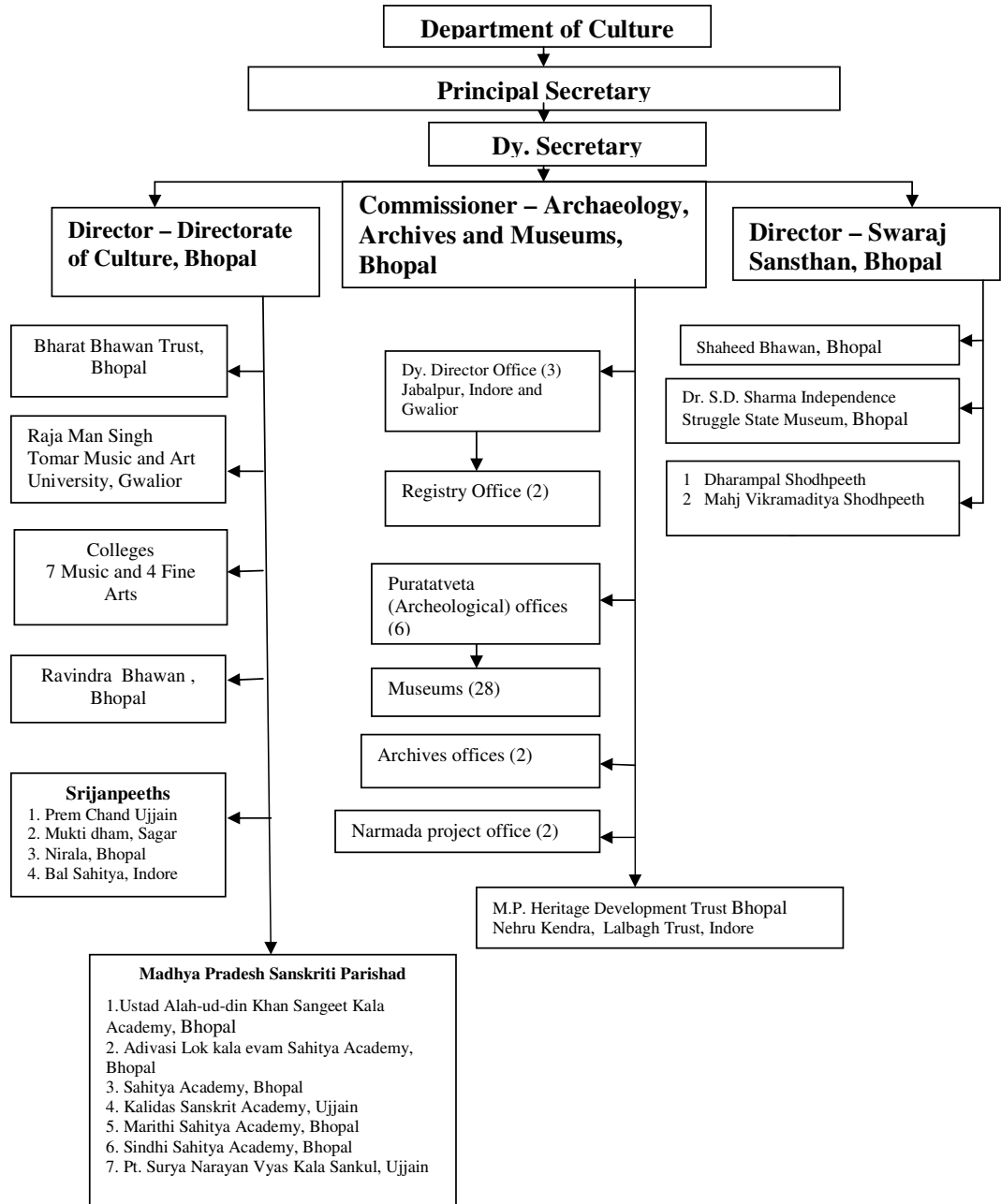
- a. to preserve and conserve cultural traditions;
- b. to preserve monuments of archaeological and historical importance;
- c. to expand resources and opportunities for the growth of arts;
- d. to preserve tribal folk culture;
- e. to encourage and recognise *Swaraj* library and performing arts through education and training; and
- f. to provide special support for rare practices in art and culture.

### **3.2.2 Organisational set up**

The Department is headed by the Principal Secretary (PS) at the Government level who is responsible for implementation of government policies/ programmes/ schemes. Overall financial/administrative/technical control is vested with the Commissioner/Directors of the three Directorates under the Department. The organisational set-up of the Department is given below:

<sup>1</sup> Source: Madhya Pradesh Government Business (Allocation) Rules relating to Department of Culture as amended in December 2011.

**Organisational Chart**



### 3.2.3 Audit Objectives

The audit objectives were to ascertain whether:

- adequate planning existed for proper conduct of programmes;
- budgetary control and financial management was adequate;
- programmes and activities were conducted efficiently, effectively and economically by the Directorates;
- adequate human resources were available for implementation of programmes/activities; and
- the internal control mechanism was effective.

### 3.2.4 Audit criteria

The audit criteria for conducting the CCO- based audit were drawn from the following sources:

- Madhya Pradesh Government Business (Allocation) Rules as amended in December 2011;
- Action plan/Guidelines of the schemes approved by State Government;
- Policies, Rules & Orders framed by State Government from time to time;
- Prescribed monitoring and evaluation mechanism;
- Report of Internal Audit and Inspection Reports of the offices under the Department;
- Budget manual, Madhya Pradesh Financial Code (MPFC) and Madhya Pradesh Treasury Code (MPTC); and
- Notifications/ guidelines and instructions for carrying out the activities of the Department issued by the State/Central Government.

### 3.2.5 Audit scope and methodology

The Chief Controlling Officer (CCO) based audit of the Department of Culture covered the working of the Department from 2009-10 to 2011-12. The audit was conducted during the period from March 2012 to June 2012. We scrutinised the records of three Directorates<sup>2</sup> and three grantee units<sup>3</sup> under the Department, along with eight units<sup>4</sup> (out of 37 units) at District level. An entry

<sup>2</sup> Directorate of Archaeology, Archives and Museums, Bhopal; Directorate of Culture, Bhopal and Directorate of Swaraj Sansthan, Bhopal.

<sup>3</sup> Bharat Bhawan Trust, Bhopal; MP *Sanskriti Parishad*, Bhopal and Raja Mansingh Tomar (RMT) Art and Music University, Gwalior.

<sup>4</sup> Dy. Director, Archaeology and Museums, Indore; Dy. Director Archives Bhopal; Government Fine Arts College, Gwalior; Government Music College, Ujjain; Government Music College, Maihar, Satna; Purattavetta State Museum, Dubela, Chhatarpur; Purattavetta, Archaeology and Museum, Hoshangabad and Ravindra Bhawan, Bhopal.

conference was held with the PS (Culture) and heads of Directorates on 18 April 2012, wherein the audit objectives of the CCO based audit, criteria, scope and methodology were explained. An exit conference was held with the PS (Culture) and heads of Directorates on 8 November 2012. Government views have been incorporated at appropriate places.

## **Audit Findings**

### **3.2.6 Planning**

#### **3.2.6.1 Non-preparation of a Cultural Policy**

Since its establishment the Department of Culture has undertaken activities on development of art, culture, literature and conservation and maintenance of archaeological treasures in the State of Madhya Pradesh. As per the Madhya Pradesh Government Business Allocation Rules, the Department was required to prepare a Cultural Policy. We noticed that the Department does not have any separate policy other than those specified in the Business Allocation rules.

The Department stated (January 2012) that the work of preparation of a detailed cultural policy is under process. The reply confirms that the Department was functioning without a detailed Cultural Policy in place.

#### **3.2.6.2 Non-achievement of targets laid down in Cultural Calendar**

The Department publishes a Cultural Calendar titled “*Kala Panchang*” every year containing the programmes to be conducted during the year by all the Directorates, Trusts and Academies functioning under it. We observed shortfall in the number of programmes to be conducted as per “*Kala Panchang*” in the Directorate of Culture, Directorate of Swaraj Sansthan and Bharat Bhawan Trust during the period 2009-10 to 2011-12, as shown in **Table 1** below:

**Table-1: Targets and achievements of Cultural Calendar**

Sl. No.	Name of Directorate/Trust/Academies	Number of Programmes		
		To be conducted	Actually conducted	Not conducted (per cent)
1	Culture	75	52	23 (30.60)
2	Swaraj Sansthan	71	28	43 (60.56)
3	Bharat Bhawan Trust	293	197	96 (32.76)

Thus, the above institutions failed to achieve the targets and the shortfall ranged from 31 to 61 per cent.

The reasons for non achievement of targets were reported by the Government (November 2012) as (i) non availability of famous artists (ii) enforcement of Code of Conduct due to election notification, (iii) Budgetary limitations, and (iv) conducting of programmes other than those mentioned in the *Kala Panchang*. The fact remains that factors like budgetary limitations and requirement for conducting of other programmes should have been taken into consideration and activities planned accordingly.

The Department was working without a detailed cultural policy

Thus due to lack of proper planning the Department could not achieve the targets as mentioned in the *Kala Panchang*.

### 3.2.7 Budgetary control, Financial Management and Compliance to Acts, Rules and Regulations

The position of budget provision and expenditure incurred by the Department during the years 2009-10 to 2011-12 was as shown in **Table 2**

**Table No-2: Budget provision and expenditure**

(₹ in crore)

Year	Budget provision			Expenditure			Saving(-)/Excess(+)(per cent)	
	Plan	Non plan	Total	Plan	Non plan	Total	Plan	Non plan
2009-10	16.96	27.25	44.21	16.77	25.46	42.23	(-)0.19 (1.12)	(-)1.79 (6.57)
2010-11	17.57	44.64	62.21	17.07	42.37	59.44	(-)0.50 (2.85)	(-)2.27 (5.08)
2011-12	77.51	45.92	123.43	65.47	41.21	106.68	(-)12.04 (15.53)	(-) 4.71 (10.26)
<b>Total</b>	<b>112.04</b>	<b>117.81</b>	<b>229.85</b>	<b>99.31</b>	<b>109.04</b>	<b>208.34</b>	<b>12.73</b>	<b>8.77</b>

(Source: Figures supplied by the Department)

The budget savings under Plan and Non Plan were negligible i.e. below 3 per cent (Plan) and 7 per cent (Non plan) during the years 2009-10 and 2010-11 in the Department. However, during 2011-12 there were savings of more than 10 per cent in the Department under Plan and Non Plan expenditure. The Directorate-wise budget provisions and expenditure is shown in *Appendices-3.13, 3.14, and 3.15*. During 2011-12 there were savings of 13.94 per cent (Plan) and 6.38 per cent (Non Plan) in the Directorate of Culture (*Appendix-3.13*), while in the Directorate of Archaeology, Archives and Museum the savings were 19.66 per cent (Plan) and 17.94 per cent (Non Plan) (*Appendix-3.14*).

After we pointed this out, all the Directorates replied (May and June 2012) that the savings were mainly due to vacant posts, adoption of economy measures, 10 per cent expenditure cut imposed by the Government on budget, non-receipt/short receipt of Central Share in Central schemes or due to non receipt of travelling bills etc. Deficiencies noticed in financial management are discussed below:

#### 3.2.7.1 Rush of expenditure

As per Rule 56(3) of General Financial Rules, rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and should be avoided. Rush of expenditure at the close of the financial year is prone to risk of the Government not getting proper value for money as the expenditure may take place without due diligence and care. The details of expenditure incurred in the entire year vis-à-vis expenditure incurred in the month of March in respect of Directorate of Culture, Swaraj Sansthan and MP *Sanskriti Parishad* are as shown in **Table 3**

**Table-3: Expenditure incurred in March (₹ in crore)**

Name of office	2009-10			2010-11			2011-12			Total expenditure in the month of March during 2009-12	
	Total expenditure	Exp in March	Per cent	Total exp.	Exp in March	Per cent	Total	Exp in March	Per cent	Exp	Per cent
Dir of Culture Bhopal	18.63	2.54	13.63	32.86	7.69	23.40	39.53	10.32	26.10	20.55	22.57
Swaraj Sansthan	3.82	0.73	19.10	7.18	2.75	38.33	11.21	4.68	41.75	8.16	36.74
MP Sanskriti Parishad	16.50	2.21	13.38	14.83	3.60	24.27	15.38	2.30	14.93	8.11	17.36
<b>Total</b>	<b>38.95</b>	<b>5.48</b>	<b>14.07</b>	<b>54.87</b>	<b>14.04</b>	<b>25.58</b>	<b>66.12</b>	<b>17.30</b>	<b>26.16</b>		

**Expenditure in the month of March ranged from 14 per cent in 2009-10 to 26 per cent during 2011-12**

It may be seen from the above table that the expenditure incurred by the Directorates of Culture, Swaraj- Sansthan, and MP Sanskriti Parishad during the years 2009-10 to 2011-12, in the month of March was ₹ 20.55 crore, ₹ 8.16 crore, and ₹ 8.11 crore respectively. The percentage of expenditure in the month of March showed an increasing trend in the Directorate of Culture (13.63 per cent to 26.10 per cent) and Swaraj Sansthan (19 per cent to 42 per cent) during the period 2009-10 to 2011-12. Further, the overall rush of expenditure in all the above offices during these three years also showed an increasing trend which increased from 14 per cent in 2009-10 to 26 per cent in 2011-12.

During the exit conference (November 2012) the Directorate of Swaraj Sansthan stated that this situation occurred due to conducting most of the programmes in the third and fourth quarter of the year, while the Directorate of Culture noted the para for compliance in future.

The fact remains that rush of expenditure at the fag end of the financial year was indicative of weak internal controls over budgetary management/implementation of programmes and improper financial management.

**3.2.7.2 Handling of cash, stores by officials without security deposit**

**Cash/stores were handled by the cashier and storekeeper without providing security**

According to Rule 282 of the Madhya Pradesh Financial Code (MPFC), except where exemption may be made by special or general orders of the Government, every cashier, store-keeper and other subordinate who is entrusted with the custody of cash, stores or other valuables should be required to furnish security, the amount being regulated according to circumstances and local conditions in each case under the orders of the Head of the Department, and to execute a security bond setting forth the conditions under which Government will hold the security and may ultimately refund or appropriate it.

Test check of records in four offices as shown in **Table 4** below, revealed that cash/stores were handled by the cashiers and storekeepers without obtaining security from them.

**Table-4: Position of average expenditure of last three years**

Name of office	Average expenditure of last three years (₹ in crore)
Directorate of Culture, Bhopal	13.85
Raja Man Singh Tomar (RMT) Music and Arts University, Gwalior	1.01
Commissioner Archaeology, Archives and Museums, Bhopal	2.64
Govt. Fine Arts College, Gwalior	0.37

Non-obtaining of security deposits from the officials handling cash/stores exposes the Department to the risk of loss due to fraud/embezzlement.

In the exit conference (November 2012), all the Directorates intimated that security deposit has since been obtained. However, on verification of the reply in two units<sup>5</sup> we observed that security deposit has not yet been obtained (December 2012). Thus, the codal provisions were not adhered to.

### 3.2.7.3 Unadjusted temporary advances

According to Rule 53 (iv) of Madhya Pradesh Treasury Code (MPTC), the temporary advances must be adjusted as soon as possible and in no case should the adjustment be delayed beyond three months.

We observed that in six offices temporary advances of ₹ 1.33 crore pertaining to the period 1989 to March 2012, were lying unadjusted till March 2012 as shown in **Table 5** below.

**Table-5: Position of outstanding advances**

Sl. No.	Name of office	Amount (₹ in lakh)	Period of pendency (₹ in lakh)
1	M.P. Sanskriti Parishad Bhopal	1.68	2010-11 (₹ 1.43), 2011-12 (₹ 0.25)
	(i) Sahitya Academy Bhopal	7.22	2005-06 (₹ 0.20), 2006-07 (₹ 0.09) 2007-08 (₹ 0.27), 2009-10 (₹ 0.60) 2011-12 (₹ 6.06)
	(ii) Sindhi Sahitya Academy Bhopal	2.70	2010-11 (₹ 2.10), 2011-12 (₹ 0.60)
	(iii) Adivasi Lok Kala Academy Bhopal	26.11	Prior to 2005(₹4.20),2011-12 (₹ 21.91)
	(iv) Ustad Alauddin Khan Sangeet and Kala Academy Bhopal	26.32	2010-11(₹ 18.84), 2011-12 (₹ 7.48)
2	Swaraj Sansthan Bhopal	8.50	2004-05 to March 2012
3	Commissioner Directorate of Archaeology Archives and Museums Bhopal	27.68	1989 to March 2012
4	Dy. Director Archives, Bhopal	5.25	June 2003 to May 2010
5	Registrar RMT Music and Art University, Gwalior	14.15	November 2008 to January 2012
6	Director Culture Directorate Bhopal	13.54	2005-06 to March 2012
	<b>Total</b>	<b>133.15</b>	

<sup>5</sup> RMT Music and Arts University and Government Fine Arts College, Gwalior



Non adjustment of temporary advances outstanding for a long period and government money being kept out of account may lead to misutilisation and give undue benefit to the officials.

In the exit conference (November 2012) the Directorates furnished the progress made by them in recovery of advances and stated that action for recovery of the balance amount was in progress. The Directorate of Archaeology stated that orders for recovery of outstanding advances from the salary of the concerned employees have been issued by them.

The fact remains that the Department had shown laxity in this matter during the period reviewed by audit.

#### **3.2.7.4 Defective maintenance of Cash Book**

**Codal provisions regarding maintenance of cash book were not followed**

Subsidiary Rule 53 (iv) of MPTC provides that at the end of each month, the officer-in-charge of the cash book (DDO) should personally verify the cash balance in the cash book and record a signed and dated certificate to that effect. An analysis of the cash balance showing the details of the balance under each class should be prepared and its clearance should be reviewed by the officer-in-charge of the cash book once a month. Rule 53(iii) provides that the cash book should be closed at regular intervals, if not daily, and completely checked. The officer in charge of the cash book should verify the totaling of the cash book or have this done by some responsible subordinate other than writer of the cash book, and initial it as correct. Every transaction, as soon as it occurs, is required to be entered in the cash book and got attested by the competent authority.

Scrutiny of cash books revealed that totals of cash books were not being regularly checked by persons other than the writers of the cash book as required under the codal provisions in seven units<sup>6</sup>. Similarly, analysis of the cash balance at the end of each month was not worked out in five units<sup>7</sup>.

As per rule 53(vi) an erasure or overwriting of an entry once made in the cash book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The head of the office should initial every such correction and invariably date his initials. This was also not found done in four units<sup>8</sup>. Similarly note 4 of subsidiary rule 53 (viii) provides that whenever any payment, not final in nature, is made out of cash balance or when an advance from permanent advance is paid to any official for meeting emergent expenditure subject to his rendering account thereof supported by vouchers, the fact of payment of advance should be noted in red ink, in the particulars column on the payment side of the cash-book of the disbursing officer without entering the amount in the "amounts" column. The amount so advanced

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<sup>6</sup> Asstt. Director Swaraj Sansthan, Bhopal; Commissioner AA & Museums, Bhopal; Dir. Of Culture Bhopal; Dy. Dir. Archives Bhopal; MP Sanskriti Parishad Bhopal; Ravindra Bhawan Bhopal and RMT University Gwalior.

<sup>7</sup> Commissioner AA & Museums Bhopal; Dir. Of Culture Bhopal; MP Sanskriti Parishad Bhopal; RMT University Gwalior, and Ravindra Bhawan Bhopal.

<sup>8</sup> Asstt. Director Swaraj Sansthan Bhopal; Dy. Director Archives Bhopal; Ravindra Bhawan Bhopal and RMT University Gwalior.

would still form part of the cash-book balance of the disbursing officer making the advance. We observed that in the Directorate of Culture, Bhopal, temporary advances were given to officials but entries were made in the amount column which was against the rule stated above. Non observance of the codal provisions for proper maintenance of Cash Book is fraught with the risk of embezzlement of Government money.

In the exit conference (November 2012), the Directorates of Culture and Swaraj Sansthan stated that they have started maintaining the cash book as suggested by audit, while the Directorate of Archeology assured to do so.

### **3.2.7.5 Defective maintenance of Bill Register**

According to Subsidiary Rule 197 of MPTC, the Bill Register in form MPTC 17 should be maintained by all heads of offices who are authorised to draw money from the treasury on bills signed by them. The register should be reviewed monthly by a Gazetted officer and the results of the review recorded thereon.

Scrutiny of the Bill Registers in four test checked units (Dy. Director Archives, Bhopal, Commissioner, Archaeology, Archives and Museums, Bhopal, Director Culture and Ravindra Bhawan) revealed that the bill register was not being reviewed monthly as required under the above rules. Non observance of codal provisions for proper maintenance of bill register may lead to the Government money being withdrawn through fraudulent bills which may remain undetected.

During the exit conference (November 2012) all the Directorates stated that they have started implementing the suggestions of audit. The fact remains that the codal provisions were not followed in these cases during the years under review.

### **3.2.7.6 Delayed remittance of Government money into Treasury**

The Finance Department, vide order dated 29 October 1988, directed that all collections should be deposited into the Treasury/Bank without any delay, and under no circumstances should these collections be kept for more than 24 hours by any Department/office. Similarly, in places without banking facility, the government offices should deposit the collections received within three days.

Test check of records of receipts of Swaraj Sansthan, Ravindra Bhawan and Commissioner Archaeology, Archives and Museums Bhopal, revealed that an amount of ₹ 20.47 lakh<sup>9</sup> towards rent of auditorium, income from sale of tickets and replica etc., was remitted into the treasury after delays ranging from two days to eight months. The delay in remitting government receipts into the treasury increases the chances of misutilisation of funds.

**Codal provisions regarding maintenance of bill register were not followed**

**Government receipts were remitted in treasury after delays ranging upto eight months**

<sup>9</sup> Asstt. Director Swaraj Sansthan, Bhopal ₹ 3.49 lakh (Received during July 2011 to February 2012 delay 1 to 8 month), Commissioner AA & Museums Bhopal ₹ 7.57 lakh (Received during June 2011 to March 2012 delay 2 days to 4 month), Ravindra Bhawan, Bhopal ₹ 9.41 lakh (Received during July 2009 to March 2011 delay 3 days to 5 month)

In the exit conference (November 2012), the Directorate of Swaraj Sansthan stated that the delay was due to shortage of staff, while the Directorate of Culture stated that instructions have been issued to all the sub-ordinate officers to ensure timely remittance. The Directorate of Archaeology stated that the observation has been noted for future compliance.

The fact remains that the orders of the Department of Finance were not followed in these cases during the years under review.

### **3.2.7.7 Non-clearance of liability of ₹53.70 lakh**

As per Rule 13 of MPFC Volume I, delay in the payment of money indisputably due by Government is contrary to all rules and budgetary principles and should be avoided. Similarly, Rule 14 stipulates that all charges incurred must be paid at once, and under no circumstances should they be allowed to stand over to be paid from the appropriation of another year. If possible, expenditure should be postponed till the preparation of a new budget has given the opportunity for making provision and till the sanction of that budget has supplied means, but on no account may charge be actually incurred in one year and thrown on the appropriation of another year.

We observed that Ustad–Ala-ud-din Khan Sangeet Kala Academy, Bhopal had conducted programmes for which they had no funds for payment of bills and had created liabilities of ₹ 53.70 lakh pertaining to the year 2011-12 which were carried over to the next financial year, as detailed in **Table 6** below and which have not been cleared as of July 2012.

**Table-6: Details of outstanding bills**

(₹ in lakh)

Sl. No	Name of programme	Date of programme	Amount	No of bills
1.	Khajuraho Dance Festival 2012	1 – 7 February 2012	28.77	16
2.	Tansen Festival 2012	9 – 12 December 2011	18.15	7
3.	Amir Khan Festival 2012	20 – 22 January 2012	1.65	3
4.	Mandu Festival	28 – 30 December 2011	3.68	2
5.	Rajdhani Rangotsav	March 2012	1.45	4
<b>Total</b>			<b>53.70</b>	<b>32</b>

The Academy stated that funds on the basis of estimated expenditure were demanded from M.P. *Sanskriti Parishad*<sup>10</sup> and due to its non receipt liabilities were created. During the exit conference it was stated that all expenditure was incurred as per directions of the Government. Reimbursement of expenditure will be done in the year 2012-13.

The fact remains that liabilities were created in violation of the codal provisions.

<sup>10</sup> An institution under the Directorate of Culture for the purpose of conducting cultural and literary activities.

### 3.2.7.8 Parking of funds in Bank Account

As per Rule 284 of Madhya Pradesh Treasury Code (MPTC), funds should not be drawn from the treasury unless required for immediate disbursement.

Funds of  
₹ 3.42 crore  
were withdrawn  
without immediate  
requirement in the  
year 2008-09 and  
kept deposited in  
the bank

(i) Audit observed that the Chief Minister's office communicated (March 2008), the instructions of the Chief Minister for construction of three *Sanskritik Kala Sankuls* (at Rewa, Sagar and Khandwa) with the objective to increase awareness of various welfare programmes of the government among the rural population, promotion of cultural activities and to make the rural population aware of health and education etc. It was also communicated that the activities may be started without any delay. For this purpose, during the year 2008-09, the Directorate of Culture received budget allotment of ₹ 3.01 crore which was withdrawn (August 2008) and given to MP *Sanskriti Parishad* working under this Directorate.

We observed that land for construction of two *Sankuls* at Rewa and Sagar was not available till March 2012, as the land allotted at Rewa belonged to the Archaeological Department of M.P which had objected to the allotment of land and land allotted at Sagar was only one acre against the requirement of four acres. In respect of Khandwa *Kala Sankul*, land was allotted in September 2010 but construction activities had not started till March 2012, as the MP *Sanskriti Parishad* had not provided funds to the District Collector. Thus construction activities on the land at Khandwa could not be started on time despite availability of funds which were deposited in the bank in contravention of MPTC Rule 284.

During the exit conference (November 2012), the PS Culture intimated that land for the *Sankuls* at Khandwa and Sagar has been allotted by the District Collectors and the process for acquisition of land for Rewa is under process.

The fact remains that there was no requirement of funds for these works till the acquirement of land. Thus withdrawal of funds of ₹ 3.01 crore in the year 2008-09 and keeping the same in bank account was in contravention of the rules stated above.

(ii) We further noticed that the Commissioner Archaeology, Archives and Museums received an amount of ₹ 40.85 lakh, from Government of MP, in March 2009, for setting up the Dr. Vishnu Shridhar Wakankar Archaeological Research Institute with the purpose of educating the new generation about historical treasures like rock paintings, ancient scripts etc. present in the State and to encourage research work in these fields. A Society was formed by the Government in February 2012 for the purpose of establishment and looking after the management work of this Institute. The Institute is yet to be established (November 2012).

We observed that the amount of ₹ 40.85 lakh was drawn by the Commissioner Archaeology, Archives and Museums Bhopal and deposited in the bank account of MP Heritage Development Trust (March 2009), without returning the same to the Government.

The Commissioner of Archaeology, Archives and Museums replied (May 2012) that the funds will be utilised after the Institute starts functioning. The

reply is not acceptable as the fund should have been returned to the Government immediately due to its non-requirement at that time. Thus the amount of ₹ 40.85 lakh was lying out of Government account and kept in the bank for a period of three years against the codal provisions.

In the exit conference the Commissioner (Archaeology, Archives and Museums) Bhopal stated (November 2012) that as per directions of the Government the amount is being transferred to PD account.

### **3.2.7.9 Physical verification of stores not done**

As per Rule 29 of the Madhya Pradesh Financial Code (MPFC) Pt-I physical verification of all stores should be made at least once in every year under the rules prescribed by the Heads of Departments concerned. Further, Rule 30 states that a certificate of verification of stores with its results should be recorded on the list, inventory or account, as the case may be, where such verification is carried out.

Scrutiny of the Stock Registers in five units (MP Sanskriti Parishad, Dy. Director Archives, Culture Directorate Bhopal from 2010-11 onwards, Swaraj Sansthan since inception and Ravindra Bhawan from 2009-10 onwards) revealed that physical verification of stores was not done. Non conducting physical verification of stores and stocks increases the possibility of misuse of stores or pilferage of Government property.

In the exit conference (November 2012), the Directorate of Swaraj Sansthan stated that the physical verification will be conducted as per rules, while the Directorate of Culture stated that the process of physical verification of stores could not be conducted due to shifting of office in the year 2010-11. However, the process has been started now. The Directorate of Archaeology stated that the physical verification of stores has now been completed upto 2011-12.

## **3.2.8. Management of Programmes and Activities under the Directorates**

### **Directorate of Culture**

#### **3.2.8.1 Payment of honorarium to artistes, film personalities, playback singers etc. without framing any criteria**

The Directorate of Culture arranges various programmes, inviting renowned National/State level artistes for giving dance/musical performances for which honorarium is paid to these artistes. During the years 2009-10 to 2011-12, an expenditure of ₹ 7.19 crore was incurred on this account, as detailed in **Table 7:**

**Table-7: Number of programmes and honorarium paid**

*(₹ in crore)*

<b>Year</b>	<b>No. of Programmes</b>	<b>Honorarium paid</b>
2009-10	45	1.57
2010-11	81	1.89
2011-12	68	3.73
<b>Total</b>	<b>194</b>	<b>7.19</b>

As per MPFC Rule 10, the CCO is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

We observed that though the Department had conducted 194 programmes during the period 2009-10 to 2011-12 and had incurred expenditure of ₹ 7.19 crore on payment of honorarium, the Department has so far not framed any criteria for its payment.

**The Department has not framed any criteria for payment of honorarium to artistes**

The Director (Culture) replied (November 2011) that rates could not be laid down for payment of honorarium to artistes as the same depends on the popularity, seniority, experience and fame of the artist.

During the exit conference (November 2012) the Directorate stated that payments to artistes are made according to their popularity and fame. They further stated that honorarium was paid as decided after considering the demand of the artistes and after their acceptance of Government requests for relaxation.

The fact remains that the Department has not fixed any norms for payment of honorarium and has also not identified the programmes according to their importance (national/state/district level) which would have enabled them to specify the level of performers to be called for a particular programme (national/state/district level) and prescribed the maximum limit of honorarium payable to artistes for programmes.

Thus, in the absence of any criteria for payment of honorarium, it could not be ascertained as to how CCO had enforced financial order and strict economy in payment of honorarium to artistes.

### ***3.2.8.2 Excess disbursement of financial assistance of ₹ 1.17 crore to Kala Mandali***

The Directorate of Culture submitted a proposal to the Secretary, Department of Culture (February 2008) for providing financial assistance @ ₹ 7,000/-<sup>11</sup> to 25,000 *kala mandalis* in the lower income group for purchase of various musical instruments. The proposal was approved by the Minister for Culture. The Ministry of Finance accordingly gave approval and made a provision of ₹ 17.50 crore (March 2008). The Directorate of Culture disbursed the amount to 48 District Collectors in two installments (₹ 9.60 crore on 1 July 2008 and ₹ 7.93 crore on 9 September 2008) for onward transmission to block offices through Chief Executive Officer (CEO) Zila Panchayat. At the block level, a committee of five members (appointed by the Minister in charge of the district and CEO) was to identify the requirements of each *kala mandali* working in the gram panchayat and disburse the amount accordingly. Detailed procedures to be adopted before making disbursements were also circulated along with this order. It was the responsibility of the beneficiary *kala mandalis* and block

<sup>11</sup> Harmonium ₹ 5,000/-, Dholak –₹ 500, Manjeera/Chimta ₹ 500 and other musical instruments ₹ 1,000/- Total ₹ 7,000/-

offices to provide utilisation certificates to Zila Panchayats after procurement of the instruments.

Excess disbursement of ₹ 1.17 crore was made to 23,372 *kala mandalis* for purchase of musical instruments

We noticed that the Department had incurred an amount of ₹ 17.53 crore which was in excess by ₹ 3 lakh of the sanctioned amount of ₹ 17.50 crore. We also noticed that orders for disbursement were issued by the Secretary (Department of Culture) (May 2008), @ ₹ 7,500/- for each *kala mandali*, instead of ₹ 7,000/- which was approved by the Minister for Culture and Finance Department. Thus, excess disbursement of ₹ 1.17 crore<sup>12</sup> was made to *kala mandalis*. Further, as per the original proposal, the assistance was to be provided to 25,000 *kala mandalis*, but financial assistance was actually extended to only 23,372 *kala mandalis*. Moreover, documents in support of the applications received from *kala mandalis*, assessment of the number of *kala mandalis* existing in the State etc. and utilisation certificates obtained from the beneficiaries were not furnished to audit as a result of which we could not ascertain whether the funds were actually utilised for the purpose for which it was sanctioned.

The Director (Culture) replied (November 2011) that amount was disbursed as per orders of the Government and sanction of competent authority was obtained for disbursement of the excess amount of ₹ 3 lakh. Further, during the exit conference the Directorate stated that the Administrative department is empowered to sanction excess expenditure upto 10 per cent of the sanctioned amount, hence separate approval of the Finance Department is not required. It was further replied that District Collectors have been asked to furnish utilisation certificates.

The reply is not acceptable as the item for which the extra amount was provided was neither found on record nor intimated during the exit conference. Further, utilisation of the amount could have been ensured only after verification of utilisation certificate obtained from each beneficiary *kala mandali*. The Department did not furnish the same to audit, nor did the Government's reply address this issue.

### 3.2.8.3 Expenditure of ₹ 1.80 crore on activities not related to the objectives of the Department

Expenditure of ₹ 1.80 crore was made on an activity not related with the objectives and activities of the Department of Culture

As per the Business Allocation Rules the main policy of the Department of Culture is to deal with matters specifically related to the promotion of art, literature and culture. We observed that the trustee and General Secretary of *Pushpgiri Panchkalyanak 2011 Maha Mahotsav Samiti*<sup>13</sup>, forwarded a request (October 2010) to the District Collector, Dewas to provide water, electricity, accommodation, security facilities etc for organising *Pushpgiri Panchkalyanak Maha Mahotsav*, to be organised between 16 to 24 January 2011. On the basis of the application of the Samiti, the District Collector, Dewas wrote to the Secretary, Office of the Chief Minister, proposing a demand of estimated expenditure on arrangement of electricity amounting to ₹ 1.09 crore and water amounting to ₹ 1.43 crore aggregating ₹ 2.52 crore.

<sup>12</sup> 23,372 x ₹ 500 = ₹ 1.17 crore

<sup>13</sup> A charitable trust formed by the Jain community at Pushpgiri - Dewas

The Director (Culture) submitted a note to the Principal Secretary (Culture) for making budget provision of ₹ 2.52 crore on 9 November 2010. The Director, Culture withdrew ₹ 1.80 crore on 28 December 2010 from the treasury and the amount was provided to the Collector, Dewas on 29 December 2010 for incurring the expenditure on the *Pushpgiri Panchkalyanak Maha Mahotsav*.

Thus an amount of ₹ 1.80 crore was spent by the Department of Culture, on provision of water and electricity for a function not related with the objectives and activities of the Department of Culture.

The Directorate stated (November 2011) that provision for funds was made in the supplementary budget for the year 2010-11. They further stated that though this function did not come under the objectives and activities of the Department of Culture, the expenditure was incurred on the basis of Government decision. Directorate accepted that utilisation certificate was yet to be received from the Collector Dewas. Further, in the exit conference (November 2012) the Department stated that action was taken as per directions of the Chief Minister's office.

The fact remains that such functions do not fall within the ambit of objectives and activities of the Department of Culture.

#### **3.2.8.4 Issue of grants to ineligible Non Government Organisations (NGOs) and Semi Government Organisations**

As per Business Allocation Rules, one of the main policies of the Department is to encourage and provide financial assistance to the non-Government cultural organisations. To achieve this purpose, Madhya Pradesh Government vide its Gazette notification (March 1987) formulated the "M.P. *Ashaskiya Sanskritik Sansthan Sahayta Anudaan Niyam*". As per Rule 2 of Part 4(C) of this rule, grant was payable to (i) State level non-Government institutions engaged specifically in the field of culture for over three years; (ii) institutions engaged in the field of providing high level training in any specific art and which makes arrangements for its regular demonstration; (iii) arranges musical programmes, dance programmes, art exhibitions, *Sahitya Samaroh* etc. of very high standard and requires assistance for conducting any specific programme. Further, Rule 3(b) clarifies that the assistance was to be provided to only those institutions who have obtained prior recognition from the Department of Culture, Government of MP.

Also no grant was to be issued to any institution whose income from all sources, in the Department's view, was sufficient for organising any programme.

The number of NGOs who applied for assistance, number of organisations to whom assistance was provided by the Directorate of Culture and total assistance provided under the above mentioned rule, during the years 2009-10 to 2011-12 is given in **Table 8** below:

**Financial assistance of ₹ 3.02 crore was given to institutions not recognised by the Department**



**Table-8: Details of grants given to institutions**

Year	No of applications received	No. of institutions to whom grant were given	Amount given as grant (₹ in lakh)
2009-10	513	188	87.50
2010-11	634	253	107.50
2011-12	633	278	106.75
<b>Total</b>	<b>1780</b>	<b>719</b>	<b>301.75</b>

We observed that the Directorate of Culture did not maintain records of institutions which had obtained prior recognition from the Directorate.

The Directorate of Culture replied that the Department of Culture does not have any procedure of recognising institutions involved in cultural activities and all grants were released after recommendation from the *Anudaan Samiti*<sup>14</sup>. It was further replied that grants were issued to organisations engaged in other works on the condition that they would utilise the amount for cultural activities.

The reply of the Department is not acceptable as the primary condition for issue of grant i.e. recognition of institutions engaged in the activities of Arts and Culture was not complied with by the Directorate of Culture. Thus, the entire expenditure of ₹ 3.02 crore incurred during these years proved unjustified as none of the NGOs to whom the assistance was provided had obtained prior recognition from the Directorate of Culture.

The Directorate of Culture, during the exit conference (November 2012), further replied that a proposal for amendment in the rule for sanction of grants to only those NGOs engaged in the field of culture is being sent to the Government.

### **3.2.8.5 Irregular expenditure of ₹34.96 lakh on award of publicity work to private parties**

The Chief Secretary, Government of MP vide orders (May 2008) instructed all Government Departments/Corporations/Boards and Autonomous Bodies to get all publicity related work (like hoardings, flex banner, TV report, news capsule, video presentation etc.) done through Madhya Pradesh *Madhyam*<sup>15</sup>. Scrutiny of records relating to Madhya Pradesh *Sthapna Diwas Samaroh* revealed that the Directorate of Culture had in contravention of above orders, awarded publicity related work of the programme to private firms and incurred irregular expenditure of ₹ 34.96 lakh as detailed in the following table.

<sup>14</sup> A committee headed by the Director- Culture, and having six members nominated by the Director Culture ( two members- one each from the Department of Culture and Finance Department and four other members from the sub-ordinate offices under the Directorate of Culture).

<sup>15</sup> Madhya Pradesh *Madhyam* is an autonomous organisation providing turnkey communication solutions in the Social Development Sector, functioning under the Department of Public Relations – Government of Madhya Pradesh. Chairman of which is the Chief Minister of the State. The *Madhyam* was set up to publicise schemes and other related works of Government Departments and institutions under the Government.

**Table9: Details of payment made to private firms**

Sl. No.	Name of firm	Payment made (₹ in lakh)
1.	M/s Scrabble Media Pvt. Ltd, Bhopal	20.91
2.	M/s Streamline films, Bhopal	1.65
3.	UNO Graphics, Bhopal	9.80
4.	Tiranga Photo Point, Bhopal	2.47
5.	Verma Publicity, Bhopal	0.13
<b>Total</b>		<b>34.96</b>

The Directorate of Culture replied (June 2012) that they were unaware of the orders given by the Chief Secretary and these orders were also not incorporated in the purchase rules. It was further replied that considering the magnitude of the programme and paucity of time, all decisions were taken immediately and the Directorate was not in a position to ensure compliance to rules as done by other Departments. During the exit conference the Directorate stated (November 2012) that all works were carried out as per rules.

The reply is not acceptable as awarding of contract to private firms was in contravention of the instructions of the Government and led to irregular expenditure of ₹ 34.96 lakh.

### **3.2.8.6 Utilisation of funds received under Twelfth Finance Commission grants after expiry of period by Bharat Bhawan Trust**

The Director of Culture, Bhopal submitted a proposal (2004-05) of ₹ 2 crore to be spent under the Twelfth Finance Commission grant at Bharat Bhawan for the purpose of upgrading and modernising the auditorium and other works. Accordingly, the Bharat Bhawan Trust received grant of ₹ 2 crore (@₹ 50.00 lakh per year from 2006-07 onwards) under the Twelfth Finance Commission (currency 2005-06 to 2009-10). As per clause 3.1 of the guidelines for utilisation of funds released under the Finance Commission, every State shall constitute a High Level Committee (HLC)<sup>16</sup> to ensure proper utilisation of these grants-in-aid. The HLC shall be responsible for (a) according approval to the projects at the beginning of each year to be undertaken in each sector, quantifying the targets, both in physical and financial terms, and laying down a time table for achievement of specific milestones; and (b) monitoring both physical and financial targets and ensuring adherence to the specific conditionality in respect of each grant, wherever applicable. The HLC was to meet at least once in every quarter to review the utilisation of grants and to issue directions for mid-course correction, if considered necessary.

The Finance Department, Government of MP, while forwarding the guidelines (June 2005) had issued directions to PS, Department of Culture to prepare proposals and an action plan and get the same approved from HLC and strive for full utilisation of funds released by the Finance Commission within the

<sup>16</sup> Headed by the Chief Secretary to the State Government and includes the Finance Secretary and Secretaries of the concerned Departments of the State Government as members.

time limit and provide utilisation certificates to the Finance Department, Government of India.

**12<sup>th</sup> Finance Commission grants of ₹ 63.55 lakh were not utilised by the Bharat Bhawan Trust within the currency period**

We observed that till the end of the currency period of the 12<sup>th</sup> Finance Commission (2009-10), Bharat Bhawan could not utilise ₹ 63.55 lakh sanctioned for procurement of machinery, equipments, construction of ceramic studio and other miscellaneous documentation works. Out of this, ₹ 33.69 lakh and ₹ 13.15 lakh, was utilised in 2010-11 and 2011-12 respectively. Further, an amount of ₹ 16.71 lakh still remained unutilised as of March 2012. We further noticed that assets already procured under the Twelfth Finance Commission grant valuing ₹ 1.24 crore were also not included as assets in the Balance Sheet of the Bharat Bhawan Trust.

The Chief Administrative Officer, Bharat Bhawan stated (March 2012) that as most of the works proposed under the Twelfth Finance Commission schemes required a long time schedule for their completion, the funds could not be utilised within the time limit. It was further stated that as the funds of the Trust were not utilised for procurement of these assets they were not included in the Balance Sheet. Instead the same have been depicted as project expenses.

During the exit conference (November 2012), the Government stated that an amount of ₹ 0.24 lakh pertaining to the year 2008-09 and ₹ 10.29 lakh pertaining to the year 2009-10 only remains to be spent. It was further stated that the expenditure is being made in accordance with the financial limits sanctioned for each item every year.

The reply is not acceptable as Ministry of Finance, Department of Expenditure (Finance Commission Division) Government of India had also requested PS (Finance), Government of MP in April 2009 to schedule their activities for utilisation of the Twelfth Finance Commission Grants and furnish utilisation certificate/completion certificate in time, but the funds, as stated above, were not utilised timely. Due to this delay, visitors to Bharat Bhawan were deprived of modern auditorium facilities during these years. Further non-depiction of assets in the balance sheet increases the chances of loss/misappropriation/misuse etc. going unnoticed.

#### ***3.2.8.7 Non preparation of bye-laws and regulations for the administration and management of Bharat Bhawan Trust***

Bharat Bhawan was registered as a Trust vide Registrar Public Trust and Sub-Divisional Officer's orders dated 31 January 1996. At the time of registration, the Court of Registrar of Public Trust and Sub Divisional Officer issued terms and conditions for operation of the Trust. As per clause 10 of the Trust deed framed by the court "The trust shall make rules for managing its accounts and activities, payment of allowances to the Trustees and members of the Executive Committee, payment of remuneration/ honorarium/fee to experts/scholars/ professionals, recruitment, promotion, terms and conditions of service, duties and powers of its employees and shall make bye-laws and regulations for the administration and management of the trust." However, the court order did not stipulate any time frame for making rules by the Trust.

During audit we noticed that rules in respect of above mentioned activities had not been prepared so far though the Trust had incurred expenditure of ₹ 3.67 crore, ₹ 4.90 crore and ₹ 5.21 crore during 2009-10, 2010-11 and 2011-12 as shown in **Table 10** below.

**Table-10: Details of expenditure of last three years***(₹ in crore)*

Income				Expenditure			
Head	2009-10	2010-11	2011-12	Head	2009-10	2010-11	2011-12
Grant from GoMP	3.38	4.38	4.49	Establishment	2.28	2.73	3.49
Interest	0.38	0.27	0.48	Operation	0.30	0.32	0.34
Receipts from program	0.13	0.14	0.11	Audit fees	0.0013	0.0017	0.0017
Miscellaneous receipts	0.06	0.10	0.17	Program expenses	0.54	0.55	0.79
Reimbursement	Nil	0.06	Nil	Maintenance	0.23	0.96	0.40
				Expenses under 12 <sup>th</sup> Finance Commission Grants	0.32	0.34	0.19
<b>Total</b>	<b>3.95</b>	<b>4.95</b>	<b>5.25</b>		<b>3.67</b>	<b>4.90</b>	<b>5.21</b>

**(Source: Figures supplied by the Trust)**

The Chief Administrative Officer accepted the fact that no bye-laws for the Trust had been framed under Rule-10. It was also stated that activities such as purchase, honorarium to artistes etc. were being administered through office orders.

The reply of the trust is not acceptable as even after passing of court order (January 1996) and lapse of about 16 years, the Bharat Bhawan Trust has not framed any bye laws and is yet to implement provisions of court order.

Further, Para 24 of the court order stipulated that the “Government shall from time to time appoint a Committee of experts of national eminence (excluding the trustees and member of the Executive and Advisory committees of Bharat Bhawan Trust) to evaluate its activities and working”. Further Para 24.1 of court order stated that the said committee shall present its recommendations and suggestions to the Government and such of them as are accepted by Government in consultation with the Trust shall be binding on the Trust.

We noticed that no committee to evaluate the activities and functioning of the Bharat Bhawan was formed by the Government (March 2012).

During the exit conference the Government stated that action will be taken as required under the Trust deed and intimated to audit.

### **3.2.8.8 Non-obtaining of balance share of Central government due to non-fulfilment of conditions**

Ministry of Culture, GOI implemented a scheme of providing financial assistance for setting up of Multi Purpose Cultural Complex (MPCC) to an

autonomous body created by State Government to set up Art and Cultural Complexes with the objective to improve the quality of people's lives by making young people sensitive to what is aesthetically and morally good in society by exposing them to the finest forms of creative expressions from an early age. As per the scheme, facilities like auditorium, library/reading hall, workshop facilities etc. were to be provided.

Government of MP submitted proposals (Jabalpur and Ujjain-September 2005 and Gwalior- November 2006) for construction of three complexes at Gwalior, Jabalpur and Ujjain districts in the state through the MP *Sanskriti Parishad*. Under the scheme the cost of each complex was fixed at ₹ 2 crore each, which was to be shared by the Central and State Government in 50:50 ratio. The Central Government released 60 per cent of its share (between 2005-07) amounting to ₹ 1.80 crore ( @ ₹ 60.00 lakh each for three complexes) and the balance 40 per cent Central share was to be released after submission of utilisation certificates for utilisation of the first installment (including State Government contribution), etc. and submission of information in the prescribed proforma. One of the conditions of the grant was that the organisation would submit to the Government of India its Statement of Accounts audited by a Chartered Accountant, setting out the expenditure incurred on the approved project and indicating utilisation of the Government grant.

The State Government had released its full share amounting to ₹ 3 crore for three complexes. The construction works were awarded by MP *Sanskriti Parishad* to the Gwalior Development Authority (July 2008), Jabalpur Development Authority (October 2007) and Ujjain Development Authority (February 2007). While the construction work of MPCC at Ujjain was completed (November 2009) and possession was given to Kalidas Sanskrit Academy Ujjain, the work relating to complexes at Gwalior and Jabalpur could not be completed (May 2012). The delay in completion was due to dispute in ownership of land in case of Gwalior and allotment of swampy land which was not suitable for constructing a building at Jabalpur.

We observed that despite completion of construction work and handing over of MPCC Ujjain in November 2009 and completion of 80 to 90 per cent work of the remaining two MPCCs at Gwalior and Jabalpur, the balance share from Central Government of ₹ 1.20 crore<sup>17</sup> (40 per cent) could not be obtained by the Department as the MP *Sanskriti Parishad* failed to produce utilisation certificate of first installment and other information as required.

The Joint Secretary, MP *Sanskriti Parishad* replied (May 2012) that in order to obtain the balance share of ₹ 1.20 crore, they were making regular correspondence with Ministry of Culture, Government of India. However, the GOI had demanded information in the prescribed proforma which was being collected from the CEOs of all the three Development Authorities (Ujjain, Jabalpur and Gwalior) and after its receipt, the same would be submitted to GOI. During the exit conference (November 2012), the Directorate of Culture

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<sup>17</sup> At the rate of ₹ 40.00 lakh per complex for three complexes.

stated that the proposal for obtaining the balance share has been forwarded to the Central Government again.

The reply confirms that though it was stipulated in the scheme guidelines that the Directorate of Culture has to submit the utilisation certificate in the prescribed format, it was not ensured. We further observed that in the case of Ujjain, the, Ministry of Culture, GOI have been demanding utilisation certificate in respect of ₹ 60 lakh since December 2010 which was still pending till May 2012 which shows laxity on the part of the Department. Thus, due to not furnishing required documents to the GOI by Department of Culture, Bhopal, the remaining amount of ₹ 1.20 crore could not be obtained.

### **Directorate of Archaeology, Archives and Museums**

#### **3.2.8.9 Non surrender of unspent grant of ₹ 94.16 lakh received from Government of India under the scheme “Setting up, Promotion and Strengthening of Regional and Local Museums”**

Government of India had provided (March 2010) grant of ₹ 1 crore as seed money to the Secretary, M.P. Heritage Development Trust (setup under the Directorate of Archaeology, Archives and Museums) under the scheme, “Setting Up, Promotion and Strengthening of Regional and Local Museums”. The amount was to be utilised for (i) State Museum, Bhopal (ii) Gujari Mahal Museum, Gwalior and (iii) Local Archaeological Museum Sironj, Vidisha. The terms and conditions for sanction of grant *inter alia* included that:

- The seed money shall be utilised to undertake preliminary activities including preparation of Detailed Project Reports (DPRs) for the above museums.
- Unspent balance, if any, may be surrendered to the Government without any delay.
- The audited accounts and utilisation certificates should be furnished within 12 months of the closure of the financial year of the release of the grant, failing which the organisation was required to refund the amount already drawn to the GOI with a penal interest of 10 *per cent* per annum.

We observed that as of May 2012, an amount of ₹ 5.84 lakh<sup>18</sup> only was utilised for preparation of DPRs and other preliminary work. However, the unutilised balance ₹ 94.16 lakh was not returned to GOI and was kept deposited in the bank account of the Trust. The utilisation certificate for the grant received had also not been submitted to GOI.

The Directorate (Archaeology) replied (May 2012) that a proposal of ₹ 25.00 lakh for construction of a boundary wall at Sironj museum has been prepared (February 2012) and has been submitted to the Government for according

**Unutilised balance of ₹ 94.16 lakh from GOI assistance was not returned and was kept deposited in the bank account of the Trust.**

<sup>18</sup> ₹ 0.30 lakh to EPCO for consultancy work of two museums at Sironj and Gwalior and ₹ 5.54 lakh for preparation of DPRs of three museums at Bhopal, Gwalior and Sironj- (Total- ₹ 5.84 lakh).

administrative and financial approval. Further, during the exit conference (November 2012), the Directorate stated that there was no clause for refund of seed money to the Central Government. Action for utilisation of the money is under process. The work of construction of boundary wall at Sironj Museum is also under process.

The reply is not acceptable as per clause 2 of sanction order, the grant was to be utilised for the purpose for which it was sanctioned and utilisation certificate furnished within 12 months of the closure of the financial year, and as per clause 13 the unspent seed money was to be surrendered to the Government.

**3.2.8.10 Inadequate security at monuments rendering expenditure of ₹ 1.64 crore incurred on restoration works at Narwar fort Shivpuri, Shahjahan Mahal and Jehangir Mahal unfruitful**

The Commissioner, Archaeology Archives and Museums received an allotment of ₹ 18 crore @ ₹ 4.50 crore per year from 2006-07 to 2009-10 as grant for undertaking restoration, upgradation and development works of museums, under the Twelfth Finance Commission grants. We<sup>19</sup> made site visits to the monuments wherein an amount of ₹ 1.70 crore was provided for restoration work of Narwar Fort (Shivpuri), ₹ 7.28 lakh and ₹ 7.34 lakh for Jehangir Mahal and Shahjahan Mahal at Gwalior Fort.

The amounts provided and expenditure incurred on restoration works of these monuments were as under:-

**Table – 11: Amount provided and expenditure incurred** (₹ in lakh)

Sl. No.	Particulars	2006-07		2007-08		2008-09		2009-10	
		Provided	Expenditure	Provided	Expenditure	Provided	Expenditure	Provided	Expenditure
1.	Narwar Fort, Shivpuri	20.00	19.97	40.00	39.92	60.00	48.81	50.00	45.35
2.	Jehangir Mahal	--	--	--	--	--	--	7.28	5.24
3.	Shahjahan Mahal	--	--	--	--	--	--	7.34	4.79

We observed that sufficient caretaking security staff for watch and ward were not posted at these monuments. Out of 352 State protected monuments under the Directorate of Archaeology, regular security staff were posted only at 127 monuments (36 per cent) and in the remaining 225 monuments security arrangements are outsourced. During physical inspection of some monuments we noticed problems like regrowth of vegetation, digging up of walls/floors, defacing of walls by visitors and stray cattle as evidenced from the following photographs.

<sup>19</sup> Audit team members along with departmental officers.



**Re-growth of vegetation and broken wall at Narwar Fort**



**Narwar Fort**



**Inside Shahjahan Mahal**

**Digging of walls/floors**



**Defacing of walls in Jahangir Mahal and Shahjahan Mahal**



**Jahangir Mahal**



**Narwar Fort**

**Stray cattle inside the monuments**

Thus due to inadequate security and care the expenditure incurred on restoration works of these monuments was rendered unfruitful.

On an audit enquiry, the Commissioner Archaeology, Archives and Museums, Bhopal stated that for Shahjahan Mahal and Jahangir Mahal situated inside the



premises of Gwalior Fort two security personnel are posted. Similarly, two security personnel are also posted at Narwar Fort. It was further stated that Narwar Fort was spread across an area of about seven kilometers. As such trees and bushes have regrown in the premises and walls of monuments resulting in damage to the monuments. It was further stated that there is provision for security guard through private agencies under the recommendations of Thirteenth Finance Commission and as such security will be ensured.

The fact remains that deployment of permanent security personnel should have been ensured in the budget itself so that the expenditure already incurred on restoration works did not become unfruitful.

#### **3.2.8.11 Execution of works without administrative and financial approval**

As per Rule 147 of MPFC, no work should be commenced or liability incurred in connection with it until:

- (i) Administrative approval has been obtained from the authority appropriate in each case;
- (ii) Sanction, either special or general, of the competent authority has been obtained authorising the expenditure;
- (iii) A properly detailed design and estimate has been sanctioned; and
- (iv) Funds to cover the charge during the year have been provided by the competent authority.

The Commissioner, Archeology, Archives and Museums, Bhopal gave technical, administrative and financial approval of ₹ 4.80 lakh to the Deputy Director Indore for the work of preparation of a gallery at Rajbada, Indore to display items related to the Holkar period. The Dy. Director, Indore awarded the work to the lowest tenderer for an amount of ₹ 3.98 lakh on 27 July 2011 for completion within a month.

We observed that the Commissioner and the Collector of Indore district, during an inspection of site on 2 December 2011, had suggested that the area of the gallery be extended from the proposed 10.80 x 19.20 meter to 10.80 x 23.20 meter by removing the wooden partition of 10.80 x 4 meter. Thus, due to this suggestion the area of gallery increased from 207.36 square meters to 250.56 square meters, which resulted in the same work to be carried out for an additional 43.2 square meters area. We observed that the Dy. Director, Indore carried out the extra work through the same contractor, without obtaining technical and financial approval from the Directorate and incurred extra expenditure of ₹ 6.37 lakh on this account.

The Dy. Director Indore replied (September 2012) that the matter is under the consideration of Directorate office.

The matter was reported to Government (January 2013) their reply has not been received (April 2013).

## Directorate of Swaraj Sansthan

### 3.2.8.12 Excess expenditure over estimated expenditure in the work of renovation and decoration work of gallery at Dr. Shankar Dayal Sharma Independence Struggle State Museum, Bhopal without prior approval

The Directorate of Swaraj Sansthan, Bhopal requested M.P. Laghu Udyog Nigam (MPLUN) Bhopal in August 2010 to conduct the inspection of site and submit an estimate of expenditure for the work of internal decoration, renovation and construction of showcases in the gallery at Dr. Shankar Dayal Sharma Independence Struggle State Museum, Bhopal. MPLUN, after inspection of the site, submitted a detailed estimate for the work for ₹ 9.64 lakh on 17 September 2010 and asked Swaraj Sansthan to provide administrative and financial approval for execution of the work along with advance payment of the estimated cost. The Directorate of Swaraj Sansthan gave administrative and financial approval for a sum of ₹ 9.64 lakh on 27 September 2010 and made advance payment of ₹ 9.00 lakh on 28 September 2010. MPLUN intimated the Directorate (December 2010) that the work had been completed and expenditure of ₹ 16.63 lakh had been incurred on the job and asked to pay the balance amount of ₹ 7.63 lakh. The amount of ₹ 6.99 lakh<sup>20</sup> was paid to MPLUN in March and June 2011.

We observed that (i) there was cost overrun of ₹ 7.58 lakh for which prior approval was not obtained by the executing agency (MPLUN) from the Sansthan (ii) the Sansthan failed to provide any details/documents pertaining to the extra expenditure. This indicated that the Sansthan did not have any effective monitoring of the work due to which the Sansthan had to bear extra expenditure of ₹ 7.58 lakh.

## 3.2.9. Human Resource Management

### 3.2.9.1 Shortage of staff in the Department

The position of sanctioned strength and men in position (March 2012) in the various offices under the Department is shown in **Table 12** below:

**Table 12: Position of sanctioned and working strength**

Sl. No.	Name of office	Sanctioned strength	Working strength	Vacant position
1.	Government Fine Arts College Gwalior	31	14	18*
2.	Director, Culture Directorate, Bhopal	37	28	9
3.	M.P. Sanskriti Parishad, Bhopal	135	120	15
4.	Commissioner Archaeology, Archives and Museums, Bhopal	89	74	15
5.	Dy. Director Archives, Bhopal	61	41	20
6.	Ravindra Bhawan, Bhopal	22	16	6
7.	Music College, Ujjain	14	4	10
8.	Raja Man Singh Tomar Music and Arts University, Gwalior	40	3	37
<b>Total</b>		<b>429</b>	<b>300</b>	<b>130</b>

Source: Figures as intimated by the concerned offices

\* Against one sanctioned post of Director, two were working.

<sup>20</sup> ₹ 3.66 paid on 31.3.11 vide ch no. 642559, ₹ 3.33 lakh on 30.6.2011 ch no. 952252  
balance ₹ 0.64 lakh

It is evident from the above table that the Department was having an overall 30 per cent shortage in manpower. We noticed that in addition to the offices cited above, the Dharampal and Maharaja Vikramaditya Shodhpeths under the Directorate of Swaraj Sansthan were working without any staff, wherein, only the post of Director was filled.

During the exit conference (November 2012), the Directorate of Swaraj Sansthan stated that appointments for Shodhpeths have not been approved by the Government and as such the work is being outsourced. The Directorate of Culture stated that the work for creation of posts and filling up of vacancies was under process. No reply was provided by the Directorate of Archaeology.

The vacancies of staff are bound to affect the effective functioning of the department and achievement of its objectives.

### **3.2.9.2 Absence of teaching staff in Raja Mansingh Tomar (RMT) Music and Arts University**

For the purpose of maintaining academic standards in educational institutions, the availability of qualified and experienced faculty is a prerequisite. Shortage of qualified and experienced faculty would adversely affect the quality of education imparted.

We noticed that the RMT Music and Arts University established in the year 2008 started its academic activities from the year 2009-10 even though it had no regular lecturers and musicians on its rolls. The University had 23 sanctioned posts of lecturers and musicians but all were lying vacant till date (June 2012). The University is running its academic classes by accommodating the students in the classes run by the earlier established Government Madhav Music College and Government Fine Arts College, both operating from the same premises. No separate classes of the University were conducted.

The Government replied (November 2012) that four Assistant Lecturers have been appointed till date and the process of filling up of the remaining vacant posts was in progress.

## **3.2.10 Internal Control Mechanism**

The internal control mechanism is an important aspect of functioning within an organisation. It establishes systems which provide reasonable assurance on financial reporting, operational data and the compliance of applicable laws, regulations and various control parameters designed to achieve organisational objectives. The internal control mechanism is established *inter alia*, through inspection of unit offices by higher level functionaries, furnishing of periodical reports and returns and by having an internal audit mechanism.

### **3.2.10.1 Inspection by higher authorities**

Rule 293 of MPTC Vol. I stipulates that higher authorities should inspect subordinate offices under it. We observed that inspection by higher authorities

**Inspection of subordinate offices by higher authorities was not carried out in four offices**

was not found done in four<sup>21</sup> offices out of eight district level offices test checked by us during the period 2009-12.

The Directorate of Culture replied (August 2012) that an Accounts Officer has been posted to watch the financial matters. The reply is not acceptable as an employee cannot inspect its own work and be a substitute for the Internal Control System.

### **3.2.10.2 Submission of Reports>Returns**

**No periodical reports/returns other than utilisation certificates are received from the subordinate offices**

We observed that the Department has not instituted a reporting system in the form of reports/ returns to be furnished to the higher authorities which would enable them to control and monitor its activities and programmes implementation. The Department stated that the subordinate offices, such as MP *Sanskriti Parishad*, Bharat Bhawan Trust send utilisation certificates in respect of grants given to them. Other than this, no reports/returns are received from the subordinate offices. The Government reply received during exit conference also stated that all the sub-ordinate offices under the Directorate of Culture have been directed to furnish physical and financial progress. No reply was furnished by the Directorate of Archaeology.

Periodical reports and returns are important tools in the hands of the management to keep a check of the activities with respect to proper implementation of activities/programmes by various sub-ordinate units. In the absence of such a system the Department would not have adequate control over activities of the sub-ordinate offices which may adversely affect achievement of its objectives.

### **3.2.10.3 Departmental Manuals**

**Departmental manuals were not prepared in the Culture Directorate, Bharat Bhawan Trust and Swaraj Sansthan**

Departmental manuals are important for the smooth functioning of the Department. We observed that departmental manuals were not prepared in the Culture Directorate, Bharat Bhawan Trust, and Swaraj Sansthan. No reply was provided by the Government in this regard.

### **3.2.10.4 Internal audit**

Internal audit examine and evaluates compliance to Departmental rules and procedures and statutory provisions so as to provide independent assurance to the management at senior level regarding the adequacy of the internal control framework in the Department and its implementation. The Department confirmed that it does not have any Internal Audit Wing. In the absence of an Internal Audit Wing there is a risk of misappropriation of Government funds, embezzlement and theft. During the exit conference (November 2012) the Directorate of Culture stated that internal audit will be started soon. The Directorate further stated that a request to fill up the vacant post of Auditor is being submitted to the concerned office of Treasury and Accounts.

<sup>21</sup> Music College, Ujjain; M.P. Sanskriti Parishad-Bhopal; Ravindra Bhawan-Bhopal; and RMT University-Gwalior.

Absence of an effective internal control mechanism may lead to areas of weaknesses in the functioning of the Department remaining undetected, which in turn may adversely affect achievement of the objectives of the Department.

### **3.2.11 Conclusion**

The Department of Culture had not evolved any Cultural Policy, despite being in existence for three decades, which would have provided a foundation for proper planning and financial management. There were savings of more than 10 *per cent* under Plan Head in the Directorate of Culture and Directorate of Archaeology, Archives and Museums during the year 2011-12 indicating non preparation of budget estimates on a realistic basis leading to savings. In the Directorate of Culture, the scheme of providing financial assistance to Non-Government Organisations did not achieve its objective as the Department has not adopted any procedure of recognising NGOs engaged in the field of culture. There was also lack of planning in utilisation of funds received from the Twelfth Finance Commission resulting in funds remaining unutilised within the prescribed time limit. No criteria were laid down for payment of honorarium etc. to the artistes. Instances of withdrawal of funds without any immediate requirement were noticed. Compliance to provisions of Trust deed by Bharat Bhawan Trust was not ensured. The shortage of manpower in the Department and RMT Music and Arts University adversely affected the implementation of activities of the Department and the University. Internal control mechanism was found weak due to non-conducting of inspection by higher authorities, non preparation of departmental manuals and absence of internal audit.

### **3.2.12 Recommendations**

The Department may consider implementing the following recommendations:-

- Framing a well documented Cultural Policy;
- Establishing a mechanism for granting recognition to NGOs involved in cultural activities;
- Utilising the funds received under the Finance Commission grants within the currency period of the Finance Commission and monitoring the utilisation of funds;
- Better financial management to ensure effective implementation of the programmes/cultural activities; and
- Establishing an effective internal control mechanism.