CHAPTER – III

PERFORMANCE REVIEWS
(CIVIL DEPARTMENTS)

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PERFORMANCE REVIEWS

HEALTH DEPARTMENT

3.1 National Rural Health Mission (NRHM)

Highlights

The National Rural Health Mission (NRHM) was launched in April 2005 throughout the country with special focus on 18 States including Arunachal Pradesh. NRHM sought to provide healthcare to all in an equitable manner through increased outlays, horizontal integration of existing healthcare schemes with special emphasis on primary healthcare to 9.74 lakh rural people in the State.

There are some noteworthy achievements of the Mission Directorate and the State Government in implementation of NRHM. Arunachal Pradesh has been declared as the first State in the country to eradicate the polio menace. In the test-checked districts, no case of child diseases like diphtheria, neonatal tetanus, tetanus and whooping cough were reported during the last 3 years. Also, there is no incidence of death due to vector borne diseases like kala azar, filaria, Japanese encephalitis and dengue in the State.

However, a mid-course review of the programme revealed deficiencies in planning, implementation and monitoring of the scheme; shortage of medical staff, inadequate infrastructure facilities and lack of public awareness. Some of the major audit findings are highlighted below:

- **Out of the Rs. 99.07 crore received during 2005-08 the Mission spent only Rs.54.77 crore leaving Rs.44.30 crore (44.72 *per cent*) unutilized, which affected the implementation of the scheme adversely.**

(Paragraph 3.1.9.2)

- **During 2005-06 and 2006-07 the NRHM was implemented without any Annual Action Plan either at Village, Block or at the District level.**

(Paragraph 3.1.8)

- **The State had an overall shortage of 158 doctors, 282 staff nurses and 510 ANMs.**

(Paragraph 3.1.11.1)

- **Out of 378 SCs, 100 are running without any ANM and 173 SCs had single ANM instead of the required number of two. This was mainly due to shortfall in recruitment and training of ASHAs.**

(Paragraph 3.1.11.1)

3.1.1 Introduction

NRHM was launched in the State in May 2005 following a Memorandum of Understanding (MOU) between the State Government and GOI. The mission envisages involvement of community in planning and monitoring with a view to reduce maternal mortality rate (MMR), infant mortality rate (IMR) and the total fertility rate (TFR) within a seven year period (2005-12). Prevention and control of communicable and non communicable diseases, including locally endemic diseases also constitute an important component of the mission.

3.1.2 Programme objectives:

The objectives of NRHM are:

- to provide accessible, affordable, accountable, effective and reliable healthcare facilities in the rural areas of the entire country especially to poor and vulnerable sections of the population;
- to involve the community in planning and monitoring;
- to reduce infant mortality rate, maternal mortality rate and total fertility rate for population stabilization; and
- to prevent and control communicable and non-communicable diseases, including locally endemic diseases.

To achieve the above objectives, some of the existing healthcare programme *viz.,* Reproductive and Child Health – II, Vector Borne Disease Control Programme, Tuberculosis, Leprosy and Blindness control programme etc were brought within the ambit of the Mission as the following components:

- Reproductive and Child Health (RCH II)
- Additionalities under NRHM
- Routine Immunisation
- National Disease Control Programme
    - National Vector Born Disease Control Programme (NVBDCP)
    - Revised National Tuberculosis Control Programme (RNTCP)
    - National Leprosy Elimination Programme (NLEP)

- National Programme for Control of Blindness (NPCB)
- Iodine Deficiency Disorder Disease Control Programme (IDDDCP)
- Integrated Disease Surveillance Project (IDSP)

➢ Inter-sectoral convergence

3.1.3 Organizational Setup

The State Health Mission (SHM) and the State Health Society (SHS) were constituted in September 2005 for implementation of NRHM. The Society Secretariat/ State Programme Management Support Unit (SPMU) is headed by the Mission Director, NRHM who is assisted by the State Programme Manager / Nodal Officer, State Finance Manager and IEC/Nodal Officer (JSY) and other members of the SPMU as shown below:

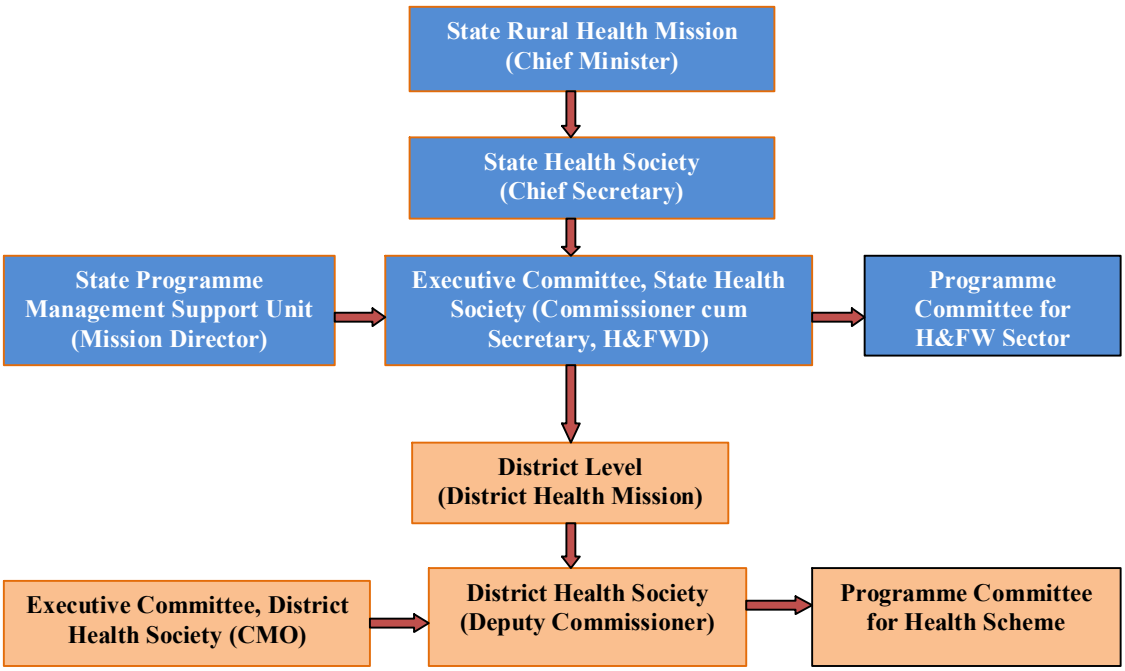


Chart: 3.2.1

3.1.4 Scope of Audit

Implementation of NRHM during the period 2005-08 was reviewed in audit during April to September, 2008 through a test-check of the records

of the Mission Directorate and 4 (25 *per cent*) out of 16 districts. In these 4 districts, the review covered 4 District Reproductive Child Health Offices (DRCHO) (100 *per cent*), 7 Community Health Centres (CHCs) (100 *per cent*), 16 Primary Health Centres (PHCs) (50 *per cent*) and 32 Sub Centres (SCs) (36 *per cent*). The units were selected for detailed scrutiny through simple random sampling method.

3.1.5 Audit objectives

The objectives of the performance audit were to verify whether:

- planning for the implementation of the programme as well as monitoring and evaluation procedures at the level of Village, Block, District and State were oriented towards its principal objective of ensuring accessible, effective and reliable healthcare to rural population;
- the level of community participation in planning, implementation and monitoring of the Mission was adequate and effective;
- public spending on health sector over the years 2005-08 increased to the desired level and available funds were optimally utilised for the intended purpose;
- the information, education and communication (IEC) programme implementation was efficient, cost effective and resulted in increased awareness about preventive aspects of healthcare;
- the performance indicators and targets fixed specially in respect of reproductive and child healthcare, immunization and disease control programmes were achieved; and
- the provision of affordable and accountable public health delivery system for the targeted population, especially the socially and economically deprived groups and women and children, was created as envisaged.

3.1.6. Audit Criteria

Audit findings were benchmarked against the following criteria:

- Guidelines of NRHM;
- MOU signed between the Union Ministry of Health and Family Welfare and the State Government;
- Annual Work Plan;
- Perspective Plan, District Health Action Plan; and
- Prescribed monitoring mechanism

3.1.7 Audit Methodology

The performance audit commenced with an entry conference on 02 April 2008 with the Mission Director, NRHM and other Nodal Officers responsible for implementation of the programme wherein, the objectives, criteria and scope of audit were explained. Audit findings were discussed with the Commissioner & Secretary, Health, Mission Director NRHM and other Nodal Officers in an exit conference on 12 November 2008, and the replies of the Department have been incorporated in the review, wherever relevant and appropriate.

Audit Findings:

The mid-term review of implementation of NRHM in the State revealed that there are some noteworthy achievements of the State Government. However, there were deficiencies in the planning process, failure in involving the community in planning, implementation and monitoring of the scheme; shortage of medical staff; inadequate infrastructure facilities and lack of public awareness. Major audit findings are discussed in the succeeding paragraphs.

3.1.8 Planning

NRHM strives for a decentralized health planning and implementation arrangement to ensure that need-based and community-owned District Health Action Plans (DHAPs) become the basis for interventions in the health sector. The districts are, thus, required to prepare perspective plans for the entire Mission period as well as Annual Health Action Plans (AHAPs). Based on the DHAPs, the State Health Society is to prepare a Project Implementation Plan (PIP) for the State for approval by the National Programme Coordination Committee (NPCC) and the GOI.

Scrutiny of the records in the Mission Directorate as well as in the sampled districts revealed that during 2005- 07, no AHAP was prepared either at the village, block, or at district level. Though the DHAPs were prepared during 2007-08 by the districts based on the household surveys conducted at village level, these were not prepared timely. Village Health Action Plan (VHAP) and Block Health Action Plan (BHAP) were, however, not prepared during 2005-08.

3.1.8.1 Facility surveys/Household surveys

As per the GOI instructions, facility survey of all the medical units and household survey should be completed by March, 2008. As per the progress report submitted by the Mission Directorate, there was shortfall in facility survey ranging from 6 to 52 *per cent* and in household survey by 31 *percent*. The position as on March, 2008 is captured in the following table:

Table: 3.1.1

Particulars	Number	Facility survey conducted	Shortfall/ (percent)
District Hospitals	14	12	2 (14)
Community Health Centres	31	29	2 (06)
Primary Health Centres	85	41	44 (52)
Sub Centre	378	299	79 (21)
Household Survey (Districts)	16	11	5 (31)

Source: Mission Directorate

Data collected through the household and facility surveys was not validated by the Village Health Sanitation Committee (VHSC) as required under the NRHM guidelines. Similarly, the mechanism of sample verification of the correctness of the survey data either by NGOs or by the higher officers, as prescribed under NRHM framework were also not followed while finalization of DHAPs. Further, a central database was to be prepared for future healthcare planning by using the authenticated surveys results. The database was also not prepared/ maintained at the district or at the State level.

3.1.9 Financial Management

3.1.9.1 Funding pattern

The State is required to reflect its requirement for various components of the programmes i.e. (a) RCH, (b) Additionalties under NRHM, (c) Immunisation, (d) RNTCP, (e) NVBDCP, (f) Other National Disease Control Programme (NDCPs) and (g) Inter-sectoral issues in a consolidated Programme Implementation Plan (PIP).

The GOI allocates the funds directly to the State Health Society (SHS) on the basis of the approved PIP. During 2005-07, 100 *per cent* grants were provided to the State. However, from the 11th Plan Period (2007-12), the State was required to contribute 15 *per cent* of the total fund requirements for NRHM.

3.1.9.2 Allocation and Expenditure

The position of funds allotted and expenditure incurred thereagainst during 2005-08 is given in the following table:

Table: 3.1.2

(Rs. in Crore)

Year	Funds released			Expendi-ture	Savings (percent)
	Central*	State	Total		
2005-06	11.28	-	11.28	6.21	05.07 (45)

2006-07	34.16	-	34.16	17.63	16.53 (48)
2007-08	53.63	Nil	53.63	30. 93	22.70 (42)
Total	**99.07**		**99.07**	**54.77**	

Source: Mission Directorate's records **includes last year savings*

Apart from the funds detailed above, the GOI released funds under different vertical programmes which form part of NRHM. The position of funds received and expenditure incurred during 2005-08 under these vertical programmes is given in the following table.

Table: 3.1.3

(Rs. in lakh)

Programme	Year	OB	Funds received	Other Receipts	Available Funds	Expendi-ture	Savings/ (percent)
NVBDCP	2005-06	-	74.03	0.01	74.04	6.46	67.58 (91)
	2006-07	67.58	200.76	3.14	271.48	174.21	97.27 (36)
	2007-08	97.27	306.20	1.87	405.34	316.34	89.00 (22)
RNTCP	2005-06	19.57	160.00	5.79	185.36	138.63	46.73 (25)
	2006-07	46.73	100.00	5.17	151.90	142.77	09.13 (06)
	2007-08	9.13	160.00	2.36	171.49	152.17	19.32 (11)
NPCB	2005-06	33.27	29.50	1.31	64.08	34.72	29.36 (46)
	2006-07	29.36	91.22	2.15	122.73	50.86	71.87 (59)
	2007-08	71.87	Mission did not furnish these figures.				
NLEP	2005-06	23.69	20.83	0.21	44.73	41.50	3.23 (07)
	2006-07	3.23	110.04	0.34	113.61	113.14	0.47 (00)
	2007-08	0.47	46.26	0.14	46.87	46.02	0.85 (02)

Sources: Annual Accounts of NRHM and Vertical Societies

As can be seen from table 3.1.2, during the period 2005-08, out of the available funds of Rs. 99.07 crore, the SHS could utilise only Rs. 54.77 crore. Since the funds were provided based on the agreed PIP, the short-utilization of the allocated funds would have without doubt adversely affected the fulfillment of the Mission objectives to that extent.

The Department stated (November, 2008) that due to difficult topography and poor communication facilities, the pace of execution of works were slow which caused short-utilization of funds. The reply is not acceptable as the reasons given are supposed to be well known to the Department when the planning and budget allocations were decided.

Similarly, the SHS could not utilize the funds provided under vertical programme during 2005-08 to the full extent. The short utilisation of funds is bound to impact adversely on the achievement of objectives for which funds were provided.

3.1.9.3 Delay/short release of State share

As per the funding pattern, the State was to release Rs. 6.05 crore in 2007-08 being the 15 *per cent* share of the total approved outlay (Rs. 40.34 crore). The State, however, released only Rs. 4 crore in April 2008. Thus, there was a delay as well as short-release of State share amounting to Rs. 2.05 crore as of September 2008 which adversely affected the resource availability for the healthcare activities.

The Government admitted the audit finding and stated (November 2008) that efforts would be made to release its outstanding share.

3.1.9.4 Expenditure on management cost

As per the guidelines, up to six *per cent* of the total annual work plan for the year can be utilized for contractual engagement of personnel with new skills under management cost.

During the years 2006-08, Rs. 8.52 crore (11 *per cent*) was incurred on management cost against the admissible limit of six *per cent* on the salaries of Medical Officer, Auxiliary Nursing Midwife (ANM), Staff nurse, Lab Technician etc.

The Mission Directorate stated (November 2008) that it was very difficult to limit the management cost to six per cent of the total NRHM budget due to various inevitable reasons which had already been highlighted to the GOI.

3.1.9.5 Irregular utilisation of untied funds

NRHM guidelines stipulate that untied funds meant for the SCs should be utilised for activities like minor modification of the centre, cleaning, transportation in emergent cases to appropriate referral units, carrying of samples during epidemic, purchase of bleaching powder etc. with the approval of Village Health Sanitation Committee.

Scrutiny of the records of District Reproductive Child Health Office, East Siang and Changlang districts revealed that during the year 2005-06 Rs. 5 lakh (East Siang - Rs. 3 lakh & Changlang - Rs. 2 lakh) was spent out of the untied funds on other activities like purchase of furniture, hospital accessories, construction of operation theatre, etc. in violation of the NRHM guidelines.

DRCHOs (July 2008) stated that due to non-formation of VHSC and non-opening of bank accounts, the funds were spent at the district level. The Government admitted the audit finding and promised (November 2008) that adequate follow up action would be taken.

3.1.9.6 Vertical integration of Programmes

As per the NRHM guidelines, all the vertical programmes under National Disease Control Programme of the MoH&FW viz., NVBDCP, RNTCP, NPCB, NLEP, IDSP, IDDDCP were to be integrated by April, 2007 into NRHM by release of funds through the mission finance management group. However, scrutiny of records revealed that during 2005-08 the financial outlay and expenditure under NRHM and vertical programmes were separately accounted for and only the accounts of all the vertical programmes were amalgamated with NRHM in the Annual Statement of Accounts for the period of 2007-08. Other formalities like fund allotment along with NRHM, one DDO, one cashbook, one bank account, etc had not taken place as of March 2008.

The Government held (November, 2008) GOI responsible for this failure since though the demand for funds was projected in a consolidated form in the PIP by the State, the GOI released funds separately for each component, in violation of the Mission guidelines.

3.1.9.7 Audit of the Society

As per the MoU signed between the State Government and the MoH&FW, the State was to organise the audit of the State and District societies within six months from the close of the financial year. The funds routed through the MoU mechanism are also liable for statutory audit by the Comptroller and Auditor General of India. However, there were delays in finalisation of the annual accounts for the years 2005-06 to 2006-07. Further, the 2007-08 annual accounts were not finalised as of September 2008. Besides, all these years' accounts have not yet been furnished to the Accountant General.

While admitting the facts, the Department explained (November 2008) that the difficult weather and communication bottleneck in the State caused delay in audit by the Chartered Accountant in various remote districts.

3.1.10 Infrastructure

3.1.10.1 Healthcare infrastructure

As per the NRHM norms for establishment of rural health centres in hilly and tribal areas, one Sub Centre (SC) is to be set up for a population of 3000, one Primary Health Centre (PHC) for a population of 20000 and one Community Health Centre (CHC) for a population of 80,000 to 100,000.

Arunachal Pradesh has a rural population of 9.74 lakh. Scrutiny of the records at Mission Directorate revealed that the healthcare centres in the State exceeded the required number as per the NRHM norms as indicated in the following table:

Table: 3.1.4

Centre	Requirement as per norms	Actual centres	Excess
SCs	325	378	53
PHCs	49	85	36
CHCs	12	31	19

Source: Directorate NRHM

Though the State has more healthcare centres than required under norms prescribed in NRHM, to meet the peculiar requirement and scanty population in the State, the infrastructure facilities in healthcare sector in the State was not up to the desired level and desired standard. There were also delays in upgradation of hospital buildings. The shortcomings in the infrastructure are discussed in the subsequent paragraphs.

3.1.10.2 Delay in upgradation of Hospital buildings

During the year 2007-08, the GOI released Rs. 14 crore for upgradation of district hospitals to be used in the ratio of 60:40 between civil works and medical equipment respectively. The Mission Director, however, released Rs. 8.70 crore for civil work to 14 District Health Societies (September-October 2007). Equipment valued at Rs 2.92 crore was also procured and delivered to the DHs. The balance amount of Rs.2.38 crore remained unspent with the Mission Director as of March 2008.

Scrutiny of records revealed that only Rs. 1.81 crore (21 *per cent*) out of Rs. 8.70 crore was spent on civil works, leaving an unspent balance of Rs. 6.89 crore (89 *per cent*) with the District Societies.

In the 4 test-checked districts, only East Siang had completed the civil work and in the remaining 3 Districts, the works were yet to commence. Thus, there were delays in upgradation of the infrastructure of these medical units which would deprive the beneficiaries of the intended better healthcare benefits.

The Government stated (November 2008) that the civil works are in progress and the concerned executing agencies would be pursued to expedite the execution.

3.1.10.3 Drugs Distribution Centres and Fever Treatment Depots

Under NVBDCP, Drug Distribution Centres (DDCs) and Fever Treatment Depots (FTDs) have to be established in the rural areas for providing easy access to anti-malaria drugs to the community. DDCs and FTDs had not been established in each village identified as high risk areas as prescribed in NRHM norms. Out of 3678 high risk villages in the State, only 268 DDCs and 212 FTDs were established. Thus, there was a huge shortfall in establishment of DDCs (3410) and FTDs (3466) in the high risk areas of

the State depriving a large section of the population access to anti-malaria drugs.

SHS admitted (November 2008) the audit finding.

3.1.10.4 Inadequate cold chain system

Cold chain system is essential for preserving the effectiveness of the pulse-polio and other vaccines vials/ampoules. There are 130 medical centres (DHs 14, CHCs 31, and PHCs 85) in the State of which cold chain system facilities are available only in 47 (DHs 14, CHCs 31 and PHCs 2) (36 *per cent*). The absence of the prescribed cold chain facility is bound to have adverse impact on the effectiveness of various vaccines being used under various immunisation programmes.

The Government stated that the cold chain system is required only for PHC and above levels and thus not for SCs. Further, it was also stated that in Arunachal Pradesh there is frequent power failure problem and in remote localities electricity supply is yet to be provided and in absence of uninterrupted power supply, the equipment are not useful. DHS stressed the fact that during the last 25 years there has not been even a single case of polio in the State which underlines the success of the preventive health programmes. The reply is not acceptable in audit as suitable power backups has to be provided wherever there is load shedding problem. Similarly, the fact that the State does not have any reported instance of polio does not mean that the preventive healthcare activities like immunisation should be compromised. Further, the cold chain systems are required store of vaccines other than Oral Polio Vaccine.

3.1.10.5 Blood Storage Facility

After three years of implementation of NRHM, except in Ruskin CHC, no other CHC had blood storage facilities. The blood storage facility in Ruskin CHC is also non-functional since June 2008. In the absence of such a facility, the needy and emergent patients were deprived of the supply of the blood which is crucial for an effective healthcare system.

The Government stated (November 2008) that blood demand of CHC Ruskin is being met by the Pashighat blood bank which is not very far from there. DHS (November 2008) added that more blood bank could not be established as these require license from GOI and the Society had written letters to GOI for licenses but no approval has been received yet.

3.1.11 Manpower management

As per the norms prescribed for hilly states in NRHM guidelines, 6 doctors, 7 staff nurses and 1 Auxiliary Nurse Midwife (ANM) are required

in each CHC; 2 doctors and 3 staff nurses are required for each PHC; and. 2 ANMs are required in each SC.

3.1.11.1 Medical and paramedical staff

As brought out in paragraph 3.1.10.1, the State has established healthcare centres in excess of the NRHM norms. The position of medical and paramedical staff in the State as of March 2008 is given in table below:

Table: 3.1.5

Category of staff (*R - Regular, C - Casual)*	CHC (31)			PHC (85)			SC (378)			Total Shortage in each category
	Requirement	Personnel in position	Variation	Requirement	Personnel in position	Variation	Requirement	Personnel in position	Variation	
Doctor	186	R - 72	- 114	170	R – 69 C - 57	- 44	-	-	-	158
Staff nurse	217	R - 71	- 146	255	119	- 136	-	-	-	282
ANM	31	R - 84	+ 53	-	-	-	756	R -173 C - 20	- 563	510

Source: Mission Directorate's records

The shortage has been calculated on the basis of the norms prescribed for hilly states in NRHM guidelines. In order to meet the shortage of medical and paramedical staff, the Mission had engaged 57 doctors and 20 ANMs on contractual basis. The deployment of this staff was for a temporary period. Even after taking into account these contractual recruitments, the State still has a shortage of 158 doctors, 282 staff nurses and 510 ANMs.

It was also noticed that out of 378 SCs, 100 were non-functional as there was no ANM in these centres against the requirement of two ANMs per SC. Further, 173 SCs were functioning with a single ANM instead of two. Thus, though the State has more healthcare centres than required under the norms, the ability to provide quality healthcare suffered due to the lack of adequate manpower.

The Government stated (November 2008) that GOI is reluctant to sanction posts because more centres than required were opened in the State. The reply has to be viewed in the light of the fact that the NRHM guidelines provide for recruitment of the additional manpower on contractual basis till posts are sanctioned by the GOI and also, the fact that the State was unable to use the funds provided under NRHM completely every year.

3.1.11.2 Dental Surgeons

Providing dental care at peripheral level is an integral component of the primary health care under NRHM. Scrutiny of the records revealed that only 34 dental surgeons were posted in the entire State. These surgeons were posted only in 12 districts leaving four districts (Kurung Kumey, Upper Subansiri, Upper Dibang Valley & Anjaw) without any dental surgeons. This led to absence of any dental care services in these four districts.

The Nodal Officer pointed out that they did write to GOI for creation of posts but no sanction has been received yet and that the funds shortage also affects their ability adversely. The reply is not acceptable as the NRHM guidelines provide for recruitment of the additional manpower on contractual basis till posts are sanctioned by the GOI, and the State had the required funds to meet the expenditure.

3.1.11.3 Selection and training of ASHA

Under NRHM each village is required to be provided with one trained female community health worker known as Accredited Social Health Activist (ASHA). The ASHAs are fully accountable to the Panchayat Raj Institutions. The ASHAs would not get any salary but are entitled to get performance-based compensation on healthcare activities relating to the pregnant mothers and newborn children. The State was required to complete the selection and their training (module I to IV) by March 2008 and then they were to be supplied with drug kits containing medicines for minor ailments, oral rehydration salts, contraceptives, etc.

As of March 2008, against the total requirement of 3862 ASHAs in the State, 3153 (82 *percent*) were selected. Of these, only 2260 (59 *per cent*) were imparted training on Module I. Further, only 596 ASHAs (19 *per cent*) completed the entire training module. Thus, there was short-selection of 709 ASHAs (18 *per cent*) and short-training of 2557 (81 *per cent*) of the selected ASHAs. Further, only 702 ASHAs (22 *per cent*) were provided with drug kits. Thus, 106 ASHAs were provided with drug kits before completion of full training in contravention of the NRHM guidelines.

The State Institute of Health and Family Welfare is yet to evaluate the training and functioning of ASHAs as required under NRHM guidelines. The guidelines also provide that there should be weekly meeting of ASHAs at SCs and monthly meeting at PHC level. There was, however, no record to show that the weekly meetings of ASHAs at SCs and monthly meeting at PHC level had taken place. Thus due to these deficiencies the important link between the community and the healthcare facilities as envisaged under NRHM, was only partially achieved.

SHS stated (November 2008) that the issue of ASHA has got politicized which affected the NRHM programme as ASHAs were often removed in the event of change in Government and new ASHAs were appointed. The Society also admitted that the ASHA training was slow and assured improvement in this regard.

3.1.12 Healthcare and family welfare programme

The NRHM provides an overarching umbrella to most of the national programmes of healthcare and family welfare to provide accessible, affordable, accountable, effective and reliable healthcare facilities in the rural areas. Arunachal Pradesh has been declared as the first State in the country to eradicate the polio menace. The targets, achievement and important deficiencies in implementation of this programme are discussed below:

3.1.12.1 Immunisation Programme

To prevent infant mortality, morbidity (death and disease) of children and to provide healthcare to pregnant women, immunization programme comprising vaccine for preventable diseases *viz*., (i) Diphtheria Pertussis Tetanus (DPT); (ii) Oral Polio Vaccine (OPV); (iii)Tetanus Toxoid (TT); (iv) BCG (v) Measles and (vi) Diptheria Tetanus (DT), was implemented. The following immunisation schedule was prescribed for children up to six years of age and pregnant women to protect them against specific diseases.

Table: 3.1.6: Immunisation schedule

Age	Schedule for immunization
Children of age six weeks or one and a half months	(i) Diphtheria, Whooping cough and Tetanus (DPT) : First dose (ii) Oral Polio Vaccine (OPV): First dose (iii) Tuberculosis (BCG)
Children of age 10 weeks or two and a half months	(i) DPT: Second dose (ii) OPV: Second dose
Children of age 14 weeks or three months	(i) DPT: Third dose (ii) OPV: Third dose
Children of age nine months	Measles
Children of age between 16 and 24 months	(i) DPT: Booster (ii) OPV: Booster
Children of 5 to 6 years of age	Booster dose for Diphtheria and Tetanus (DT) and two doses of typhoid vaccination.
Pregnant women	Tetanus toxiod: Two doses at an interval of eight to twelve weeks, the second dose being given four weeks before expected date of delivery.

The scheme is being funded entirely by the GOI with the objective of 100 *per cent* achievement every year in immunizing infants and pregnant women. The year-wise targets and achievement thereagainst is tabulated below:

Table: 3.1.7: Immunisation of infants and pregnant women

Year	Infants							Pregnant women			
	Target	Achievement (*per cent*)				DT		TT(16)		TT(10)	
		BCG	Measles	DPT	OPV	Target	Ach.	Target	Ach.	Target	Ach.
2005-06	25,950	20,574 (79)	24,406 (94)	15,230 (59)	15,501 (60)	29,351	15,396 (52)	29,594	6,171 (21)	25,713	10,283 (40)
2006-07	26,405	21,429 (81)	19,306 (73)	20,778 (79)	20,887 (79)	30,138	19,993 (66)	30,387	8,247 (27)	26,402	14,604 (55)
2007-08	30,579	16,063 (53)	13,840 (45)	13,193 (43)	13,389 (44)	30,946	5,324 (17)	31,202	4,863 (16)	27,110	5,324 (20)

Source: NRHM Directorate

It may be seen in the above tables that there was a significant shortfall in achievement of targets under all categories during 2005-08. Also, there was considerable decline in achievement during the year 2007-08 when compared to the previous years. Further, there was variation between the targets set for BCG, etc. and DT.

While accepting the audit finding (November 2008) the Department stated that immunisation programme has shown improvement in the current year.

Though the State Government claims that there is no single case of polio in the State, considerable decline in administering OPV during the year 2007-08, a preventive measure to check the spread of disease, has to be viewed seriously, as the risk of occurrence of the disease could not be entirely ruled out due to slackness in implementation of the programme.

3.1.12.2 Janani Surakhsa Yojana

Janani Suraksha Yojana (JSY) aims at providing facilities for institutional delivery.

Considering that 100 SCs were non-functional as there was no ANM and in another 173 SCs there was only one ANM against the requirement of two ANMs, it is certain that very few mothers would have availed of the benefit of improved facilities of institutional delivery. Shortage of trained ASHAs also contributed to the lack of awareness among the beneficiaries. Thus, a majority of rural pregnant women were deprived of improved facility of institutional delivery.

The position of institutional deliveries and the number of beneficiaries to whom cash assistance was given during 2005-08 is indicated in the table below:

Table: 3.1.8

Year	Total number of deliveries	Institutional delivery cases *(per cent)*	Cash assistance (in number)		Not paid in *per cent*
			Paid	Not paid	
2005-06	28,643	8,593 *(30)*	794	7,799	91
2006-07	28,077	8,423 *(30)*	1,433	6,990	83
2007-08	29,657	8,897 *(30)*	7,689	1,208	14
Total	**86,377**	**25,913 *(30)***	**9,916**	**15,997**	**62**

Source: Mission Directorate's records

It would be seen above that during the years 2005-08 out of a total 86,377 deliveries the institutional deliveries was only 25,913 (30 *per cent*). However, as per the third National Family Health Survey, the institutional deliveries among the rural population in the State was mere a 19 *per cent*. Out of 25,913 institutional deliveries, only 9,916 mothers (38 *per cent*) were paid cash assistance, leaving 15,997 mothers (62 *per cent*) deprived of the scheme benefit. This is indicative of the fact that the beneficiaries were not aware of the cash assistance available to them.

The Nodal Officer, NRHM stated (November 2008) that the benefit could not be extended in the remaining cases due to non-observance of prescribed procedure by them. Accepting the fact, the Mission Directorate assured (November 2008) that efforts would be made to popularise the scheme through Information Education and Communication activities during next year.

Scrutiny of the records of JSY payments in Upper Subansiri District revealed that 44 and 144 beneficiaries were paid cash assistance totalling to Rs. 3.55 lakh) (at the rate of Rs 1,300 and Rs. 2000 during 2006-07 and 2007-08 respectively). Though the payments were recorded and expenditure booked in the accounts, the actual payee receipts (APRs) from the beneficiaries for these payments were not produced to audit for cross-verification. In the absence of the supporting records such as APRs, it could not be ascertained whether these benefits actually reached the stated beneficiaries or not.

The Department accepted the audit finding and assured that the system of documentation would be strengthened further.

3.1.13 National Disease Control Progamme

3.1.13.1 National Vector Borne Disease Control Programme

All the vector borne diseases, *viz*., Malaria, Filaria, Kala-azar, Japanese Encephalities and Dengue were brought under the ambit of National

Vector Borne Disease Control Programme (NVBDCP). When NRHM was launched in April 2005, the NVBDCP was also brought under it. In respect of Arunachal Pradesh, only the activities under 'Malaria' were undertaken as part of implementation of NRHM, since there was no incidence of other vector borne diseases in the State as reported by the programme implementing authority.

Scrutiny of records revealed that none of the three sub-components of NVBDCP i.e. enhanced malaria control project, behaviour changes communication project and intensified malaria control project were not implemented in 2005-06. However, from 2006-07 onwards all three sub-components were implemented. Status of provision of funds and utilisation under NVBDCP is given in the table below.

Table: 3.1.9

(Rs. in lakh)

Year	Budget	Expenditure	Savings *(per cent)*
2005-06	74.04	6.46	67.58 (91)
2006-07	271.48	174.21	97.27 (36)
2007-08	405.33	316.32	89.01 (22)

Sources: Annual Accounts of NRHM and Vertical Societies

As could be seen from the above table the utilisation of fund under the programme was dismal during 2005-08 particularly during the year 2005-06 due to non-implementation of the programme.

Malaria situation in the State is given in the table below.

Table: 3.1.10

Year	Blood Slide Examination	Malaria cases	Pf cases	No of deaths as per	
				Web site of NVBDCP	Society records
2005	2,58,994	31,215	7,447	-	10
2006	2,76,074	39,182	12,854	196	195
2007	2,29,749	34,125	7,636	-	36
2008 (as of May 2008)	19,978	2,122	445	-	4 (as of July 2008)

Source: Website of NVBDCP, Directorate General of Health Services, Ministry of Health and Family Welfare, Government of India

The figures of death due to malaria reflected in the web site of NVBDCP do not tally with the figures provided by the State Society. As such, the credibility of information regarding malaria situation in the State is doubtful.

Substantial number of malaria death cases reported in the State during the years 2006 and 2007 was mainly due to failure of the State in implementation of the programme till 2005-06. The shortfall in

establishment of 3410 DDCs and 3466 FTDs in the high risk villages as pointed out in paragraph 3.1.10.3 affected the implementation of NVBDCP adversely.

Department and NVBDCP Society agreed with the audit finding and stated (November 2008) that due to the non-posting of State Programme Officer, the scheme could not be implemented in 2005-06. Since the posting of SPO was within the control of the Department, the reply underlines the failure of the Government in implementation of the programme.

3.1.13.2 Spraying of DDT

As per the guidelines issued by the GOI, the first and second rounds of Indoor Residual Spray (IRS) for Vector control are to be done in April to mid-June and in mid-June to August respectively. Scrutiny of records revealed that there was shortfall in achievement of the target during the last three years as detailed in the following table.

Table: 3.1.11

Year	Period	Target	Actual achievement	Achievement percentage
2005	First round	7,19,678	5,65,493	78
	Second round	6,79,614	5,74,994	85
2006	First Round	7,54,892	5,92,288	78
	Second Round	7,25,518	6,48,795	89
2007	First Round	8,35,931	7,94,279	95
	Second Round	7,71,508	6,93,480	90

Source: NVBDCP Society's data

There has been improvement in coverage of population under both rounds of operation during the last two years. However, non-achievement of the target may render the entire operation an exercise in futility, as there is every possibility of malaria virus carrying insects developing resistance and rendering the use of insecticide in the future useless.

The Department accepted the audit finding and added that the difficult terrain and weather complicated the problem. However, the Department has to make every effort to cover entire population in order to eradicate malaria in the State.

3.1.13.3 Distribution of insecticide treated bed-nets

NVBDCP as well as the NRHM guidelines provide for distribution of insecticide treated bed nets to all BPL families living in the State.

However, during the years 2005-06 and 2006-07 there was no distribution of insecticide treated bed-nets to the BPL families of the State.

The Department stated that insecticide treated bed nets were not provided to the targeted beneficiaries due to their non-receipt from the GOI.

3.1.13.4 Excess deployment of manpower

Under NRHM norms for 10.00 lakh population, the manpower requirement is 260 persons (52 squads of an average 5 persons) for Indoor Residual Spraying of DDT and synthetic pyrethrolds. Scrutiny of the records revealed engagement of manpower in excess of the norms. Details of manpower required as per norms vis-à-vis the actual manpower engaged and expenditure incurred on their wages are tabulated below:

Table: 3.1.12

Year	Average Population covered in two rounds (in lakh)	Manpower		Excess deployment *(per cent)*	Wages (Rs in lakh)		
		Actually deployed	As per norms		Actually paid	Payable as per norms	Excess
2005	5.70	351	149	202 (58)	27.30	11.59	15.71
2006	6.21	361	162	199 (55)	30.51	13.69	16.82
2007	7.44	361	193	168 (47)	30.51	16.31	14.20
Total		**1073**	**504**	**569**	**88.32**	**41.59**	**46.73**

Source: Society's data and audit calculation

Thus an excess expenditure of Rs. 46.73 lakh was made on payment of wages to the persons deployed in excess over the norms.

The Society (July 2008) stated that the population norms are not applicable in Arunachal Pradesh. The reply is not acceptable as the audit finding is based on the norms applicable to hilly regions which also include Arunachal Pradesh. The Government stated (November 2008) that the malaria is endemic in 14 out of the 16 districts in the State and the difficult geographical condition necessitates more manpower deployment.

3.1.13.5 National Programme for Control of Blindness

During the years 2005-08, the following were the performance indicators under different aspects of the programme of NPCB.

Table: 3.1.13

Component	Year	Target	Achievement	Percentage of shortfall in achievement
School children screened	2005-06	28,000	11,019	61
	2006-07	28,875	6,600	77
	2007-08	20,000	14,956	25
Detected with refractive errors	2005-06	1,960	1,570	
	2006-07	2,021	1,153	
	2007-08	1,400	894	

Component	Year	Target	Achievement	Percentage of shortfall in achievement
Cases where Spectacles are to be provided	2005-06	600	211	
	2006-07	606	203	
	2007-08	420	295	

Source: NPCB Society's data

It may be seen that there was a significant shortfall in screening the school children under NPCB ranging between 25 and 77 *per cent.* However, the achievement of target has increased considerably during the year 2007-08.

The Society stated (November 2008) that due to the shortage of Ophthalmic Assistants, the target for screening of school children could not be done. The Department should make effort to achieve 100 *per cent* screening of the school children as envisaged under the programme.

3.1.14 Procurement

Scrutiny of the records revealed that the Mission Directorate procured medical equipment without assessing the actual requirement or consulting DHAP of the respective DRCHOs/DHs which led to non-utilisation and non-acceptance of medical equipment as listed below:

- DRCHO, Changlang received 40 medical equipment valued Rs.39.01 lakh under District Hospital Upgradation Programme. Scrutiny of the supply of equipment data revealed that 13 equipment worth Rs. 2.18 lakh only were required in the DH, Changlang as per their approved DHAP for 2007-08. Further, the procurement has to be viewed in the light of the fact that upgradation of DH Changlang has not commenced as of March 2008. Thus, equipment costing Rs. 36.83 were needlessly purchased and supplied to DH, Changlang.
- DH, Upper Siang already had one functional X-ray machine but during 2007-08 another machine costing Rs 2.40 lakh was supplied without being requested.
- One dental chair at a cost of Rs.6.46 lakh was procured for DH Upper Dibang Valley though DH had no dental service.
- Scrutiny of records in Mission Directorate also revealed that the equipment worth Rs.12.01 lakh was procured and supplied during 2007-08 to the Lower Dibang Valley DH without assessing their actual requirements as detailed below:

Table 3.1.14

Particulars of equipment	Quantity procured	Cost (in Rs)	Remarks
Operating microscope(ENT)	1	2,29,000	There is no ENT service in the hospital
Binocular microscope	2	1,22,400	There are already two available in the hospital
Operation Theatre Table (Remote Control)	1	6,50,000	Sophisticated OT table not needed for running minimum aspect of surgical service
Generator for Operation Theatre	1	2,00,000	There is already one standby generator in the hospital
Total		**12,01,400**	

Source: Correspondence file and vouchers

Consequently, the procurement and supply of medical equipment without ascertaining the actual requirements of DHs, led to non-utilization of these equipment worth Rs. 57.70 lakh.

3.1.15 Community participation

The NRHM framework prescribes a multiplicity of committees at various levels to ensure community participation. Community participation was also designed in the Mission as a guarantee for their right to the healthcare. Thus community participation is to play an important role in achieving the desired objectives of the Mission. However, community participation was not adequate as discussed in the subsequent paragraphs:

3.1.15.1 Village Health Sanitation Committees

As part of the decentralised medical services in every village, Village Health and Sanitation Committees (VHSC) were to be setup with adequate representation from PRIs and the disadvantaged sections of the society like women, scheduled caste, scheduled tribe, minorities and other backward castes. VHSC is to monitor and validate the data collected and sent to the higher authorities by Auxiliary Nurse Midwife (ANM), Anganwadi workers and other functionaries of the public healthcare system. The process of constitution of VHSC was to be completed by March-2008.

Out of the required 3862 VHSC (on the basis of one committee per village), only 2178 Committees (56 *per cent*) were constituted as of March 2008. These VHSCs were, however, not involved in the data validation process as contemplated in the NRHM guidelines.

SHS admitted the audit finding and assured (November 2008) that the VHSC would be used in future for data validation and other activities.

3.1.15.2 Rogi Kalyan Samiti

Rogi Kalyan Samiti (RKS) is a registered society which is supposed to manage the affairs of the hospitals. RKS was to be represented by locally elected representatives, NGOs, and member from the Government health department, who are responsible for proper functioning and management of the hospitals, CHCs, PHCs.

In Arunachal Pradesh, there are 130 medical units where RKS were to be formed, however, only 114 RKS have been formed. Further, the functioning of RKS where formed, was also not effective as (i) no regular meetings as required under the guidelines were held and (ii) review of the performance of the out patient as well as in-patient departments of the medical units were not done. RKSs were also not maintaining records on the problems being faced by the patients, complaints received by them and action taken thereon, if any.

Admitting the audit finding, SHS stated (November 2008) that due to shortage of Medical Officers they were not in a position to form the required number of RKS. The Society also accepted that the record maintenance by RKS was poor.

3.1.15.3 Public dialogue on health

Under NRHM guidelines, the interested community members should be enabled to get directly involved in exchange of information and to improve the transparency and accountability of the healthcare system. 'Public dialogues' (Jan Sambad) or 'Public hearings' (Jan Sunani) are to be organised at regular intervals at PHC, block and district levels.

However, in the test checked districts and Mission Directorate, the public dialogues and public hearings on healthcare were never organised. As a result dissemination of healthcare information as well as improvement in the transparency and accountability in the healthcare system suffered.

The Government stated (November 2008) that these exercises were being done quite intensively but in an informal way and thus no records were available and assured that efforts would be made to do it in a formal way.

3.1.15.4 Citizens Charter

One of the objectives of the RKS is to develop a citizen charter for each DH, CHC, and PHC and ensure that it is displayed appropriately outside the health centre so that people are made aware of their health rights and facilities available to them in these medical centres.

However, citizen charters were not displayed in all the medical units of the State. Out of the total 130 medical units, only 3 district hospitals had citizen charters resulting in very limited dissemination of information about the medical facilities available in these medical units and public had

not benefited from the healthcare facilities existing due to lack of awareness.

SHS assured adoption of citizen charter in future wherever the RKS were functioning.

3.1.16 Information Education and Communication (IEC)

IEC is a comprehensive strategy under NRHM programme which includes awareness by means of publicity through electronic media, advertisement, etc. As per the NRHM guidelines, the impact of IEC activities among the people should be periodically evaluated.

Scrutiny of records revealed that during the years 2005-08, the Mission spent Rs. 1.30 crore towards IEC activities like printing of calendar, billing, hoarding, wall writing, broadcasting in electronic media, etc. No impact evaluation was, however, carried out by the Mission and an opportunity was missed to take appropriate corrective measures to make the programme more effective.

The Society stated (November 2008) that no evaluation agency had yet been engaged by the NRHM for periodical evaluation to measure the impact of NRHM activities in the State. However, they assured to undertake the evaluation by the end of the current financial year.

3.1.16.1 Public Report on Health

As per the NRHM guidelines, each DRCHO is required to publish a public report annually on health conveying to the readers the healthcare facility information and progress in NRHM activities implemented in the district. No such publication was brought out by any of the districts during the period 2005-08.

The Department admitted (November 2008) the fact and informed that a consolidated Quarterly Report would be printed soon.

3.1.17 Monitoring and evaluation

Successful implementation of the NRHM would greatly depend on proper monitoring and appropriate evaluation.

As per the MOU signed between the GOI and the State for implementation of NRHM, the meeting of the Governing Body (GB) was to be held at least once every six months to monitor and evaluate the affairs of the SHS. As per the records of the Mission Directorate, during the last three years, out of the minimum six meetings to have been held, only two were actually held. Since the GB did not meet periodically as required, it was not able to monitor, evaluate and suggest mid-course corrections, wherever required.

The Mission Director admitted (November 2008) the fact and assured that the GB meeting would be convened regularly during 2008-09.

The scheme guidelines also envisaged monitoring at village, PHC, block and district level by the committees formed at concerned levels, which were also responsible for planning. However, except at the district level, no committees were formed either to monitor or plan the activities under NRHM. At district-level, only one meeting was held during the years 2006-07 and 2007-08.

Further, as required under NRHM guidelines, the standardisation of services, OPD, in-patient, laboratories, surgical intervention and costing had not been done so far in the State. The periodical review of the available services had also not been conducted in the medical centres. Thus the impact of three years' implementation of NRHM activities in the State remained unassessed.

3.1.18 Conclusion

The overall performance of the Mission was not very satisfactory, as the delivery of rural healthcare services in the State was only partial. The review highlights glaring gaps in planning and programme implementation. The State Mission failed to conduct household / facility survey, which constitutes the most crucial element of the planning process upon which the very basis of the Mission success depends. The credibility and the basis on which the State PIP was formulated is questionable. The major shortcoming experienced by the Mission till date is largely attributable to the manpower shortage and the absence of appropriate functionaries at all tiers of the implementation structure. Inadequate health infrastructure, compounded by the delay in upgradation of the existing health infrastructure adversely affected the delivery of healthcare services among the rural population. Shortfall in selection/training of ASHAs and shortfall/delay in constitution of RKS, contributed to poor awareness among the targeted groups. Monitoring system was inadequate at all levels in the State.

3.1.19 Recommendations

On the basis of the shortcomings and deficiencies observed in the foregoing paragraphs, the following recommendations are made for streamlining and strengthening the system of healthcare service in the State under NRHM:

- Household and facility surveys at village, block and district level need to be conducted at regular intervals and gaps in health care services should be identified and appropriate corrective action taken;

- Involvement of community in planning and monitoring process should be ensured.
- Availability of the required manpower need to be ensured along with the creation, expansion/upgradation of health centres.
- Awareness should be created among the public to ensure accountability at various levels;
- Dissemination of information about the healthcare facilities available for the rural population through IEC activities, Citizen Charters, Health Report, etc., should be improved.
- Monitoring and supervision of the Mission activities should be strengthened by establishing monitoring and planning committees at all levels, as envisaged in the Mission guidelines.

PLANNING DEPARTMENT

3.2 Non-Lapsable Central Pool of Resources (NLCPR)

Highlights

The Non-Lapsable Central Pool of Resources (NLCPR) was established in 1998 by the Government of India (GOI) for speedy development of the infrastructure projects in the Northeastern region.

A review of the NLCPR funded projects in the State revealed that these projects facilitated better connectivity and helped in containment of land erosion. These have also helped in providing clean and potable drinking water to the targeted villages and creating new infrastructure which is playing an important role in spreading education in the State. The projects have also helped in strengthening the healthcare and power transmission/distribution facilities.

However, there were delays in completion of the projects due to poor planning, non-release of funds to the implementing agencies and inadequate monitoring. Consequently, only 38 out of the targeted 55 projects were completed as of March 2008. The highlights of the audit findings are given below:

- **There were delays ranging from 33 to 628 days in the release of funds by the State Government to the executing agencies.**

(Paragraph 3.2.8.4)

- **In 8 projects, the executing agencies diverted Rs. 7.43 crore from NLCPR to other projects.**

(Paragraph 3.2.8.5)

- **Though MoDONER released full funds for 55 projects which were due for completion by 2006-07, only 38 projects (69 *per cent*) were actually completed as of March 2008.**

(Paragraph 3.2.9.2)

- **There was no State level Monitoring Cell/Committee to monitor the implementation of NLCPR funded projects.**

(Paragraph 3.2.10)

3.2.1 Introduction:

NLCPR was established by the GOI in 1998 for funding specific infrastructure projects in Northeastern region. The broad objectives of the scheme were as follows:

- ensure speedy development of infrastructure in the NER by increasing the flow of budgetary financing with projects in the physical infrasturture sector receiving priority and

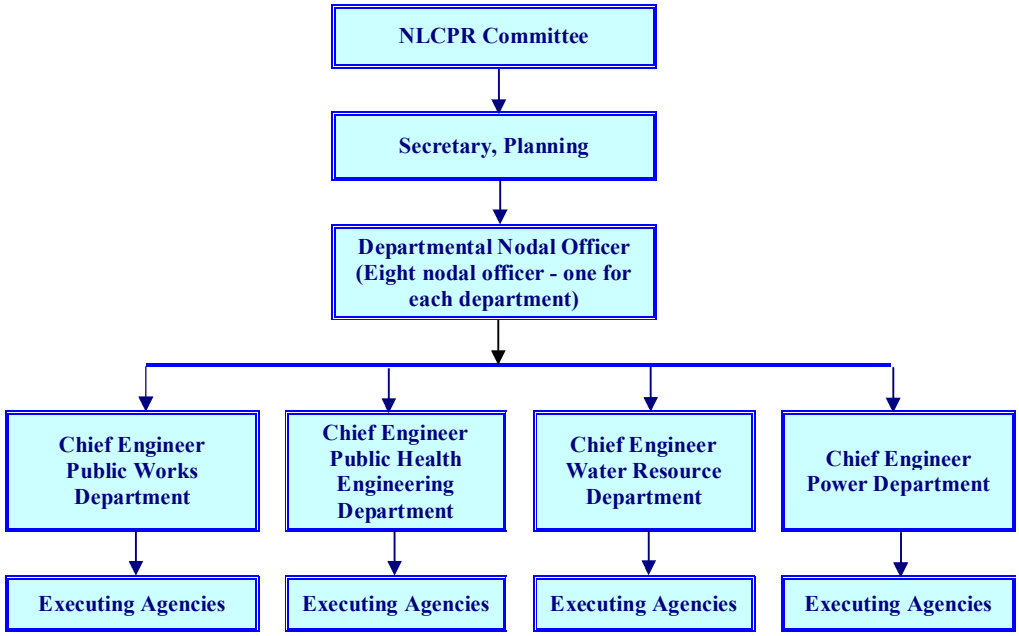
- create physical and social infrastructure in sectors like irrigation and flood control, power, roads and bridges, education, health, water supply etc.

Since inception of the scheme, the Ministry of Development of Northeastern Region (MoDONER) approved 95 projects of Arunachal Pradesh involving eight[1] Departments at a total cost of Rs. 856.38 crore.

3.2.2 Organizational Setup

NLCPR is administered by MoDONER through the 'NLCPR Committee' which consists of a Chairman (Secretary, MoDONER), five members and one Member Convener. In Arunachal Pradesh, the Planning Department is the Nodal Department which monitors the project/schemes and submits the project proposals, quarterly progress reports (QPRs), utilization certificates (UCs) and field inspection reports (IRs) to the MoDONER. Organisational setup for implementation of the NLCPR financed projects in the State is depicted below:

Chart: 3.2.1



3.2.3 Scope of Audit

Execution of 15 out of the 95 NLCPR funded projects (16 *per cent*) in the State, with an outlay of Rs.174.78 crore (representing over 20 *per cent* of the

[1] Education, Health and Family Welfare, Public Health Engineering and Water Supply, PWD R&B, Water Resources (WR), Power, Tourism, Secretariat & Administration.

total estimated cost of Rs.856.38 crore) was reviewed during May-June 2008 through a test check of the records of the Director of Schools and Higher Education, Director of Health Services, Director of Tourism, six PWD Divisions (Naharlagun, Pasighat, Sagalee, Tawang, Bomdila, Hayuliang), three PHE Division (Riong, Pasighat and Tawang), two Water Resource Divisions (Ziro and Tezu) and Electrical Division, Pashighat.

3.2.4 Audit Objectives

The objectives of the performance review were to assess whether:

- There was a critical assessment of infrastructural gaps while ensuring that there were no overlaps and whether the individual projects were an outcome of sound planning;
- Adequate funds were released in a timely manner and utilized for the specified purpose in accordance with the scheme guidelines;
- Projects have been executed in an efficient and economic manner and achieved their intended objectives; and
- There is a mechanism for adequate and effective monitoring and evaluation of projects.

3.2.5 Audit Criteria

The following criteria were used to benchmark the audit findings.

- Guidelines of GOI for implementation of NLCPR funded projects.
- Detailed Project Reports.
- Prescribed monitoring mechanism.

3.2.6 Audit Methodology

The performance audit commenced with an entry conference in June 2008 with the Director, Planning and the Departmental Nodal Officers, wherein the objectives, criteria and scope of the audit were explained. Audit findings were discussed with the departmental officers in an exit conference in November 2008 and their replies have been incorporated suitably in the report.

Audit Findings

Important audit findings are discussed in the succeeding paragraphs.

3.2.7. Planning

The State Government through its Nodal Department i.e. Planning Department is required to propose by 31 December an annual shelf/prioritized list of

projects to be funded through NLCPR during the following financial year. This should be in consonance with the overall planning process within the State covering the annual plans and five year plans. Out of this list, the MoDONER retains/approves some of the projects for which Detailed Project Reports (DPRs) are to be prepared by the concerned Department and submitted to the MoDONER within two months through the Nodal Department.

During the years 2003-08, the State forwarded 384 projects to MoDONER for funding. However, there were delays ranging from 2 to 11 months in submission of the priority lists. The year-wise number of project included in the priority list and the number of projects retained/approved along with their estimated cost is tabulated below:

Table: 3.2.1

(Rs. in crore)

Year	No.of projects	Estimated cost	Priority list submission			Projects retained	Estimated cost
			Scheduled	Actual	Delays		
2003-04	120	985.64	Dec-2002	Nov-2003	11 months	14	118.18
2004-05	65	495.98	Dec-2003	Mar-2004	2 months	6	60.13
2005-06	63	959.23	Dec-2004	Apr-2005	3 months	8	197.11
2006-07	83	1349.30	Dec-2005	Nov-2005	-	12	106.57
2007-08	53	734.99	Dec-2006	Jul-2007	6 months	21	255.18
Total	**384**	**4525.14**	**-**	**-**	**-**	**61**	**737.17**

Source: Compiled from the records of Planning Department

Out of 384 projects submitted by the State, 61 projects (16 percent) with an estimated cost of Rs. 737.17 crore were retained by the MoDONER for techno-economic examination. Out of these 61 retained projects, 35 projects with an estimated cost of Rs. 348.91 crore were approved by the MoDONER during 2003-08. Approval in respect of the remaining 26 projects was awaited as of March 2008. The main reason for the delays in approval of the projects or pendency of the retained projects was the non-submission of DPRs by the State within the time-limit prescribed.

Admitting the fact, the Department stated (November 2008) that the reasons for delay in submission of priority list was due to the late receipt of information about the rejected projects of the last priority list from MoDONER, as some of them may have to be included again in the current list. It was further stated that the finalisation of priority list was also delayed due to imposition of the model code of conduct during the Parliament, the State Assembly and the Panchayat elections in the State.

3.2.8 Financial Management

3.2.8.1 Funding pattern

Till 2004-05, the funds released under NLCPR were 90 *per cent* 'grant' and 10 *per cent* 'loan'. From 2005-06 onwards, as per the recommendations of the Twelfth Finance Commission, only 'grant' portion i.e. 90 percent was being released by MoDONER and the State was to provide the remaining 10 *percent* as its share. Effective from July 2004, 35 *percent* of the project cost was released as first installment by the GOI, and the release of subsequent installments was subject to the satisfactory physical and financial progress in implementation of the projects.

3.2.8.2 Budgetary allocation and Expenditure

As per the existing practice the fund is first received from MoDONER by the Finance Department (FD) which informs the concerned Departments to initiate proposal for its incorporation in their budget. The budget provision made and expenditure incurred during 2003-08 is indicated in the table below:

Table: 3.2.2

(Rs. in crore)

Year	Budget Provision	Expenditure	Savings/ *(per cent)*
2003-04	63.87	62.55	1.32 (02)
2004-05	59.99	53.53	6.46 (11)
2005-06	51.29	21.41	29.88 (58)
2006-07	85.27	71.66	13.61 (16)
2007-08	141.63	99.53	42.10 (30)
Total	**402.05**	**308.68**	

Source: Detailed Appropriation Accounts.

As can be seen above, the State has not been able to utilise the budget allocation fully during 2003-08 and there were persistent savings during all these years ranging from two to 58 *per cent.* The shortfall in utilisation of funds was mainly due to the delays in transmission of funds to the executing agencies which adversely affected the execution of the projects.

Admitting the fact, the Department stated (November 2008) that every year they faced problem in utilizing the allocation completely due to the time consuming tendering process, obtaining of environmental clearance from the concerned Ministry and also due to the litigation problem. The reply is not acceptable as the reasons for the delay could have been anticipated and overcome through proper planning.

3.2.8.3 Short release of State share

From 2005-06 onwards, the State was to provide 10 *per cent* of the approved project cost. This funding pattern was applicable to 12 out of the 15 projects selected for detailed examination. GOI has released Rs. 73.50 crore in respect of these 12 projects as of March 2008. However, out of the State's share of Rs. 7.35 crore, only Rs. 2.72 crore (37 *per cent*) was released in respect of

4 projects. In respect of the remaining 8 projects, no fund was provided by the State Government. (March 2008).

3.2.8.4 Delays in release of funds

Funds received from GOI are to be transmitted by the State Government to the executing agencies within 30 days, and were to be utilized within nine months from their receipt. Scrutiny of the relevant records in audit revealed that in 11 (73 *per cent*) out of 15 projects, there were delays in transmission of funds to the executing agencies, ranging from 33 to 628 days as can be seen from the following table:

Table: 3.2.3

Name of the Project	Fund released by GOI	Fund released by State to Implementing agency	Time taken (days)	Date of transmission to Executing agency	Time taken (days)	Total time taken (days)	Delay*
Construction of 132 KV S/C Transmission line from Along to Pasighat	18.11.05	29.3.06	132	July 06 to March 08	93	225	195
	31.12.07	4.2.08	33		30	63	33
Improvement of Daimukh -Toru Road	2.3. 06	28.8.06	178	Oct 06 to Feb 08	33	211	181
	28.6.07	20.8.07	52		164	216	186
Construction of road from Sagalee to Sakiang	21.2.06	1.8.06	161	Sept '06 to March 08	30	191	161
	28.6.07	9.8.07	42		203	245	215
Improvement of road from Palizi to Thrizino	28.3.06	1.8.06	125	Oct 06 to March '08	60	185	155
	28.6.07	19.10.07	114		133	247	217
Anti erosion work at Noa-dehing to protect Namsai and Lekang circle	27.7.00	30.11.00	120	March 01	90	210	180
	31.7.01	21.12.01	143	March 02	70	213	183
	31.3.02	5.9.02	158	March '03	177	335	305
	30.1.03	6.6.03 31.3.04	126 to 393	March '04	268	394	364
Anti-erosion work of Kley river under lower Subansiri District	26.9.02	14.7.03	279	Aug 03 to Dec. 06	17	296	266
	15.7.04	5.12.04	142		155	297	267
	29.3.06	28.6.06	91		155	246	216
Improvement of water supply at Roing Township	10.9.02	10.12.02	90	Dec 02 to March 05	9	99	69
	5.2. 04	6.7.04	151		237	388	358
Construction of 200 seated girl hostel, auditorium lab etc. in J.N. College Pasighat	7.11.05	14.9.06	308	Sep 06 to March 08	-	308	278
	17.17.07	27.3.08	100		-	100	70
Vivekananda Kendra Vidyalay, Kitpi in Tawang District	26.9.06	6.9.07	355	Oct 07 to March 08	30	385	355
Infrastructure strengthening of secondary healthcare facilities at General Hospital Naharlaguan	26.3.07	17.9.07	174	Dec 07 to March 08	74	248	218
	17.3.08	Not released till Aug 08			-	-	-
Construction of rope way from Tawang Monastery	9.6.06	16.8.07	431	Aug 07 to March 08	227	658	628

Name of the Project	Fund released by GOI	Fund released by State to Implementing agency	Time taken (days)	Date of transmission to Executing agency	Time taken (days)	Total time taken (days)	Delay*
to Anigompa							

* *Delay computed in excess of 30 days allowed for transmission of funds to executing agencies as per guidelines.*

The Department accepted the audit finding and stated (November 2008) that the delays were inevitable due to the lengthy procedure adopted by the State Government in fund transmission. The reply highlights the need to streamline and simplify the existing procedure to curtail delays in transmission of funds to the executing agencies so as to complete the projects within the specified timeframe.

3.2.8.5 Diversion of funds

MoDONER while according administrative approval for the projects prohibits any kind of diversion from the project allocation. Scrutiny of records revealed that in 8 test-checked projects with total expenditure of Rs.65.22 crore, the executing agencies diverted Rs.7.43 crore (11 *per cent*) to other works in contravention of the conditions of sanctions as indicated in the table below:

Table 3.2.4

Project	Executing. Agency	Expenditure as of March 2008	Amount Diverted	Diverted to
Road from NH-52 (A) Nirjuli to Sagalee. Sh. Improvement of Doimukh Town Road	EE PWD Sagalee	11.90	1.35	Restoration of Doimukh Town Road
Improvement/Cont. of road from Sagalee to Saking (50 km.)	EE PWD Sagalee	23.82	4.59	Improvement of various Roads and infrastructure development of Divisional Building and maintenance of assets.
Improvement of road from Palizi to Trizino (17 km) in West Kameng district	EE PWD, Bomdila	4.57	0.62	Improvement of Dirang-Tawang road & repair renovation of Chief Engineer office (WZ) chamber.
132 KV SC Transmition lying from Along to Pasighat.	EE Electricity Division, Pasighat	9.26	0.08	For renovation of 33 KV line from Liromoba toTai.
Anti erosion work on kley river under lower subansiri district	EE WRD Ziro	7.27	0.10	Minor irrigation and flood control works.
Potable drinking water supply scheme for the villages of Sille, Rani, Sika Tode & oyam at Sille	EE PHED Pasighat	4.91	0.50	Water supply scheme under ARWSP
Vivekananda Kendra Vidyalaya Kitpi in Tawang District.	EE PWD, Tawang	1.64	0.09	Construction of old building and construction of museum, Library at Tawang Monestery

Opening of Ramakrishna Sarada Mission School for Girls at Khaso (Dirang)	EE PWD, Bombila	1.85	0.10	Construction of road from stadium to Zemithan and renewal of road surface from Dirang to Tawang.
Total		**65.22**	**7.43**	

Diversion of funds from NLCPR projects to other works could have hampered the physical progress of these projects due to the shortage of funds. As such, the expenditure stated to have been incurred in the utilisation certificates (UCs) stands inflated to that extent.

The Department agreed with the audit finding and assured that the funds diverted would be recouped very shortly.

3.2.8.6 Submission of utilization certificates

According to the NLCPR guidelines, UCs along with the physical and financial progress of the project is required to be submitted quarterly to the MoDONER for subsequent release of funds. Scrutiny of records revealed that in the 95 approved projects, the State Government had incurred an expenditure of Rs. 447.32 crore till March 2008. However, UCs for Rs. 166.99 crore were outstanding.

The Department stated (November 2008) that due to non-utilization of complete funds, UCs could not be submitted. The contention of the Department is not acceptable as the submission of UCs does not depend upon the complete utilisation of funds as UCs is required to be submitted quarterly for the amount utilised for the purpose it was given.

3.2.8.7 Short-release/parking of funds

- For 'Construction of 132 KV S/C Transmission line from Along-Pasighat' project, the State released Rs. 10.80 crore during March 2006 to February 2008, to the implementing agency (Chief Engineer, Power) who in turn released only Rs. 9.49 crore to the executing agency (Power Division) till March 2008. Thus, there was short release of Rs.1.31 crore (Rs. 10.80 crore – Rs. 9.49 crore) by the implementing agency. The parking of funds by the implementing agency resulted in short-availability of funds to the executing agency which could affect the progress of the project.

The Department stated (November 2008) that the amount was retained for execution of some petty works related to the project. The reply of the Department is not acceptable as CE, Power could not utilize the funds without passing it to the executing agency.

- Scrutiny of the records of the project 'Opening of Ramakrishna Sarada Mission Schools for Girls at Khaso' revealed that PWD,

Tawang withdrew Rs.51.67 lakh in (March 2008) and kept the amount under Deposit Part-V. Further, the amount has been booked as expenditure in the accounts which led to inflation of the financial progress of the project.

- Similarly, the scrutiny of the records pertaining to 'Construction of Ropeway from Tawang Monastery to Ani Gompa' project revealed that PWD, Tawang kept Rs.12.09 lakh (March 2008) in Deposit-Part V and then showed the amount as expended by March 2008 in the quarterly progress report.

The Department stated (November 2008) that the parking of fund was done in the interest of project work and the payment would be made only after the work is completed by the contractor. The reply of the Department is not tenable since as per the general principles of financial management, the funds should not be drawn when it is not required immediately.

3.2.9 Project Execution

The major findings on the project execution are discussed in the succeeding paragraphs.

3.2.9.1 Physical and financial achievement

The physical and financial performance of NLCPR funded projects in the State as of March 2008 is given in the table below:

Table: 3.2.5

Year	No. of projects approved	Approved cost	Funds released	Funds utilised	Projects completed
			(as of March 2008)		
Up to 2002-03	50	356.09	329.63	307.28	38
2003-04	2	5.70	5.26	5.30	-
2004-05	-	-	-	-	-
2005-06	22	247.45	115.99	90.04	-
2006-07	8	87.84	28.40	16.74	-
2007-08	13	159.30	49.73	27.96	-
Total	**95**	**856.38**	**529.01**	**447.32**	**38**

Source: Departmental records

Out of the 95 approved projects under implementation, MoDONER released full funds for 55 projects that were due for completion by 2006-07. However, only 38 of these projects (69 *per cent*) were completed as of March 2008.

Delay in completion of projects was mainly due to the delay of the State Government in submission of UCs and progress reports, which are mandatory for release of subsequent instalment of funds by GOI. The delays were also due to delay in transmission of funds to the executing agencies as brought out in paragraph 3.2.8.4.

While admitting the audit finding, the Department reiterated (November 2008) that the delays were inevitable due to the lengthy procedure adopted by the State Government in funds transmission, and also due to the time consuming process of tendering, obtaining of environmental clearance from the concerned Ministry, litigation problem, etc. The reply is not acceptable as the reasons cited are either within the control of the State or could have been overcome through adequate planning.

3.2.9.2 Sector wise performance of projects

Sector wise performance of NLCPR funded projects in the State as of March 2008 is given in the table below:

Table: 3.2.6

Sector	No. of projects approved	Approved cost	Fund released	Fund utilized (*per cent*)	Projects due for completion	Projects completed (*per cent*)
		(Rs in crore)				
Roads and Bridges	27	324.27	133.03	101.92 *(77)*	5	4 *(80)*
Water Supply	11	92.44	63.06	70.85 *(100)*	8	6 *(75)*
Irrigation and flood control	16	67.91	67.53	65.93 *(98)*	16	16 *(100)*
Power	14	157.25	135.01	124.47 *(92)*	12	4 *(33)*
Education	20	154.25	111.17	78.01 *(70)*	12	7 *(58)*
Health	4	14.03	11.91	5.10 *(43)*	2	1 *(50)*
Tourism	2	7.31	2.30	1.04 *(45)*	0	-
Legislative Assembly	1	38.92	5.00	- *(Nil)*	0	-
Total	**95**	**856.38**	**529.01**	**447. 32**	**55**	**38**

Source: Departmental records

As can be seen above, out of 55 projects due for completion by March 2008, only 38 projects were completed. While the projects relating to irrigation and flood control were completed on time and within the approved cost, the pace of progress in execution of water supply schemes and projects in the power sector was slow. Of the 15 projects selected for detailed examination, while 4 were due for completion by March 2008, only 2 were completed. The position relating to the funds released, expended and progress achieved in the execution of these 15 projects is given in the following table.

Table: 3.2.7

Name of the Project	Date of approval	Approved cost	Funds released	Funds utilised	Due date of completion	Status (percentage of physical progress)
		(Rs. in crore)				
1. Construction of Motorable suspension bridge over river Lohit to connect Manchal Administrative Circle.	December 2005	13.10	4.54	2.79	March 2008	21%
2. Road from lNH 52(A) Nirjuli to Sagalee SH:Improvement of Daimukh Toru Road (40Km)	December 2005	20.48	14.96	11.90	December 2008	33%
3. Imp/Constn. Of road from Sagalee to Sakiang (50 KM)	February 2006	39.94	26.69	23.82	February 2009	55%
4. Imp. Of road from Palizi to Thrizino (17 KM) in West Kameng Distt.	February 2006	7.44	5.015	4.57	February 2009	61%
5. Anti Erosion Work on Noa Dehing River to protect Namsai and Lekhang circle.	July 2000	6.87	14.14	6.87	March 2001	Completed in Mar-04
6. Anti Erosion works on Kley river under Lower Subansiri District.	September 2002	7.31	6.39	7.27	September 2004	Completed in Mar-04
7. Potable drinking water supply scheme for the villages Sille, Rani, Sika Tode, Oyan at Sille	December 2006	17.42	3.94	4.92	December 2009	24%
8. Water supply at Lumla Township.	May 2006	4.88	4.36	3.57	May 2009	60%
9. Improvement of water supply at Riong Township.	March 2001	4.05	5.85	4.05	March 2004	90%
10. Vivekananda Kendra Vidhyalaya at Kitpi	September 2006	5.21	3.84	1.64	September 2008	30%
11. Opening of Ramakrishna Sarada Mission Schools for Girls.	December 2007	5.88	5.56	1.85	December 2009	32%
12. C/o 200 seated Girls Hostel, Auditorium, Laboratory, Securing fencing etc in J.N. College Pasighat.	October 2005	5.15	11.88	3.20	March 2009	60%
13. C/o 132 KB S/C Transmission line from Along to Pasighat (Power).	August 2005	29.02	1.64	9.26	August 2008	23%
14 Infrastructure Strengthening of Secondary Health Care facilities at General Hospital Naharlagun.	March 2007	4.72	1.14	1.49	March 2008	35%
15 C/o Ropeway from Tawang Monastery to Ani Gompha	May 2006	3.31	4.54	1.49	November 2007	35%

Source: Departmental records

3.2.9.4 Planning and Detailed Project Reports (DPRs)

Scrutiny of the 15 projects selected for detailed examination revealed deviations from the approved DPRs, due to inadequate attention at the planning and preparation stage of detailed project reports.

(a) Construction of Motorable suspension bridge over river Lohit to connect Manchal Administrative Circle

No detailed survey was conducted by PWD before forwarding the DPR of the project. This caused change in the specifications of the bridge from steel suspension bridge to steel arch bridge due to the presence of rock strata in the left bank. Also, there were some deviations in the construction of approach road. As a result, the actual expenditure on the construction of approach road exceeded the approved amount by Rs.26.29 lakh. Further, no post-facto approval was obtained for the change in the specifications, from the funding authority.

The Department accepted the audit observation and stated (November 2008) that the change in design was unavoidable to suit the typical topography of the site. It was also admitted that the planning for the project was not adequate as it was done hurriedly.

(b) Infrastructure Strengthening of Secondary Healthcare Facilities at General Hospital, Naharlagun'

The original sanctioned estimate of the project had no provision for dismantling of any old structure. Scrutiny of the records, however, revealed that the PWD spent Rs.8.42 lakh on dismantling the old structure, which was beyond the scope of the approved work.

Admitting the fact, the Department stated (November 2008) that the dismantling work relating to the project was not incorporated in the DPR as it was prepared hurriedly without carrying out a survey.

(c). Improvement of water supply at Roing Township

Technical sanction amounts to a guarantee that the proposal is technically sound; and no work should be commenced without the technical sanction (Para 2.5 of Central Public Works Department Manual). The project "Improvement of water supply at Roing Township" was administratively approved (March 2001) by the MoDONER at a cost of Rs. 4.05 crore. No DPR was made available to audit for scrutiny. Scrutiny of other records revealed that PHED without obtaining the technical sanction awarded the work (February 2003) to a local firm for Rs. 2.45 crore against an estimated cost of Rs.1.86 crore. The scope of the work included (a) survey design and construction of head-work (b) sedimentation tank (c) Aerator (d) flash mixture (e) clariflocculator (f) filter house (g) clear water reservoir (h) chemical house (i) overhead storage tank (j) wire rope suspension bridge (k) laying of ductile iron pipes, etc. The firm commenced the work in March 2003. Except survey design and construction of head-work including bank protection, required river taining works, etc. and erection of wire rope suspension bridge remaining works were completed before July 2004. Due to a flood on 11 July 2004, the width

of the river where the head-work was proposed widened from 60 to 180 meters, and thus the site became unsuitable for the construction of head-work. In March 2006 PHED rescinded the contract and paid Rs. 1.87 crore to the firm for the value of work done including cost of components of wire rope suspension bridge which are now lying unutilized in the site (August 2008). To complete the remaining work, PHED identified a separate source and submitted fresh DPR to the Government for Rs. 19.17 crore which was forwarded to the MoDONER in January 2007. Approval of the MoDONER for the same is still awaited (August 2008).

As per the normal practice, the competent technical authority would have to carry out survey, soil testing, collect data on ferocity and history of the river/stream, design and size of the bridge, etc. before according the technical sanction. Thus, due to commencement of work without obtaining the required technical sanction based on proper assessment of requirement, the project had to be abandoned in the middle. Further, it is not clear whether the assets created as on date would be utilized in the future project.

3.2.9.5 Tendering procedures

Scrutiny of records of 15 projects selected for detailed examination revealed that the implementing departments had followed the codal formalities relating to tendering for execution of the project work through contractors in respect of all the projects. However, in case of 4 projects (27 percent) the time taken to process and complete the tendering formalities ranged between 6 to 13 months against the normal time of 4 months. The delay in finalisation of tender is likely to result in time overrun. Further, the probability of cost overrun due to time overrun can also not be ruled out.

3.2.9.6 Irregular expenditure

According to the NLCPR guidelines, no staff component either work-charged or regular shall be created by the project implementing authority from the NLCPR funds. All such requirements should be met by the State through redeployment of the existing manpower.

Scrutiny of 15 projects revealed that in 13 projects (87 percent) involving an expenditure of Rs.72.74 crore, the State incurred an irregular expenditure of Rs.2.34 crore (3 percent) on wages to work-charged staff, purchase of vehicles, computers accessories etc. in violation of the NLCPR guidelines as tabulated below:

Table: 3.2.8

(Rs. in crore)

Sl. No.	Project name	Expenditure incurred	Irregular expenditure	On account of
1.	Construction of Motorable suspension bridge over river Lohit to connect MAC	2.79	0.14	Wages to work charged staff
2.	Construction of road from Sagalee to Sakiang (50 Km)	23.82	0.70	Purchase of vehicles and excavators, computer spare parts and other miscellaneous items
3.	Construction of road from Palizi to Thrizino (17 Km) in West Kameng Dist.	4.57	0.32	Wages to work charged staff
4.	Anti Erosion work on Noa Dehing River to protect Namsai and Lekhang circle	6.87	0.35	Wages to work charged staff
5.	Anti Erosion works on Kley river in Lower Sub. District.	7.27	0.09	Purchase of vehicle and slab making machine
6.	Potable drinking water supply scheme for the villages Sille, Rani, Sika Tode Oyan at Sille	4.92	0.04	Wages to work charged staff
7.	Water supply at Lumia Township	3.57	0.04	Wages to work charged staff
8.	Vivekananda Kendra Vidyalaya at Kitpi	1.64	0.02	Wages to work charged staff
9.	Opening of RK Sarada Mission Schools for Girls	1.85	0.03	Purchase of fuels and repair of vehicles
10.	Construction of 200 seated Girls Hostel, Auditorium, Laboratory, Securty Fencing etc. in J.N. College Pasighat	3.20	0.43	Wages to work charged staff
11.	Construction of 132 KV S/C Along-Pasighat Transmission line	9.26	0.11	Purchase of vehicle and computer accessories
12.	Infrastructure strengthening of secondary facilities at general Hospital, Naharlagun	1.49	0.06	Wages to work charged staff
13.	Construction of Rope-Way from Tawang Monastery to Ani Gompha	1.49	0.01	Wages to work charged staff
Total		**72.74**	**2.34**	

projects. However, only one such meeting (May 2006) was held during 2003 Such deviation of funds cause paucity of funds for the approved items and may impact on the progress of work and timely completion of the project.

The Government stated (November 2008) that the expenditure was incurred on the work-charged staff, who were actually engaged in the project works and that the purchase of vehicles and computer accessories including other misc. items were also procured for the project works. The reply is not acceptable as the expenditure was incurred in violation of the guidelines of NLCPR and no special dispensation to incur such expenditure was sought from the funding authority.

3.2.10 Monitoring and evaluation

The Chief Secretary of the State is required to hold quarterly meetings to review the progress of implementation of the ongoing NLCPR funded -08.

The Director, Planning stated (May 2008) that no Monitoring Cell/Committee has been formed to monitor the implementation and progress of NLCPR projects and that the projects were monitored by organizing review meetings with the concerned implementing departments as and when it was felt necessary. However, no records were made available in support of the reply.

Further, the NLCPR guidelines envisage six-monthly reviews by an independent supervision mission from MoDONER for taking mid-course corrective action where required. As per the records made available to audit, only one review meeting (June 2004) and three video conferences (June 2006, April 2007 and June 2007) were held till March 2008.

In the absence of periodic review meetings, the monitoring and implementation of the programme was adversely affected. Admitting the facts, the Director, Planning stated (November 2008) that all possible efforts would be made to strengthen the monitoring at regular intervals.

3.2.11 Conclusion

The advantages of targeted funding by the GOI for the development of infrastructure in the State were only partially attained. Unless the projects are completed within the stipulated timeframe, the envisaged benefits from these would not be available to the targeted population. As of March 2008, 55 projects were due for completion, of which only 38 projects were completed. There were also delays in completed projects. The major hurdles in the timely completion of the projects were lack of adequate planning, delays in transmission of funds though the chain to the executing agencies and non-release of the State share on time and delays in transmission of funds caused not only time overrun but also cost overrun. There were instances of diversion of funds by the executing agencies to other works not related to the NLCPR projects and also irregular expenditure on unapproved items in violation of laid down guidelines. These problems could have been addressed suitably had there been an effective supervision and monitoring mechanism in the State.

3.2.12 Recommendations

- Government needs to streamline and simplify the existing procedures to ensure speedy transmission of funds to the executing agencies.
- Implementing Departments should scrutinize the physical and financial progress of the projects and ensure that funds are utilised for the intended purpose in accordance with the laid down guidelines and take appropriate timely and effective intervention to achieve the objectives of the project.
- Planning process should be strengthened and accountability should be enforced for any arbitrary and unexplained deviations.
- Monitoring and supervision of the projects should be strengthened at all levels to ensure that the projects are cruising in the planned direction at the desired speed.